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Integration, Diversity, and Prosperity”

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**THE IMPACT OF CULTURAL DIFFERENCES
ON BUSINESS DECISION-MAKING OF PROSPECTIVE MANAGERS:
A COMPARATIVE STUDY OF GERMANY AND THAILAND**

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ABSTRACT

The internationalization of the world business brings managers and companies from different countries and cultures together. Hence, the importance of intercultural competences of employees and managers grows significantly. Based on this fact, the paper picked up cultural differences of Thailand and Germany by using Hofstede's cultural dimension theory and illuminated different ways of decision-making. The research examined how business decision-making takes place and whether and how cultural aspects influence business decision-making of prospective managers among the two countries. Multiple regression analysis were used in order to provide a better understanding of how business decisions are made along with cultural influences among prospective managers from Germany and Thailand. As a result, the German as well as the Thai prospective manager seemed to decide mostly rational, but combined their rationality with non-rational decision-making approaches. In addition to that, the cultural impact on decision-making was not as strong as it could have been expected due to Hofstede's differing outcome of both cultures.

KEY WORDS: Business decision-making, comparative study, cultural differences, Hofstede's cultural dimensions

INTRODUCTION

The internationalization of the world business brings managers and companies from different countries and cultures together. People out of different cultures have different expectations, norms and values what might influence their behavior and the way they make decisions (Briley, 2007). Based on this fact, the paper picks up cultural differences of Thailand and Germany by using Hofstede's cultural dimension theory and illuminates different ways of decision-making. Further, this research investigates by using the method of multiple regression how and to which extent cultural aspects influence business decision-making of prospective managers of both countries.

LITERATURE REVIEW

Culture

Hofstede developed dimensions that are based on the respective basic problems, with which all countries and cultures are confronted (Hofstede, 2001).

Power Distance (PDI) measures the extent to which the less powerful members of organizations and institutions accept and expect that power is distributed unequally (Hofstede, 2001). The lower the power distance index, the more individuals will expect to participate in the organizational decision-making process (Hill, 2007 quoted in Andrews & Siengthai, 2009). Germany lies among the lower power distance countries. In business life German employees are used to a direct, participative communication. They benefit from extensive co-determination rights and dislike control (Hofstede, 2001). In contrast, in Thailand inequalities are mostly accepted. For the Thais, seniority and status are related to wealth, power, professional rank, age and social connections (Holmes et al., 1995 quoted in Andrews & Siengthai, 2009).

The dimension of *Individualism* (IDV) reflects how much a person depends on his own resources in order to achieve a good life and accordingly how much his success depends on a group (Mead & Andrews, 2009). The German people are truly individualistic (Hofstede, 2001). From a very early age Germans learn to think critically, make own decisions, become independent and do things alone (Schroll-Machl, 2008). In contrast, Thais are a highly collectivistic people where long term commitment to member groups like families is very important. Like in the business environment, loyalty is paramount to most other social rules and regulations (Hofstede, 2001).

Masculinity (MAS) forms Hofstede's third dimension. A high masculine characteristic in a society stands for a preference for material reward for success, heroism, assertiveness and achievements. Feminine societies give more importance to cooperation, caring for the weak, quality of life and modesty (Hofstede, 2001). Germany is classified as a masculine society where performance is highly valued and early required. Germans draw a lot of self-esteem on their tasks and recognition of their results is highly appreciated. Management and leadership style is expected to be precise and assertive (Hofstede, 2001). In Thailand masculinity is not very distinct. With the lowest score within Asian countries, competitiveness and assertiveness are not strongly marked, traditional values are considered to be more important and significant (Hofstede, 2001).

The dimension of *Uncertainty Avoidance* (UCA) expresses the degree to which members of a society feel uncomfortable in unstructured situations that are novel, unknown, surprising or unusual. The Germans indicate a slight preference for uncertainty avoidance. German people are rule oriented and have a strong preference for deductive thinking, presenting or planning. According to the low power distance, employees have to justify their decision on their own and cannot hide behind their bosses' larger responsibility (Hofstede, 2001). Thai people have a higher need to avoid uncertainty than other nations (Andrews & Siengthai, 2009). They try to avoid uncertainty by the adoption of strict rules, laws, policies and regulations. Thai people like to control in order to eliminate unexpected circumstances. The Thai society is not ready to accept changes easily and tries to avoid risks (Hofstede, 2001).

The dimension *Long-Term Orientation* (LTO) contains the temporal orientation towards life. Germany is a rather short-term oriented country. Germans pay great respect to traditions. They have relatively small propensity to save because a high social pressure to 'keep up with the Joneses' is embossing the German culture. Also, there is a distinct impatience for achieving quick results and a strong concern for establishing the absolute truth (Hofstede, 2001). Even though respect and tradition play an important role for the Thais, Thailand is classified as a long-term oriented country. For Thai people values like hard working, investing a lot in personal relationships, protecting someone's face and having a sense of moderation, are dominant. Concerning business, this implies that deadlines are as fluid as limitations and timescales. Negotiations are mostly flexible and pragmatic (Hofstede, 2001).

Decision-Making

The research on decision-making has provided an enormous number of "empirical investigations, descriptions, prescriptions, structuring techniques, and analytical tools" (Nutt, 2011, p. 6). But, despite these notable distributions and efforts, only a few coherent approaches could be developed (Nutt, 2011).

Rational decision-making

By trying to identify the most rational decision in order to maximize the benefits, normative theories pursue to describe what individuals ought to do in a given decision-making situation (Mishra, 2014). The individuals should follow specific rules and keep to the six steps in which rational decision-making usually proceeds (Harrison, 1996, Phatak et al., 2005).

Table 1

Rational Decision-Making Process

Step	Necessary Tasks
Problem definition	Identify problem Realize need for decision-making
Identification of decision criteria	Clarify what are the objectives Identify all criteria that need to be considered
Weighting of criteria	Prioritize criteria
Generate alternatives	Identify all possible alternatives that meet the criteria
Evaluate alternatives	Evaluate each alternative against weighted criteria
Select optimal solution	Chose optimal alternative according to your evaluation

Source. Thomas, 2008, p. 94.

The limited applicability is one major weak point of rational decision-making (Smith, 2003). In a world of dynamic changes, a lot of limitations to rational decision-making were set. Managers frequently have to deal with incomplete information or time restrictions. Sometimes they are even confronted with the limited cognitive capabilities of themselves (Thomas, 2008; Elbanna, 2006).

Due to the limited rationality of choices in the future, organizations are looking for new decision-making techniques what leads to non-rational decision-making approaches (Hayward & Preston, 1999; Sinclair & Ashkanasy, 2005).

Non-rational decision-making

Elbanna (2006) spoke of political behavior and intuition. Political behavior among decision-makers has long been recognized as an influencing factor in the decision-making process (Child & Tsai, 2005 quoted in Elbanna, 2006). The power in organizations is often demonstrated by the intervention in decision-making situations. Disregarding the best interest of the organization or the rationality of decisions, the self-interest of the involved managers prevails. Politically influenced decision-makers prefer informal processes of negotiation, bargaining and other political activities rather than rational replicable approaches (Tsang, 2004).

A second approach of non-rational decision-making often occurs when there is a lack of required information or a quick solution needed. In these cases, the role of intuition as an

influencing factor in decision-making processes increases. Khatri and Ng (2000) provided three implications of intuition:

Reliance on judgment suggests that whenever necessary information cannot be obtained and no precedent is present, the decision-maker relies on his judgment (Butler, 2002 quoted in Elbanna, 2006).

Reliance on experience: Managers draw their attention not on the actual effects but on their previous experience and knowledge (Nutt, 1998). The more experience the decision-makers have, the more they rely on their own skills (Elbanna, 2006).

Use of *gut feelings*: Some “decision-makers simply know that they are right, or they have a strong feeling about the decision” (Elbanna, 2006, p. 11).

RESEARCH METHODOLOGY

In the research upon which this paper is based, the subjects were structured into two specific research questions.

- (1) How do prospective Thai and German managers describe their business decision-making?
- (2) Which influence do cultural aspects have on the procedure of business decision-making?

To explore these questions, the research gathered samples from German and Thai prospective managers who have already reached a professional qualification and working experience for at least one year. The research was conducted through a questionnaire. Culture-specific behavioral anchors on decision-making and business life, derived from Hofstede's cultural dimensions formed the first part of the query, general questions about the typical behavior of business decision-making the second part. Largely a metric rating scale such as the Likert scale was used for the evaluation of the statements of the survey. After completing the data collection the evaluation first was carried out with descriptive statistical methods by using excel and SPSS. In the inductive evaluation part, first possible correlations were tested with Spearman's correlation coefficient and later multiple regressions were run. In this case also fixed variables, the control variables age, gender, education level, working experience and internationality of company were added to the analysis in order to clearly identify the relationship between the dependent and independent variables.

RESULTS OF THE STUDY

Characteristics of the Respondents

The German respondents were at average 25.92 years old. Most participants named Bachelor's degree (52%) as highest educational qualification, followed by Master's degree (38%). The German subjects worked for 3.32 years at average in international operating companies (78.9%).

The Thai subjects were at average 28.51 years old. Contrary to Germany for the Thais with a percentage of 63%, Master's degree is the most common qualification. The Thai

participants had 5.4 years of working experience at average and worked in mostly international operating companies (60%).

Descriptive Comparative Results of Germany and Thailand

A cross-country analysis helps to illuminate the differences and similarities between the two countries in decision-making context. The characteristics are referring to the mean score of each variable. The scale of measurement indicates the score five as strong agreement whereas one stands for strong disagreement.

Table 2

Comparison of Rational Decision-Making Behavior

	Rational Decision-Making Process	General Rational Decision-Making	Rational Decision-Making total mean score
Germany	3.75	3.63	3.70
Thailand	4.00	3.86	3.95

Germany

Most of the Germans tried to decide rational. This was proved by the huge accordance with the behavioral anchors of the rational decision-making process and further general rational statements. The great majority of the participants acknowledged identifying facts that support their decision. Furthermore, most of the Germans concurred with the statement that they can justify their decisions with facts that everybody can retrace. Additionally, a lot of the Germans stated to consider alternatives as equal possible solutions when reliable facts approve this. The German decision-makers considered risks and advantages carefully as an outcome of the decision. Moreover, most of the Germans professed that they evaluate their ideas. To conclude, two thirds of the participants tried to avoid the influence of emotions on business decisions and even more stated that they try to make their decisions rationally.

Thailand

Also the Thai decision-making behavior can be described as rational. The evaluation of the rational decision-making process showed a broad acceptance for the rational decision-making approach, proceeding in six steps. The great majority of Thai participants tried to identify facts that support their decisions. Most of the respondents answered that they can justify their decisions with facts that everybody can retrace. Also, most of the participants maintained that each alternative is considered as an equal possible solution when the facts approved this. Further, the great majority of the Thai subjects professed that they consider risks and advantages as an outcome of their decision and professed to evaluate their ideas. Also, around two thirds of the participants agreed to try staying free of emotions when it comes to business decisions.

Table 3

Comparison of Non-Rational Decision-Making Behavior

	Political Behavior	Intuition-Judgment	Intuition-Experience	Intuition-Gut Feeling	General Non-Rational Decision-Making	Non-Rational Decision-Making total mean score
Germany	3.22	no score	3.67	3.02	3.21	3.28
Thailand	3.87	3.98	3.79	3.21	3.43	3.58

Germany

In the case of limitations the impulse for non-rational decision-making got stronger but the Germans still kept rational decision-making to some degree in mind. However, for the investigation what the subjects do when they have not enough time to decide, the reliance on emotions, expertise and own or colleagues' experiences were the most common answers. The study came to the same result in the case of limited information where the German prospective managers would first ask colleagues for their help and experience and in the second step involve their superior. This just covered the findings of Elbanna (2006), where she stated that limitations set boundaries to the rational approach and therefore lead to non-rational decision-making. But, as the participants often also mentioned rational and non-rational approaches at the same time, a combination of both seems likely.

Thailand

The influence of non-rational factors on the Thai decision-making behavior cannot be neglected. The normally rational decision-making behavior of the Thai participants was in the case of limitations strongly affected by intuition and external influence e.g. through colleagues and superiors, but also through the preference of avoiding the decision. The subjects were confident of their good intuition for decision-making and especially in the case of very important decisions they stated relying on their intuition. So in the case of limitations the Thai subjects tended to non-rational decision-making approaches but without totally losing rationality.

Comparison of the cultural classification in the literature and in decision-making

At first, the estimation of Hofstede's dimensions from the literature (Lit.) was documented and then the mean score based on the research results of the decision-making behavior (DCM) determined.

Table 4

Comparison of Cultural Impact on Decision-Making

	PDI Lit.	PDI DCM	IDV Lit.	IDV DCM	MAS Lit.	MAS DCM	UCA Lit.	UCA DCM	LTO Lit.	LTO DCM
Germany	low	2.28	Idv.	2.49	Mas.	2.26	Medium	2.53	short	3.92
Thailand	high	3.56	Col.	4.23	Fem.	2.07	Medium	3.63	long	2.30

Germany

To summarize, the results show that Hofstede's appraisal can only be proved right to some degree in decision-making context. His findings pertained especially for the dimension of power distance where the findings indicated a rather low power distance in case of decision-making of the German participants. For the other dimensions Hofstede's results for the German society can not be conveyed to decision-making context. In this research, the Germans professed their attitude to collectivism by involving colleagues in their decision-making. This indicates more groupthink than expected, but may also relate to the strong importance of participation in German business decision-making. Also, the common masculine German society paid in decision-making context attention to feminine values like e.g. a good feeling after making a decision. The result of the uncertainty avoidance index in decision-making context also varied from Hofstede's findings. The participants stated risk-taking propensity what stands in contrast to the German decision-making behavior part, where the participants professed themselves as rather risk averse. But, as the German society in general scored a medium uncertainty avoidance, this discrepancy seems to be a good example for the diversity in uncertainty avoidance of the Germans. Additionally, the by Hofstede predicted short-term orientation of the Germans can not be transferred to decision-making context. Here it seems that the Germans take their time to think thoroughly about their decisions. The subjects indicated their willingness to deal with problems and decisions more intense by searching more than one solution to a problem.

Thailand

For the majority of the dimensions, Hofstede's results can also be proved right in the context of decision-making. Hofstede's estimation for Thai power distance was a high score. Also in decision-making context, the high power distance of the Thai participants can have been deduced. The participants stated that important decisions were usually taken from high level positions. Additionally, a lot of the subjects were sure that their boss makes good decisions. Contrary to Hofstede's estimation, in decision-making context the Thais professed a very individualistic attitude. They did not hesitate to take responsibility for their decisions, but also professed that the outcome for them individually, not necessarily for the group is most important. However, the Thais still seemed to be collectivistic to some degree as they named group benefits as well as the maintaining of relationships with colleagues as really important when it comes to conflicts due to opposing goals. Further, Thailand scored mostly feminine values for decision-making which was also proposed by Hofstede. Remaining true to oneself values rather than gaining appreciation and the importance of a good feeling after making a decision indicated a feminine attitude of Thai society. The dimension of uncertainty avoidance showed a preference for uncertainty avoidance. The Thais tried to avoid uncertainty by adopting and implementing strict rules, laws, policies and regulations- also in

business life. By relying on facts rather than on feelings and by using the established regulations it might have been easier for the Thais to justify their decisions. However, the subjects did not approve Hofstede's predicted long-term orientation of the Thais in decision-making context. A lot of Thais did not prefer thinking too long about decisions as quick decisions suggest competency to them. Additionally, they stated that seeing the outcome of decisions directly is important for them.

Inductive German Analysis-Multiple Linear Regression

After the descriptive analysis of the results, multiple regression analysis models were run to find out whether the five cultural dimensions can predict the rational and non-rational decision-making of the Germans.

Table 5

Regression Analysis Model- German Rational Decision-Making

Variable	B	Std. Error	Beta	VIF
(Constant)	3.574			
PDI	-.188	.061	-.316	1.154
IDV	-.183	.059	-.297	1.036
MAS	-.212	.073	-.288	1.089
UCA	.160	.076	.219	1.213

Note. $R^2=.449$, ($ps < .05$).

The more rational people decide, the lower draw their power distance. For the German participants hierarchies were no obstacles, therefore the Germans did not hesitate to indicate their superiors to mistakes and signify their opinion when they did not agree with their boss' decisions. Also, according to Hofstede (2001) the German employees were used to a direct, participative communication.

With the increase of rational decision-making, the German score of individualism shrunk that reflects that the more rational people decide, the more their success depends on the group. Most of the Germans professed to prefer discussing possible solutions with their colleagues before coming to a decision.

In the German case, raising rationality predicted also declining masculinity. The normally very materialistic and success-oriented German society seemed to pay more attention to feminine values. Rational decision-making for only success-related reasons as the ultimate goal seems less important for the Germans than their wish to be at peace with the world and their selves.

Moreover, with increasing rational decision-making, the preference for uncertainty avoidance raised. The more rational the people decided, the more they followed a defined procedure. This eased the reaction to unpredictable and incalculable situations and therefore the uncertainty avoidance score increased by ensuring security and support in uncertain situations.

Table 6

Regression Analysis Model- German Non-Rational Decision-Making

Variable	B	Std. Error	Beta	VIF
(Constant)	2.692			
IDV	.176	.065	.270	1.036
UCA	-.347	.083	-.449	1.213
Age	.068	.033	.306	2.258

Note. $R^2=.416$, ($ps <.05$).

Contrary to the negative correlation with rational decision-making, in this case individualism and non-rational decision-making were positively related. The own experience and expertise seemed really important and therefore forms a more individualistic than collectivistic characteristic.

With increasing non-rationality in decision-making the masculinity declined. Just like in the case of increasing rationality the German participants in general seemed to tend to a more feminine attitude in decision-making, no matter which approach they preferred.

Also in contrast to the correlation with rational decision-making, the uncertainty avoidance score declined by 0.449 with increasing non-rational decision-making. As the decision-makers did not refer to a fixed procedure and trusted their own attitude, the need for the coverage of uncertainty and risks was lower.

Furthermore, non-rational decision-making was significantly predicted by the control variable age. The older the Germans were, the more they relied on non-rational decision-making. This can be explained through the increasing working experience and the judgment they gained during the years.

Inductive Thai Analysis- Multiple Linear Regression

Table 7

Regression Analysis Model- Thai Rational Decision-Making

Variable	B	Std. Error	Beta	VIF
(Constant)	1.958			
UCA	.201	.063	.401	1.353

Note. $R^2=.404$, ($ps <.05$).

With increasing rationality in decision-making, the preference for uncertainty avoidance of the Thais raised. The Thais saw their companies as very rule oriented with a lot of different regulations. They also preferred making their decisions conditional on facts rather than on emotions. These possibilities fit to the rational decision-making process and minimize uncertainty.

Table 8

Regression Analysis Model- Thai Non-Rational Decision-Making

Variable	B	Std. Error	Beta	VIF
(Constant)	3.714			
LTO	-.211	.099	-.311	1.580
Internationality of Company	.174	.078	.276	1.146

Note. $R^2=.319$, ($ps <.05$).

With increasing non-rationality the decision orientation turned to short-term orientation. A lot of the Thai subjects professed that thinking not too long about decisions is a sign of competency for them. Also, they stated favoring to see the outcomes of their decisions immediately.

In addition to the shrinking long-term orientation, the more international the companies operate, the more Thais decided non-rational. As the Thais had a preference for uncertainty avoidance, also in local companies a lot of regulations and policies were passed. This addictedness to rules seemed to decline by working in an international operating company as the Thais might have explored more freedom how to make their decisions. Especially in companies from countries with a low power distance, hierarchies were flat and regulations often were more flexible than in companies from high power distance countries. So, it is conceivable that the Thais took advantage of this gained independence and therefore used non-rational rather than rational approaches.

CONCLUSION

Research Question 1: Decision-Making Behavior

The results show that the decision-making behavior of both sample groups generally can be described as rational. Prospective managers from Germany and Thailand try to exclude feelings from their decisions in general and follow a clear structure in order to make their decisions justifiable and comprehensible to others.

However, as decisions in the future will be increasingly determined by limitations which set boundaries to rationality, the importance of non-rational decision-making will raise further. It can be inferred from the findings that in these situations, the accessibility for external influence e.g. through colleagues or superior rises in both countries. Also the impact of emotions can be identified as important. "Rationality is bounded by emotions and, in any case, emotions cannot be separated from rationality in either personal or business decision-making." (Das, 2008, p. 1).

Just like the research of Isenberg (1984) and Burke and Miller (1999) quoted in Sinclair and Ashkanasy (2005) proved, in case of limitations or uncertain situations decision-makers tend to use non-rational approaches like intuition or experience in conjunction with rational analysis. By the results of this study, this conjunction can also be inferred for prospective managers from Germany and from Thailand.

Research Question 2: Cultural Impact on Decision-Making

It was more difficult than expected to draw the correlation of each cultural dimension on decision-making. The findings of the research indicate that the cultural impact on decision-making behavior was not as strong as it could have been expected through the differences in the national culture.

The influencing cultural dimensions varied a lot with the exception of uncertainty avoidance what influenced both, German and Thai rational decision-making behavior. The findings of this research gave the impression that the different influence of the particular cultural dimensions on an almost similar decision-making behavior relate to other factors like age or internationality of the company as well.

Limitations and Future Research

The results of this study cannot be considered as conclusive, but they can provide an exploratory approach to examine decision-making behavior in Germany and Thailand and to investigate the influence of culture on the decision-making behavior.

Contrary to the expectations in the beginning, the former research of cultural effects on decision-making was not extensive. It was especially difficult to find similar former research results that cover all of Hofstede's dimensions. For the dimensions of power distance and individualism applicable research results were found, but more attention in future research could be paid to the other cultural dimensions and their influence on decision-making. Also the underlying circumstances should be considered in further research. As by the Internet and globalization borders get more flexible and culture changes faster, the examination of these factors and their influence on decision-making could be potentially important as well.

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**THE THRESHOLD EFFECT AND FAT TAILS IN VOLATILITY
OF THE ASEAN STOCK MARKETS**

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ABSTRACT

The purpose of this paper is to examine the threshold effect in the volatility of ASEAN stock markets including Malaysia, Indonesia, Philippines, Singapore, Thailand, and Vietnam by using the daily stock indices during January 2004 to December 2013. The threshold GARCH model was employed to investigate the volatility of market return. The performance of threshold GARCH models by assuming normal distribution, student's t distribution, and generalized error distribution were compared across markets in order to see whether the distribution with fatter tails can better fit the conditional volatility than the normal distribution. The findings indicate that there exists the threshold effect and there are both the sign bias and size bias in the conditional volatility. In GARCH processes, the fat-tails distribution which are the student's t and generalized error distribution show superior performance compared to the normal distribution.

KEY WORDS: Threshold GARCH, Heteroskedasticity, Student's T Distribution, Generalized Error Distribution, ASEAN Studies, Volatility

INTRODUCTION

Estimating volatility has always been one of the most interesting topics in financial studies because volatility is a measure of risk and therefore, it is an important input in most financial models including models in the asset pricing theories which shows that the fair price of a particular asset depends on the risk of that asset, models in the investment performance evaluation which shows that investment performance should be evaluated based not only on its return but also on its risk, models in risk management, and models related to derivatives trading. In case of financial time series, volatility is reflected in the second moment of the time series. To estimate the volatility of financial time series by taking into account its time-varying property, Engle (1982) pioneered the autoregressive conditional heteroscedastic (ARCH) model where the predicted volatility depends on the past information, followed by Bollerslev (1986) who included the lagged volatility into the model and therefore developed the model known as the generalized ARCH (GARCH). Later in 1994, Zakoian considered a modification of the classical ARCH models by adding the conditional standard deviation as a piecewise linear function of past values of the white noise. This specific form allows different reactions of the volatility to different signs of the lagged errors and is known as the threshold GARCH (TGARCH) model. The threshold effect is captured by the added conditional standard deviation term and will be significant if the positive and negative error terms have different effect on the volatility.

Past literature focus on examining volatility on developed markets such as the U.S. market and the European Markets. Evidence shows that GARCH can be used to model volatility very well and there is threshold effect on volatility. However, there has been little study examining on developing markets especially stock markets in ASEAN. Stock markets in ASEAN including Malaysia, Indonesia, Philippines, Singapore, Thailand, and Vietnam are in the stage of developing markets. ASEAN countries are currently in the stage of growing and forming the ASEAN community (AEC) therefore it would be interesting and beneficial for practitioners and investors to understand the nature of volatility in these markets. As a result, this study aims to examine the stock market volatility in ASEAN markets based on the Zakoian's TGARCH model. Past evidence also show that the residuals from conditional volatility model is not well fit with the normal distribution because it has fatter tails so in this

study, the estimations of TGARCH by normal distribution is compared with the estimations by the fatter tails distributions which are the student's t distribution and the generalized error distribution.

The rest of the paper is structured as follows: Section 2 reviews the literature on the volatility model and its extension. Section 3 describes the methodology and data used in this study. Section 4 presents the empirical results. Section 5 summarizes and discusses the future research.

LITERATURE REVIEW

Engle (1982) developed the conditional heteroscedasticity of volatility model known as the ARCH (autoregressive conditional heteroscedastic) model in order to capture the time-varying property of the second moment in time series by the squared of the lagged residuals. Bollerslev (1986) added the squared of the lagged variance to generalize the ARCH model and this is known as the GARCH model. Since then, the model has been widely applied to many economic and financial time series including stock price, interest rate, and exchange rate.

Although the GARCH model captures the time-varying property in the volatility, it assumes that positive and negative lagged error terms have the same effect on the volatility. However, Black (1976) proposed that there is the leverage effect that causes volatility to be higher after bad news than after good news:

“A drop in the value of the firm will cause a negative return on its stock, and will usually increase the leverage of the stock. ... Thai rise in the debt-equity ratio will surely mean a rise in the volatility of the stock”.

Consequently, Zakoian (1994) developed the GARCH model with threshold effect in order to consider the reactions of volatility to the sign of the shocks. Moreover, the study of Li and Li (1996) has showed that threshold-asymmetric modelling provides better fitting compared with symmetric ARCH in the field of financial time series. Koutmos (1998) applied the asymmetric autoregressive threshold GARCH model to nine national stock markets and found that both the conditional mean and the conditional variance respond asymmetrically to past information. The evidence was consistent with other studies that the conditional variance is an asymmetric function of past innovations and is rising more during market declines (leverage effect). According to Koutmos and Saidi (2001), the threshold GARCH specification is ideally suited to test for asymmetries in the conditional variance of the distribution of stock returns. For the US, the Japanese and the British stock markets there has been evidence of asymmetries in the conditional variance (Nelson, 1991; Koutmos and Booth, 1995; and Poon and Taylor, 1992).

In additions, Chen and So (2006) performed the threshold heteroskedastic model on both simulated data and real financial times series of daily closing prices of five Asian and two U.S. stock market indices (Hang Seng Index of Hong Kong, Straits Times Industrial Index of Singapore, Taiwan Stock Exchange, Korea Composite Price Index, Nikkei 225 Index, Nasdaq Composite Index, and Standard and Poor's 500 Index) during 1988-2002. The results show that the error distribution is leptokurtic so modeling the threshold model with normal error

can result in substantial bias in the VaR and volatility forecasts. Moreover, the arrival of bad news in general makes the markets more volatile and bad news has a more prolonged effect on return volatility than good news.

According to Koutmos and Saidi (2001) and Chen and So (2006), the standardized residuals obtained from ARCH-type models that assume normality appear to be leptokurtic so that parameter estimates are not asymptotically efficient. To deal with this problem, this research paper uses density functions with thicker tails, such as, the student's t and the generalized error distribution (GED).

DATA & METHODOLOGY

The daily stock indices are collected from Datastream are used to estimate the market returns. Ten years of data starts from 1 January 2004 to 31 December 2013. Six stock markets in ASEAN include Malaysia, Indonesia, Philippines, Singapore, Thailand, and Vietnam. The threshold GARCH (1,1) is employed to estimate the volatility series of market return by assuming two distributions (the student's t and the GED). Then the sign bias tests are investigated.

The stock market return is defined as:

$$R_{m,t} = \log(P_{m,t}) - \log(P_{m,t-1}) \quad (1)$$

where $R_{m,t}$ is the daily return on market index m at time t and $P_{m,t}$ is index of market m at time t .

The conditional variance in GARCH (p,q) is defined as:

$$\sigma_t^2 = \omega + \sum_{i=1}^p \alpha_i \varepsilon_{t-i}^2 + \sum_{j=1}^q \beta_j \sigma_{t-j}^2 \quad (2)$$

where ω is a constant, α_i is the coefficient of the lagged residuals ε_{t-i}^2 , and β_j is the coefficient of the lagged conditional variance σ_{t-j}^2 .

The conditional variance in threshold GARCH (p,q) is a sub model of the family GARCH model of Hentschel (1995) defined as:

$$\sigma_t^\lambda = \left(\omega + \sum_{j=1}^m \zeta_j \nu_{jt} \right) + \sum_{j=1}^q \alpha_j \sigma_{t-j}^\lambda \left[|z_{t-j} - \eta_{2j}| - \eta_{1j} (z_{t-j} - \eta_{2j}) \right]^\delta + \sum_{j=1}^p \beta_j \sigma_{t-j}^\lambda \quad (3)$$

which allows the decomposition of residuals to be driven by different powers for z_t and σ_t and also allowing for both shifts and rotations in the news impact curve where the shift is the main source of asymmetry for small shocks while rotation drives large shocks (Ghalanos, 2014). The threshold GARCH model of Zakoian (1994) is a specific model where $\lambda = \delta = 1$, $\eta_{2j} = 0$, and $|\eta_{1j}| \leq 1$.

The two distributions assumed in this study are the student's t distribution and the generalized error distribution (GED).

The conditional density of Student's t distribution is given by:

$$f(x) = \frac{\Gamma\left(\frac{\nu+1}{2}\right)}{\sqrt{\beta\nu\pi}\Gamma\left(\frac{\nu}{2}\right)} \left(1 + \frac{(x-\alpha)^2}{\beta\nu}\right)^{-\frac{\nu+1}{2}} \tag{4}$$

where α, β , and ν are the location, scale, and shape parameters respectively and Γ is the Gamma function.

The GED is a distribution belonging to the exponential family with conditional density given by,

$$f(x) = \frac{k \exp(-0.5 \left|\frac{x-\alpha}{\beta}\right|^k)}{2^{1+k^{-1}} \beta \Gamma(k^{-1})} \tag{5}$$

where α, β , and k are the location, scale, and shape parameters respectively.

Both the student's t and the GED are symmetric and unimodal similar to the normal distribution but the student's and the GED are more suitable to model the residuals of the conditional volatility model since they are fatter in tails.

To examine the sign of shocks impact on volatility, the threshold GARCH(1,1) of each market are estimated and the performance of volatility model between assuming student's t and GED are compared based on the log likelihood and Akaike Information Criteria. Moreover, the Engle-Ng tests are investigated. The Engle-Ng tests include the sign bias test, the negative size bias test, the positive size bias test, and the joint test.

Sign Bias Test	: $(\varepsilon_t/\sigma_t)^2 = a + bS_t^- + e_t$
Negative Size Bias Test	: $(\varepsilon_t/\sigma_t)^2 = a + bS_t^- \varepsilon_{t-1} + e_t$
Positive Size Bias Test	: $(\varepsilon_t/\sigma_t)^2 = a + b(1 - S_t^-) \varepsilon_{t-1} + e_t$
Joint Test	: $(\varepsilon_t/\sigma_t)^2 = a + b_1 S + b_2 S_t^- \varepsilon_{t-1} + b_3 (1 - S_t^-) \varepsilon_{t-1} + e_t$

The sign bias test examines the asymmetric impact of positive and negative innovations on volatility that are not predicted by the model. The negative and positive size bias tests examine how well the model captures the impact of large and small negative and positive

innovations. The sign and size bias tests are based on the t-statistic. The joint test is based on the F-statistic of a regression involving all three explanatory variables. If they are insignificant, then it means that the model is successful in capturing the time variation in the volatility.

EMPIRICAL RESULTS

Table 1 reports the key empirical results based on the threshold GARCH (1,1) estimation. In each market, the threshold GARCH model is estimated by using three distributions which are the normal distribution, the student's t distribution, and the generalized error distribution. The optimal parameters shown in the table are based on the robust standard errors.

In Malaysia, all the parameters estimated by all types of distributions are significant at 5%. However, there are some different in the sign of parameters. For example, in the normal distribution case, the autoregressive term is positive but the moving average term is negative. However, in the fat-tails distributions, the autoregressive (ar) term is negative while the moving average (ma) term is positive.

In Indonesia, all the parameters estimated by all types of distributions are significant at 5% except for the ma term under normal distribution model. Similar to Malaysia, the ar term is positive under normal distribution but it is negative under the fat-tails distributions. For other markets, the results can be interpreted in the similar way.

In summary, all the main parameters of the threshold GARCH (alpha, beta, and eta) are significant at 5% level in all markets and under all distributions except for one case that is the eta in the Vietnam market.

By comparing the log likelihood and other information criteria, the student's t distribution, which has fatter tails than the normal distribution, outperform the normal distribution in all of the six markets. The GED also outperform the normal distribution but in five out of six markets.

The GED is the best fit distribution for four markets which are Malaysia, Indonesia, Philippines, and Singapore. The two exceptions are Thailand and Vietnam which is best fitted by the student's t distribution. In conclusion, the results in all of the six markets show that the fat-tails distributions have superior performance compared to the normal distribution.

Table 1

Optimal Parameters of the Threshold GARCH (1,1) by Normal Distribution, Student's T Distribution, and Generalized Error Distribution

Panel A: Malaysia

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0005	2.9184	0.0035	0.0005	4.4744	0.0000	0.0003	3.6311	0.0003
ar1	0.4616	44.2186	0.0000	-0.0480	-2.7176	0.0066	-0.1096	-13.2976	0.0000
ma1	-0.3230	-23.9954	0.0000	0.1546	8.2694	0.0000	0.1914	12.4816	0.0000
omega	0.0002	2.6566	0.0079	0.0001	2.2836	0.0224	0.0001	2.5437	0.0110
alpha1	0.0953	5.3606	0.0000	0.0924	4.8191	0.0000	0.0915	5.1611	0.0000
beta1	0.9063	48.0192	0.0000	0.9181	49.5038	0.0000	0.9149	50.3438	0.0000
eta11	0.4337	4.4842	0.0000	0.2861	3.5357	0.0004	0.3216	4.1709	0.0000
shape				4.4357	10.7568	0.0000	1.1197	19.9237	0.0000
LogLikelihood			9472			9586			9595
Information Criteria									
Akaike			-7.2556			-7.3421			-7.3494
Bayes			-7.2399			-7.3241			-7.3314
Shibata			-7.2557			-7.3421			-7.3494
Hannan-Quinn			-7.2499			-7.3356			-7.3429

Panel B: Indonesia

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0010	4.5309	0.0000	0.0011	6.0586	0.0000	0.0009	4.6117	0.0000
ar1	0.0809	2.8098	0.0050	-0.6978	-47.0732	0.0000	-0.6814	-109.0692	0.0000
ma1	0.0152	0.5123	0.6084	0.7412	49.5148	0.0000	0.7230	118.6998	0.0000
omega	0.0005	2.0474	0.0406	0.0010	3.0620	0.0022	0.0009	2.4874	0.0129
alpha1	0.1058	5.2317	0.0000	0.1568	6.8352	0.0000	0.1350	5.6191	0.0000
beta1	0.8810	26.8062	0.0000	0.8112	22.5087	0.0000	0.8353	20.4711	0.0000
eta11	0.6634	4.6548	0.0000	0.5425	5.0445	0.0000	0.5907	4.9919	0.0000
shape				4.6970	9.1882	0.0000	1.1385	18.3772	0.0000
LogLikelihood			7763			7874			7880
Information Criteria									
Akaike			-5.9455			-6.0299			-6.0345
Bayes			-5.9297			-6.0119			-6.0165
Shibata			-5.9455			-6.0299			-6.0345
Hannan-Quinn			-5.9398			-6.0233			-6.0280

Panel C: Philippines

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0008	3.7565	0.0002	0.0008	3.9404	0.0001	0.0005	2.1679	0.0302
ar1	0.1080	6.4011	0.0000	-0.0686	-4.4745	0.0000	-0.0472	-1.5996	0.1097
ma1	0.0197	1.2042	0.2285	0.1781	11.4819	0.0000	0.1428	6.2261	0.0000
omega	0.0005	2.7305	0.0063	0.0007	4.2245	0.0000	0.0007	3.9127	0.0001
alpha1	0.1147	5.3149	0.0000	0.1433	7.7204	0.0000	0.1301	7.0241	0.0000
beta1	0.8703	30.5229	0.0000	0.8323	36.7526	0.0000	0.8462	35.9983	0.0000
eta11	0.3854	3.3629	0.0008	0.3084	3.2512	0.0011	0.3653	3.6752	0.0002
shape				5.5886	8.9043	0.0000	1.2347	18.3492	0.0000
LogLikelihood			7893			7975			7976
Information Criteria									
Akaike			-6.0449			-6.1071			-6.1083
Bayes			-6.0292			-6.0891			-6.0903
Shibata			-6.0450			-6.1071			-6.1083
Hannan-Quinn			-6.0392			-6.1006			-6.1018

Panel D: Singapore

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0003	1.5229	0.1278	0.0005	3.6202	0.0003	0.0005	4.1926	0.0000
ar1	0.9277	148.5525	0.0000	0.1030	10.8504	0.0000	0.0730	4.4487	0.0000
ma1	-0.9159	-98.6937	0.0000	-0.1194	-11.0787	0.0000	-0.0990	-6.0849	0.0000
omega	0.0001	3.4511	0.0006	0.0001	3.1175	0.0018	0.0001	3.2338	0.0012
alpha1	0.0858	7.0784	0.0000	0.0804	6.2554	0.0000	0.0838	6.5026	0.0000
beta1	0.9212	84.0623	0.0000	0.9266	79.3805	0.0000	0.9230	78.1903	0.0000
eta11	0.4854	4.6164	0.0000	0.4433	5.0684	0.0000	0.4253	5.1748	0.0000
shape				9.1260	6.3971	0.0000	1.4579	23.5156	0.0000
LogLikelihood			8517			8538			8544
Information Criteria									
Akaike			-6.5237			-6.5390			-6.5437
Bayes			-6.5080			-6.5210			-6.5257
Shibata			-6.5237			-6.5390			-6.5438
Hannan-Quinn			-6.5180			-6.5325			-6.5372

Panel E: Thailand

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0002	5.2106	0.0000	0.0006	6.9253	0.0000	0.0002	8228.3720	0.0000
ar1	0.9952	681.4495	0.0000	0.9699	159.6281	0.0000	-0.0033	-8228.2836	0.0000
ma1	-1.0000	-9313.2031	0.0000	-0.9528	-249.6741	0.0000	-0.0024	-8228.2828	0.0000
omega	0.0010	1.5439	0.1226	0.0005	4.4840	0.0000	0.0000	1.5388	0.1239
alpha1	0.1013	5.1136	0.0000	0.0977	8.3585	0.0000	0.0500	8237.7222	0.0000
beta1	0.8382	14.0378	0.0000	0.8884	67.7726	0.0000	0.9000	6361.7213	0.0000
eta11	0.8653	2.5314	0.0114	0.6431	5.1221	0.0000	0.0500	6348.6484	0.0000
shape				5.4172	7.2679	0.0000	2.0000	5970.6027	0.0000
LogLikelihood			7824			7989			5014
Information Criteria									
Akaike			-5.993			-6.118			-3.838
Bayes			-5.977			-6.100			-3.820
Shibata			-5.993			-6.118			-3.838
Hannan-Quinn			-5.987			-6.112			-3.831

Panel F: Vietnam

	Normal			Student's t			GED		
	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)	Estimate	t	Pr(> t)
mu	0.0006	3.0858	0.0020	0.0004	0.2326	0.8160	0.0002	0.8722	0.3831
ar1	0.0417	1.5321	0.1255	0.1015	0.0747	0.9405	0.0240	0.2992	0.7648
ma1	0.1875	7.9025	0.0000	0.1204	0.0957	0.9237	0.1911	2.4749	0.0133
omega	0.0004	2.6432	0.0082	0.0003	2.4872	0.0129	0.0003	2.6128	0.0090
alpha1	0.1518	8.2592	0.0000	0.2021	7.0622	0.0000	0.1802	8.4049	0.0000
beta1	0.8577	40.7944	0.0000	0.8314	33.4298	0.0000	0.8434	39.2934	0.0000
eta11	-0.0464	-0.7650	0.4443	0.0221	0.2201	0.8258	0.0040	0.0751	0.9402
shape				6.5855	5.7001	0.0000	1.3242	15.0782	0.0000
LogLikelihood			7642			7699			7697
Information Criteria									
Akaike			-5.8532			-5.8958			-5.8942
Bayes			-5.8374			-5.8778			-5.8762
Shibata			-5.8532			-5.8958			-5.8942
Hannan-Quinn			-5.8475			-5.8893			-5.8877

Table 2 reports the sign bias tests of the threshold GARCH model in six markets under normal distribution, student's t distribution, and generalized error distribution. The sign bias test examines the asymmetric impact of positive and negative innovations on volatility that are not predicted by the model. At 5% significant level, the sign bias test is insignificant in Philippines, Thailand, and Vietnam which means that in these markets, the asymmetric impact of positive and negative innovations on volatility can be predicted by the threshold GARCH model. At 1% significant level, the threshold effect of conditional volatility in Malaysia, Philippines, Thailand, and Vietnam can be predicted by the model. However, the model cannot be used to predict the asymmetric impact of volatility in Singapore market. In

Indonesia, only the models with fat tails can be used to predict the asymmetric impact of volatility.

The negative and positive size bias tests examine how well the model captures the impact of large and small negative and positive innovations. At 5% significant level, the negative and positive size bias tests are insignificant in most markets except for Singapore and Vietnam. In Singapore, the student's t distribution model outperforms the other two models. In Vietnam, both student's t and generalized distribution models outperform the normal distribution model.

The joint test is based on the F-statistic of a regression involving all three explanatory variables. If they are insignificant, then it means that the model is successful in capturing the time variation in the volatility. The joint test in Malaysia, Philippines, Thailand, and Vietnam fails to reject the null hypothesis that the model is successful in capturing the time variation in volatility. However, the result is opposite in Indonesia and Singapore. Although it is not the significant improvement, in Indonesia, the fat-tails model shows a slight improvement from normal distribution model.

Table 2

Sign Bias Test

Panel A: Malaysia

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	2.1121	0.0348	*	2.0334	0.0421	*	1.9920	0.0465	*
Negative	0.4460	0.6557		0.0408	0.9675		0.0592	0.9528	
Positive	0.0452	0.9640		0.5462	0.5850		0.4909	0.6235	
Joint	7.1293	0.0679		10.2773	0.0164	*	9.2399	0.0263	*

Panel B: Indonesia

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	2.6503	0.0081	**	2.5481	0.0109	*	2.5286	0.0115	*
Negative	0.3574	0.7209		0.8992	0.3687		0.4141	0.6788	
Positive	0.3846	0.7005		0.6367	0.5244		0.5696	0.5690	
Joint	17.0752	0.0007	**	12.7772	0.0051	**	13.4816	0.0037	**

Panel C: Philippines

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	1.1824	0.2372		1.0064	0.3143		1.3032	0.1926	
Negative	0.4619	0.6442		0.9428	0.3459		0.8737	0.3824	
Positive	0.2624	0.7931		0.5208	0.6026		0.0788	0.9372	
Joint	1.6868	0.6399		2.7801	0.4268		2.6512	0.4486	

Panel D: Singapore

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	2.5940	0.0095	**	2.8260	0.0047	**	2.8750	0.0041	**
Negative	2.2490	0.0246	*	1.9350	0.0531		1.9890	0.0468	*
Positive	1.7680	0.0771		1.4810	0.1388		1.4730	0.1408	
Joint	18.7950	0.0003	**	19.0210	0.0003	**	19.3770	0.0002	**

Panel E: Thailand

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	0.5850	0.5586		0.5950	0.5519		0.8107	0.4176	
Negative	0.1447	0.8849		0.2644	0.7915		0.0126	0.9900	
Positive	0.3537	0.7236		0.4593	0.6461		0.5546	0.5792	
Joint	1.4715	0.6889		1.9602	0.5807		2.6145	0.4550	

Panel F: Vietnam

Test	Normal			Student's t			GED		
	t-value	prob	sig	t-value	prob	sig	t-value	prob	sig
Sign Bias	1.0823	0.2792		0.3439	0.7310		0.7589	0.4480	
Negative	2.0484	0.0406	*	0.7099	0.4779		0.3848	0.7004	
Positive	0.0482	0.9615		1.0733	0.2832		0.7020	0.4828	
Joint	4.2241	0.2383		1.6874	0.6397		0.7247	0.8674	

Figure 1-2 reported in the appendix section shows the empirical results of the six market indices based on the estimation of threshold GARCH model by assuming three distributions. Figure 1 shows the conditional standard deviation plot with the absolute of the market return and Figure 2 shows the news impact curve. In most markets, the news impact curve shows that the impact is asymmetric and the market is more sensitive when there is bad news. Market volatility increased more during the downturn than during the upturn.

CONCLUSION

The purpose of this study is to examine the threshold effect of conditional volatility of ASEAN stock markets. The threshold GARCH (1,1) model is used to estimate the conditional volatility in each market returns and the three conditional distributions in GARCH processes are compared (normal distribution, student's t distribution, and generalized error distribution). The daily stock indices during the period January 2004 to December 2013 from major markets in ASEAN including Malaysia, Indonesia, Philippines, Singapore, Thailand, and Vietnam are used to estimate the market returns and volatility. The results show that the parameters estimated from the threshold GARCH model, the sign bias, the negative/positive size bias tests indicate that the volatility of the stock market index is influenced more by negative shocks than by positive shocks. Moreover, the large shocks tend to have heavier impact than the small shocks regardless of whether the shocks are positive or negative innovations. In GARCH processes, the fat-tails distribution which are the student's t and generalized error distribution show superior performance compared to the normal distribution.

ACKNOWLEDGEMENT

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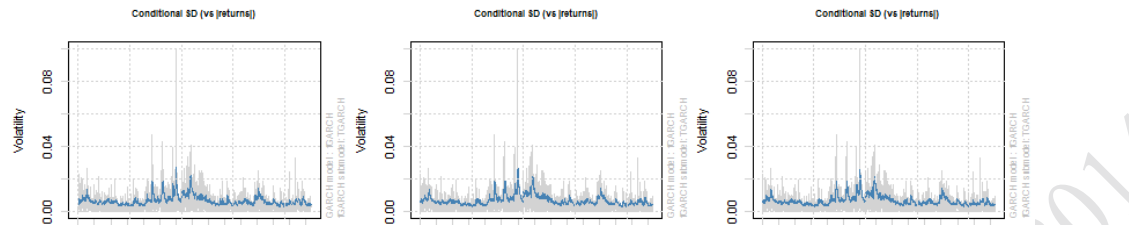
APPENDIX

Figure 1. The Conditional Standard Deviation Plot with the Absolute of Market Return

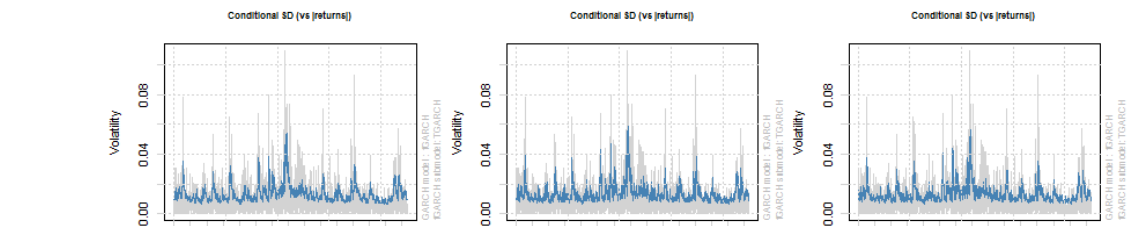
Normal Distribution

Student's T Distribution

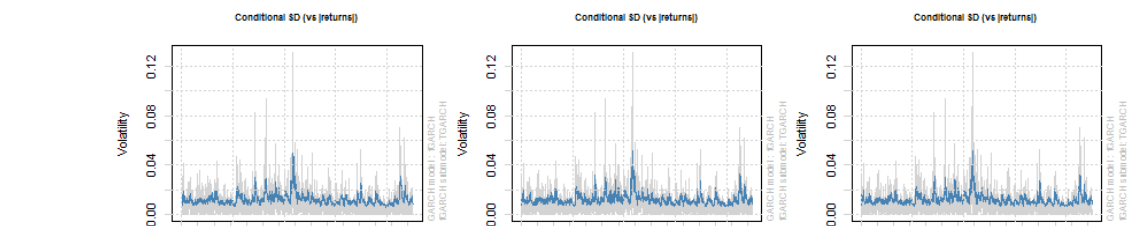
Generalized Error Distribution



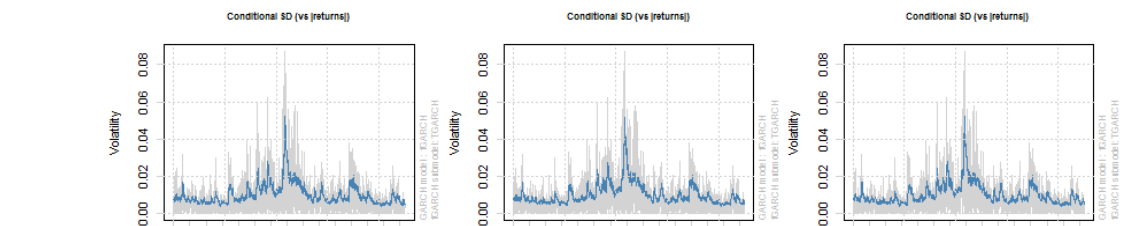
Malaysia



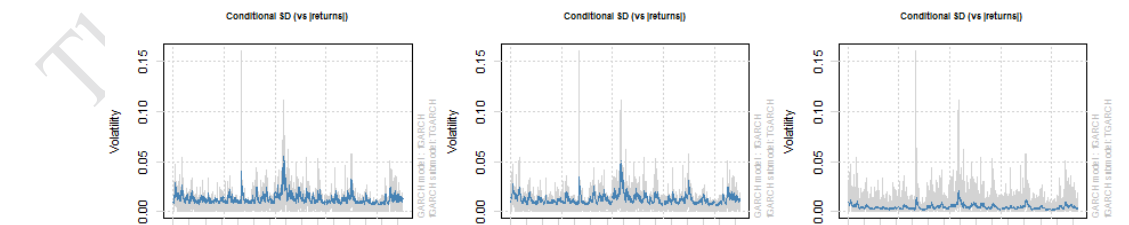
Indonesia



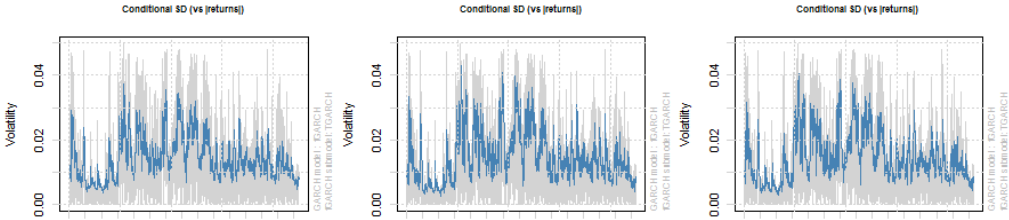
Philippines



Singapore



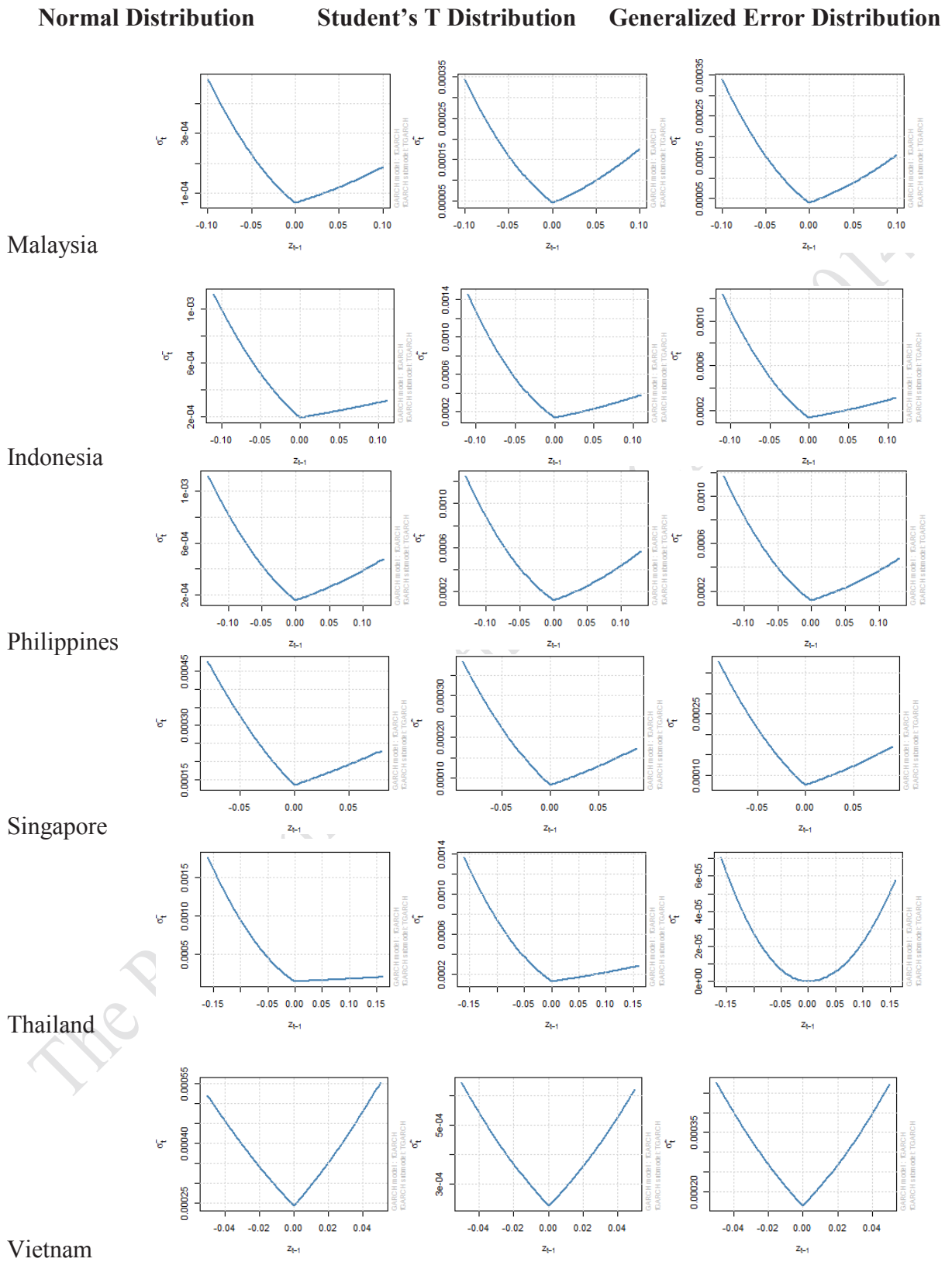
Thailand



Vietnam

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Figur 2. The News Impact Curve



**INFRASTRUCTURE MANAGEMENT SYSTEM IN ASEAN COUNTRIES AND INDIA:
AN ANALYTICAL STUDY**

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ABSTRACT

The ASEAN countries have recognized the importance of infrastructure long back. They have not wasted any time in the preparation of ground work for infrastructure development. Singapore is an open example before us. After that Malaysia, Indonesia, Vietnam, Thailand and Korea have also joined in this process. These countries have given new formative shape to public policies system and planning with special emphasis on infrastructure development. India is also planning for an up-gradation in the infrastructure system but it has many bottlenecks. How does the management of infrastructure operate in the socio political dynamics of country? The study includes system of operation of policies, processes, equipment, data, human resources etc. The study is based on secondary data source. It explores the strength factors for the successful management of infrastructure development in ASEAN countries and failure of strength factors in Indian system. It suggests better practicable frame work for Indian system.

KEY WORDS: Infrastructure, growth, bureaucracy, planning, network

INTRODUCTION

Infrastructure gives representation to many industries like, road, rail road, sea port, communication network, financial system and energy supply. It is obvious that any country's economic growth will be directly linked with the infrastructural position of country. The same case exists with ASEAN countries who have managed their economies with the management of infrastructure. Infrastructure investment has the key role in regional, national and international development. The service levels also have the differences across the countries. The infrastructure condition can be poor and good both that depends on financing system of infrastructure. The inappropriate service quality of infrastructure can be largely felt in developing countries. Quality of life is poor in these countries as consumer's service is unreliable services. The various production cost will be higher substantially as the infrastructure condition is not proper. The clear indicators are congestion, environmental degradation and health conditions of mass.

The important reform in the infrastructure will be delivery of infrastructure service as per user's demand. The consumer satisfaction or dissatisfaction can be generated on the delivery of expected infrastructure services. The match between expected and delivered infrastructure will be also depended on infrastructure investment. There can be following observations about infrastructure. Infrastructure could be seen as demand driven situation. All infrastructure bodies must be responsive to consumers. The demand will give direction like:

1. What to deliver?
2. Which technology may be useful?
3. How to decide price?

4. Service demand has some components like:
5. Reach
6. Capacity and capability
7. Diversity level
8. Quality
9. Time
10. Social conditions
11. Cost and user price

Infrastructure investment should be done on existence of demand so that demand level can go up. Physical infrastructure for any country contributes for the connectivity of people. The following categories are included:

1. Transportation
2. Water resources
3. Energy
4. Communication
5. Public facilities and grounds
6. Trails
7. Flood control/Drainage
8. Waste removal and recycling
9. Brown field clean up

Wishart (1985) has described the management system of infrastructure in following manner:

1. Need estimation
2. Capital budgeting

The three basic steps are required to be taken as:

1. Identifying options
2. Evaluation of options
3. Implementation

RESEARCH OBJECTIVES

The main objective of the study is to analyse the infrastructure management system in ASEAN countries and India. However the sub-objectives of the study are as follows:

1. To study the dynamics of Infrastructure condition in ASEAN countries
2. To analyze the role of Government in the management of infrastructural position in ASEAN countries
3. To identify the gaps remained with Indian condition in comparison to ASEAN countries.

RESEARCH QUESTIONS

1. How does infrastructure give shape to the development of country?
2. How the management of infrastructure does operate in the socio political dynamics of country?
3. How should India learn from ASEAN countries for infrastructure management system?

CONCEPTUAL FRAMEWORK

This includes system of operation of policies, processes, equipment, data, human resources etc. This will lead to:

1. Maintenance of infrastructure standard,
2. Promotion to changeable environment and
3. Continuous flow of information

Infrastructure planning and project require the careful management and supporting environment. The political and social environment also plays an important role in this regard.

RESEARCH METHODOLOGY

The research method is based on the secondary research material observation. The exploratory method was chosen as there were researches causes behind as to know the infrastructural developmental status and impact of social, political and legal variables on infrastructural development.

CONCEPT OF INFRASTRUCTURE

Infrastructure gives representation to many industries like roads, railroads, seaports, communication networks, financial system and energy supplies. It is believed that country has a direct link of growth with infrastructure status. Infrastructure is also important for the productivity of services in terms productivity of labour and capital which have been employed in it. This way infrastructure also affects the production, income and employment in any economy. Infrastructure investment and consumption directly affect the sustainable development of any economy. Infrastructure may lead to:

1. New investment avenues
2. Regional economic growth
3. Health and Educational growth
4. New social activities
5. Efficient resource allocation and
6. Employment opportunities.

Garmlich (1994) has explained infrastructure as large capital intensive monopoly. Stewart (2010) has given the role of infrastructure as essential ingredient. Newbery (2012) has mentioned about the constraint growth factor with suboptimal infrastructure investment. Global competitiveness report (2010-11) has emphasized about sound infrastructure position as prerequisite for better access to core economic activities and services with reference to less developed communities. Infrastructure promotes the growth in an inclusive manner. Better infrastructure also frees the resource in more priority focused area. Ali and Pernia (2003) have emphasised the crucial role of Infrastructure identified by the government of respective countries. Governments of many countries have promoted private sector also in this regard. Physical Infrastructure can be useful in reducing the social gaps also. Bristow and Neither (200) talked about following things in infrastructure such as cost saving, increase safety and inter development network. Gumucdonald (2009) talked about following things in infrastructure in the form of corporate, standardization, centralization and house agency /main, news papers /magazines, export oriented, price competition, heavy dependence speaks about public infra on geographic concentration of economic recourses on employment and output. Snieska and Drakasaite (2007) has mentioned about competitiveness of country through Infrastructure. Nilkemp (1986) spoken about Infrastructure improve the region.

Guw and Macdonald (2009) have described about the productivity and competitiveness factor in infrastructure decisions.

Bhattacharya (2010) has advocated that regional infrastructure may promote employment in the region. Infrastructure define the key role in the promotion of economic growth organised infrastructure can benefit power benefits and groups. Kang (2010) has presented the provided stimulus package to countries like Indonesia, Vietnam, Thailand, Malaysia, and Korea. As per ADB Estimate up to 2009 ASEAN required 28.82% need and total investment of 215,500 US\$. There are three issues in the infrastructure development such as (i) service and finance need of infrastructure, (ii) specific challenges in infrastructure and (iii) effective utilisation of infrastructure to push growth. Inefficiencies in public system are a vital issue. South Asia region has potential for beneficial trade in energy and energy recourses. Sadler and Verheem (1996) mentioned about the role of policy plan and program for infrastructure development.

The model also demonstrates the scope of aspect in infrastructure such as

1. National and regional vulnerability with reference to climate change also impact on agriculture, water and food security
2. Capacity building country level and
3. Building of institutional support system

Noble (2004) advocates about the climate change and national needs for infrastructure development. The whole analysis conclude with the rational that infrastructure not only reflect the physical life structure but the social life structure also.

Infrastructure Planning

The forms of connectivity such as physical connectivity, institutional connectivity and people to people connectivity have been given importance. Ferguson (2004) has advocated that ASEAN countries have addressed the problem of policy in their infrastructure plan. Indonesia is lacking in some regional peers. Malaysia has acquired comparative higher position but still to concentrate on ICT infrastructure at regional level. Arulprogasam and Lacher (2011) have identified governance as one of the problem in the Philippines. The Thailand has improved in central and eastern regions. They are working in flood prevention programme. The electricity and roads are improved in Vietnam. Yeo (1975) has written on the Singapore example role model or world. ACEAIE (2006) has presented that final energy demand will be 800 MTOE. The primary energy demand will be 1000 MTOE up to 2030.

According to pregin database had estimated about the reaching of 600bn\$ infrastructure need within 7 years. Altogether it will change the entire scenario with more and more power plants and airports. Social and political Variables play an important role in infrastructure management. The important role can be witnessed on per capita GDP, GDP growth rate and on economic growth rate. Govt. policy also promotes or de-promotes infrastructure situations. Quality infrastructure also attracts FDI. The absence of infrastructure services is problem which works as a block in development. Technological capabilities and globalization of trade will be promoted by infrastructure development. Infrastructure development is no more only a construction practice but linked to environmental, political and social factors. Rodolfo (2004)

presented that ASEAN has promoted an open sky policy in airlines policy in three different phases. The phases are beginning of 2005 up to end of 2007, beginning of 2008 up to 2010 and beginning of 2011 up to 2012. The complete opening will be done by 2015. Infrastructure monitoring in ASEAN Philippe De Lombaerde, Giulia Pietrangeli and Chatrini Weeratunge (2006) advocates 12 categories of variables: (i) trade liberalisation, (ii) trade facilitation, (iii) trade in services, (iv) transit facilitation, (v) monetary convergence, (vi) domestic payments and settlement systems, (vii) fiscal environment, (viii) government intervention in the economy, (ix) capital flows and foreign investment, (x) governance issues, (xi) regulatory environment, (xii) licensing requirements. Forming partnership arrangements with government agencies, sectoral bodies, business associations and, civil society will have joint role of all stakeholders in the preparation of national action plans and in regular consultations on implementation. The implementation mechanism to be developed consists of the following manner elements: (a) Relevant Sectoral Ministerial Bodies (b) The ASEAN Economic Ministers (AEM), implementation; (c) The AEM is assisted by the High Level Task Force (HLTF); (d) The AEM organizes regular consultation meetings with stakeholders; (e) ASEAN Secretary General prepares progress report on the implementations.

PPP schemes have assumed a much bigger role in financing infrastructure projects. The ASEAN countries, notably Thailand, Indonesia, and the Philippines, and Malaysia have adopted PPP route for development of infrastructure sector.

Role of Private Sector

The private sector is also having an important role in infrastructure development. In any country always some issues growth of population. The infrastructure services are not always self-surviving it depends on public funding. The following problems may emerge in this situation.

1. Poor delivery service
2. Scope of growth is limited
3. Difficult to cope with expansion in demand
4. Operational inefficiency
5. Non importance of maintenance
6. Poor management system

In any system when there is a consideration for the entry of private sector following issues may be act as barriers.

1. Long gestation of project
2. Demand trend may not be apparent
3. Cost of development
4. Legal factors
5. Political factors
6. Delay in bureaucratic decisions
7. Non-support to private players

Now the question arise how any private system can be sustainable where the open democracy works. Foreign direct investment is also an issue where the Govt. restrictions decision delays and non transparency some time can de-motivate the FDI players. P.R. Swarup (2007) has described the following models for private sectors operations:

1. Service contract
2. Management contract
3. Lease arrangements
4. Concessions

To work with these systems the proper reforms in governance are required. Lim H. (2008) has described that Singapore in its entire journey has developed on following account:

1. Clarify in Government action
2. Desirable private participation Development of confidence of international developmental agencies.

The Project Progress System

Timothy (2003) advocated about description of tourism promotion in ASEAN and SAARC Countries. M Than (1997) has suggested the role of natural resources. Michael (2000) described about the access to resources and organization along with strategic alliances. Kimand Lau (1994) had mentioned about the growth of newly industrial countries due to production process Krugman (1994) has spoken about input of machinery and education for Asian countries growth Khang (2006) has given the credit to IT growth for Country's development. Schoch (2005) had given role of political and economic factor along with environmental factor for the growth of resources in ASEAN countries. Buk (1998) has given the importance to innovation for infrastructure growth in Singapore. Many experts who

belong to Architecture, Engineering, and Management companies have observed an importance of planning designers undertake for their own benefit. Design and facilities managers always advice to their external and internal clients about the requirement to understand concept of planning. This should be under the limits of own operations It is common understanding that designers avoid a regular system of planning process, process of management systems, process of evaluation of operations and status of performance. There is also a non understanding of training to staff, and a long range goal.

Planning Concepts

Projects will have a requirement of project management and planning. Individual project managers must be ready with specific plans for management of each job with leadership. In their daily activities there are various categories of plans and approaches for project managers to recognize and undertake. Design and Construction companies will have to focus on long-range planning which assist to work on future targets and requirements corporate functions and activities. If we compare to longer life period, individual projects will require more concentration on short period for finance, Manpower, sales, etc. Planning to bring change in the long- duration will require the an application of strategic planning to review the nature of businesses, specialization , market, regional places, to continue and work into coming period of time. Short-term execution plans are also called action oriented plans which will have combination of specific plans, programs with timelines and scope of accountability to support strategic plans. Planning requires dealing with opportunities, problems and uninvited changes will be called. Many design firms don't have any space for formal planning. They directly allocate resources, for their operations and extension of services.

Resource management is the application of efficient and effective placement and allotment of resources on the time and place where they are needed. These may include financial, inventory, human skills, production, and information technology. Resource management have planning, allocation and scheduling of tasks, which consists of machines, manpower, money and materials. Forecasting is required for an effective utilization of resources,. Organizations should possess data for this purpose. This will meet out demands and the supply into the future. Resource levelling will relate to inventory for keeping the stock level and reducing both excess inventories and shortages. Many organizations take services of professionals and automation software tools for converting resource management tasks in to more gainful. The following may be useful in this regard. Time scheduling software, employee time tracking software and efficient and anticipatory resource management presents the optimization and efficiency in business practices and results. At this juncture execution of business-policy guided resource planning makes sure the business requirement real and objective. This brings the best utilization rates and risk avoidance.

As per website of Ministry of Foreign Affairs of the Kingdom of Thailand, the following types of connectivity play an important role in this regard. The steps are physical connectivity, institutional connectivity and people to people connectivity. Physical connectivity can be promoted as completion of ASEAN Highway network. Implementation of Singapore Kunming rail link project, integrated inland water way network, institutional connectivity work with following strategy, transport facilitation, interstate passenger facility, ASEAN single aviation market, ASEAN single shopping mark, eliminating barriers for free interstate trade, promotion of investment by ASEAN member countries.

ASEAN Countries and the Infrastructure Situation

Mody (1997) researched about the facts which have contributed in infrastructure development of East Asian countries in these countries following provisions have been made:

1. Development agenda at top: applied in the case of Singapore.
2. Creating Incentives: Malaysia is the example for this.
3. Domestic capital involvement: Malaysia & Korea is example in this regard. Central Govt. gives funds to State Govt. and local Govt. for infrastructure maintenance.
4. Private services involved Malaysia has given better and systematic example.
5. Public corporations have brought sources in Korean cities as they are antonymous and decentralised function oriented.
6. Regulatory system: Singapore has achieved autonomous quasi Govt. bodies which have worked through market forces for price fixing.
7. Malaysia has provided regulatory frame work along with option of sectoral pricing under Govt. influence.

Lessons from East Asian Countries

1. Public corporations are centre of infrastructure development - Korean company as electricity provider has kept price quite low.
2. Policy prioritization is clear - Malaysia has adopted rural entrepreneur programmes.
3. Value treatment to customers.

Mediana (2010) has written about an efficient waste management disposable system in Indonesia. This case study can be an indicator for waste management disposable system at local Govt level. Rathbone, Redrup (2014) has given details:

Table 1

Infrastructure rank of the Countries

Country	Rank (Out of 148)
Singapore	02
China	48
India	85
Indonesia	61
Malaysia	29
Philippines	96
Vietnam	82
Thailand	47

Source. Global competitiveness report 2013-2014.in Asian Development Report-2013.

As per the table 1 it is observe that Singapore has attained highest ranking. Singapore was an exclusive role model for infrastructure development. It has shown a path of success to other countries also. Even if we study the infrastructure gap; this find that power sector has maximum and the deficit usually filled with Govt. finance.

Table 2

Infrastructure deficit at a Glance

Sector	US \$ billions
Telecommunication	1.1
Transportation - Roads	2.3
Transportation – Rail	0.05
Transportation – Other	0.1
Power	4.1
Water & sanitation	0.4
Total	8.05

Sources. Asian Development Bank and Asian Development Bank Institute 2009.

As per the table 2 it is observe that telecommunication and transportation is also showing the higher deficit.

Indian Infrastructure Dynamics

Indian economy has been booming since 2003-2004 onwards. The possible explanation was the growth in the income of middle class. The service sector and manufacturing both was on growth side. Many things have been depending on the sustainable growth of infrastructure sector. The existing roads, railway lines, water, energy and airports were required for expansion. As per plan policy paper (2012) Govt. has allowed US 500 \$ billion for infrastructure purpose. As per Price Water House Cooper (2014) Indian scenario has opportunities for:

1. Roadways & highways
2. Railway network-Metro Mumbai project,
3. Dedicated freight door
4. Port & airports - US \$ 8 billion dollars have been allocated between 2007-2012
5. Power - The investment was decided as US \$ 167 billion dollar between 2007-2012

Public private partnership India is mainly for long term plan project. This has been practiced in roads, airports etc. These projects were technically oriented and had factors of financial and commercial risk. Commercial bank support was also a crucial factor. The credit risk is an important factor for Banks. The regulatory system needs to be strengthened. Gupta (2009) has described the list of bottle necks which are most common in public private projects in India. Problems at tendering phase which offered viability of projects:

1. Tender cost is unviable
2. Contract is not with proper details
3. Pretender process is delayed and centralized
4. Construction phase problems:
5. Land acquisition law is stringent
6. Dispute resolution process is not proper
7. Performance measurement and management is week
8. Qualified and skilled manpower
9. Weak risk management system
10. Weak procurement system
11. Low dominance of lean practices
12. Weak value chain system

Business India (2012) has published the views of Indian Industrialist about the policy paralysis in developmental action over infrastructure front. The industrialist has presented the gloom situation of policy paralysis which has stalled many projects of many companies. The chronic problem sectors were:

1. Coal
2. Power
3. Railway
4. Roads

Business Today (2013) has given the perspectives of different Indian and Global CEO's about continue policy paralysis which was not welcomed by business sector. CEOs have presented following case problem areas.

1. Urban infrastructure default
2. Agricultural infrastructure
3. Bureaucratic attitude
4. Governance & accountability

Blind investment in infrastructure by private partners

MAJOR FINDINGS

The Social and political support exist in infrastructure planning. These countries have been focused for infrastructure development right from beginning. The modern technology has been applied wherever required. These countries have no hesitation in striking support from countries like China and India. The economic and financial planning has been existing at every step. The World Bank and Asian Development Bank are partner in entire process. The infrastructure in majority of countries has been given heritage status. The public and private participation model has been devised in a specialized and significant manner. The countries have also applied regional cooperation in a balance manner. The banking and financial institution have played positive role in infrastructural development.

CONCLUSION

The presence of social and political commitment is a core requirement. Focused approach is another prerequisite for infrastructural development. The connectivity of public is an important for the successful completion of infrastructural projects Modern technology up-gradation is a prerequisite in this regard. The banking and financial support should be real and transparent. The regulator should be more so ever act like a facilitator. The conversion of bureaucratic mindset in to growth oriented mindset. The planning should have a vision input and earlier identification of barriers. The practical views of all the stakeholders are important in regard to debt and liquidity position of infrastructure companies. The bureaucratic system should be minimised and brought and rationalised level.

LEARNING FOR INDIA

Political and social commitment for infrastructure improvement and to keep away policy paralysis should be taken care of. Reform in legal and administrative system must be brought forward. Total review of Land acquisition act which is hurdle for land acquiring should be taken into consideration. From bureaucratic mindset to growth oriented mind set should be adopted by Indians. The Government should grant more powers to bodies like national highway authority of India.

SUGGESTIONS

1. Change in land availability law.
2. Amendment in policy & regulations
3. Change in delivery mode of tendering process.
4. Employment of more skilful engineers and project consultants.

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**THE IMPACT OF GOVERNMENT BUDGET DEFICIT
ON THE ECONOMIC GROWTH IN VIETNAM**

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ABSTRACT

Budget deficit is not a new global phenomenon. Some countries may benefit from this issue and others may face its negative influences. There are various views about the impact of budget deficit on a country's economy, especially economic growth. While conventional theory confirms the positive impact, there are increasing empirical studies about the negative impact. In the context of Vietnam, both government budget deficit and economic growth increased over the past several years. This paper examined the relationship between government budget deficit and Vietnam's economic growth. Using the economic and budget – related dataset between 1989 and 2011, this paper demonstrated that in the case of Vietnam, economic growth and government budget deficit had no significant relationship.

KEY WORDS: Government Budget Deficit (GBD), Gross Domestic Product (GDP), Interest Rate spread (IRs), Foreign Direct Investment (FDI), Economic growth

INTRODUCTION

Budget deficit is a common issue that most countries have been experiencing. Even the economic powerhouse like the U.S. has been struggling with this issue. Many politicians argue that reducing deficit is important to the future of the U.S and other major economies (Ball & Mankiw, 1995). Budget deficit has many effects such as reducing national saving, reducing investment, and reducing net exports (Ball & Mankiw, 1995). To minimize the negative impact of budget deficit, there should be thorough studies in order to clearly understand this phenomenon and its impacts on an economy. One of the most popular ways to understand this phenomenon is to investigate the relationship between budget deficit and economic indicators, especially economic growth.

There are three different views about the relationship between budget deficit and economic growth, i.e. the Keynesian theory claims that this relationship is positive, meanwhile, the Neo-classical economists believe the negative relationship. On the other hand, the Ricardian theory argues for the neutral relationship (“The effect,” 2011). In fact, there are many studies showing the relationship between budget deficit and economic growth, such as studies examining this relationship in Pakistan of Ramzan et al. (2013) and in Ghana of Antwi et al. (2013).

In the context of Vietnam, according to statistics from the World Bank, gross domestic product (GDP) of Vietnam had continuously increased during the period 1989 – 2011. Simultaneously, Vietnam's government budget deficit (GBD) also tended to increase over the last several years. So, there is a question that whether the government budget deficit correlates with GDP in Vietnam. To answer this question, I will assume and examine a model in which GDP is the dependent variable, budget deficit is the independent variable, and control variables are FDI, and interest rate spread (IRs). This research may provide a basis for further research on budget deficit as well as contribute to the consideration of rational economic policies to promote the economic growth of Vietnam in the future

LITERATURE REVIEW

Budget deficit can be briefly defined as a financial situation which “occurs when an entity has more money going out than coming in” (Investopedia, n.d). This term is “most commonly used to refer to government spending rather than business or individual spending” (Investopedia, n.d.). Accordingly, a country will face a problem of government budget deficit if its government expenditures exceed its government revenues derived from taxes, and other resources. This deficit occurs during a specified time period, often one year (“The effect,” 2011).

Many analysts note a need to distinguish between “passive deficit” and “active deficit”. Accordingly, passive budget deficit is created by an economic recession, and plans or policies of governments will not be directly responsible for this kind of deficit (“The effect,” 2011). Meanwhile, active budget deficit is consciously created by government policy in order to promote a country’s economy (“The effect,” 2011). This kind of deficit has a positive influence on a country. Antwi et al. (2013) argue that a large budget deficit may not necessarily be “a bad policy objective” (p. 91) because most governments use this policy as an “effective tool” in gaining their economic objectives, such as stabilizing macro-economy, sustaining economic growth, reducing poverty, and redistributing income.

To discover the determinants of budget deficits, Roubini and Sachs (1989) conducted a research on the political and economic causal factors of budget deficits in industrial democracies, such as Austria, France, Germany, Italy, Japan, Sweden, United Kingdom, the United States, etc. The authors found that budget deficits occur most often in the industrial countries “which have been divided governments, e.g. multi-party coalition governments rather than majority-party governments” (p. 908) because of three factors. First, each coalition partner in multi-party governments have “distinctive interests and distinctive constituencies” (p. 924), and each coalition partner may have “the incentive to protect its particular part of the budget against the austerity measures” (p. 924). Therefore, if they do not co-operate with each other in the budget-cut measures, budget deficit will likely arise. Second, each coalition partner will have a power of veto against any change. The third reason is the very weak “enforcement mechanisms among coalition partners to assure the cooperative outcome” (p. 924). Two years later, in a similar manner, Edin and Ohlsson (1991) replicate Roubini and Sachs’ research. They claim that minority governments¹ are positively related to budget deficits more than majority coalition governments². However, Kotin (1997) conducts another research reexamining all researches’ findings of these above authors. His results show that minority governments do not “increase deficits any more than other types of government” (p. 2) even may reduce deficits. In other word, minority governments may be negatively related to budget deficits. So, the above authors use the same dataset but they may conduct their researches in different approaches, their results therefore are different.

Many studies have been also conducted in order to investigate the true impact of budget deficit on economic growth in several countries. However, these studies have different results. According to Ball and Mankiw (1995), government budget deficits will “reduce national savings, reduce investment, reduce net exports, and create a corresponding flow of assets overseas” because these budget deficits also raise “interest rates and the value of the currency

¹ Minority government is a government who control a minority of the seats in parliament.

² Majority government is a government who control a majority of the seats in parliament.

in the market for foreign exchange” (p. 99). In addition, in the long run, productive capacity of an economy will determine its output (Ball & Mankiw, 1995). This capacity is partially determined by its capital stock which “grows more slowly than it otherwise would” when budget deficit reduce investment (p. 100). Consequently, if budget deficits continue for a long time, the capacity to produce goods and services of an economy will decrease (Ball & Mankiw, 1995). This means that, in the long run, government budget deficit will reduce GDP of an economy. In other word, there is a negative relationship between government budget deficit and GDP in the long run. Meanwhile, Bose, Haque and Osborn (2007) investigate “the growth effects of government expenditure” in a group of thirty developing countries in the period from 1970 to 1980. Their analysis supports the view “government expenditure on education has long-lasting effects on economic prosperity” (p. 550). They conclude that the transfer of “one percentage point of government expenditure in relation to GDP from another sector towards education, or from current to capital expenditure” will be “growth enhancing” (p. 550). This means that budget deficits may help an economy increase its growth on the condition that these deficits are due to investment in education or capital expenditures. Most recently, Fatima, Ahmed and Rehman (2012) examine the impact of budget deficit on economic growth of Pakistan, controlled by inflation, real exchange rate, real interest rate, and gross investment in the period 1978 – 2009. The results of their study show that there is a significantly negative relationship between budget deficit and economic growth of Pakistan.

Additionally, several studies also show that there is no relationship between budget deficit and economic growth, such as the researches of Ghali (1997) or of Rahman (2012). In the research of Ghali (1997), the author investigates the relationship between government spending and economic growth in Saudi Arabia for the period from 1960 to 1996. His research’s results show that there is no “consistent evidence that changes in government spending have an impact on per capita real output growth” (p. 171). Moreover, Rahman (2012) conducts a research examining the relationship between budget deficit and economic growth of Malaysia in the period from 2000 to 2011. His research’s results show that there is “a significant long-run relationship between productive expenditures and economic growth of Malaysia” (p. 57). However, there is no “existence of long-run relationship between budget deficit and economic growth” (p. 57). Thus, there have been many empirical studies which support the view of all the Keynesian, Neo-classical and Ricardian on the relationship between budget deficit and economic growth of a country.

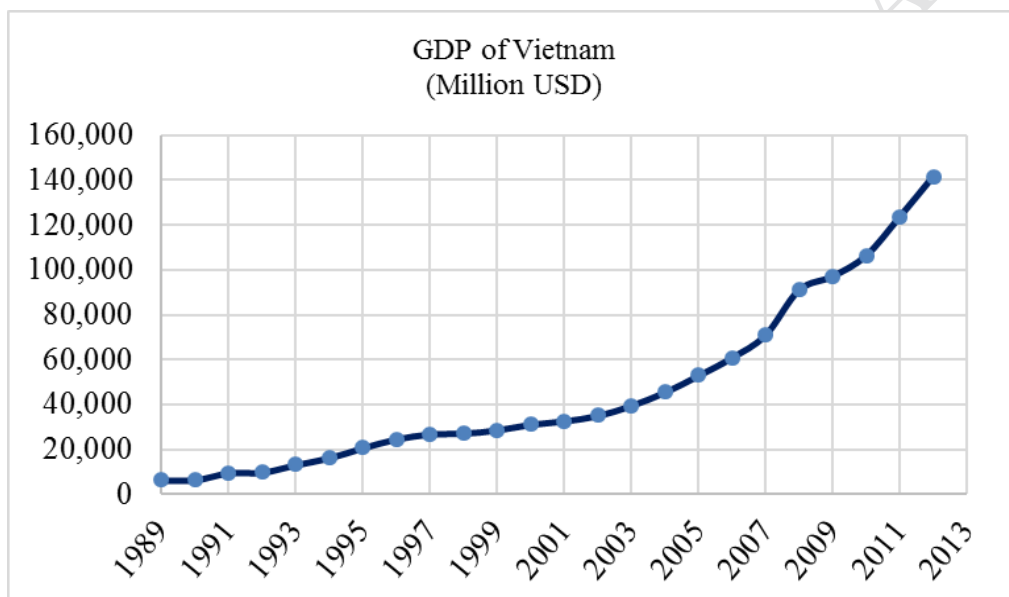
Government Budget Deficit (GBD) and Gross Domestic Product (GDP) of Vietnam

Report “from the macroeconomic instability to the path of restructuring”. According to this report, the government budget deficit and public debt of Vietnam increased rapidly in recent years (“Ngân sách,” 2012). According to statistics of the World Bank and the Asian Development Bank, the average budget deficit of Vietnam in the period from 2000 to 2007 was 1.9 % of GDP per year, but this figure increased to 6.08 % of GDP in the period 2008 – 2011. Furthermore, according to Nguyen (2012), the average budget deficit of Vietnam in the period 2009 – 2011 was the highest compared to other countries in the region, at around 6% of GDP per year. This figure was approximately six times higher than the corresponding figure of Indonesia, three times compared with China, and nearly two times higher than the figure of Thailand (Nguyen, 2012). In addition, Nguyen (2012) is also concerned that a lack of consistency in the fiscal accounting methods may make statistics do not accurately reflect the real situation of Vietnam's public debt, and disturb information for market participants. The author argues that such inconsistency will make it difficult for international comparison,

evaluation and risk management of Vietnam’s public debt. Nguyen (2012) notes that if national debt increases to a certain threshold, it will trigger a flight of foreign capital out of domestic assets, and if this is so, a “hard landing” may occur. Moreover, a pressure to print money to pay debt will be large. As a result, inflation may skyrocket.

Gross domestic product (GDP) was first developed by Simon Kuznets in his report to the U.S. Congress in 1937, and after the Bretton Woods conference in 1944, this term has become the main tool used to measure an economy of a country (“GDP,” 2011). GDP of a country can be defined in three ways: output approach, income approach, and expenditure approach. All three approaches give the same results (“Vietnam,” 2013). The growth of Vietnam’s GDP can be described clearly in the following figure.

Figure 1. GDP of Vietnam in the period 1989 – 2012



Source. Graphed from dataset of the World Bank and Asian Development Bank.

According to this figure, GDP of Vietnam generally tended to increase during the period 1989 – 2012 with an average growth of 7.2 per cent (“Vietnam GDP,” 2013). Particularly, GDP of Vietnam in 2012 was 141.67 billion US dollars, and this was the highest figure during the period 1985 – 2012 (“Vietnam,” 2013).

HYPOTHESIS

This research presents only one hypothesis that examines the existence of the relationship between government budget deficit and economic growth in Vietnam, controlled by FDI and interest rate spread (IRs).

H₁: There is a positive and significant relationship between government budget deficit and GDP in Vietnam

Data Source and Model Specification

Researchers often use cross-country data to do their studies on the relationship between budget deficit and economic growth in order to explain the differences in economic growth across countries (Ghali, 1997). However, such analyses do not capture the specific nature of the relationship between budget deficit and economic growth of a particular country. This study, therefore, examines the specific relationship between government budget deficit and economic growth in Vietnam using time series data. The data used in this paper consists of annual data for the period 1989 – 2011, collected by the World Bank and the Asian Development Bank.

To examine the impact of government budget deficit on economic growth in Vietnam, this study uses a model which is based on a model built by Shojai in 1999. The model of Shojai is that: $\text{Ln}(\text{GDP}) = \beta_0 + \beta_1 \text{Ln}(\text{INFL}) + \beta_2 \text{Ln}(\text{EXCH}) + \beta_3 \text{Ln}(\text{RIR}) + \beta_4 \text{Ln}(\text{BD}) + \beta_5 \text{Ln}(\text{GI}) + u$ (cited in Fatima et al., 2012). In this model, GDP is gross domestic product, INFL is inflation, EXCH is real exchange rate, RIR is real interest rate, BD is budget deficit, GI is gross investment, and u is stochastic error terms. This model was also used in a research of Fatima et al. in 2012. However, this paper only uses three independent variables instead of using all independent variables of the Shojai's model as follows:

$$\text{Ln_GDP} = \beta_1 + \beta_2 * \text{Ln_GBD} + \beta_3 * \text{Ln_FDI} + \beta_4 * \text{Ln_IRs} + \varepsilon$$

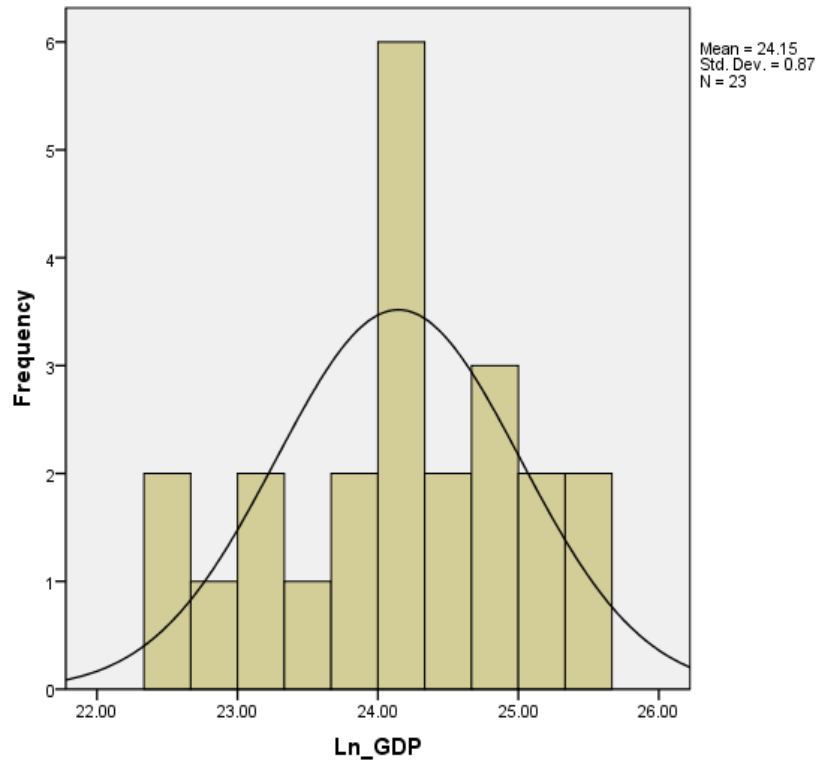
In these, the dependent variable is gross domestic product (GDP) which, at purchaser's prices, is “the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources” (The World Bank, n.y.).

The independent variables are the government budget deficit (GBD) of Vietnam, foreign direct investment (FDI), and interest rate spread (IRs). Foreign direct investments are “the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments” (The World Bank, n.y.). Interest rate spread is “the interest rate charged by banks on loans to private sector customers minus the interest rate paid by commercial or similar banks for demand, time, or savings deposits” (The World Bank, n.y.). In this model, interest rate spread is expressed as a percentage (%). The unit of GDP, FDI and GBD is the U.S. dollar. In addition, β_1 , β_2 , β_3 , β_4 are the respective parameters, and ε is stochastic error terms. The Ordinary Least Square (OLS) method will be used in this paper.

Data Analysis and Results

Data analysis will be performed using Statistical package for the social sciences (SPSS) software. Firstly, before applying regression analysis, the normality of the dependent variable needs to be checked. The figure 1 below shows that the dependent variable is normally distributed. This result allows the regression analysis to be applied in the next steps.

Figure 2. The normality of the dependent variable (Ln_GDP)



Secondly, we will examine the correlations among the variables in the regression model.

Table 1

Correlations

		Ln_GDP	Ln_GBD	Ln_FDI	Ln_IRs
Ln_GDP	Pearson Correlation	1	-.102	.826**	-.882**
	Sig. (2-tailed)		.643	.000	.000
	N	23	23	23	23
Ln_GBD	Pearson Correlation	-.102	1	-.084	-.006
	Sig. (2-tailed)	.643		.704	.978
	N	23	23	23	23
Ln_FDI	Pearson Correlation	.826**	-.084	1	-.607**
	Sig. (2-tailed)	.000	.704		.002
	N	23	23	23	23
Ln_IRs	Pearson Correlation	-.882**	-.006	-.607**	1
	Sig. (2-tailed)	.000	.978	.002	
	N	23	23	23	23

** . Correlation is significant at the 0.01 level (2-tailed).

This table shows that the strongest correlation with Ln_GDP is Ln_IRs with the Pearson correlation coefficient is 0.882. The variables Ln_FDI is also strongly correlated with Ln_GDP. However, the variable Ln_GBD seems not to correlate with Ln_GDP. The variable Ln_IRs has the negative correlation with Ln_GDP, this means that if the value in percent of IRs goes up, the value in percent of GDP tends to go down. Since these variables are strongly associated with Ln_GDP, we might predict that they would be statistically significant predictor variables in the regression model.

The results after performing regression of the dependent variable (i.e. Ln_GDP) on all of the predictor variables in the data set are as follow

Table 2

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.957 ^a	.916	.903	.27050	1.706

a. Predictors: (Constant), Ln_IRs, Ln_GBD, Ln_FDI

b. Dependent Variable: Ln_GDP

According to the Table 2 above, the value of Adjusted R Square is 0.903 which means that approximately 90.3% of the variation in the dependent variable (i.e., Ln_GDP) is accounted for by the independent variables in the model. In addition, the value Durbin-Watson is 1.706 which is near to the value of two, the model, therefore, is free from the problem of autocorrelation.

Table 3

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.244	3	5.081	69.444	.000 ^a
	Residual	1.390	19	.073		
	Total	16.634	22			

a. Predictors: (Constant), Ln_IRs, Ln_GBD, Ln_FDI

b. Dependent Variable: Ln_GDP

With the Table 3 above, we see that the F-value is reasonably high at 69.444 and the probability value (p-value) for F is 0.000 (< 0.001), this means that the model is statistically and substantively significant (Adjusted R square is 0.903).

Table 4:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	20.878	1.143		18.269	.000
	Ln_GBD	-.010	.010	-.068	-1.019	.321
	Ln_FDI	.243	.045	.450	5.364	.000
	Ln_IRs	-1.059	.145	-.609	-7.282	.000

a. Dependent Variable: Ln_GDP

The table above shows that there is not a significant correlation between Ln_GBD and Ln_GDP at 5% level of significance because the t-value of Ln_GBD in this model is 1.019 (< 2) and its p-value is 0.321 (> 0.05). However, there is a significant positive impact of FDI on GDP ($\beta_3 = 0.243$, $p = 0.000$, $t = 5.364 > 2$) at 1% level of significance. Accordingly, a one percent increase in FDI will yield a 0.243 percent increase in GDP, given that all other variables in the model are held constant. Moreover, there is a significant negative impact of IRs on GDP ($\beta_4 = -1.059$, $p = 0.000$, $|t| = 7.282 > 2$) at 1% level of significance. It means that a one percent increase in IRs will lead to a 1.059 percent decrease in GDP, on condition that all other variables in the model are held constant.

The Beta coefficients are used to compare the relative strength of various predictors within a model (Institute for digital research and education, 2013). The table 3 shows that Ln_IRs has the largest beta coefficient (-0.609), and Ln_GBD has the smallest beta coefficient (-0.068). Accordingly, a one standard deviation increase in Ln_IRs leads to a 0.609 standard deviation decrease in predicted Ln_GDP, with the other variables held constant. A one standard deviation increase in Ln_FDI, in turn, leads to a 0.450 standard deviation increase in predicted Ln_GDP with the other variables in the model held constant. Moreover, a one standard deviation increase in Ln_GBD leads to a 0.068 standard deviation decrease in predicted Ln_GDP, with the other variables held constant.

In addition, table 5 and table 6 below show the test results of multicollinearity phenomenon in this model. Accordingly, in table 5, the VIF value of Ln_GBD and Ln_IRs is 1.000 (less than 2.5), so this model does not have multicollinearity issue between Ln_GBD, Ln_IRs and Ln_FDI. The table 6 also shows that there is no multicollinearity phenomenon between Ln_GBD and Ln_IRs because the VIF value of Ln_IRs is 1.000 (< 2.5).

Table 5:

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Ln_GBD	1.000	1.000
Ln_IRs	1.000	1.000

a. Dependent Variable: Ln_FDI

Table 6

Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1 Ln_IRs	1.000	1.000

a. Dependent Variable: Ln_GBD

CONCLUSION

This study analyzed the relationship between government budget deficit and economic growth in Vietnam, controlled by foreign direct investment (FDI) and interest rate spread (IRs). By using annual data collected from databases of the World Bank and the Asian Development Bank for the period from 1989 to 2011, the author found that there was a significant correlation between foreign direct investment as well as interest rate spread and the economic growth of Vietnam. However, there was not any evidence to support the hypothesis that there was a significant relationship between government budget deficit and economic growth in Vietnam. Accordingly, the Government of Vietnam should encourage foreign investors to invest in Vietnam because a one percent increase in FDI will lead to a 0.243 percent increase in GDP. In addition, the Government also needs to control interest rate spread because this factor will reduce GDP if it tends to increase. This result supports the view of Ricardian theory which believes the neutral relationship between budget deficit and economic growth of a country.

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HOW THAIS VIEW CORRUPTION

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ABSTRACT

Corruption, the misuse of entrusted power for personal benefit, is a serious obstacle to the development of the country. Since it is always kept secret, the individual behavior of corrupt agents is almost impossible to observe systematically in real life. Sometimes corruption is accepted by the people of a society. Many people still view corrupt behavior as the norm. Empirical study of people's perceptions of corruption is needed to help explain the severity of the corruption situation in Thailand. This paper used the data from King Prajadhipok's Institute's national surveys conducted during 2003-2013 to allow longitudinal analysis of perceptions concerning corruption. Survey participants were chosen by probability sampling from the eligible voter list. In addition, the data set from a national survey before the 2001 election is used to analyze deeply how Thais view corrupt behaviors. The results show a trend of increasing personal experience of corruption, and Thais perceive that the amount of corruption at the national level is greater than that at the local level. Perceived corruption levels also vary among provinces. In addition, almost half of the people think that some officials are corrupt. Some corrupt behaviors are accepted and viewed as non-corrupt. Many people are still unaware of the adverse impacts of corruption on their lives and on national development.

KEY WORDS: Corruption, perception, behavior

INTRODUCTION

“Corruption” is a major topic which has long been widely discussed in Thai society. Investigation of corrupt behaviors is often fraught with obstacles and in practice can be difficult to do; therefore, culprits are often never identified and, therefore, live comfortably as if above the law of the land. However, the ideas of “integrity” and “good governance” have stood the test of time and thus eventually become popular the talk of the town among several segments of society, such as the general public, businesspersons, private-sector organizations, governmental agencies, as well as public figures within the circle of political parties. Corruption affects the country a great deal and therefore has made hugely negative impacts upon Thai society, economy, and politics, itself constituting a major obstacle without which Thailand would have developed much further. Nevertheless, it is noteworthy that, while corruption is illegal and unjust, there are some people who, oddly enough, have found a way to come to terms with it or even accept this phenomenon as an ordinary aspect of one's normal daily life, and something that has been handed over from one generation to another – not a sign of moral degradation in our society at all (in their opinions). In fact, not only does corruption find its way to the sweetness of the open arms of politicians but also to the embrace of Thai society in general; some people even display their corrupt behaviors or at least provide, intentionally or unknowingly, conditions favorable for misconduct to take place. With this in mind, the problem of corruption should be considered immediately as one of the highest priorities to deal with before it turns into the norm in Thai society. At present, there are a number of active campaigns against corruption in Thailand aimed at making the Thai people realize the importance of “morality and ethics”. These campaigns have proven to be in line with the research and studies conducted by King Prajadhipok's Institute (King Prajadhipok's Institute, 2014); according to panel discussions on the theme of “Thailand Future” conducted in 12 provinces around the country, it has been found that participants would like to see Thailand be a “society of morality” where the principle of good governance

is upheld and politicians become good role models -- without corruption in any form, including the patronage system.

Therefore, King Prajadhipok's Institute, with its duty to disseminate and develop democratic values, envisions that for the country to continue developing more effectively and rapidly, Thai society must remain firm in preventing corrupt behaviors from taking shape. To this end, the organizations directly and indirectly in charge must begin work in earnest. Moreover, the good values of "morality and ethics" must be fostered within society so as to ensure that new, positive attitudes be adopted so that corruption shall no longer be accepted in Thai society.

LITERATURE REVIEW

Corruption

Corrupt behaviors have existed for a long time in the other word as "gross misconduct in bureaucratic office". Such gross misconduct would continue and, unfortunately, remain active to the present day. There are myriad channels of corruption, made more numerous and complicated by a growing number of culprits. Some might define corruption as demanding, giving, or receiving kickbacks; graft for one's own illegitimate benefit; as well as the use of the time and assets of one's organization for one's own personal gain; and the abuse of power (Pasuk Phongpaichit and Sangsit Piriyan, 1994).

Furthermore, King Prajadhipok's Institute (2000) has identified that the majority of corruption problems in the governmental sector involve the abuse of power for one's own personal gain or one's own groups' benefit, including the act of requesting kickbacks, which constitutes an instance of gross misconduct against the principles of morality, ethics, and professional standards as well as public expectations, not to mention having a negative impact on Thai society. Borwornsak Uwanno (2007) has also mentioned that corruption in the governmental sector helps destroy society and causes a great deal of damage to a nation, an assertion consistent with conclusion of studies conducted by Eurobarometer (2009), in which Europeans were of the collective opinion that the problem of corruption was one with negative national impacts that required immediate attention.

Black's Law Dictionary (2009) notice that corruption means "a vicious and fraudulent intention to evade the prohibitions of the law. The act of an official or fiduciary person who unlawfully and wrongfully uses his station or character to procure some benefit for himself or for another person, contrary to duty and the rights of others."

King Prajadhipok's Institute (2008) has also mentioned the assertion by Sangsit Piriyan (2006) that "corruption" is defined differently by different sources, these definitions have three common dimensions: authority, morality and ethics and misconduct in decision making processes: focusing on whether public figures' actions and/or decision making processes have negative impacts upon the general public.

Types of Corruption

There are several types of corruption studied and documented by different sources. King Prajadhipok's Institute (2010) has noted various form of corruption in Thailand, ranging from being in pursuit of so-called economic rents via illegally allocating exclusive concessions,

embezzlement (theft of the state's resources), corrupt bidding, bribery, exercising political influence to evade tax, and etc. According to the World Bank (2014), acknowledges several different types of corrupt actions, such as bribery, theft, political and bureaucratic corruption.

Obviously, there are numerous types of corruption. In fact, these corrupt behaviors vary in each country, depending upon socio-cultural context and public attitude, as well as the degree to which laws are observed. Therefore, there should be crystal-clear criteria by which behaviors deemed to be corruption within the society in order to make the agreement between every counterpart.

Favorable Factors to Corruption

According to Werner (1983) cited in King Prajadhipok's Institute (2010), in light of factors favorable to corruption, "economic and political" factors are the major ones that play an influential role in fostering corruptive behaviors to take place. In addition, Johnson (1996) has said that not only do the favorable factors to corruption include economic and political ones but also "cultural and values" elements within society. However, the negative values that serve as a favorable factor to corruption include patronage-social values, preference of nepotism and the like, repayment of gratitude, as well as praising and upholding monetary power (especially in cases of people with corrupt behaviors). There are certain commonly known Thai proverbs that might contribute to promoting corrupt behavioral patterns, such as 'scratch my back and I will scratch yours' and 'put one foot in it'. More importantly, Thai society seems to place higher priority upon persons with the power of money regardless of where/how that influence was gained; therefore, with this in mind, some people might possibly desire to do whatever it takes to gain more of both power and money – consequently, this is another factor influential in bringing out corrupt behaviors.

In addition, Pravase (1999) gave the following explanation of why Thai people have adopted corrupt behaviors. (1) Authority Structure, (2) Materialism, and (3) Lack of Strength in Thai Society. Furthermore, Pasuk and Sangsit (1993) have also reaffirmed that corruption has been associated with Thailand's traditional culture, the problems concerning the bureaucratic system as a whole, influence of the social system, conflicts between economic and bureaucratic systems, existence of the modern-day market, as well as the notion that government officials seem unable to appreciate their own roles and duties well enough while some of them have additional moral issues as well.

Furthermore, the studies conducted by Roberta Gatti, Stefano Paternostro, and Jamele Rigolini (2003), based on World Value Survey research conducted in more than 50 countries, have determined that the demographic groups who found corruption disagreeable were women, the employed, "poor people," and the elderly. In addition, social circumstances also played a vital role in influencing attitudes towards corruption.

According to the Transparency International (TI), Germany, with respect to its Corruption Perceptions Index, in 2013 Thailand was reportedly being ranked at no. 102 from 177 nations in total, thus receiving the unseemly "transparency score" of merely 35 out of 100. Given the results obtained between 1995 and 2013, Thailand has apparently been experiencing serious corruption problems which have tended to become worse over time, as illustrated in Table 1.

Table 1

Thailand's Transparency score 1995 – 2013

Year	Ranking/No. of country	Score (10)	Year	Ranking/No. of country	Score (10)
1995	34/41	2.79	2004	64/146	3.60
1996	37/54	3.33	2005	59/159	3.80
1997	39/52	3.06	2006	63/163	3.60
1998	60/85	3.00	2007	84/179	3.30
1999	61/98	3.20	2008	80/180	3.50
2000	60/90	3.20	2009	84/180	3.40
2001	61/91	3.20	2010	78/178	3.50
2002	64/102	3.00	2011	80/183	3.40
2003	70/133	3.30	2012	88/176	3.70
			2013	102/177	3.5

Note. Retrieved from <http://www.transparency.org/>

The table reveals that the problem of corruption is a matter of urgency and therefore requires immediate solutions. Addressing corruption requires not only government action but also the participation of all other sectors, especially the general public contributing at every step in the process. Thawilwadee Bureekul et al. (2009) remarked on the public's participation that Thai people had to be provided with the opportunity to exercise their rights throughout the public process in terms of disseminating and receiving information, opinions and/or suggestions; taking part in decision-making from the policy-initiative phase in the preparation of the government's operational plans for projects or activities that might affect quality of life and environment.

Factors in Choosing to Vote for Particular Political Parties

Elections are an important activity and an integral part of the modern political process, serving as the means by which leaders are selected (Sujit Boonbonkan and Pornsak Phongphaew, 1984:1). Political parties naturally look to occupy as many seats in the Parliament as possible. Therefore, each party makes a concerted effort to obtain votes and come up with its own policies and approaches to developing the country so as to be as appealing as possible to Thai voters. In addition, Burachat Phanthongrak and Siripan Nogsuan Sawasdee (2013) have studied the factors critical to the election campaign strategies of both Pheu Thai Party and the Democrat Party and found that Pheu Thai Party utilized its success in terms of policy that catered well to needs and expectations of the general public in all walks of life to support and enhance the level of confidence among its candidates, whereas the Democrat Party relied upon trust in its individuals, namely, Abhisit Vejjajiva, as well as focusing upon actual practice.

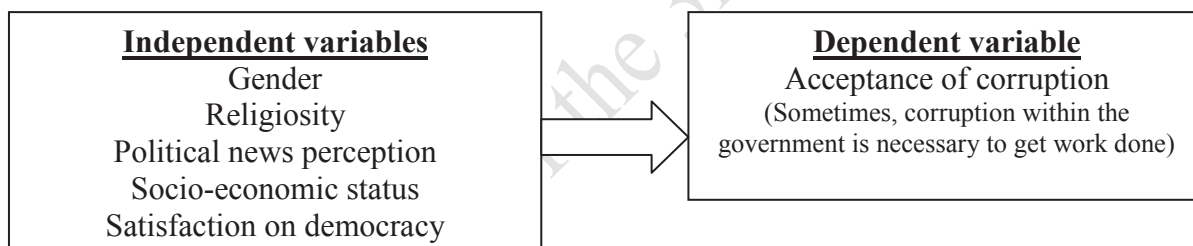
The objectives of the study are: (1) to understand Thai people’s values attitudes towards corruption by means of comparison between 2003 and 2013; (2) to understand the factors critical to people’s acceptance of corruption; and (3) to propose solutions to the problem of corruption to relevant organizations and agencies, as well as provide guidance for creating corruption-refusal values in the future.

RESEARCH METHODOLOGY

Data for this study of values concerning corruption in Thailand came from two sources: data obtained from King Prajadhipok's Institute’s studies on the topic “Survey of Values of Corruption in Thailand” (2003, 2009 and 2011), and data obtained from the studies conducted in cooperation between King Prajadhipok's Institute and the National Statistical Office (2003-2013). Both sources used information collected through face-to-face interviews with voters aged 18 years or older, selected by multi-stage sampling, and organized according to geographical region, province, district, sub-district, village and village voter list.

In light of the aforementioned literature, the authors have designed an analysis model by which to identify the factors critical to the acceptance of corruption. The hypothesis is as follows:

Figure1. Hypothesis Model



RESULTS

Corruption Experience

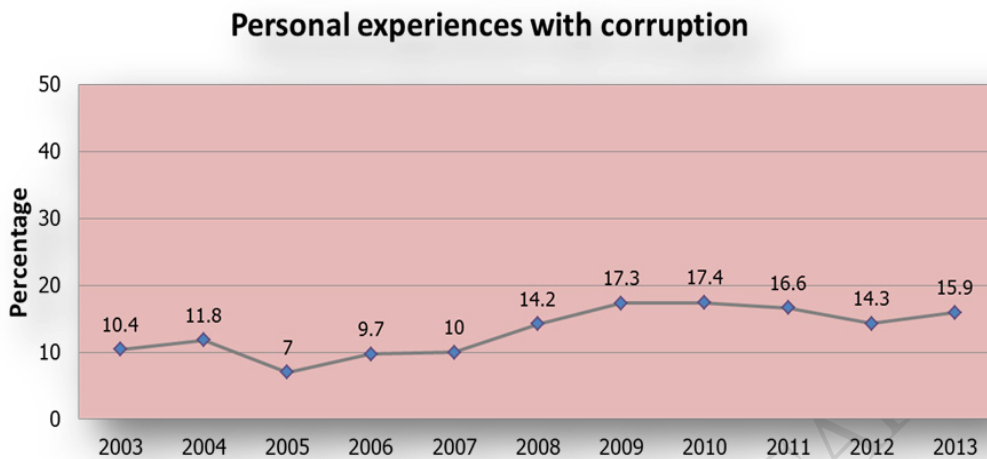
Corruption experience refers to personally witness an act of corruption or bribe-taking by a politician or government official. In the question “Have you ever seen corruption or an act of receiving kickbacks by government officials?, It found that in 2003, 20.1 percent of respondents reported first-hand experience in witnessing corrupt conduct by government officials; the percentage was 24.6 percent in the 2009 survey, and 37.5 percent in the 2011 survey.³

In addition, considering the incidence of Thai people experiencing corruption, 11.8 percent of respondents witnessed corruption in 2004, but that percentage fell by 4.8 percent to only 7 percent in 2005. Afterwards, corrupt behaviors seemed to increase, with the witness report

³ Survey of Values of Corruption in Thailand (King Prajadhipok's Institute 2003, 2009, and 2011).

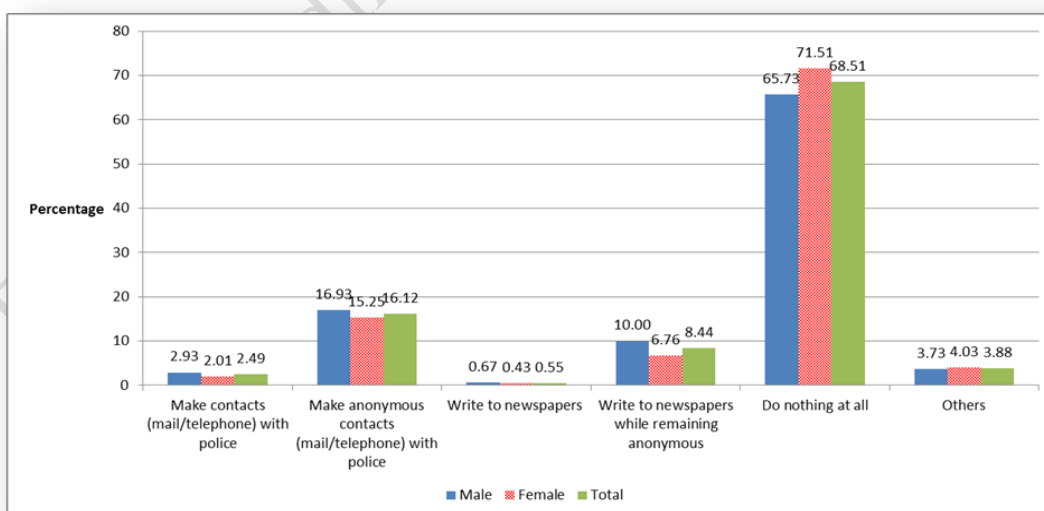
percentage rising to 17.4 percent in 2010, then falling to 14.3 percent in 2012, and rising again to 15.9 percent in 2013.⁴ In general, there was a propensity to surge upward.

Figure 2. Comparison of Personal Experiences with Corruption, between 2003 and 2013



Another question was, “What would you do if you personally encountered corruption?” In 2011, 68.5 percent of the sample population said they would “do nothing at all,” whereas 16.1 percent would make anonymous contact (mail/telephone) with police, and 8.4 percent claimed they would write anonymously to newspapers. Comparing responses by gender, female subjects were more inclined to respond “do nothing at all” (71.5 percent) than their male counterparts (65.7 percent) in the face of first-hand corruption experience.

Figure 3. Percentage of the 2011 Sample Population Who Would Take Certain Actions Upon Witnessing Corruption



⁴ Survey of Values of Corruption in Thailand (King Prajadhipok's Institute 2003-2013).

Attitudes towards Government Officials’ Corruption

Attitudes towards government officials’ corrupt behaviors, including acts of bribery, in both national and local administrative levels, from 2003 to the present, the corruption exists at both local and national administrative levels, and more common at national level; the portion of the sample population believing that the majority or almost all officials are corrupt varied over time, especially in 2007 when the percentages were 32.1 percent in regard to national level officials and 32.1 percent in regard to local officials.

Figure 4. Comparison of the attitudes towards corruption and bribery by local and national administrative officers, 2004 to 2013⁵



* The answer combined percentage of people answering “The majority are corrupt” and “Almost all are corrupt”

Acceptance of Corruption

Acceptance of corruption was addressed with the question, “Sometimes, corruption within the government is necessary to get work done?” There are 4 rating scales (1-4), ranging from 1 = “Mostly agreed” to 4 = “disagreed at all”. It found the average is about 3.38. It means that people didn’t accept corruption. Besides, comparing years 2003, 2009, and 2011, there did not seem to be much change over time, with 18.4 percent of respondents agreeing in 2003, 19.5 percent agreeing in 2009, and 18.2 percent agreeing in 2011.

⁵Survey of Values of Corruption in Thailand (King Prajadhipok’s Institute 2003-2013)

Table3

Respondents agreeing with the notion that “Sometimes, corruption within the government is necessary to get work done” in 2003, 2009, and 2011

Item	2003	2009	2011
Sometimes, corruption within the government is necessary for work completion.	18.4	19.5	18.2

Considering this particular point in regard to gender, in 2011 female respondents accepted this sentence more (20.1 percent) than male (16.4 percent, though the difference was not statistically significant.

Table 4

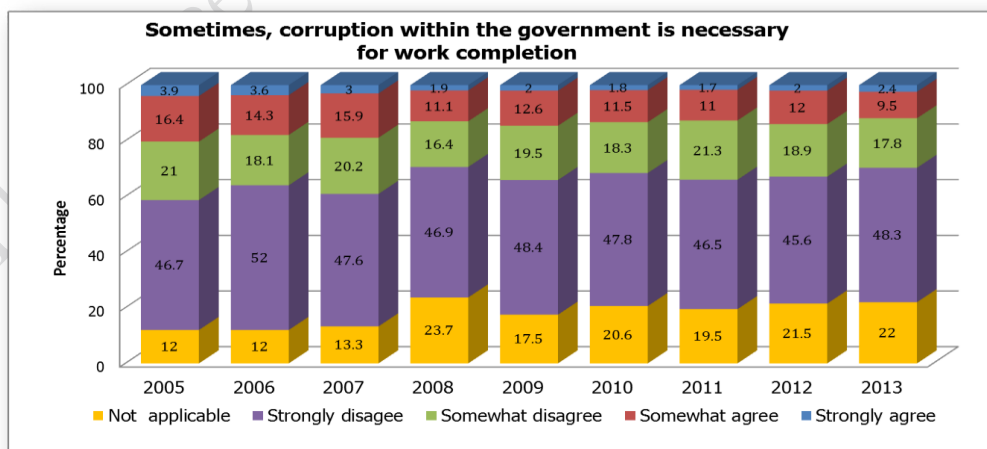
Acceptance of the notion that “Sometimes, corruption within the government is necessary to get work done” classified by gender, 2011

Item	Male	Female
Sometimes, corruption within the government is necessary to get work done	16.4	20.1

Sig. = .362 n.=1,272

In addition, according to the studies conducted between 2005 and 2013, regarding the question, “Is corruption within the government sometimes necessary for to get work done?”, only 11.9 percent of the general public agreed with the notion in 2013, which was a decrease of 2.1 percent from 2012.

Figure 5. Responses to the notion that “Sometimes, corruption within the government is necessary to get work done” between 2005 and 2013



Acceptance of corruption was also explored by asking whether the following situations were instances of “bribery”, “corruption”, or “nothing wrong/just a gift as in the table 5.

Table 5

Public perceptions of various forms of corruption in 2011

Items	Nothing wrong/ Just a gift	Bribery	Corruption
Government officials at any level grant concession rights to their friends	19.5	25.7	54.9
Offering money/gifts to voters during an election period	12.0	71.6	16.4
Donation has been made to government officials on New Year or any other activities	46.9	45.3	7.8
Offering gifts or doing something on purpose to please government officials who have the authority	12.9	66.2	20.8
Political parties, candidates, or canvassers giving money to voters	6.7	70.4	22.9

Table 5 shows the general public’s opinions regarding whether particular behaviors are considered corrupt. Regarding government officials at any level granting friends and/or relatives concession rights, 54.9 percent of respondents considered this an example of corruption, Offering money and/or gifts to villagers during the election period was regarded as bribery by 71.6 percent of respondents. Similarly, offering gifts or doing something on purpose to satisfy government officials who have the authority was seen as bribery by 66.2 percent of respondents. Political parties, candidates, or canvassers giving money to voters were also considered bribery by 70.4 percent. Finally, 46.9 percent of respondents saw nothing wrong with donation to have been made to government officials during New Year’s Day period or other activities. Thus the activity considered most acceptable by the general public was donations to government officials during New Year’s Day, while the least acceptable activity was when a political party, election candidate, or canvasser offered money to voters.

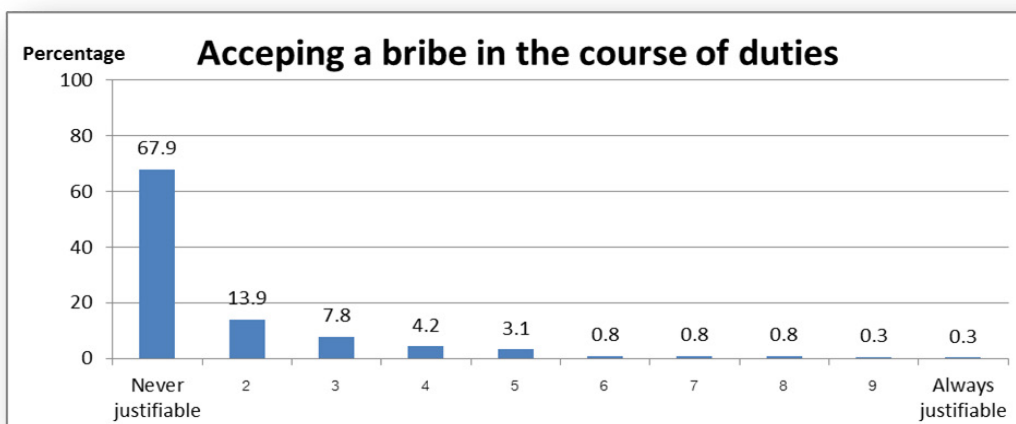
King Prajadhipok's Institute also conducted studies in the World Value Survey in 2013 on public opinions as to “whether or not accepting a bribe in the course of duties”. The score available for their selection ranges from 1 to 10 while the score group of 1-5 is opposite and 6-10 is acceptable as follows:

Table 6

Percentage of accepting a bribe in the course of their duties

Accepting a bribe in the course of their duties	Percentage
Opposite the bribery (1-5)	97.0
Always accept the bribery (6-10)	3.0
Total	100

Figure 6. Percentage of the Opinions As to “Whether Or Not” Accepting a Bribe in the Course of Duties



From table 6 and figure 6, it has been found that the majority of Thai people oppose the person who bribe on duty, (97 percent), whereas the percentage of those with acceptance was 3.0 percent only.

Testing the Factors Influential in the Acceptance of Corruption

The researchers investigated which variables were influential in the acceptance of corruption by adopting a framework modeled after studies conducted by Roberta Gatti, Stefano Paternostro, and Jamela Rigolini (2003), it had been found that the groups opposed to corruption were women, people classed as employed, “poor people,” and elderly people. Studies conducted by Thawilwadee Bureekul et al. (2009) found that if people were given the opportunity to participate in politics such as by acquiring information and news regarding political matters, and by taking part in decision-making from the policy-initiative phase through preparation of operational plans and performance appraisal, etc., they would be able to inspect the government’s operations and this would help promote a higher level of work transparency. Studies conducted by Burachat Phanthongrak and Siripan Nogsuan Sawasdee (2013), found that Pheu Thai Party utilized its policy success in catering to the needs and expectations of the general public in all walks of life to enhance the level of confidence among its candidates. Thus, the authors assumed the factors which could possibly be related to the acceptance of corruption. For the multiple regression analysis, the factor were consisted of being Bangkokian or rural areas, the standard of living in the next 10 years, the satisfaction with democratic process, the following news about their representative, age, religiosity, annual household income, gender, the highest education level and the reason to elect Pheu Thai Party.

Table 7

The Result of Multiple Regression Analysis of the Acceptance of Corruption

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.345	0.451		5.195	0.000
Bangkokian or rural areas	0.279	0.148	0.085	1.879	0.061
Standard of living in next 10 years	-0.168	0.058	-0.124	-2.909	0.004*
Satisfaction with democratic process	-0.066	0.052	-0.051	-1.261	0.208
Following news about their representatives	0.030	0.012	0.110	2.550	0.011*
Age	-0.011	0.031	-0.015	-0.354	0.724
Religiosity	-0.428	0.049	-0.377	-8.797	0.000*
Annual household income	0.070	0.045	0.073	1.548	0.122
Gender (Male = 1 Female = 2)	0.237	0.067	0.146	3.528	0.000*
Highest education level	-0.005	0.005	-0.048	-1.151	0.250
The reasons to elect Pheu Thai Party	0.039	0.033	0.048	1.163	0.245

a. Dependent Variable: Acceptance of Corruption

R square = .183 n = 1500 F 11.208 SE= .735 sig= 0.000

The result of multiple regression analysis of the acceptance of corruption is shown below, with the variables influential in accepting corruption arranged from most to least statistical significance.

Religiousness (-0.428)*

Gender (0.237)*

Standard of living in the next 10 years (-0.168)*

Interest in following news about their representatives' activities (0.030)*⁶

According to the result of the variables analysis, it was found that the factors influential in accepting corrupt behaviors are gender, standard of living in the next 10 years, following the news about representatives, as well as religiosity, at the significant level of .05.. Furthermore, it was found that women will accept corruption than men, whereas non-religious people tend to be more lenient regarding corruption than religious people. People who do not follow news

⁶ The * sign is the coefficient of correlation with a value between -1 and 1; its maximum value equal to 1 means a perfect positive correlation, while 0 indicates no correlation, and -1 means a perfect negative correlation.

on their representative find it more acceptable to be corrupt more do people who are aware of current affairs. Finally, people who fear for their own standards of living within the next 10 years tend to be more lenient regarding corruption than those who view themselves likely to have a better life in the future. Other factors, such as highest education level, the reasons for voting Pheu Thai Party, and being Bangkokian or from rural areas, can be significantly employed to explain acceptance of corruption as well.

DISCUSSION AND CONCLUSION

Thailand has been experiencing corruption problems for a long time. Thai people are of the opinion that such problems are grave and intense in nature and render the country stagnant by stifling further development. According to the previously conducted studies, the conclusion may be drawn that there is a propensity for corruption in Thailand to continue increasing based on the observation of growing numbers of Thai people who witness corrupt behaviors among government officials first-hand, such as receiving kickbacks. Looking at national and local level administration, Thai people believe that the degree of corruption is higher at the national level, and corruption at local level even seems to have been seen as decreasing between 2004 and 2013. In 2013 28.1 percent of Thai people believed there was corruption at the national administrative level while 18.4 percent believed there was corruption at the local administrative level. This result might suggest that people had more opportunity to become aware of corrupt behaviors by national administrative officers were more than local administrative officials. For the reason, the medias, such as mainstream and online community, reported news accurately and easy access for people. Moreover, there were larger budget amount involved in the national level

Furthermore, certain behaviors were not deemed examples of corruption, rather only acts of gift-giving, specifically, the donation has been made to government officials during the New Year, while certain acts were considered to constitute bribery, such as offering money/gifts to voters during an election period, and offering gifts or doing something on purpose to please government officials who have the authority. The last, the behavior which people think it was corruption was government officials at any level grant concession rights to their friends. In fact, the aforementioned behaviors are instances of corruption in different forms and the main issue lies in enabling the public to understand and realize the facts.

According to the multiple regression analysis, the influential factor in inspiring acceptance of corruption is non-religiousness. All religions are aimed to purify one's mind and bring forth a sense of morality, which allows one to separate right from wrong and to refrain from practicing immoral behaviors in private or public. Thus religious practice should be considered a beneficial activity for children and youths.

Another factor was that people who found it difficult to improve their quality of life were more prone towards behaving in a corrupt way than those who were satisfied with their livelihoods. This second factor was consistent with studies conducted by Jandosova et al. (2003); according to their findings, corruption was due in part to the disproportion between income and cost of living, including inequity of income. Furthermore, women reportedly often found corruption more acceptable than men did. However, Roberta Gatti et al. (2003) found that women disliked corruption.

Therefore, it may be said that the factors that cause corruption are economic, social, and political and all of them are related to corruption. The more social and political status, the more corruption (King Prajadhipok's Institute, 2010). Low income in comparison with public service expenditures (Jandosova, Baitugelova, and Kunitsa, 2003) also play a major role. In addition, values and culture within society, including existence of a patronage system and nepotism, also affect corrupt behaviors (Johnson, 1996).

In conclusion, there exist certain groups of people who remain oblivious to the possibly negative impacts of corruption upon the development of their country, and who are of the opinion that corruption is normal within society. There may also be disagreement about whether certain particular behaviors are corrupt. There exist in Thai society numerous factors conducive to corruption: aspects of the culture and values system, for instance patronage; economic conditions, for instance, income inequality and rising cost of living (King Prajadhipok's Institute, 2010). However, religion is a crucial factor in overcoming corruption. Therefore, if one adopts religious teachings such as the principle of morality, etc., and puts it into practice by cleansing one's mind and practicing sufficiency economy by first of all starting with oneself, the problem of corruption will become more or less relieved, thus helping improve the efficiency of Thailand's domestic development.

SUGGESTIONS

Preventive Suggestions

Punitive measures should be strictly imposed, the statute of limitation should be extended more than 20 years and actions must be taken in nondiscriminatory fashion and made known to the public.

News and information mechanisms should be determined in light of transparency whereby accessibility is made practical to everyone and all information is complete, accurate, and up-to-date in order that it becomes more difficult to practice corrupt behaviors, especially in terms of information concerning bureaucratic agencies and local administrative organizations.

Encourage Suggestions

Promoting and enhancing the quality of educational reforms while fostering the general public's interest in news about politics and current affairs within society relevant to monitoring government operations.

Promoting robust participation by the people's sector in enabling the prevention of corruption, revealing and protesting all corrupt behaviors on a continual basis, while strategically establishing anti-corruption networks so that the general public may take part in governmental operations whether at local or national level, including policy formulation, inspection, and monitoring. In addition, an independent commission should be established for this purpose as well

Families should help promote moral conscience in their own households, which represent the micro unit of society. Parents must serve as children's role models, providing education and allowing them to understand and even feel ashamed of corruption, including the thought of doing it, as well as emphasizing the importance of "goodness" over "materialism".

Religious institutions should participate and play a vital role in promoting integrity and the principle of morality to the general public while organizing religious activities, keeping the projects interesting and inviting the community members to participate.

Mass media should undergo reform to change their attitudes and belief system from worshipping the power of money to respecting do-gooders, whereby media plays a vital role in promoting integrity along with the ideal of non-acceptance of corruption. In addition, they should monitor all behaviors prone towards corruption and inform the public immediately when corruption is found, without fear of any dark powers' influences; also, they should not hesitate to praise people who do good deeds.

Policy Measures

Improving the bureaucratic payroll system, especially for junior officers, and ensuring that monthly income will increase in proportion to increasing cost of living while ensuring income distribution is fair and non-discriminatory within society.

Establishing agreements among the public, private, and people's sectors regarding what should constitute the social norm of corruption in light of mutual understanding so that inspection may be done without redundant debate about what should or should not be considered corrupt behaviors.

Concession and recruitment systems within the government sector should be reformed so information is revealed to the public throughout the process with transparency, and accessibility to the information by the Thai people exists, e.g. on the Internet, etc.

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**ELECTIONS AND FUNDAMENTAL FACTORS FOR CHOOSING
TO ELECT POLITICAL PARTIES AND POLITICAL CANDIDATES:
ANALYSIS FROM THE 3RD JULY 2011 ELECTION**

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ABSTRACT

This paper presents the elections and fundamental factors for choosing to elect political parties and political candidates (the analysis from the 3rd July 2011 election by using the survey data from King Prajadhipok's national survey before general election in 2011). The results of this study coincided with Richard Yalch's voter choice theory that candidates' political standpoints, character, campaign, and understanding of campaign issues influence elections. Social issues were important in elections as well as the social issues that political parties emphasize in their campaigns affect social norms. This study also describes the current state of Thai democracy and acknowledges that there were differences in voter socio-economic status or voter classes. It is apparent that different regions voted differently. Other factors that affected voter decisions were the amount of media coverage a party received in particular areas and dissatisfaction with the former government. This caused people to choose the party that they thought could carry out policies that benefited them more effectively and efficiently than the last government. This study found that citizens in the Northeastern region had higher levels of political interest and political knowledge of the campaign. Bangkokians, in fact, had the lowest levels of political interest and knowledge, despite being the most educated and located in a higher socio-economic status environment. This finding appears to contradict the common belief that "Isan people" are less equipped to participate politically than the more highly educated Bangkok constituents.

KEY WORDS: Election, democracy, fundamental factors

INTRODUCTION

Elections are the keys to democracy because they lead to public debate, and production of policies. The fact that citizens have opportunities to say who will govern by voting is the heart of a democracy. However, competitive elections are not enough to create confidence that the government will be a completely representative system because it is necessary to have other qualifications such as, transparency and a sense of responsibility to represent the people. Other important components of truly democratic government include: the competition between political parties, political party rotation in the government, respect for citizens' political liberties and rights, having ways to communicate political issues especially with minority groups, having many opportunities for people to participate in politics, and having civil society bond the people with the government.

An important issue that challenges many countries in this era is maintaining an electoral democracy as well as the essential conditions of perpetuating a democracy that continues to progress. (Leduc, Niemi and Norris, 2002:1) Honest and fair elections are necessary in a democratic country. The outcome of elections in countries is dependent upon a variety of factors. Research suggests that people vote based on receiving the greatest amount of benefit with the lowest amount of investment. Therefore, patterns of electoral behavior will develop in societies where people think differently. Additionally, candidates' positions on political issues, personalities, campaigns, and understandings of the political issues have an influence on voters' decisions. (Yalch, 1975, pp. 783-792).

Moreover, academic research has found that political environments have ideological cleavages that last for decades. (Garner and Palmer, 2011, pp. 225-226) There is often a dichotomy between one's political environment and society, which helps people determine

their own positions on group interests, core values, and which political party they favor. Some academic specialists have begun to show interest in the dichotomy of political environments which affect people's opinions.

Nowadays, political environments have many more cleavages than they have had in past decades. Divisions in Western Society during the 1960s produced political parties that held fast to opinions that might be viewed as conflicting. (Garner and Palmer, 2011, p.227) This also produced changes that led to divisions due to ideological differences. Social issues are also important in elections. Social issues that political parties emphasize during their campaigns also affect social norms (Biggers, 2011:3), for example, what is right and what is wrong. (Haider-Markel and Kaufman, 2006) or policies concerning spiritual issues. Studies have found that the public are familiar with social issues and that these issues help them realize their rights and liberties. The public also bring up these issues when discussing their election decisions (Donovan et al., 2005). They also believe that they benefit from elections. (Brennan and Buchanan, 1984; Schuessler, 2000). These measures make it possible for the public to voice their opinions regarding policies and to let their preferences be known.

In Thailand, there have been massive changes during the last decade; the political environment is different from the past. There is an increase of public participation in politics, and political divisions are more apparent. All of these factors affect elections.

This study focuses on political differences in the election of Members of the House of Representatives in the July 3, 2011, election. During this election, there was a high level of competition between the two main parties, i.e. the Pheu Thai Party and the Democrat Party. In addition, this study seeks answers about what factors affect voters when they are making decisions concerning who to elect as representatives in each constituency, as well as party-list representatives.

LITERATURE REVIEW

Political Differences in Thai Society

There are significant political differences between persons with an education, both in the countryside and in the city (Albritton and Burekul, 2003: 5; Laothamatas, 1996). There are also political diversities among different groups in different regions of the country, especially when it comes to supporting democracy. (Thawilwadee Burekul and Stithorn Thananitichot, 2003) There are important implications pointing to the fact that Bangkok residents and people outside of Bangkok differ in their political views. It was very apparent that Bangkok residents and those outside of Bangkok had differing opinions concerning the coup d'état on September 19th 2006. Upper class citizens, a small group of people, including academic specialists, easily overcame the public's resistance to overthrowing the Thai government.

The Thai political situation was damaged in 2005. In October 2005, more than a thousand people gathered together in Lumpini Park in order to listen to Sondhi Limthongkul attack the government. Many Thai people were furious with the former Prime Minister Thaksin Shinawatra, leader of the Thai Rak Thai Party, because he sold his ShinCorp stock to Temasek Corporation, a Singaporean company. Almost 100,000 people marched in a protest demanding Thaksin's resignation.

In response, hundreds of thousands of Thaksin supporters gathered together in Bangkok to express support for him. Most of his support came from persons in the countryside outside of Bangkok. In an effort to overcome the ongoing conflict, he declared that the parliament should be dissolved and an immediate election should take place. He knew that he had the support of voters outside Bangkok, a majority of people. However, the opposition refused to take part in the snap election and tried to persuade people not to vote for any of the candidates because election laws state that unopposed candidates must receive votes from at least 20% of all eligible voters. The opposition knew that if there was only one candidate in each constituency, then the election would be a success. This caused there to be some candidates that were paid to join subsequent elections so that there would be more than 1 candidate per constituency. Although elections in many constituencies were found valid, the House could not reconvene as 14 Members of the House of Representatives seats were left unfilled.

The institutional crisis created the conditions for the 19 September 2006 coup d'Etat that ousted Thaksin Shinawatra. The Council for Democratic Reform under Constitutional Monarchy, led by General Sonthi Boonyarataklin, came to power and Privy Council member Surayud Chulanont became prime minister from 2006 to 2007. On 30th May 2007 the Constitutional Tribunal dissolved the Thai Rak Thai party. The Constitutional Tribunal considered the Thai Rak Thai Party to be unconstitutional because they wanted to make changes in the database of candidates. Moreover, the party also paid people to join other parties to run so that even with the Democrat Party's boycott of the election, the constitutional requirement to have multiple candidacies per constituency would artificially be met. This was regarded as an unconstitutional means to win the election. Following the TRT's dissolution, a new party was formed and it was called the People Power Party (PPP). They won the following election on December 23rd, which was the first election under the 2007 Constitution. Results of the 2007 election showed that the People Power Party, which was viewed as a party representing Thaksin's interests, won the election and formed a coalition government. Yellow-shirts and their organization the People's Alliance for Democracy (PAD), which had previously provided support for the coup, once again rallied in 2008 to pressure Prime Minister Samak Sundaravej and his successor Somchai Wongsawat out of office. Samak was deposed by decision of the Constitutional Court, and Somchai lost his position when the PPP was once again dissolved by the Constitutional Court in December 2008. This led to the formation of the Pheu Thai Party which is the same group of people as the PPP.

Political Extremes: red-shirts/yellow-shirts

This political conflict illustrated Anek Laothoamatas' "Two Democracies Thesis" (1996). He argued Thai politics has been separated into two groups: i.e. Bangkok residents and those from outside of Bangkok such as the North, Northeast, and in the Central Region of Thailand. This cleavage is what has contributed to the strength of the Thai Rak Thai party. This difference in political opinions has been true throughout Thai political history, yet it has become more serious in recent times and as a result has led to social instability. This conflict of interests has developed within the democratic system. Historically, Thai politics have been controlled by Bangkokians even though they represent only 10% of Thailand's population. When Thailand engaged in democratic transition, rural citizens who make up 80% of all Thai citizens did not allow a lot of time to pass by before they showed their power and influence, which made Bangkokians anxious about the future of elite control of the political agenda. The difference between eligible voters in the city and in the upcountry (according to "city

dwellers' attitudes" who are upper class) is that country dwellers usually choose their candidates based on who visits them most often, helps them solve urgent problems, and brings a lot of government money to develop their village. They don't choose their candidates based on policies or national interest (Laothamatas, 1996, p.202). The ability of rural people to access government power tends to cause the middle class, mass media and even academic specialists to doubt the success of the democratic process. In their view, democracy has become a government system that is full of corruption and incapable people. Laothamatas, 1996, p. 208). This brought to pass a predicament in which the middle class looked down on rural citizens who have the right to vote and see them as narrow-minded, clumsy country folk with low education and thus aren't fit to determine laws or be ministers (Laothamatas, 1996, p.208). In the 2005 election, there was a clear battle between the 'two democracies' as people from lower classes started to run for candidates in elections. Democracy will begin to take its place in Thai society when eligible voters in the countryside and the city have proportional voting power and when political power is transferred to the majority of Thais who reside in the countryside.

Political competition between parties becomes more serious when outside political groups support politicians from opposing parties. An important political group is the People's Alliance for Democracy (PAD) also known as the yellow shirts. This group includes several organizations throughout Thailand that agree that Thaksin Shinawatra must be driven out of leadership. The symbol used by this group is the color yellow in reference to the institution of the monarchy as well as a slapping hand. The United Front for Democracy against Dictatorship (UDD), a.k.a. the Red Shirts, originally known as the "Democratic Alliance Against Dictatorship" (DAAD) were organized in 2007 in order to drive out Surayud Chulanont from the office of prime minister as well as the Council of National Security after the coup. They called an end to their rallies on December 26th 2007 when PPP received majority representation in the House of Representatives. They came together once again in order to oppose PAD in May 2008. This led to violence. The appointment of Abhisit Vejjajiva as prime minister caused a massive Red Shirt movement against the government in March 2009. This led protests in April 2009 in which the government declared a state of emergency and ordered troops to surround the protestors. On April 14th 2009, protests ceased and the protest leaders were arrested.) After several days, the government announced that they were no longer a state of emergency. The symbol used by the Red Shirts was a slapping foot and a slapping heart, in response to the PAD's slapping hand.

PAD tends to be middle class citizens, while the Red Shirts tend to be people from the country that have spread into many regions, especially Northeastern, North Thailand, and some provinces in Central Thailand. Results from Robert Albritton and Thawilwadee Bureekul (2007) explain the socio-economic differences or "class" differences, which negatively affect the stability of the democratic system. The major factor explaining the political divide is related to geographic location, which causes concern. One reasonable explanation is that these differences are a sign of competition between the big city and the countryside or between regions in order to catch attention and get a share of the government's resources for one's own region.

Historically, Thai democracy is run by aristocrats. As for whether or not intellectuals and Bangkok's upper class will be willing to cede political power to areas that are far from development remains a political issue. The path of democracy is to progress into a government that is led by the masses. The influence of Bangkok's upper class on the media

and on academics causes this path to be extremely difficult. Nevertheless, a true democracy is one that is led by the majority.

Voters' Opinions toward Political Candidates

Robert Albritton and Thawilwadee Bureekul (2007), found that factors concerning political differences correlate with the criteria that voters use to make political selections. Voters choose based on three different characteristics of the candidates. The first characteristic has to do with the candidates' knowledge of policy as well as whether or not they are able to carry out administrative work. The second characteristic, which is totally different from the first, is how much the candidate will be able to help out one's own locality. The third characteristic is more personal and that is the candidates' personalities, which really have nothing to do with their political and administrative abilities. Factors 1 and 2 are attitudes that are related to the assumption that, "Thailand has two democracies." From analyses gathered to up to this point, we expect the Democrat Party, which is made up of representatives of the upper class, to be more interested in factor 1. We expect voters who are members of the Thai Rak Thai Party and other parties to be more interested in factor 2, Localism. The data imply a basic conflict between people who believe that government should represent the policies of various political parties in accordance with the "Responsible Political Parties" model (parties articulate explicit programmes and if elected, are expected to produce the promised programmes) as well as groups of utilitarian voters. According to Anthony Downs, a voter's choice was a calculation of which candidate (or party) would most benefit them. He pointed out that the heart of a democracy was the right of the people to vote, as a way to get personal gain.

The July 2011 election voters' opinion surveys seek to demonstrate or invalidate the existence of "two democracies", i.e., two attitudes toward voting representing the fundamental differences between the urban political culture and rural political culture. The data for this analysis come from a random sample of likely Thai voters before the 2011 election of Members of the House of Representatives. The data were organized into six steps, starting with region, province, district, sub-district, village, and voters. The sample included over 1,500 people and can be considered to be an accurate reference for the population. The sample was taken two weeks prior to the election.

Receiving Election Information

During the election on July 3rd, 2011, more than one half of the respondents obtained some source of information about the election and the candidates via television (58.4 %), followed by campaign signs (28.2 %). Only 2.4 % said they received information through the radio and 2.8 % said they received information from rally leaders. Almost nobody reported getting information from the Election Commission.

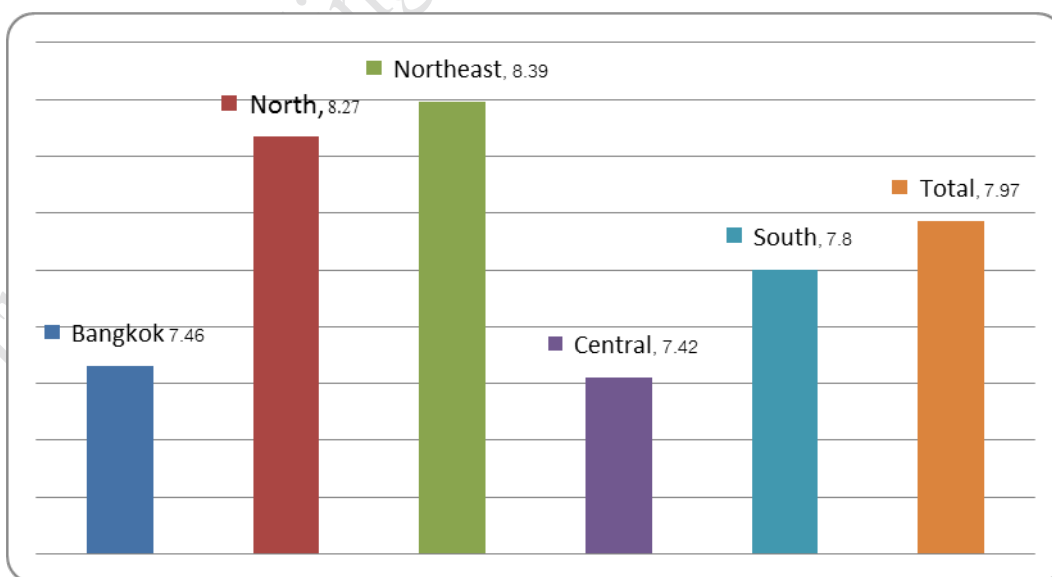
Table 1

Sources of Information about the Upcoming Election

Source of Information	Percent
Newspaper/Magazine	2.5
Television	58.4
Political Activities such as political signs	28.2
Election campaigner	0.5
Normal Radio	1.1
Community Radio	0.5
Election Committee	0.1
Community Leaders	2.8
Local Government Officials	0.7
Internet	0.1
Others	0.4
Received no information	2.9
Total	100.0

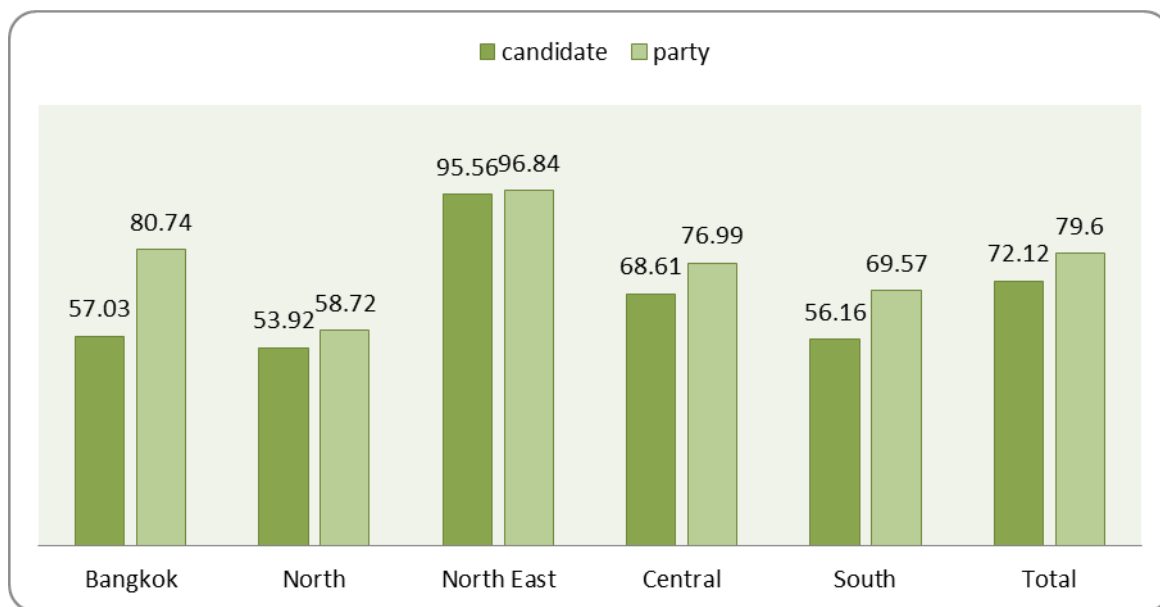
The public showed considerable interest in the upcoming election. They showed an interest level of 7.97 out of a total of 10. People from the Northeast showed the most interest in the election at 8.39, followed by people from the North at 8.27 and people from the South at 7.8. Bangkokians and people from the central plains, showed the least interest in the election with 7.46 and 7.42 scores respectively (Figure 1). This difference is highly significant statistically significant at 0.000.

Figure 1. Average Interests in the July 3rd 2011 Election by Region



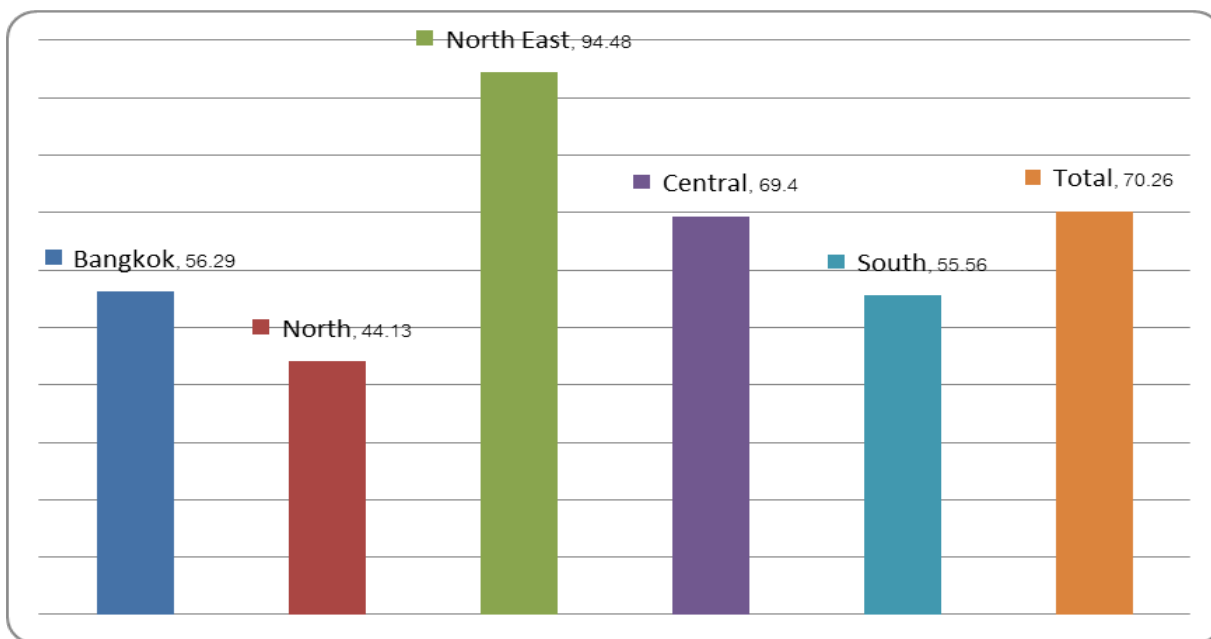
The fact that people were able to specify the names of candidates showed whether they were interested in the election.

Figure 2. Percentage of People Able to Specify Names of Candidates and Political Parties by Region



This study had respondents specify the names of candidates as well as political parties in their areas. 95.56 percent of the people in the Northeast were able to specify candidate names, which is higher than all other regions and coincides with the notion that they were most interested and knowledgeable about the upcoming election. People from the North were the least able to specify candidate names. The fact that people were able to specify the names of candidates showed interest in the election. The same applied to specifying party names, 96.84 percent of people from the Northeast were able to specify party names, followed by 80.74 percent of Bangkokians (Figure 2).

Figure 3 Matching Names of Candidates and Parties



Selection of Candidates

At the time of the survey, a number of people had begun to think about the political party they would choose. In Bangkok, one in four people planned to choose candidates that were affiliated with the Democrat Party while 42.96 percent said they would choose a candidate affiliated with the Pheu Thai party. As for people in the Northeast, 68.38 percent clearly specified that they were going to choose Pheu Thai. 84.13 percent of people from the South said they were going to choose the Democrat party of Thailand, while 1 out of 3 people from the North said they planned to choose Pheu Thai.

Table 2

Percentage of people who were planning to vote for Members of The House of Representatives

	BKK	North	Northeast	Central	South	Total
Democrat Party	25.18	25.44	9.29	21.32	84.13	27.3
Pheu Thai	42.96	32.26	68.38	32.91	4.32	42.01
For the Development of Nation Thai Development		1.07	2.17		0.49	1.03
Proud Thai		2.51	0.2	5.64	1.44	2
Others	31.86	2.51	3.16	40.13	9.62	26.07
Total	100.00	100.00	100.00	100.00	100.00	100.00

Significant factors in choosing a candidate

Table 3

Significant factors in Choosing a Candidate

	Mean
Well-known for Honesty	3.48
Ability to solve community problems	3.42
Has Vision	3.40
Benefits the Community	3.38
Political Experience	3.20
Accessibility	3.15
Can bring government to the area	3.11
High Education	3.08
Promised to help one's locality	3.07
Likes the candidate's political affiliation	2.82
Good Family	2.79
Helps solve local problems	2.79
Personality	2.78
Like the Party Leader	2.76
Helps friends	2.67
Lives or has lived in one's locality	2.66
Good Financial Status	2.66
Same political ideologies	2.30
Gender	1.89
Received money or gifts	1.84

It is understood that social issues are important in elections and there are likely differences by regions. 54.4 percent of those who answered our survey said that being affiliated with a party was important. This perception varied among regions; 18.6 percent thought that this factor was very important.

Table 4

Choosing a candidate based on political ideology and partisan identification

	Mean
Party's Policies	3.40
The Leader	3.25
Party Success	3.22
Political Record	3.01
Political Ideology	2.5

Important Factors for Choosing a Political Party

In the past elections, many parties competed. There were two large parties, the incumbent Democrat Party and the Pheu Thai Party. According to the survey, the most important factor for choosing a political party was consideration of the party's policies. Out of a total of 4, people gave the importance of campaign policies 3.4, followed by their good opinion of the Party Leader at 3.25, the Party's success at 3.22, and Political Record at 3.01. Political Ideology had the lowest importance level at 2.5.

Table 5

Importance of Ideology in Choosing a Political Party

Same political ideology	Region					
	Bangkok	Central	Northeast	North	South	Total
Not important at all	44 32.6%	100 27.6%	68 13.5%	99 35.2%	27 13.2%	338 22.8%
Not that important	55 40.7%	27 7.5%	146 29.1%	47 16.7%	65 31.7%	340 22.9%
Important	26 19.3%	103 28.5%	244 48.6%	82 29.2%	76 37.1%	531 35.8%
Very Important	10 7.4%	132 36.5%	44 8.8%	53 18.9%	37 18.0%	276 18.6%
Total	135 100.0%	362 100.0%	502 100.0%	281 100.0%	205 100.0%	1485 100.0%

Chi-Square = 2.720E2 df = 12 sig. = .000 n= 1485

Why More People Chose Pheu Thai

Pheu Thai won a strong victory in the 2011 election. Therefore, researchers focused on finding out whether or not specific strategies or policy proposals were effective in the campaign. Policy proposals included a monthly salary of 15,000 baht to new university graduates and a minimum 300 baht daily wages. Other possible factors explaining Pheu Thai's victory include economic and social indicators such as income, age, gender,

dissatisfaction with the work of the former Democrat Party – led coalition government, and political ideology.

Researchers used a “factor score” for factors that are used in choosing a party. There are two significant factors, ideology and partisanship (See Appendix). The results of the study found that the aforementioned factors were able to explain 33.3 percent of the reason why people chose Pheu Thai. Factors that had an influence included policy, political record, education level of respondent, awareness of Pheu Thai policies, and satisfaction level with the former government. People with higher education tended to choose other parties but those with less education tended to choose the Pheu Thai Party. People who were satisfied with the former prime minister’s work were less likely to choose Pheu Thai. Other factors such as gender, income, and age had no important implications that explained why people chose Pheu Thai. The most important factors were dissatisfaction with the former government and having heard Pheu Thai policies.

Table 6

Sources of Support for the Pheu Thai Party

Model	Regression Coefficients		t	Sig.
	B	Beta		
(Constant)	1.158		13.463	.000
Age	-7.900E-5	-.002	-.082	.935
Income	1.250E-7	.009	.381	.703
Ideology and value	.000	.000	-.026	.979
Partisanship	.054	.095	3.864	.000
Education Level	-.023	-.073	-2.654	.008
Gender	.008	.008	.329	.742
How satisfied were you with the work of Abhisit Vejjajiva’s government	-.271	-.542	-21.835	.000
Awareness of PTP policies	.112	.109	4.378	.000

Dependent Variable: Chose the Pheu Thai Party

R square = .333 n = 1150 F 77.154 SE= .408 sig= 0.000

DISCUSSION AND CONCLUSION

The results of this study coincide with Richard Yalch’s voter choice theory that candidates’ political standpoints, character, campaign, and understanding of campaign issues influence elections. Social issues are important in elections as well, the social issues that political parties emphasize in their campaigns affect social norms (Robert Albritton and Thawilwadee Bureekul, 2007) This study describes the current state of Thai democracy and acknowledges that there are differences in voter socio-economic status or voter classes. Those with less education seem to choose the PTP.

Also, it is apparent that different regions vote differently (cf. chapter on “Thai political culture” by Robert Albritton and Thawilwadee Bureekul). Other factors that affect voter

decisions are the amount of media coverage a party gets in particular areas and dissatisfaction with the former government. This causes people to choose the party that they think can carry out policies that benefit them more effectively and efficiently than the last government. Cues for this choice come from voter's assessments of candidate expertise, but also from association with candidate's political party. This latter finding represents a novel consideration in Thai political studies which often emphasize a lack of partisan identification in Thai politics.

Perhaps even more important is the finding that citizens in the Northeastern region have higher levels of political interest *and* political knowledge of the campaign. Bangkokians, in fact, have a lower level of political interest and knowledge, despite being the most educated and located in a higher socio-economic status environment. This finding appears to contradict the common belief that "Isan people" are less equipped to participate politically than the more highly educated Bangkok constituents.

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APPENDIX

Factors that Contribute to Voting for a Political Party

Factors	Ideology and value	Partisanship
Political party's success		.724
Political party's policies		.848
Political party's leader		.751
Political party's history		.577
The possibility of the party to win	.554	
Work Record		.550
Family has voted for the party in the past	.815	
Harmony with religious principles	.818	
Same political ideology	.825	

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**RESILIENCE IN RELATION TO WELL-BEING AND LONELINESS
IN A SAMPLE OF COLLEGE STUDENTS**

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ABSTRACT

Resilience is one of the essential ingredients to a happy and healthy life. It is important to a person's mental health because it protects one from negative emotions. Therefore, it can be said that resilience generally improves the quality of life. With such claims, the present study was conceived. Specifically, the study focused on the possible relation of resilience to well-being and loneliness. To achieve the purpose of the study, 648 college students were asked to respond to the Resilience Scale for College Students (RSCS), Oxford Happiness Questionnaire (OHQ), and the UCLA Loneliness Scale (UCLALS). Results after statistical analysis revealed that resilience had a significant positive relationship with well-being ($r=.21$, $p<.01$) and a significant negative relationship with loneliness ($r=-.13$, $p<.01$).

KEY WORDS: College students, loneliness, relationship, resilience, well-being

INTRODUCTION

Resilience refer to the ability to bounce back (Winder, 2006) as characterized by successful adaptation despite risks, acute stressors, and chronic adversities. It is considered one of the essential ingredients that can lead one to a happy and healthy life (Ahangar, 2010). Additionally, it may refer to personal qualities that make one thrive in the face of adversities (Connor & Davidson, 2003). It may also imply effective coping that include thoughts and actions intended to restore or maintain balance (Azlina & Jamaluddin, 2010).

Resilient people specifically are assumed to be more determined and have the ability to enhance their efforts during difficult situations (Ahangar, 2010). They are goal-oriented, which is believed to be the primary reason why they get back up and keep going despite adversities. They are knowledgeable of their own strengths and have the belief that they can depend on themselves in order to accomplish things to be done, even if it has to be done alone (Wagnild, 2011).

Moreover, resilient people have a sense of proportion and can decipher what is reasonable from what is impossible (Wagnild, 2011). During difficult times, some people are able to carry on, while others are simply overwhelmed. Those who are able to cope during difficult times and bounce back from stressful experiences are considered resilient (Winder, 2006). Subjective well-being, on other hand, refers to people's evaluations of their lives which include cognitive judgments and affective evaluations. Cognitive judgment includes life satisfaction while affective evaluations include moods and emotions like that of positive and negative feelings. People with high subjective well-being are believed to be satisfied with their lives and experience frequent positive emotions and infrequent negative emotions. Subjective well-being is the psychological term for happiness (Eddington & Shuman, 2008). Life satisfaction in general is believed to be a conscious cognitive judgment of one's life and criteria for judgment are always relative to the individual (Pavot & Diener, 1993).

A happy person according to the conclusions drawn from the study of Diener, Suh, Lucas and Smith (1999) possesses the following traits: blessed with positive temperament, tends to look on the bright side of things and does not ruminate excessively about bad events, lives in an economically developed society, has confidants, and possesses adequate resources for making progress toward valued goals. It must be noted, however, that said traits likened to happy

people may change because of the fact that research focused on subjective well-being is progressing in a rapid phase.

Conversely, loneliness is defined as the negative outcome of a cognitive evaluation of the inconsistency between the quality and quantity of existing relationships and relationship standards (Geirveld, Van Tilburg & Dykstra, 2006). It is described as a painful, prolonged, paralyzing experience that evokes both fear and anger (Seepersad, 2001). Also, it is a feeling of not having close companions, desirable friends, or social contacts. It can be associated with feelings such as not belonging, being left out, boredom, sadness, depression, and anxiety (Cattan, 2009).

Loneliness as a feeling is easily recognizable because all people experience loneliness at some points in their lives. For most people, it is a relatively short-lived feeling since they have developed the necessary external support and internal resilience to cope with. However, for some people, the experience of loneliness is much more of a concern. Difficult life changes or circumstances can bring on a feeling of all-encompassing loneliness which can get progressively harder to alleviate and can lead to the feeling of being stuck in a loop of negative behaviors and thoughts (Hole, 2011).

In particular, the study conducted by Seepersad (2001) identified eight descriptions associated with the experience of loneliness. These descriptions are presented in order of frequency: pain, no direction/purpose, nothingness, trait loneliness, being overwhelmed, no control, no emotion, scared/afraid and anger/hatred. It is clear, based on the study that loneliness is indeed a painful experience.

Resilience and Well-Being

A person's way of looking at the world that is innate in nature and the manner problems are solved influences resilience and well-being, however, new skills can still be learned that will enable one to learn positively from life's challenges. It must be noted though that people's environments are equally important since based from their environments, working models can be made and expectations of other people can be best understood. Therefore, resilience and well-being are believed to be dependent upon both internal and external factors (Response Ability, 2006).

With reference to reviewed studies, among older adults specifically, Wells (2010) found that resilience levels were high regardless of whether they lived in rural, suburban, or urban areas. It was noted that strong social networks and good physical and mental health were important protective factors associated with high resilience levels across all locations. Resilience as claimed by Wells is an important concept that needs additional study among older adult populations because it focuses on promoting wellness. Shen and Zeng (2010) also concluded in their study that resilience is associated with reduced mortality risks among the young-old and oldest-old in China.

On the other hand, among women migrants in Canada, Rashid (2011) analyzed participants' perspectives about resilience, defined as how the participants perceived their lives and how they defined happiness and success. It was revealed that participants of the study were optimistic about better future especially for their children. The participants re-framed their goals and made plans for their futures. They also became more independent and autonomous

compared to when they were still living in their countries of origin. Independence and autonomy were assumed to be responsible in fostering their resilience, in addition to the support from their husbands and members of the family. Despite hardships and sacrifices, the participants claimed that they were happy. All of the participants were considered resilient because they overcame adversity.

Resilience and Loneliness

It is assumed that some of the most resilient people are those people who can still live their lives, despite loneliness (Moore, 2013). Circumstances that test people's resilience to loneliness include these major transitions: moving home or from a job, bereavement, divorce or separation, arrival of new baby or departure of an older child from the family home. Included also are situations that cut-off people from the mainstream of society, these include: unemployment, poverty, mental illness or old age, people who need an unusual level of support like those with disability, drug or alcohol addiction, or those caring for a relative or being a sole parent. People coming from minority groups are also believed to be more apt to suffer loneliness (Griffin, 2010).

In relation, Seepersad (2001) found that the most frequent cause of loneliness was not having the desired social interaction. It must be noted, however, that even loneliness and social isolation are closely associated they are considered distinct constructs. Social isolation is defined as an objective state and can be measured by number of contacts and by the number of interactions between individuals and their wider social networks (Cattan, 2009).

The avoidance of social isolation by encouraging people to make meaningful relationships is important since it can lead to the feeling of being less lonely. Being less lonely can dramatically increase well-being and could prevent serious health problems (Hole, 2011) since loneliness is associated with elevated vascular resistance in young adults and higher blood pressure among the older ones (Hawkley & Cacioppo, 2007). Social competence or the ability to act pro-socially and communicate well with others has been found to be one of the components of resilience (Calaguas, 2013).

In a study conducted by Rew, Taylor-Seehafer, Thomas and Yockey (2001) among homeless adolescents, the researchers found that participants who perceived themselves as resilient, although disconnected from other people were less lonely, less hopeless, and engaged in fewer life-threatening behaviors compared to those who perceived themselves as not resilient. And, in the study conducted by Lou and Ng (2012), it was noted that family-oriented and relationship-focused resilience at the cognitive, self and personality, and social relations' levels played significant roles in helping the Chinese older adults overcome high risk of loneliness.

Furthermore, it is worth-noting that resilient people use nostalgia as a coping mechanism. Wildschut, Sedikides and Cordaro (2011) noted that resilient individuals as contrast to non-resilient individuals are more inclined to the use nostalgia as a response to their loneliness. Nostalgia is considered a self-relevant and social emotion. During nostalgia, an individual's self almost emerges as protagonist in memories and is almost always surrounded by others close to the individual. Even if nostalgia is characterized by some affective ambivalence, it is still considered a predominantly positive emotion. Similarly, Zhou, Sedikides, Wildschut, and Gao (2008) found that nostalgia strengthens social connectedness and belonging, thus,

partially ameliorating the harmful repercussions of loneliness. Their research was able to establish an initial step toward establishing nostalgia as a potent coping mechanism during situations that involve self and social threat and when appropriately harnessed, is assumed to strengthen psychological resistance to the vicissitudes of life.

Generally speaking, resilience being noted as one of the essential ingredients in leading a happy and healthy life is important to a person's mental health because it can protect a person from negative emotions. Therefore, it can be said that resilience can improve the quality of life and protect one from loneliness. With such claims, the present study was conducted.

METHODOLOGY

Research Design

The study used a descriptive-correlational research design. Banyard and Grayson (2001) defined correlational research as a type of study that is designed to measure and describe the relationship between two variables without attempting to explain the cause of the relationship. In the present study, resilience served as the predictor variable while well-being and loneliness served as criterion variables.

Means along with standard deviations were used to describe the nature of the data collected from the participants. Pearson's product moment correlation coefficient was calculated to find out the relationship between different variables of the study.

Participants

A total of 648 college students participated in the study. There were 197 males and 451 females. Their mean age was 18.01 with a standard deviation of 1.49. The youngest participant was 15 years old while the oldest was 26 years old. The participants came from 13 programs.

Research Instruments

Three instruments were used in the study, namely: the Resilience Scale for College Students (RSCS), Oxford Happiness Questionnaire (OHQ), and the UCLA Loneliness Scale-Version 3 (UCLALS).

RSCS is a 32-item scale developed by Calaguas (2013). The scale assesses resilience using a Likert scale of one to four. Higher scores indicate greater degrees of resilience. Current reliability of said scale using the responses of college students in this study is .88.

On the other hand, the OHQ is a 29-item scale developed by Hills and Argyle (2002). It assesses subjective well-being using a Likert scale of one to six. Higher scores signify higher degrees of happiness. The current reliability of said scale using the responses of college students in this study is .82.

Conversely, the UCLALS is a 20-item scale developed by Russel (1996). The scale assesses subjective feelings of loneliness or social isolation using a Likert scale of one to four. Higher

scores signify greater degrees of loneliness. Current reliability of said scale using the responses of college students in this study is .80.

RESULTS

Table 1 presents the information relevant to the profile of the first research instrument administered to the participants. It reports the means and standard deviations for all the responses of the 648 college students on the RSCS while Table 2 presents the descriptive statistics for RSCS for the full sample (N=648) and reports the total mean score, standard deviation, and interpretation. Table 3 presents the information relevant to the profile of the second research instrument administered to the participants. It reports the means and standard deviations for all the responses of the 648 college students on the OHQ while Table 4 presents the descriptive statistics for OHQ for the full sample (N=648) and reports the total mean score, standard deviation, and interpretation. Table 5 presents the information relevant to the profile of the third research instrument administered to the participants. It reports the means and standard deviations for all the responses of the 648 college students on the UCLALS while Table 6 presents the descriptive statistics for UCLALS for the full sample (N=648) and reports the total mean score, standard deviation, and interpretation. Table 7 presents the relationship between resilience and well-being while Table 8 presents the relationship between resilience and loneliness.

Table 1

Descriptive statistics for the Resilience Scale for College Students

Items	<i>N</i>	Min.	Max.	M	<i>SD</i>
1. I accept the fact that all people encounter problems.	648	1.00	4.00	3.66	.56
2. I accept the fact that problems are part of life.	648	1.00	4.00	3.65	.56
3. I pray to God.	648	1.00	4.00	3.77	.49
4. I believe that God is always with me.	648	1.00	4.00	3.81	.43
5. I believe that God will not give me problems that I cannot handle.	648	2.00	4.00	3.75	.49
6. I believe that God loves me.	648	2.00	4.00	3.87	.36
7. I believe that problems have solutions.	648	1.00	4.00	3.65	.53
8. I think that there is a better tomorrow.	648	1.00	4.00	3.50	.59
9. I think that all problems will pass.	648	1.00	4.00	3.47	.58
10. I think of my goals in life.	648	1.00	4.00	3.60	.55
11. I need to continue living despite of problems.	648	2.00	4.00	3.50	.56
12. I try harder.	648	1.00	4.00	3.44	.58
13. I focus more.	648	1.00	4.00	3.42	.57
14. I tell myself that I must not give up.	648	1.00	4.00	3.65	.55
15. I tell myself that I will not let the same problems happen again.	648	1.00	4.00	3.47	.57
16. I believe that I can manage everything that comes my way.	648	1.00	4.00	3.08	.64
17. I believe that I am more fortunate than others.	648	1.00	4.00	3.03	.71
18. I believe that I will not fail.	648	1.00	4.00	3.05	.70
19. I accept the fact that life can be difficult at times.	648	1.00	4.00	3.26	.67
20. I accept the fact that I cannot have everything.	648	1.00	4.00	3.25	.77
21. I accept the fact that life is not perfect.	648	1.00	4.00	3.51	.68
22. I don't take problems too seriously.	648	1.00	4.00	3.08	.73
23. I joke around.	648	1.00	4.00	3.20	.72
24. I laugh at my problems.	648	1.00	4.00	3.06	.69
25. I smile as if nothing happens.	648	1.00	4.00	3.07	.77
26. I keep everything to myself.	648	1.00	4.00	2.75	.81
27. I believe that no one will help me except myself.	648	1.00	4.00	2.65	.94
28. I believe that I am responsible for everything that happens to my life.	648	1.00	4.00	3.25	.66
29. I tell myself that I have to face my problems independently.	648	1.00	4.00	3.02	.72
30. I tell my problems to my friends.	648	1.00	4.00	3.19	.71
31. I listen to what other people say.	648	1.00	4.00	3.11	.67
32. I ask help from people other than my family members.	648	1.00	4.00	2.86	.80

As can be observed from Table 1, there are scores in some items that could be significant in the respondents' overall degree of resilience. For instance, item no. 6 (I believe that God loves me) garnered the highest mean rating ($M=3.87$, $SD=.36$) which reflects the participants' faith. Likewise, item no. 2 (I accept the fact that problems are part of life.) occupied the second highest mean rating ($M=3.81$, $SD=.43$) pertains to faith. Also, the third item with the highest mean ($M=3.70$, $SD=.61$), item no. 3 (I pray to God) is a reflection of faith among the participants. Their low score ($M=2.65$, $SD=.94$) in item no. 27 (I believe that no one will help me except myself) was also consistent to their responses in the items with the highest means which reflect their faith in God. Generally, it must be noted that no single item in the RSCS got a mean lower than 2.5 that is supposedly the mean with one being the lowest response and 4 being the highest.

Table 2

Descriptive statistics for Resilience Scale for College Students for the Full Sample (N=648)

Item	<i>N</i>	<i>M</i>	<i>SD</i>	<i>Interpretation</i>
Resilience	648	3.33	.64	High Resilience

For the purpose of convenient interpretation, a total mean score below 2.5 (on a 4-point scale) was taken to indicate low resilience. On the other hand, a total mean score of 2.5 suggested moderate degree of resilience. Likewise, a total mean score above 2.5 implied high degree of resilience. Using the previously set criteria, it can be seen in Table 2 that the participants had high degree of resilience as reflected in their total mean score of 3.33. The standard deviation for all their responses was .64, which actually meant that their responses were relatively close to each other.

Table 3

Descriptive statistics for the Oxford Happiness Questionnaire

Items	<i>N</i>	Min.	Max.	M	<i>SD</i>
1. I don't feel particularly pleased with the way I am.	648	1.00	6.00	3.83	1.32
2. I am intensely interested in other people.	648	1.00	6.00	4.19	1.11
3. I feel that life is very rewarding.	648	1.00	6.00	5.00	1.26
4. I have very warm feelings towards almost everyone.	648	1.00	7.00	4.13	1.12
5. I rarely wake up feeling rested.	648	1.00	6.00	3.30	1.09
6. I am not particularly optimistic about the future.	648	1.00	6.00	3.91	1.46
7. I find most things amusing (entertaining).	648	1.00	6.00	4.50	1.08
8. I am always committed and involved.	648	1.00	6.00	3.78	1.20
9. Life is good.	648	1.00	6.00	5.43	1.06
10. I do not think that the world is a good place.	648	1.00	6.00	4.45	1.62
11. I laugh a lot.	648	1.00	6.00	4.72	1.25
12. I am well satisfied about everything in my life.	648	1.00	6.00	4.75	1.20
13. I don't think I look attractive.	648	1.00	6.00	3.52	1.35
14. There is a gap between what I would like to do and what I have done.	648	1.00	6.00	2.89	1.14
15. I am very happy.	648	1.00	6.00	4.86	1.06
16. I find beauty in some things.	648	1.00	6.00	4.84	.98
17. I always have a cheerful effect on others.	648	1.00	6.00	4.57	.99
18. I can fit in (find time for) everything I want to.	648	1.00	6.00	4.28	1.10
19. I feel that I am not especially in control of my life.	648	1.00	6.00	3.91	1.25
20. I feel able to take anything on.	648	1.00	6.00	4.04	1.03
21. I feel fully mentally alert.	648	1.00	6.00	4.19	1.10
22. I often experience joy and elation.	648	1.00	6.00	4.23	1.18
23. I don't find it easy to make decisions.	648	1.00	6.00	3.06	1.30
24. I don't have a particular sense of meaning and purpose in my life.	648	1.00	6.00	4.35	1.52
25. I feel I have a great deal of energy.	648	1.00	6.00	4.50	1.10
26. I usually have a good influence on events.	648	1.00	6.00	4.17	1.16
27. I don't have fun with other people.	648	1.00	6.00	4.79	1.29
28. I don't feel particularly healthy.	648	1.00	6.00	4.43	1.32
29. I don't have particularly happy memories of the past.	648	1.00	6.00	4.68	1.48

Note. Items 1, 5, 6, 10, 13, 14, 19, 23, 24, 27, 28, and 29 were reversely scored. Higher means are indicative of higher well-being.

Table 3, on the other hand shows the means and standard deviations of the responses gathered from the participants of the study to the OHQ. Again, there are scores in some items that could be significant in the respondents' overall degree of well-being. For instance, item no. 9 (Life is good) garnered the highest mean rating (M=5.43, SD=1.06) which reflects the participants positive perception of life. Likewise, item no. 3 (I feel that life is very rewarding) occupied the second highest mean rating (M=5.0, SD=1.26) which pertains also to the positive perception of life. Even the third item with the highest mean (M=4.86, SD=1.06), item no. 15 (I am very happy) is a reflection of the positive perception of life.

Table 4

Descriptive statistics for Oxford Happiness Questionnaire for the Full Sample (N=648)

Item	N	M	SD	Interpretation
Well-being	648	4.25	1.21	High Well-being

Also, for the intention of expedient interpretation, a total mean score below 3.5 (on a 6-point scale) was taken to indicate low well-being. On the other hand, a total mean score of 3.5 suggested moderate or average level of well-being. Likewise, a total mean score above 3.5 implied high degree of well-being. Bearing in mind such statistical criteria, it may be empirically deduced from the participants that they have high degree of perceived well-being as evident in the total mean score of 4.25 that is noticeably justified by the previous range of values defined (M > 3.5). The responses of the participants have a computed standard deviation value of 1.21 which suggests that the mean scores per item procure minimal dispersion.

Table 5 Descriptive statistics for the UCLA Loneliness Scale- Version 3

Items	N	Min.	Max.	M	SD
1. How often do you feel that you are in tune with the people around you?	648	1.00	4.00	1.95	.63
2. How often do you feel that you lack companionship?	648	1.00	4.00	2.40	.74
3. How often do you feel that there is no one you can turn to?	648	1.00	4.00	2.15	.88
4. How often do you feel alone?	648	1.00	4.00	2.26	.87
5. How often do you feel part of a group of friends?	648	1.00	4.00	1.57	.81
6. How often do you feel that you have a lot in common with the people around you?	648	1.00	4.00	2.00	.74
7. How often do you feel that you are no longer close to anyone?	648	1.00	4.00	2.16	.89
8. How often do you feel that your interests and ideas are not shared by those around you?	648	1.00	4.00	2.40	.81
9. How often do you feel outgoing and friendly?	648	1.00	4.00	1.82	.79
10. How often do you feel close to people?	648	1.00	4.00	1.73	.71
11. How often do you feel left out?	648	1.00	4.00	2.18	.81
12. How often do you feel that your relationships with others are not meaningful?	648	1.00	4.00	2.11	.90
13. How often do you feel that no one really knows you well?	648	1.00	4.00	2.51	.85
14. How often do you feel isolated from others?	648	1.00	4.00	2.29	.78
15. How often do you feel you can find companionship when you want it?	648	1.00	4.00	2.16	.78
16. How often do you feel that there are people who really understand you?	648	1.00	4.00	1.83	.78
17. How often do you feel shy?	648	1.00	4.00	2.92	.70
18. How often do you feel that people are around you but not with you?	648	1.00	4.00	2.55	.77
19. How often do you feel that there are people you can talk to?	648	1.00	4.00	1.77	.80
20. How often do you feel that there are people you can turn to?	648	1.00	4.00	1.81	.83

Note. Items 1, 5, 6, 9, 15, 16, 19, and 20 were reversely scored. Higher means are indicative of higher loneliness.

Table 5, conversely shows the means and standard deviations of the responses gathered from the participants of the study to the UCLALS. Also, there are scores in some items that could be significant in the respondents' overall degree of loneliness. For instance, item no. 17 (How often do you feel shy?) garnered the highest mean rating (M=2.92, SD=.70) which reflects the participants feeling of shyness. Likewise, item no. 18 (How often do you feel that people are around you but not with you?) occupied the second highest mean rating (M=2.55, SD=.77) which pertains to the participants feeling of being alone. Even the item with the third highest

mean (M=2.51, SD=.85), item no. 13 (How often do you feel that no one really knows you well?) is a reflection of the participants feeling of being alone.

Table 6

Descriptive statistics for UCLA Loneliness Scale- Version 3 for the Full Sample (N=689)

Item	N	M	SD	Interpretation
Loneliness	648	2.13	.79	Low Loneliness

Again, for the purpose of expedient interpretation, a total mean score below 2.5 (on a 4-point scale) was taken to indicate low loneliness. On the other hand, a total mean score of 2.5 suggested moderate or average level of loneliness. Likewise, a total mean score above 2.5 implied high degree of loneliness. Bearing in mind such statistical criteria, it may be empirically deduced from the participants that they have low degree of perceived loneliness as evidenced by the total mean score of 2.13 that is noticeably justified by the previous range of values defined (M< 2.5). The responses of the participants have a computed standard deviation value of .79 which suggests that the mean scores per item procure moderate dispersion.

Table 7

Correlational Coefficient between Resilience and Well-being

Items	N	M	SD	r-value	p-value
Resilience	689	3.33	.64	.21**	.00
Well-being	689	4.25	1.21		

**relationship significant at 0.01 level.

As can be observed from Table 7, there is a significant positive relationship between resilience and well-being. Positive relationship means that scores move in the same directions, as one score goes up, the other follow and vice versa.

Table 8

Correlational Coefficient between Resilience and Loneliness

Items	N	M	SD	r-value	p-value
Resilience	689	3.33	.64	-.13**	.00
Loneliness	689	2.13	.79		

*relationship significant at 0.05 level.

As can be observed from Table 8, there is a significant negative relationship between resilience and loneliness. Negative relationship means that scores move in opposite directions, as one score goes up, the other goes down and vice versa.

DISCUSSION

Although negative emotions have long been the focus of attention for emotion research, recent years have witnessed a marked shift toward increased interest in positive emotions. Research on positive emotions has highlighted their vital role in many aspects of daily experience and their involvement in the regulation of, and adjustment to negative affective states (Wildschut et al., 2011). It must be noted that resilience is associated with positive emotions.

Generally, resilience is the ability to make plans and take decisions, skill to set goals, and hope for the future. It is not about giving up on life, but about moving forward with hope and optimism. It is not about success, but happiness. It is about leading a healthy life which has meaning and purpose (Rashid, 2011). Resilience merit attention because those who are able to bounce back do live longer, have better health and happier relationships, and are more successful in school and at work (Winder, 2006).

The positive relationship between resilience and well-being established in this study is parallel with earlier studies conducted. The study conducted by Sun, Buys, Tatow, and Johnson (2012) among aboriginal and Torres islander population in Australia for example revealed that low levels of resilience emerged as a key psychosocial factor associated with mental health and emotional well-being difficulties while high levels of resilience were associated with reduced risks. Also, Shen and Zeng (2010) found that resilience is associated with reduced mortality risk among the young-old and oldest-old in China. Similarly, Wells (2010) found that strong social networks, good physical and mental health are associated with high resilience levels among older adults while among women migrants in Canada, Rashid (2011), found that participants of the study were optimistic about better future especially for their children and have re-framed goals and plans for their futures. Despite hardships and sacrifices, the participants claimed that they were happy while Less (2009) found resilience to be positively related with life satisfaction which further clarified how resilience relate to positive outcomes.

On the other hand, the negative relationship between resilience and loneliness established in this study is also parallel with earlier studies conducted. Rew et al. (2001) found among homeless adolescents that those who perceived themselves as resilient, although disconnected from other people, were less lonely, less hopeless, and engaged in fewer life-threatening behaviors. Similarly, Lou and Ng (2012), noted that family-oriented and relationship-focused resilience at the cognitive, self and personality, and social relations' levels played significant roles in helping the Chinese older adults overcome loneliness while Lee, Noh and Koo (2013) found that loneliness has a direct negative effect on well-being, but a positive effect on self-disclosure. While self-disclosure positively influences social support, self-disclosure has no impact on well-being, but social support positively influences well-being. The results also show a full mediation effect of social support in the self-disclosure to well-being link.

The negative relationship established between well-being and loneliness in the present study is important. While loneliness is considered a natural emotion that has played part in human evolution, chronic loneliness can lead to serious physical and mental health problems. Even if loneliness is commonly experienced, it often carries a stigma and could become problematic if people are embarrassed to admit it or seek help (Griffin, 2010). In line with this claim, it must be noted that social competence or the ability to relate well and seek help from others is

one of the constructs identified by Calaguas (2013) to be associated with resilience. This association could provide an insight that could buffer one from loneliness.

In the end, the study on hand added to the growing pool of researches that recognize the importance of resilience. It also proved that resilience is a necessary characteristic since it is positively associated with well-being and negatively associated with loneliness. It is, therefore, recommended that resilience be promoted especially among young people. Response Ability (2006), quoting research findings, identified three factors important in creating an environment that promotes resilience in young people. These include: (1) an environment where caring and support are considered important, creating a sense of connection and belonging, (2) positive expectations of the capacity and behavior of a young person, with consistent guidelines and support to help them achieve their goals, and (3) genuine opportunities for participation and chances to contribute to decision.

CONCLUSION

As can be drawn from the results of the study, resilience had a significant positive relationship with well-being and significant negative relationship on loneliness. Through the use of a descriptive-correlational research design, the researcher was able to portray how resilience can influence well-being and loneliness. Therefore, it can be surmised that resilience is crucial in the well-being and in the prevention of loneliness among the participants. This proved to be another input in the growing pool of knowledge in the field of Positive Psychology particularly on the continuous proliferation of researches on resilience.

The findings will help understand holistically various factors which could possibly contribute to the improvement of well-being and prevention of loneliness. Likewise, this will also be purposeful in the practice of Guidance and Counseling as it will allow guidance counselors to assist clients in making them realize the importance of resilience. The designing of counseling programs that promote resilience is a sound and viable option to improve well-being and combat loneliness.

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DETERMINANTS AND TIMING OF STUDENT ATTRITION

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ABSTRACT

The body of research regarding determinants that trigger student attrition is growing for both pedagogical and practical purposes. In Tinto's seminal 1988 work, "Stages of Student Departure" he finds that a temporal quality is present in the student departure process. This temporal variable has subsequently been proven to add to the analysis of attrition in tertiary education. The purpose of this research is to explore the impact of attrition based on gender, age, nationality, and geographic location. Data was collected from Stamford International University's registration databases from 483 students that had enrolled and completed at least one term of classes. The data was analyzed using hierarchical multiple regression and produced an r^2 of .53. Findings indicate a relationship between work, campus, GPA and number of classes completed.

KEY WORDS: Attrition, university, students

INTRODUCTION

Accountability has become a major area of interest for higher education institutions. Educational, financial and productive efficiencies are some of the new benchmarks against which these institutions are now compared both internally and externally. Potential financial loss for the institutions is a major driver behind this area of research (Bean, 1980; Pascarella & Chapman, 1983; Pascarella & Terenzini, 1980).

In recent years, the body of research regarding the determinants of student attrition has grown both pedagogically and practically. Tinto (1988) in "Stages of Student Departure" found a temporal quality of attrition which adds to the analysis of attrition in tertiary education. This longitudinal study attempts to map the data obtained at Stamford International University in Thailand to Tinto's model and explored the impact of attrition based on gender, age, nationality, as well as campus.

Stamford International University (STIU), Thailand, like most institutions of higher learning, is concerned with efficiently measuring and attributing student attrition to preempt dropout. This study was started with the main postulate being that if we were to map the determinants of attrition we would have to delve into the existing historical data available and then find correlations within that existing data. Such data was obtained by extracting registration information from the institution's registrar system.

LITERATURE REVIEW

Attrition rates were first studied as part of psychological research almost 50 years ago. At that time, the focus was student retention, considering the student as solely responsible for successfully graduating college based on their personal attributes. A shift in focus was made in the 1970's to take into account the environment as a factor in student retention (Spady, 1970, 1971). The first detailed longitudinal model made explicit connections between the environment and student retention over different periods of time (Tinto, 1975, 1987). Later research highlighted the importance of student engagement in student retention outcomes, especially in their first year of study (Pascarella & Chapman, 1983; Terenzini, Lorang, & Pascarella, 1981).

The consideration of the student environment brought forth the idea that the rupture from the student's past community had an impact on retention. It was later shown that in minority communities familial connections and accultured parental units provided a connection to the community of origin which was similarly important (Attinasi Jr, 1989; Terenzini et al., 1994; Torres, 2003; Waterman, 2002). As the research moves from considering the individual student as being responsible for success to considering environment and engagement with environment as equally important, we find that the involvement in the classroom, with faculty, is central to student retention (Tinto, 1994, 1997).

As the field of student retention grew, a wide range of models in such disparate fields as sociology, psychology and economics were proposed to explain student dropout (Bean, 1980; Braxton, Hirschy, & McClendon, 2011; Tinto, 1994, 2005). What stands out is that engagement and especially engagement *in the first year* is very important to student retention (Tinto, 2001; Upcraft, Gardner, & Barefoot, 2005). A clear link exists between innovations in classroom practices and student persistence through better engagement, establishing the notion that the actions of the faculty in the classroom enhance student retention (Tinto, 1997).

RESEARCH METHODOLOGY AND DATA SET

To analyze these topics, institutional secondary data was obtained from the STIU registration system. Due to the limitation of using secondary data for the first study we were unable to replicate Tinto's constructs. However, it was possible to reconstruct some findings based purely on secondary data. The variables available include:

- Gender
- Faculty
- Major
- Campus
- Terms Attended
- GPA
- Nationality
- Classes Completed
- Reason for Leaving

The registration records of 483 students who had started at least one term at STIU but did not re-register for one of the following terms before graduating were extracted from the school database. The current registering process at STIU does not allow for measurement or analysis of units less than one term due to the fact that one term is typically three months long plus a one month break. In other words, we are looking at a scale of four-month segments or three measures per year.

The fact that secondary data links to empirical constructs has long been known. It does, however, impose limitations. For example, mediation and moderation can only be proven with great difficulty. This is especially true in studies where only dropouts are represented in the dataset, also known as an autopsy study (Terenzini et al., 1981).

The secondary dataset is composed of 483 observations of students who attended STIU for a minimum of one term to a maximum of 14 terms. All respondents were members of the

undergraduate program at either the Bangkok or Hua-Hin campuses. Table 1 presents the sample statistics of the dataset used in the study.

Table 1

Data Summary Statistics

Sample Statistics										
	Gender	Faculty	Major	Campus	Terms Attended	GPA	Nationality	Classes Completed	Reason for Leaving	
N	Valid	483	483	483	483	472	66	398		483
	Missing	0	0	0	0	11	417	85		0
Mean	.54	1.82	5.84	1.42	1.81	.89	18.3939	2.2286		2.6708
Std. Deviation	.499	.835	2.508	.495	2.312	.998	13.57473	1.32805		2.87234
Minimum	0	1	1	1	0	0	2.00	1.00		1.00
Maximum	1	4	13	2	14	3	46.00	5.00		13.00

Other limitations of the dataset include large amounts of missing data for nationality and number of classes completed. The reason for leaving variable was also qualitative which could lead to validity issues due to faulty interpretation.

The sample was composed of 54.5% females with 57.6% of the respondents coming from the Bangkok campus. The mean GPA was .89; low due to the large number of students who failed to fully complete one class. The most cited reasons for leaving STIU were returning to home country, health, changing universities and family problems.

ANALYSIS

Hierarchical multiple regression with optimization was used to assess the ability of the eight independent variables (gender, faculty, major, campus, GPA, nationality, classes completed, reasons for leaving) to predict the dependent variable (terms attended). Each variable was checked prior to analyses to ensure no violations of the basic assumptions of normality, linearity, multicollinearity, and homoscedasticity. All variables were entered into the first model, which exhibits an r^2 of .64, $F(1023, 1209) = 110.19$, $p < .001$. Optimization of the model was performed by removing insignificant variables one by one, resulting in a 4 variable model which explained 53.1% of the variance of terms attended $F(1336, 1209) = 135.16$, $p < .001$. These results are shown in Table 2.

Table 2

Final Model Summary

Model Summary^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.728 ^a	.531	.527	1.591	.531	135.061	4	478	.000

a. Predictors: (Constant), Classes Completed, Campus, Working, GPA

b. Dependent Variable: Terms Attended

The final significant variables were work, campus, GPA, and classes completed. The classes completed variable reports the highest beta value (B = 1.576, p <.001) followed by work (B= -.519, p < .097), GPA (B = -.310, p <.004) and campus (B = -.308, p < .043). These results are presented in Table 3.

Table 3

Final model Coefficient Matrix

Coefficients^a										
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	-.956	.251		-3.816	.000					
1 Work	-.519	.312	-.053	-1.666	.096	.040	-.076	-.052	.955	1.047
Campus	-.308	.151	-.066	-2.039	.042	.020	-.093	-.064	.941	1.063
GPA	-.310	.104	-.132	-2.980	.003	.424	-.135	-.093	.499	2.005
Classes Completed	1.576	.084	.821	18.723	.000	.718	.650	.587	.510	1.960

a. Dependent Variable: Terms Attended

CONCLUSIONS

The limitations described above prevented a full replication of the results according to Tinto's model. We were able to confirm one aspect, the fact that low GPA scores influence retention. The ultimate goal of our research is to develop a practical survey, based on the Tinto's (1993) model, which accurately describes the mechanisms of retention at universities in Thailand with predominately international student bodies. Constructs in this model will include institutional goal commitments, both social and academic factors, and secondary data such as GPA and demographics. We intend to use the concepts of persistence and intention developed by Cowin (2002). These include elements of persistence intention for both program and institution. Commitment factors will be measured by using methods developed by Pascarella and Terenzini (2005), institutional education strategies by Pintrich (1991) and measures of learning efficacy by Marsh (2007). A practical intervention model based on these measurements will provide useful strategies to regional institutions.

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**BODY OF KNOWLEDGE ON FOLKTALES TO BUILD UP IDENTITY OF
TOURIST ATTRACTIONS IN LAMPANG PROVINCE**

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ABSTRACT

This research aimed to find traces of native folktales in 13 districts of Lampang province in order to search for its particular identity and also gather those tales into a collection - the body of knowledge could be promoted as a point of interest to tourists. This would result in an increase of the province's tourist volume to sustainably raise income in the local community. The scopes of the study were two methods: quantitative and qualitative process. The total number of collected local stories was 81 from 13 districts with findings that the key stories of selected four districts were screened upon the four main groups of R3a logistics route tri-Buddhist temple, the key story on the second route (Lampang-Bangkok); Wat Ak-kho Chai Khiri, the key story on the third route (Lampang-Chiangrai); and Wat Phra Maun Sai Naun, the key story on the fourth route (Lampang-Payao).

KEY WORDS: Body of knowledge, community, legend, story, tale

INTRODUCTION

Statement of the Problem

One key province of the upper part of Northern Thailand is Lampang which is potentially promoted to strive for tourism attractions that are holistically exposed to natural, historical, artistic, cultural and traditional areas. Nevertheless, each local part of the province still needs a development of its own tourist sites to become remarkable to attract visitors with local stories associated with its historic background especially from legends, tales, and faiths to bring out the impression among those visitors. Both public and private sectors of the province should be more active for raising the city's economic growth due to a current development of R3a route that is now linked with neighboring countries in the sub-Mekong region - China, Laos, Vietnam and Thailand. That is the economy gate to boost up incomes from the tourism industry. According to the policy of Lampang province, in order to change the city to become the logistic hub of the upper-north region for unloading goods and services, the tourism industry management must be in a systematic process, conducive to various touristic kinds of significance so that the province can be the center of trade and tourism of all-in-one stop service. From the policy of this integrated tourism as already mentioned, the researcher is very interested in collecting the remarkable stories of various tourist attractions to catch those who travel past Lampang, one city already mapped on the economic R3a route. This research will help local people likely to have more incomes and also gain community sustainability.

Research Objectives

This study intends to find out old tracks from tales of 13 districts related to the identity of the areas; and to collect a hallmark of narrative identity of the remarkable areas to create a focal point to attract tourists.

LITERATURE REVIEW

What is knowledge? According to Thai Royal Institute dictionary B.E.2542 (Royal Institute, 2003) it is related facts, information, and skills we acquired through experience, education, research, or understanding. In philosophy, the theory of knowledge is called epistemology: the definition of knowledge that is the knowledge which is the type of belief, so it is how to justify the true belief. This process is related to how the knowledge is justified through reasons, opinions, debate, etc. The type of knowledge is categorized into two main terms, i.e. explicit knowledge and tacit knowledge. Explicit knowledge, in accordance with Wellman (2009), is about codified knowledge we normally find the documents, database, etc., so it is easy to identify, store, and retrieve. This ensures we can access what we need, and then it can be what we can update, review, and/or discard. Tacit knowledge refers to what we have inside, called “intuitive knowledge”, acquiring from experience, practice, skill, and/or values in the context. This knowledge is the most valuable source of the knowledge that can lead to breakthroughs in the organization and reduce a capability for innovation and sustain competitiveness (Gamble & Blackwell, 2001).

Body of knowledge (BoK) concerns the scope and extent of knowledge normally accepted on a subject, but for a particular discipline it would be expected of any professional within that field. The quality of BoK (Hacker, 2009) contains practical and academic content and data on defining, achieving, measuring, controlling, and improving quality, including:

- Concepts and definitions
- Tutorials, tools, technologies, and methodologies
- Process management systems
- Forms of teamwork and training
- Case studies and detailed application examples
- In-depth discussion of the history and ongoing evolution of quality philosophy

Knowledge management process is the overall task of managing the processes of knowledge, storing and sharing, as well as keeping the identification of the current state, determining needs, and improving affected processes in order to address these needs. Consequently, KM process has three main aspects taken into account: the first is the management of general conditions in an organization (the cultural environment and the KM process), the second is the provision of assistance for the direct, inter-human KM process like communication, and the third is the management of generation, distribution, access and use of knowledge such as documents, training, videos, etc. (Kuczaj, 2001: 16).

What is folklore? It is a variety of types to demonstrate people into a specific context by describing their own identity. There are genres of folklore such as arts, music, narratives, beliefs/customs, and food ways linked to political, religious, ethnic, regional, and other forms of group identity (university library).

In regards with Labov (2006: 380 in Wardhaugh, 2010: 3), 'the linguistic behavior of individuals cannot be understood without knowledge of the communities they belong to' can be used to explain the theory of folklore. Those communities are thus referred to as speech communities; speech communities not only speak the same language or use similar linguistic features, but use and understand the same things within the context of the group (Wardhaugh, 2010: 3). Similarly, social identity is constructed through the influence of folklore.

Social identity theory (Turner and Reynolds, 2010) refers to human social selves, especially related to certain intergroup behaviors on the basis of perceived group status differences, the perceived legitimacy and stability of those status differences, and the perceived ability to move from one group to another.

Social categorization theory refers to a social cognition of humans in terms of a basic epistemic function in organizing and structuring our knowledge about the world. By identifying classes in sharing important properties, categorization allows perceivers to bring order and coherence to the vast array of people, objects, and events that are encountered in daily life (Smith and Medin, 1981). Social categorization allows us to connect with those who share our group memberships (in-groups); however, it also has the potential to establish psychologically significant dividing lines between the perceiver and the target (out-groups). Thus, in addition to epistemic functions, social categories also serve an important identity function, shaping the perceiver's sense of belonging and connection to or alienation from others (Hornsey, 2008).

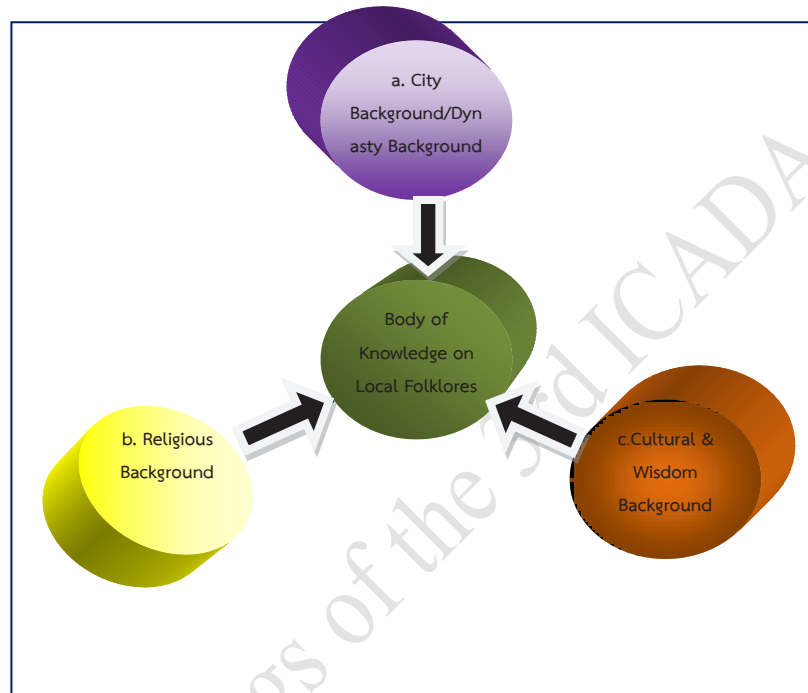
According to Wichienkeo (online accessible 10.12.2014), "Lua" or Lawa is one of the important ethnic groups, which have been frequently mentioned in palm-leaf manuscripts, and a few stone inscriptions within the boundaries of northern Thailand. There are a number of different spellings that refer to the Lawa as mentioned in the ancient sources. They include Lua, Milukku, Tamilla, and La. Lua and Lawa are mostly mentioned in the town chronicle. Milukku is used in the Buddhist text referring to the relic, temple history or Lord Buddha. La and Tamilla are inscribed on the stone inscriptions. According to Phrachaoliaplok chronicle, or the Travels of Lord Buddha in Lanna, the Lord Buddha always left a souvenir in the form of a hair relic or footprint to the Lua people inhabiting Lanna kingdom. It appears that there is an agreement among the writers that the Lua were initially the indigenous people of this area.

In terms of Lua and Buddhism, many stories about the founding of cities, the appearances of Lord Buddha, the receiving of relics, and the leave of footprints remark "Lua" in presence of taking a part in the action. They may be present to ask for a hair relic, or to humbly receive the Dhamma, or as a witness of a prediction made by the Lord Buddha. There are many of these stories that appeared in chronicles and temple histories throughout northern Thailand. The Buddha's travel through the region is apparently documented in the Phrachaoliaplok chronicle (The Travels of Lord Buddha). The origin of Lampang city is that the Lord Buddha traveled to the area of the Wang river basin in which is today known as Lampang. The Buddha met a Lua tribesman called "Ai Korn" who was in the forest gathering jungle products (coconuts, eggplants, and betel nuts). The Lua man gave four of each to the Buddha

who in return entrusted him with a hair relic and made a prediction about the establishment of a Buddhist city in this area called ‘Lakorn’ (initially perhaps derived from Lua “Ai Korn” and later ‘Nakorn’, and today Lampang).

Following to the review of previous papers/research and studies the researcher of this study comes up a process of knowledge identification into three areas of knowledge body as follows:

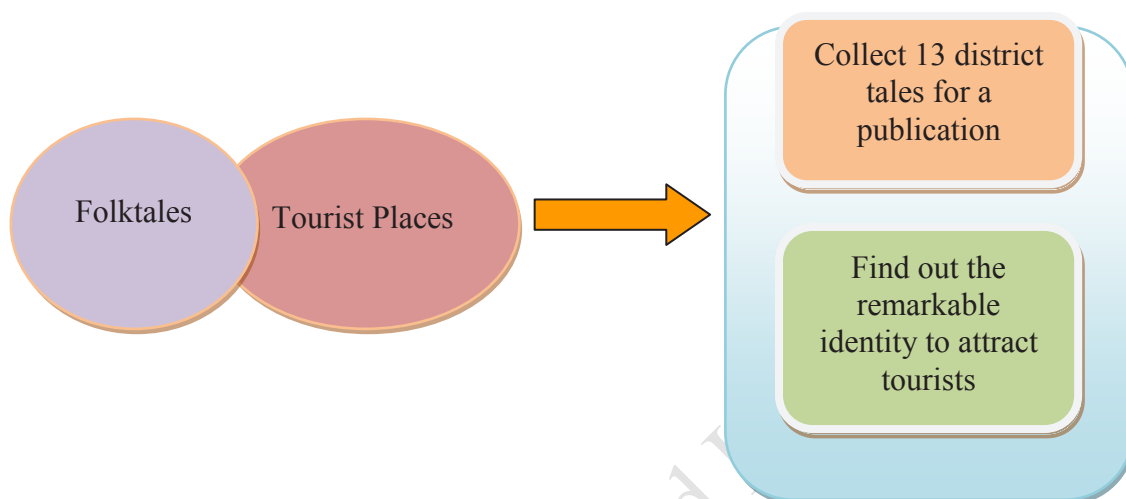
Figure 1. Process of Knowledge Identification about Three Areas of Knowledge Body



Research Framework

According to the review of the literature and related documents, the research framework is illustrated as the following chart.

Figure 2. Research Framework



RESEARCH METHODOLOGY

Research Question

The study is relevant to the local identity that would be discovered, so the research question is “which identity of local distinguished stories can be built up to as a remarkable landmark in Lampang?”

Population and Sampling

The data are collected through a survey questionnaire of which the population is determined from these following groups:

1. Thai tourists and foreign tourists who traveled Chiangmai and Lampang.
2. Tourist leaders of the public and private sectors involved with the operation of tourism in Lampang.
3. Leaders and employees of the Government agencies and private tourist operators including accommodation, restaurants, transportation, souvenir manufacturers.
4. People in 13 districts of Lampang.

The samples of the study are determined from the above four groups and then selected by a process which is mentioned upon these followings:

1. Samples are Thai and foreign tourists from Lampang and Chiangmai randomized by accidental sampling into a total number of 400 and then divided into proportion sampling.

2. Tourist leaders are chosen by specific sampling to be a number of 20 who are members of Lampang leading tourism destination management network.
3. Leaders in relation to tourism in Lampang are chosen by accidental sampling to be a number of 210 that are leaders in the government agencies, community leaders, local people in the tourist areas, tour operators, staff involved in Lampang tourist industry.
4. People in Lampang randomized by accidental sampling from the response in attending the forum about opinions and comments on the findings in 13 districts are a total number of 1,625.
5. Representatives of 13 districts selected by purposive sampling from popular wisdom group are community leaders, teachers, monks and tale scholars to be 65 from total 13 districts.
6. Representatives from four key districts selected for the comment forum. Those five groups are (1) monk (2) academics (3) local leaders (4) youth leadership (5) wisdom group, totaling 30 people in each key district to verify the accuracy of a screened story for each four area.

Research Instruments

A five-rating Likert scale survey questionnaire and a semi-structured interview designed and developed by the researcher under the research framework, the research questions and hypothesis is evaluated for content's reliability and validity by 5 experts. The value of IOC is between 0.96-1.00.

DATA ANALYSIS

This research gets qualitative data from the interviews, the focus groups and comment forums by the content analysis process and then written in a descriptive essay. The quantitative data obtained from the questionnaire are analyzed by the statistical computer program to get a value of percentage, frequency, and number.

RESULTS AND DISCUSSION

According to the findings from the survey questionnaire about the behavior of Thai and foreign tourists in Lampang and the interviews with leading tourist operators and the wise men of the community about legends/tales, the researcher can summarize the data into the following ideas: (1) The tourists who visited Chiang Mai commented that Lampang has the potential to promote tourism with its historical and cultural identities as well as landscape beauty. More importantly, the major stories are bound to Buddhist legends, religious beliefs and ancestor attitudes. Their impression concerns the old temples and traditional architectures, especially quiet city location, favorite local food and hospitality of the people. Meanwhile, they are impressed at the Elephant Conservation Center like Thai tourists. Most Thai tourists are attracted by tasting food, paying worship to the sacred sites of the province; besides, the spending cost in Lampang is cheaper than that in Chiangmai. Tales mainly linked to Buddhist myth along with Prachaoliaplok or Travels of Lord Buddha, Buddhacarita legend, and Mali Pakorn legend remarked that Lampang would be a big city with glory in the future.

The essence of the narration was related to one important ethnic group, called "Lua" or "Lawa" that was the original inhabitants in the ancient Lanna, the northern Thailand nowadays. Also, the stories involved the heroes and heroines that originates Lampang earlier

ruler’s dynasty. (2) A layout of the virtues, gratitude for the helping people, and land salvage. (3) A belief that remains bound to the traditional way of life and well-being of people. It is the subject of unity, proper honor and ancestors respect, etc., as a common ground in the society. The results of the focus group in the tourism seminar for 13 districts in Lampang can define the four paths linked to the major routes on R3a via Lampang: Area 1 on Chiang Mai – Lampang covering the districts of Hangchat, Ko Kha, Mae Tha. Area 2 on Lampang – Bangkok covering the districts of Sobprab, Thoen, Serm Ngam, Mae Prik. Area 3 Lampang – Chiangrai covering on the districts of Chae Hom, Muang Pan and Wang Nua. And Area 4 on Lampang – Phayao covering the districts of Muang Lampang, Mae Moh, and Ngao.

Figure 3. Map of Four Main Tourist Routes in Lampang



The 81 collected narrative stories from 13 districts were confirmed about the accuracy of the contents by the community forum. The findings can be analyzed for the strengths and weaknesses of the contents relevant to the identity bound to the tourist places.

- a. Based on the publication on 13 district stories of Lampang, the province identity can be defined into three categories: (1) *City Background & Dynasty Background* relevant to a step-by-step development of Lampang economies, societies, politics, and the ruling functions from the former time up to its current regime. Besides, the stories about the history of the city are associated with original ethnic Lua or Lawa and the Buddhist prophecies. The contents of the myth, which is influenced by Buddhist myths and Prachaoliaplok or Buddha’s Travels along with the Buddhist tradition, demonstrate the devoted commitment of local people to Buddhism. They also indicate the ancestors as the roots of the people in the traditional Lanna region to defend and salvage the kingdom such as a legend of Queen Chamadevi and a legend of folk hero Nan

Thipchang, the first ancestor in the house of Chao Ched Ton (seven princes) which ruled Lanna in the period of the Thonburi and Early-Mid Ratanokosin eras. (2) *Religious Background* related on the religious beliefs of conservative tradition as a norm of the people practice from the past to present like a legend of Tri-Buddhist temples – Prathat Muan Sai Naun, Prathat Wiang, and Prathat Umlong. (3) *Wisdom Background* concerned about the story of indigenous cultures and customs such as walking up the hill to worship the Lord Buddha's relic at Prathat Maun Sai Naun temple, offering Tung Sao Wah (20-Wah long Flag), and offering pour onto the Lord Buddha's relics, etc.

- b. Pros and Cons on the substance of the contents can be brought to generate some promotional activities to define the identity of the tourist place. Since most contents linked to the Buddhist legends in consistence with the values of the merit of people in Thailand are still practiced today such as a narrative story about a Lua man who offered honey to the Lord Buddha – a city myth of Lampang, and a tri-Buddhist temple legend associated with a Chadaka (the last ten lifecycles of Lord Buddha). The weak point of legends from the findings is about several names, characters, settings, sequence, magics or miracles may not match. Anyway, the holistic outline is at least not much changed.

According to the results of the survey questionnaire on the reasons of a tourist selection in traveling to Lampang, the first rank is to pay homage to the sacred sites such as Wat Phrathat Lampang Luang. The most number of foreigners who come to visit Lampang are French, Spain and Australian, respectively. This may be consistent with the survey documents on the attitudes and behaviors of foreign tourists at Phase 2 conducted by the Tourism Authority of Thailand (Bureau of Economic Research and Evaluation, B.E. 2551/2008: 2-7). The important determinants for the French decision to visit Thailand are mostly tourist attractions definitely depicting the cultural identification and uniqueness as well as competitive prices offered with promotion packages. It is consistent with the reported situation and trends of tourism in the North (Business Warning Center: BWC, online accessible on 12.09.2014) from Faculty of Business Administration, Chiangmai University that in the upper north there is an attractive selling point of natural beauty along the Mekong Sub-region and Southern Asia.

The findings on the study of the narrative protagonist, "Lua", the folk hero who founded the former Lanna Kingdom may be consistent with an observation of Wichienkeo (online accessible on 10.12.2014) that ethnic group leader, "Lua" was called " King Milukku." The story sequences in relation to a matter of time are not accurate and unlikely to find evidence to confirm the time order. The layout of Stupa in Prathat Lampang Luang replicated the Lua cosmology belief about the first age of universe which may be in accordance with Prachaubmoh et al (2012) that explained the city pillar, "Inthakin," the symbol of universe according to Hinduism. When Buddhism dominated the regime, the Chedi Luang (big stupa) became the symbol of the center of universe, instead. According to the floor plan of Phra That Lampang Luang from a thesis of Pintawanich (2003), which is a model of the architecture along with the universal belief. The worship of Lord Buddha relics around Lanna kingdom are linked to the past era concerning the worship of relics from the Dvaravati age to Haripunjaya that adopted ideological beliefs of Langkawong Nikaya to the Lanna kingdom. These beliefs eventually became thousands of relic legends including the relic stupa of 12 zodiac signs. Another realm of Lua, the ethnic group who took the land of ancient Lanna was a local fierce group who was always characterized as a human-flesh eating giant, whose name, "Alawee" always appeared in several Buddhist legends. According to Tantikul (2005), Lua liked to eat meat as a traditional food itself, so the stories of the ancient characters are

associated with traditional ethnic fierce with the behavior of the head hunting to worship their ancestor spirits.

According to the theory of folklore (Na Thalang, 1994), the data of individual society about ancient times cannot be collected or gathered in a written form. Therefore, in order to convey the culture, way of life, customs, traditions, and so on, it was through an oral tradition process of myth telling by musicals, dances, proverbs, and old sayings as a reminder. Each legend has the similar outline of heroic origins and families to take over the kingdom with brevity.

In relevance to the concept of American folklore Society (online accessible on 7.12.2014), each group has its own identity shares to cover all life aspects such as eating, dressing, etc. The definition, “folk traditions,” is the thing that people traditionally *believe* (elements of worldview), *do* (activities and entertainments), *know* (know-how), *make* (architecture, art, and craft), and *say* (etiquettes and moralities).

The concept of social identity and social categorization defines social identification and social comparison of Tajfel and Turner (1986) can define the concept of the identity of indigenous people, “Lua”, over Lanna kingdom, whose the image expressed a savage or ferocity. Their faith on the center of the universe, ancestor worship, family or group spirits that designates a set of groups or ethnic identity can define their social acceptance of common norms.

CONCLUSION

This study contributes to support the province in terms of moving the province forward to become the upper-north center for loading and unloading of goods and services (Logistic Hub). Fortunately, the province has a historic background of thousands of years that represents the particular identity of Lanna ancestry kingdom. It is very interesting for the provincial authorities concerned to help originate creative activities to build up old legends to become lively stories for attractions of the province. Lampang, which is located on the economy R3a route, is likely to promote its cultural and religious identity which results from this research finding to attract more tourists. At least, a collection of the stories will help the authorities to initiate more interesting activities to promote cultural tourism with legend products, souvenirs, or new entertainments such as movies, comics, or animations.

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**STRUCTURAL BREAKS AND TESTING
FOR THE RANDOM WALK HYPOTHESIS
OF TOURIST ARRIVALS IN THAILAND**

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ABSTRACT

The central aim of this paper is to investigate whether shocks to Thailand's tourism industry from nine countries are trend stationary or follow a random walk process using the Zivot and Andrews (1992) tests with one structural break. Using monthly data for tourist arrivals over the period of January, 1971 to October, 2013. The results of the ZA test was revealed that evidence in favour of random walk hypothesis in Australia, Singapore and USA the shocks have a permanent effect on tourism industry in Thailand. However, it is possible to reject the unit root null hypothesis leading to conclude that have the trend stationary process. Moreover, whether shocks have a transitory effect on tourist arrivals to Thailand from China, France, Germany, Japan, Malaysia and UK which effects to Thailand's tourism industry is sustainable in the long run. Therefore, based on the explicit results the tourist arrivals in majority of the countries present are trend stationary process. In additional, the times of structural break in each countries are different that depend on the duration of situation, type of crisis and country of origin.

KEY WORDS: Random walk, structural break, Thailand, tourist arrivals

INTRODUCTION

The tourism industry have very important to economy of the country, as a result occur a new business. The tourism industry can be classified to three types. The primary core business, for examples, guide business and hotel business. The secondary core business, for examples, souvenir and restaurant business. The last, supporting business, for example, advertisement business, public relations business, money exchange business, meeting incentive convention exhibition (MICE) and other infrastructure service, for instance, mass transportation business, construction business and telecommunication business. Therefore, tourism industry induces to increasing income, employment and new entrepreneur. Furthermore, tourism industry leads to wealth and growth economy of the country. In the present, the tourism industry have rapid expand and is the biggest business in the world if compare other business (Tisdell, 2002). In Thailand, tourism industry produces income at twenty four thousand million dollars in 2011. The studying trend of income from tourism in the past five years, discovered that political crisis in 2009 effected to income from tourism decrease to 11.19 % in 2010, when the political crisis terminated, income from tourism have trend to increase continuously (National Statistical Office National Information, 2013).

The tourism industry has high variable and sensitive to environment that depend on politic, economy and natural crisis in the country. Furthermore, tourism industry varies with tourism policy, market demand, supply response, and trend in the present (Victor, 2008). Untong and Kaosa-ard (2010) discovered that the impact of Thailand's political crisis on destination image of Thai tourism is more of short term nature. Furthermore, Untong *et al.* (2011) discovered that impact of crisis event on international tourism demand in Thailand, show that the disease outbreaks had a greater impact than the other crisis. Moreover, each crisis had different effect on the number of the tourists depending on the duration of situation, type of crisis and country of origin. Therefore, studying about issue of whether shock's international tourist who has diversity and different of individual nations in the past. Hence, it is important to tourism policy planning and the random walk hypothesis has been used widely for analysis this issue

The studying about unit root in macroeconomic time series was extensive interested to research both theory and practice for more than past three decades (Nelson and Plosser, 1982). On the issue of whether unit root and structural break of tourist arrivals can be characterized as random walk or trend stationary process was applied for testing. Therefore, if the results follow a random walk process, any shocks will be permanent and future returns cannot be forecasted by using information on historical statistics. In contrast, if the results follow a trend stationary process, the level returns reverted to its trend path over time and future returns can be predicted by using information on historical statistics (Chancharat and Valadkhani, 2007).

Reviewing about structural break of international tourism, for example, Lee and Chien (2008) discovered that changing political system effected to broken down the stability of the long run relationship between tourism development and real GDP in Taiwan. Moreover, Narayan (2005) use Zivot and Andrews test (Zivot and Andrews, 1992) for one break test to studied shocks to Fiji's tourism industry have a permanent effect or a transitory effect on tourist expenditure in Fiji. The result revealed that military coups in 1987 of Fiji, which was the year of the structural break. Besides, it is possible to reject the unit root null hypothesis leading to the conclusion that shocks to Fiji's tourism industry have a transitory effect on tourist expenditure in Fiji. In addition, Chowdhury (2013) studied dynamics and structural breaks in tourist arrivals in Australia, discovered that one of the endogenously determined structural break test was negative and statistically significant indicating non-linearity in the Australian aggregate tourist demand function. Furthermore, the structural break dates emerged on September, 2000 in Sydney Olympics. The last, Gautam and KG (2012) investigated the structural break in the unit root of tourist from eight countries who travel to India, discovered that three countries was non-stationary. However, Structural Breaks and testing for the random walk hypothesis in international tourism was a few studied, particularly studying in Thailand.

The aim of this paper is to investigate the random walk hypothesis in tourism arrivals of nine countries to Thailand by using time series data. Investigation was began by unit root tests i.e. the Augmented Dickey-fuller (ADF) test and Dickey-fuller Generalize Lease Square (DF-GLS) which not determine structural break of data. Afterwards, the Zivot and Andrews test (Zivot and Andrews, 1992) was used more relevant unit root test which allow one structural breaks.

The organization of the paper is as follows: section 2, research methodology. Section 3, research result and discussion, and Section 4, provides a summary and some conclusions.

RESEARCH METHODOLOGY

The ADF unit root test (Dickey and Fuller, 1979) was used in this paper to examine the time series properties of the data without allowing for any structural breaks. The lowest value of the Schwartz Information Criterion (SIC) has been used as a guide to determine the optimal lag in the ADF regression. These lags augment the ADF regression to ensure that the error is white noise and free of serial correlation. The selection appropriate lag length, researcher use the sequential procedure which was recommended by Campbell and Perron (1991) with the maximum lag length (k_{max}) set to 12.

Moreover, Elliott, Thomas and James (1996) suggested the DF-GLS test which has been used as an alternative nonparametric model of controlling for serial correlation when testing for a unit root. However, the ADF test and the DF-GLS test have weakness that they do not allowed for the effect of structural breaks. On the contrary, Perron (1989) argued that if a structural break in a series is ignored, unit root tests can be erroneous in rejecting null hypothesis. Next, Perron (1989) proposed models which allow for one-time structural break. Moreover, [10] have developed methods to endogenously search for a structural break in the data. Researcher employed model C which allows for a structural break in both the intercept and slope in the following equation.

$$\Delta TA_t = \mu + \alpha TA_{t-1} + \beta t + \theta_1 DU_t + \gamma DT_t + \sum_{i=1}^k c_i \Delta TA_{t-1} + \varepsilon_t \quad (1)$$

Here, TA denotes tourist arrivals to Thailand, Δ is the first difference operator, ε_t is a white noise disturbance term, k denote the number of lagged term and $t = 1, \dots, T$ is an index of time. The ΔTA_{t-1} terms on the right-hand-side of equation 1 allow for serial correlation and ensure that the disturbance term is white noise. Finally, DU_t is an indicator dummy variable for a mean shift occurring at time TB; TB denotes the time of break and DT_t is the corresponding trend shift variable, where $DU = 1$ if $t > TB$, otherwise zero; $DT_t = t - TB$ if $t > TB$, otherwise zero. The lag length is selected using the same approach as in the ADF test. The “trimming region” in which researcher have searched for TB cover the $0.15T-0.85T$ period. We have chosen the breakpoint base on the minimum value of t statistic for α .

Sample data included in this paper were international tourist arrivals to Thailand by nationality in 9 highest ranks according to statistics: Australia, China, France, Germany, Japan, Malaysia, Singapore, UK and USA. Monthly data span from January 1971 to October 2013, amount 514 observations. The secondary data were adjusted to Natural Logarithm. Descriptive statistics of the data were presented in Table 1. Sample means, medians, maximums, minimums, standard deviations, skewness, kurtosis as well as the Jarque-bera statistics and p -values were presented. The highest mean is 10.9923 in Malaysia and the lowest is 9.376 in France. The standard deviations range from 0.674 (the least volatile) to 1.402 (the most volatile). The standard deviations of tourist arrivals are lowest in USA and the most volatile in China. The calculated Jarque-Bera statistics and corresponding p -values are used to test for the normality assumption. Base on the Jarque-Bera statistics and p -values, this assumption is rejected at any conventional level of significance for all tourist arrivals.

Table 1

Descriptions of the Data Employed

Variable	Mean	Median	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis	Jarque-Bera	Probability
LNAUS	9.601	9.696	11.395	7.338	0.957	-0.0124	2.0858	17.909	0.000
LNCHINA	9.773	9.543	13.117	7.312	1.402	0.1751	1.9263	27.318	0.000
LNFRANCE	9.376	9.636	11.482	6.975	0.927	-0.3416	2.2079	23.436	0.000
LNGERMANY	9.719	9.881	11.402	6.997	0.922	-0.3434	2.1716	24.798	0.000
LNJAPAN	10.583	10.823	11.984	8.092	0.927	-0.5579	2.1792	41.090	0.000
LNMALAYSIA	10.992	11.156	12.639	9.006	0.836	-0.4970	2.3899	29.134	0.000
LNSINGAPORE	9.747	10.026	11.600	6.665	1.156	-0.7101	2.5021	48.510	0.000
LNUK	10.016	10.133	11.491	7.886	0.956	-0.3376	1.9683	32.560	0.000
LNUSA	10.075	10.091	11.354	8.724	0.674	-0.0062	1.7313	34.473	0.000

RESEARCH RESULTS AND DISCUSSION

In this paper, the ADF test and the DF-GLS test are studied to determine the order of integration of the tourist arrivals from nine countries travel in Thailand. The results of both the ADF test and the DF-GLS test were presented in table 2. All countries, the ADF test was revealed that tourist arrivals in Thailand is integrated of order one or $I(1)$ in other words, they follow a random walk. Moreover, the DF-GLS test still supports the random walk hypothesis. However, the power to reject a unit root null hypothesis declined when the stationary alternative is true and a structural break is ignored (Perron, 1989).

Table 2

Unit Root Test Results

Variable	ADF	DF-GLS
	Constant and trend	Constant and trend
LNAUS	-5.462***	-2.693**
LNCHINA	-19.383***	-18.005***
LNFRANCE	-8.697***	-1.661***
LNGERMANY	-8.191***	-2.356***
LNJAPAN	-9.416***	-2.574**
LNMALAYSIA	-7.785***	-3.448*
LNSINGAPORE	-11.411***	-2.693**
LNUK	-5.728***	-1.584***
LNUSA	-8.485***	-2.068***

Note. *, ** and *** indicates that the corresponding null hypothesis is rejected at the 10, 5, and 1% significance level, respectively.

The second stage, each variable were subjected to one structural breaks and each series were estimated to model C and were reported the results in table 3. As mentioned previously, the results of ADF and DF-GLS test were revealed that all tourist arrivals examined in this paper followed a random walk. Whereas, the result of ZA test with a break in the intercept and slope (Model C) indicates that for tourist arrivals to Thailand from China, France, Germany, Japan, Malaysia and UK are rejected the null hypothesis at the one percent, five percent and ten percent level of significance respectively. These results imply that they are now trend stationary process and endogenous shocks have a temporary effect in tourist arrivals to Thailand from these six countries. That is initials from tourist arrivals from these six countries fell due to the negative shocks but return after to their equilibrium path and can be predicted by using information on historical statistics. For Australia, Singapore and USA, tourist arrivals contain a unit root suggesting that they revealed evidence in favour of random walk hypothesis. Moreover, shocks to tourist arrivals from these three countries have a permanent effect on Thailand tourism and future returns cannot be forecasted by using information on historical statistics. In addition, the time of structural break in each countries is shown in figure 1 and there were different that depend on the duration of situation, type of crisis and country of origin.

Table 3

The Zivot and Andrews Test Results: Break in Both Intercept and Trend

Variable	TB	K	A	Inference
LNAUS	1987 :06	12	-3.249	Random walk
LNCHINA	1992 :08	12	-3.392***	Trend stationary
LNFRANCE	1985 : 11	12	-5.825***	Trend stationary
LNGERMANY	1986 : 07	12	-6.148***	Trend stationary
LNJAPAN	1995:05	12	-5.574**	Trend stationary
LNMALAYSIA	1979 : 07	12	-5.615***	Trend stationary
LNSINGAPORE	1981 : 08	12	-4.241	Random walk
LNUK	1998 : 01	12	-2.955***	Trend stationary
LNUSA	1983 : 03	12	-3.086	Random walk

Note. [a] ** and *** indicates that the corresponding null hypothesis is rejected at the 5 and 1% significance level, respectively.

[b] TB is Time of structural break

[c] k is the lag length

[d] α is Zivot and Andrews test statistic

CONCLUSION

In this paper, the random walk hypothesis has been examined by using monthly data for tourist arrivals to Thailand in nine countries over the period of January, 1971 to October, 2013. The results of the ADF test and the DF-GLS test suggest that there were a unit root in all countries that supporting a random walk hypothesis. Afterwards, based on the ZA endogenous one break test was revealed that evidence in favour of random walk hypothesis in three countries and found that a trend stationary is majority of countries (six from nine countries) which have a transitory effect and sustainable in the long run. Additionally, the result showed that the whether shocks, for example, deflation and recession (during 1990-2007), Asian financial crisis (during 1997-1998) have transitory effect on the number of tourist arrivals to Thailand.

The knowledge of whether shock to a series are permanent or transitory has important to policy formulation and strategies implications in dealing with external shocks can result in quick recovery and eliminate the permanent effect of these shocks on the tourism industry in Thailand.

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CREATION AND DEVELOPMENT OF AN INTERCULTURAL CORPORATE CULTURE

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ABSTRACT

A number of literatures had identified positive influences of corporate culture on the organizational success. The main objective of this study is to examine how intercultural corporate culture evolves within the organization. The paper analyses how the corporate culture is communicated, as well as the influencing factors of the corporate culture, the corporate activities which said to shape the corporate culture and what role do intercultural differences play in the corporate culture. Qualitative methods were employed in order to obtain research data from series of in-depth interviews conducted with managers from a number of international companies. This study offers advantages and guidelines for managers and allows them to understand more about intercultural corporate culture and thus utilize corporate culture as the mean for organizational success. The result of the study highlights the significance of corporate culture and its crucial roles in organizational success.

KEY WORDS: Corporate Culture, Intercultural differences,
Creation and Development of Intercultural Corporate Culture

INTRODUCTION

The corporate culture has a large impact on the success of a company and is therefore an important part of every company. Every organization, from the small to the large ones, has a culture because corporate culture is the personality of a company (Kelchner; Helbing & Associates, Inc.). Corporate culture influences among others the dealing with the customers, the exchange of information and the communication within the company. Therefore, the corporate culture can also affect the reputation of the company, which is important for satisfied customers and investors.

Internationalization and globalization plays an important role that goes far beyond the economic relationship to areas such as social structures, work and leisure patterns, the spread of knowledge and concerns about the natural environment (Grünig & Morschett, 2012). Because of the growing globalization, the importance of multinational enterprises has been increasing. In these multinational enterprises, many employees from different cultures are working together. There are arising intercultural teams and therefore misunderstandings and conflicts. Moreover, the emerging economies are already producing corporations which are operating on a global scale. This internationalization of the markets goes hand in hand with the increasing transnational activities of corporations and thus with the enhanced cooperation between them and their employees and partners, competitors and colleagues from completely different cultures. Corporate culture can act as a keynote and a supply orientation for work processes and behavior patterns for all those who play a part in a corporation (Köppel & Sohm, 2008).

The main question of the study is to basically provide the answer to the question of what are the methods to create and develop an international corporate culture. This main question as earlier mentioned has been the forefront of the study in the area of international business and global management. In addition to the main question this study aims to satisfy a number of research objectives, including: (1) to find out the values of the companies being investigated (2) to find out the impact of these values on the corporate culture (3) to analyze the methods to reach these values 4) to analyze instruments to change, create and develop a corporate

culture and (5) to analyze the special of an intercultural corporate culture with regard to the international aspects.

The research study should provide benefits to managers in international companies. The study can help to improve the collaboration between international teams. It enhances the understanding about corporate culture and how it can increase the success of a company. The results should provide some guidelines for companies on how to develop and create a successful intercultural corporate culture.

LITERATURE REVIEW

Definition of corporate culture

Corporate culture is an area of focus, which is not well understood and is not optimally utilized among companies. Organizations need corporate culture to realize their vision because the corporate culture and the climate within the company will support the goals (The Sergay Group, 2011). Corporate culture is the way, as we operate our business. This includes different features like the work climate, leadership behavior, performance criteria, reward system, organizational structures and processes (Homma & Bauschke, 2010). Furthermore, corporate culture also involves values, attitudes, rituals, norms and behaviors which are typical for a company and is a common knowledge to all employees. These features have evolved over time in a company and are accepted and lived by the majority of the members of the company.

Additionally, they identify essentially what the content of the corporate culture is and can therefore be indicated as a determining factor (Kobi & Wüthrich, 1986). These shared values, attitudes, norms and behaviors enable members to understand their roles in the organization (Luthans & Doh, 2012). Corporate culture characterizes the personality of a company concerning to their specific, historical developed assumptions, thought patterns and ways of problem solving (Nieschlag, Dichtl & Hörschgen, 2002). The details of the corporate culture can be identified from how information is communicated, how feedback is given, how performance is managed and projects are coordinated within the company. This means the culture is reflected in the way the organization is structured, which includes whether work is managed cross-functional or not and how the hierarchical levels are set up involving the use of job titles (The Sergay Group, 2011).

The corporate culture is demonstrated in the ways the organization leads its business, behaves towards its employees, customers, and the wider community. Furthermore, it is shown in the degree to which freedom is allowed in decision making, developing new ideas, and personal expression. Moreover, the corporate culture indicates how power and information flow through its hierarchy and how committed employees are towards collective objectives (business dictionary). The content of the corporate culture is the code of conduct and the core values. The code of conduct clarifies for all employees what are the fundamental principles that guide day-to-day interactions and decisions (LRN, 2007). Core values are the basis of corporate culture. No organization can reach its true possibilities without employees feel supported, valued and comfortable in the company. Core values can help to reach these possibilities. Core values guide decisions and interactions between employees and with other stakeholder. It is important that each organization should reflect its own situation and work

out a set of core values that address its unique concerns and needs, according to their own environment (Taylor, Van Aken & Smith-Jackson).

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Cultural Theories

Cultural dimensions of Hall

Edward T. Hall distinguishes in his theory four cultural dimensions. For Hall, communication as a cultural feature plays an important role. If people from different cultures communicate with each other, they show different behavior of communication and interaction (Kutschker & Schmid 2004). According to Hall, these cultural dimensions should only be understood as a guide and the individual dimensions should always be considered contiguous which can be classified into four major dimensions, including: (1) Context-orientation, (2) Spatial-orientation, (3) Time-orientation, and (4) Information flow.

The first dimension is divided in high-context cultures and low-context cultures. The point is that in communication situations a certain amount of information must be transmitted (Kutschker & Schmid, 2004). In high-context cultures information is expressed not explicitly. Most of the meaning is implied by the situation. Characters can be for example, facial expression of the conversation partner, allusions, circumstances of the meeting and many other contextual factors. In low-context cultures the information style is direct and the information is communicated verbally. Asian and Arab countries are high-context cultures. Central and Northern Europe are low-context cultures (Hall, 1976). The second dimension describes the relation to the personal space a person is claiming to feel comfortable. In different cultures exists a different relationship to space. There are big-space cultures and low-space cultures. Some countries take more distance when speaking to each other and some countries may touch each other or just stand closer together when speaking (Hall & Hall, 1990). The third dimension is the time orientation. Hall distinguishes between monochronic and polychronic cultures. In monochronic cultures punctuality and a working plan are very important. Activities are processed one after another. In contrast, in polychronic cultures several activities are done simultaneously. These cultures take more efforts in relationships than in appointments and schedules. The last dimension describes the information flow. It is described as how long information needed to get from one place of the company to another. Hall distinguishes between cultures with low and high information flow (Kutschker & Schmid, 2004).

Cultural dimensions of Hofstede

One of the best known study of cultural dimension is by Geert Hofstede. Hofstede worked out differences and similarities between countries, which relate to the behavior and interaction of individuals. Hofstede mentions six cultural dimensions. (Hofstede, 2006). The four most important and initial dimensions are including (1) Power Distance (PDI), (2) Individualism versus Collectivism (IDV), (3) Masculinity versus Femininity (MAS), and (4) Uncertainty Avoidance (UAI).

The first dimension, power distance describes the degree to which the less powerful members of a company accept that the power is distributed unequally. In high power distance, cultures members avoid criticizing high powerful individuals and respect them. In low power distance cultures, it is very acceptable to discuss with your superiors with respect (Hofstede, 1984). Germany is an example of a country with a rather low power distance, in Thailand and China dominates high power distance (Hofstede, 2001). The second dimension is collectivism-individualism, which explains the degree to which a society sees its members as individuals

or as group members. Individualistic societies show a low integration of individuals into groups. In collectivistic societies everyone sees him- or herself as a member of a group that represents at the same moment his or her identity (Hofstede, 1997). The U.S. and Australia are very individualistic countries whereas Brazil is characterized more collectivist. The third dimension is Masculinity-femininity. Masculine societies prefer achievement, assertiveness and material rewards for success. In feminine societies there is a dominance of feminine values such as preference for friendly atmosphere, physical conditions and security (Hofstede, 2001). Sweden is a very feminine country and Japan masculine. The fourth dimension, the uncertainty avoidance represents the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. Cultures with a high uncertainty avoidance index are worried by situations that are unstructured, unclear, or unpredictable. In the opposite, cultures with a low uncertainty avoidance index are reflective, less aggressive, relatively tolerant, and unemotional (Hofstede, 1984). Argentina and France are countries with high uncertainty avoidance, while China has a rather lower expression of uncertainty avoidance.

Cultural Change

EPRG Model of Perlmutter

The EPRG model is about the cultural dilemmas in international management. Perlmutter describes leadership concepts in international companies. It's about whether the culture of the subsidiaries will be adapted to the corporate culture of the parent company in the home country or not. This model was chosen because it shows how the management of an international company coordinates the corporate culture in the subsidiaries in other countries. This paper deals with the creation of corporate culture, but also raises the question how to develop and intercultural corporate culture. The corporate culture in international companies is a very interesting topic. Particularly, for example the topic which deals with the relationship between the corporate cultures of parent companies and foreign subsidiaries. This leads to questions such as: Are the corporate cultures more different or more alike, how do each cultures form and are the foreign subsidiaries may considered being only as subcultures of the parent company? Especially in international companies, the corporate culture is not negligible. The spatial and cultural distance between the parts of the company are special challenges.

Perlmutter identifies four primary attitudes: (1) Ethnocentrism, (2) Polycentrism, (3) Geocentrism (Heenan & Perlmutter, 1979), and later supplemented with, (4) Regiocentrism (Kutschker & Schmidt, 2002). In the ethnocentric strategy the culture of the parent company is the main culture and takes center stage. The aim is to establish a, with the parent company identical, culture in the foreign organizations (Heenan & Perlmutter, 1979). This means the parent company gives the default of all human resource policies and instruments and holds a dominant role over the subsidiary. Key positions are filled by employees from the parent company (Kutschker & Schmidt, 2002). The polycentric orientation accepts the existence of different patterns of thought (Heenan & Perlmutter, 1974). The subsidiaries are managed by local managers. The parent company tolerates in each case a specific organization and sometimes a different corporate culture. The consideration of differences is seen as a success factor. The financial control is in the foreground and there is only a weak bond between the subsidiaries and the parent company. In the regiocentric orientation the world is divided into regions, for example Asia, Europe etc. The regional headquarter acts as authority between the

parent company in the home country and subsidiaries in the regions. It has the task to coordinate the subsidiaries in the region and to define standards for the regions. The managers are recruited within a region (Perlmutter, 1969). The geocentric stage regards the world market as a unit. The company developed an international character which is similarly applicable to the parent company and subsidiary. Enterprise-wide similarities are emphasized and encouraged and allow working over boundaries beyond (Heenan & Perlmutter, 1974).

Organizational culture model of Denison

This approach focuses especially on those cultural aspects with the largest impact on business success. It is one of the few approaches that make it possible for companies to measure its culture. It is mainly used by organizations trying to change their culture and increase their success. The organizational culture model is based on four cultural features (Denison, 1990; Denison & Mishra, 1995; Gordon & DiTomaso, 1992; Kotter & Heskett, 1992 cited in Denison, 2006).

Involvement: This feature is measured by three indices: Empowerment, team orientation and capability development. The literature has shown that effective organizations involve their employees and support their employees at all levels (Block, 1991; Katzenbach & Smith, 1993; Lawler, 1986; Spreitzer, 1995 cited in Denison, 2006). Highly involved organizations create a sense of ownership and responsibility. As a result, there is growing a greater loyalty to the organization (Denison Consulting). The employees at all levels feel that they have a minimum of influence on decisions that affect their work. They also have the feeling that their work is directly linked to the objectives of the organization. The feature Empowerment means the individual has the authority, the initiative and the opportunity to organize their own work. This creates a sense of personal responsibility to the organization. Team orientation implies that the organization places value on attempting to reach common objectives for which all employees feel responsible (Denison, 2006).

Consistency: In the model, this feature is scaled by three indices: Core values, agreement and coordination and integration. The literature also shows that organizations are effective when they have continuity and integrated structures (Saffold, 1988 cited in Denison, 2006). This kind of continuity is good for stability and internal integration. This feature gives a central source of integration, coordination and control. Moreover, consistency helps organizations to develop a set of systems that create an internal system of governance based on consensual support. Core values mean that the employees share the same values that creates a sense of identity. A successful organization has a set of core values that help employees and leaders to make the right decision and behave in the right way (Denison Consulting).

Adaptability: Adaptable organizations take risks, learn from their mistakes and have the competence and experience to induce change (Katz & Kahn, 1978; Kotter, 1996; Senge, 1990 cited in Denison, 2006). Adaptable organizations usually have an increase in sales and market shares (Denison & Mishra, 1995 cited in Denison, 2006). In the model, this feature is measured by three indices: Creating change, customer focus and organizational learning. Creating change means the organization is able to adapt oneself. They can quickly react to their environment, customers including actual trends and anticipate future changes. Moreover, it means that the organizations welcome new ideas, are willing to try new approaches and see creating change as an important part of the way they do business (Denison Consulting). Customer focus includes that the organization understands its customers, act on them and

anticipate their future needs (Hamel & Prahalad 1994; Mintzberg, 1989; Selznick, 1957 cited in Denison, 2006). The employees notice the need to serve both internal & external customers and continually search for new and improved ways to meet customer expectations (Denison Consulting).

Mission: Successful organizations have a clear sense of the objective and define these global and strategic objectives (Hamel & Prahalad, 1994; Mintzberg, 1989; Selznick, 1957 cited Denison, 2006). They provide clear orientation and objectives, which are then used to define an appropriate strategy for the organization and its members. In the model, this feature is also measured by three indices: Strategic direction and intent, goals and objectives and vision. Strategic direction and intent mean that a clear strategic intent conveys the meaning and purpose of the organization. It relates to the multi-year strategies, which are high priorities established to 'operationalize' the vision. Goals and objectives describe that a clear set of goals and objectives can be linked to the mission, vision and strategy and so give all members a clear direction for the work. These are the short-term goals. Vision includes that the organization provides direction and guideline. It is the ultimate reason why the organization is doing business and describes what you are ultimately trying to achieve (Denison Consulting).

Instruments cultural change

The difficulty for international organizations is to develop the core values and realize a truly global culture. The challenge is to understand and comply with the different laws, manage employees all over the world from the headquarter, serving customers in different countries with various demands and relating to suppliers and partners in different jurisdictions. The three main challenges are including (1) to promote a culture of ethical conduct in all countries of operation, (2) to involve a global employee in understanding and adopting its corporate values, and (3) to meet the web of complex legal and compliance obligations that may exist in all its location.

Process of the Cultural Change

The process of cultural change divided into three steps.

1. Organizing and analysis of the actual state:

The first step is the realization of the top management that the corporate culture needs to be changed. For the cultural change, the most important elements of a project structure must be defined. This includes project managers, their team and steering committees. Basically, it needs to be clarified whether the company itself has the necessary resources to perform this change successfully. A condition of a successful change is a detailed analysis of the actual state. This step involves the external environmental factors (market development, customer expectations and competitive behavior) and the internal company factors (strengths and weaknesses of the own corporate culture). With this analysis the cause of the failure can be discovered and eliminated (Bolz, 2013). Hence the foundations are created to take concrete decisions on how to proceed (Bauschke & Homma, 2010). The scheduling and organizing of the change have a significant impact on the success of a change project. At the beginning of the change mistakes should be avoided because afterwards, it is even more tedious to correct them (Claßen, 2005 cited in Bolz, 2013). A successful planning involves the definition of clear and ambitious goals. Often the guiding principles are missing and therefore the planning

phases do not run fluently. (Dixon et al, 1995; Hall et al, 1994; Wirtz, 1996 cited in Bolz, 2013). Moreover, it is also very important to formulate clear and quantitative criteria for measuring success (Wirtz, 1996 cited in Bolz, 2013). During the preparation phase, the knowledge of the strengths and weaknesses from the current corporate culture can be got and therefore how the corporate culture in the future should look like and how this concept can be most effectively implemented within the company can be decided. This phase of the process, thus describes the substantial and procedural preparation of the culture change (Bauschke & Homma, 2010).

2. Implementation:

In this phase, the people working in the organization need to be convinced to change their values, attitudes and behavior and adapt them to the new corporate culture. The key factors in the change process are the top managers. They must be convinced first in order to transfer this change to their employees. Without the support of employees there will be no change in the corporate culture (Bauschke & Homma, 2010). The first step of change would be the involvement of employees, teams and leaders. On the one hand, it is possible to involve the employees in changing the culture (participate strategy) (Bea & Göbel, 1999; Kamiske & Fürmann, 1995 cited in Bolz, 2013) or they just do not involve them in the process (strategy of power) (Bea & Göbel, 1999 cited in Bolz, 2013).

3. Review and sustainability:

Many changes of corporate culture come to a standstill, although they at first showed success (Bauschke & Homma, 2010). In this phase, the specified goals set out in the beginning will be compared with the new corporate culture. To ensure that the change is sustainable is a task of the top management as well as employees. Everyone should take responsibility for the implementation of the new culture. The sustained success will only be generated when the cultural change loses his "project status" step by step and become a natural part of the lived everyday business life (Bauschke & Homma, 2010).

RESEARCH METHODOLOGY

Research Design

To find out more about the development and creation of an intercultural corporate culture, in this study it is applied the qualitative research. Qualitative research is the collection of non-standard data and their analysis with specific, non-statistical methods (Flick, 2009). The questions were chosen in a way that the interviewees have to deal individually with the question and can bring forward own experiences. For that reason, a qualitative approach appears appropriate because it applies non-standardized methods of data collection and interpretive methods of data analysis. The qualitative research approach contains the understanding that people do not act according to fixed cultural roles, norms, etc., but rather that every social interaction is interpreted individually context-and situation-dependent by individuals (Lamnek, 2005). The Qualitative research involves the principle of openness. This means having an open mind about new questions and new answers that may contravene understanding of the researcher or make no sense in the outside perspective (Reinders, 2008).

Data Collection

To collect the data it is chosen the semi-structured guideline-based interview. This kind of interview supports the above-mentioned demand for openness in communication. The requirements for the Interviewees were:

Manager level.

The company in which they are working must be operating international which are:

- active in at least two countries
- contain mixed teams of multicultural employees/staffs

After the interviews it went on with the transcription. It was decided to use a simple type of transcription. In simple transcripts information on para-and nonverbal moments usually not exist. The focus is on a better readability and not to extensive realization time. With such transcription rules, the focus is on the content of the conversation (Dresing & Pehl, 2013).

Data Analysis

For the analysis, it was oriented on the qualitative content analysis of Mayring. This method was chosen to develop categories of the material step by step. The category system is the central instrument of analysis. The aim is to reduce the material so that only key material is left (Mayring, 1997).

RESULTS

The interviewees are working in international companies that are operating in more than one country. The companies are from different industries, e.g. cosmetic, finance, mobility and consulting. The interviewees are in different ages ranged between 31 and 53 years. The majority of interviewees were from Thailand and one participant is from France, however, all of the interviewees are overseas educated with some international experiences. They studied in the United States, India, France and Australia. The interviewees were both male and female which all hold positions in the management level. All of them have at least nine years of working experience in international teams.

The results from the in-depth interview can be broken down into five major categories of the development of intercultural corporate culture which are including: 1) core values of international companies, 2) instruments of corporate culture, 3) influencing factors on corporate culture, 4) importance of corporate culture and 5) Perlmutter theory related to the interviews.

Core values of International Companies

This section describes which core values are particularly important for international companies and why they are so important. The result from the interview found that there were eight values which are, especially for international companies important to be part of the corporate culture. International companies have to deal with other challenges as national companies like different laws, different values and traditions and different time zones in operating countries. It is important that they have diversity as a value because they should

respect the cultural differences including language, values, tradition, etc. This involves also the promotion of different types of people to get intercultural teams working together. Diversity can help to become more international. Moreover, they should promote Teamwork especially in intercultural teams in their company because through different ways of thinking it supports new ideas and innovations. Another important value is Integrity. To realize the potential of employees fully, they should be optimal integrated into the company. Especially, internationals and new employees should be fully integrated. This helps that all employees feel comfortable in the company. Furthermore, trust is important. This includes trust from employees, shareholder, business partner, customer, etc.

If employees trust in what the company does, they might work more efficiently and with more motivation. Trust from shareholder, business partner and customers is important to hold them. For this reason, tradition is also a good value. Tradition can mean experience in doing business and handle with crisis. Moreover, experience can build trust. To get along as good as possible with the different people from different cultures the company should be very flexible. Furthermore, the company should be able to adapt to the different environment including different political, economic and law situation in operating countries. In the global market, there is a very hard competition. To be competitive should also be a value in the corporate culture because if the company is not competitive it can't be successful. A good reputation is a big advantage for a company because it's easier to get top talents and the trust of employees, shareholder, business partner, customer, etc. Moreover, the people speak about your good reputation and recommend the company. As a result the important values can help to make your company more successful in the global market.

Instruments of Corporate Culture

Instruments of corporate culture include the role of manager and the role of employees in creating and reaching the corporate culture and the question whether the company is working constantly on the corporate culture. It describes what instruments a company chooses to achieve a corporate culture and which people are involved. For many companies, it is important that their values are present in the daily work. This can be achieved through several measures such as core values on all presentation slides, the presence of the values in each meeting, etc. It is a great way to internalize the values and helps that the values in the company are really be lived. Integrating the values into daily work makes the impression that the values are taken in the company really serious and are supported. Indispensable is the communication as an instrument of corporate culture. This includes the entire events as meetings, speeches, workshops, trainings, etc. Communication is especially important in international business, so there are no misunderstandings. In order to improve the corporate culture and especially the communication of the corporate culture, they must try to measure and assess it. This can be done through surveys of all employees about the satisfaction in the company. As a result, it can be seen whether the corporate culture has positive effects or if something needs to be improved. It's possible to recognize whether the right instruments are chosen. So it is important to work constantly on the corporate culture which does not include the revision but rather the communication of values. Important instruments are also the management and the employees. The management is responsible for the communication of the values to communicate and to lead them to the employees. They have to set an example and therefore take an important role in this process. The employees are responsible for adopting these values and put them into practice. Mostly, every manager decides by themselves how to communicate the corporate culture to their employees. In each country, the

corporate culture is communicated differently because of the cultural differences, including different laws, the political and economic situation, different employees from different countries and customers all over the world with different expectations.

Influencing Factors on Corporate Culture

Importance of corporate culture

The importance of corporate culture includes questions on what impact values have on corporate culture and what impact the corporate culture has on the performance. It raises the question why international companies should have a positive corporate culture and why they should communicate it successfully. The interviewees were in agreement about the importance of corporate culture and its impact on many areas within the company. Corporate culture can have a large impact on the success of a company. As a result, it is an important part of every company. In addition, the corporate culture might help to realize the vision of the company. The increasing international competition leads to an increasingly important corporate culture which helps to differentiate from competitors and to have unified company-wide guiding principles. The first reason why corporate culture has a positive effect is the bringing together of the different cultures. Therefore, the employees can orient themselves towards a guideline in order to know how to behave, communicate and doing business. This can lead to a respectful contact to each other. They have the same aim and this let move them in the same direction. Through a positive corporate culture the employees work better together, are more motivated and like to be in this company. This leads to more efficiency, productivity, performance, competitiveness, customer satisfaction and profit. The corporate culture of a company should include the message that they want to promote and develop their employees. This influences also whether the members are happy to be in this company. If the employees in the company are satisfied they stay there no matter how much money another one does pay. This gives the company the opportunity to attract the best talents. Therefore, a positive corporate culture can also lead to a good image and reputation. That may affect the company acts professional to outside and gains the trust of the society. Another positive effect is a trustful relationship with customers and business partners. For this reason, they believe in crises to the power and professionalism of the company and that can help to survive the crisis. But some interviewees mentioned some requirements that corporate culture has a positive impact. The corporate culture should be driven by the top management and not only by HR. If a positive corporate culture is implemented successfully, then it comes back with the profit.

Perlmutter theory related to the Interviews

In this category, the question is which of the four leadership concepts of Perlmutter the companies apply. The theory of Perlmutter is about leadership concepts in international companies. It is particularly concerned with the question of whether the corporate culture and strategy of the parent country shall be adapted or imposed on the countries of the various subsidiaries. In practice, it is very difficult to assign the company to one of these four strategies of Perlmutter. Many companies use not only one of the strategies, but rather mix them. Most of the companies first send managers from the home country to support the locals with their experience. After a while the locals have the knowledge and the experience to manage the company successful in the host country. The geocentric approach is also very often applied. This strategy could bring many advantages because it's not important whether the management comes from home or host country. It's only important who brings the best

performance. Which strategy will be followed also depends heavily on the industry. In financial companies, the geocentric strategy is often pursued because it is very important who makes the most money. In other companies there is more trust on the experience and knowledge of the home country manager. Every strategy has its advantages and disadvantages. Ethnocentric strategy provides unity by using the same standards in all subsidiaries. This leads to easier communication and coordination. As a result the subsidiaries can be better compared. On the other hand, the local resources in ethnocentric strategy are left unexploited and this can prevent innovation and invention.

Polycentric orientation avoids cultural and language problems by using local human resources. It is less time-consuming because there is no need for preparation and support of executives from the headquarter. On the downside, there are cultural and language barriers in communicating to the parent company and the locals have limited career opportunities. Regiocentric orientation increases the sensibility for the local needs and reduces complexity of polycentric approach. On the contrary, it impedes the implementation of global corporate strategy and also limits the career opportunities of locals. Geocentric Strategy simplifies through common standards the communication and coordination. Moreover, the executives and professionals can be used internationally. Apart from that the development and maintenance of the overarching concept lead to higher costs. Which strategy is the best choice depending on goals, needs and conditions of the company.

Summary of research finding

There are eight values that are crucial for an international company. The values are “Diversity”, “Teamwork”, “Integrity”, “Trust”, “Flexibility”, “Tradition”, “Competitiveness” and “Good reputation”. These values can help to be successful if they are embedded in the corporate culture.

There are some instruments to communicate the corporate culture. The role of the management is to be responsible for the communication of the culture to the employees and to set an example on how to live the values in the daily work. The role of the employees is to adapt the values and put them into practice. It is also very important to work constantly on the corporate culture. That means the measurement and assessment of the corporate culture. The instruments to communicate an international corporate culture are different because of cultural differences which includes law, political and economic differences.

Influencing factors on the corporate culture are: top management, motivation of employee, overall industry, customers, business partner, competition, political situation, national culture, degree of internationality and the nature of business. It is very important for an international company to have an international content in the corporate culture.

The corporate culture is very significant for an international company to be successful in the global business.

It is very difficult to assign the company to one of the four strategies of Perlmutter. Many companies use not only one of the strategies, but rather mix them.

Analysis of research findings

To conclude, in order to create and develop an international corporate culture the organization should pay significant attention to the number of core aspects of organization including: Core values, challenges of international corporate culture, employee involvement and training of the top management and the measurement of corporate culture.

Firstly, for the core value, the company must recognize the importance of a corporate culture for the success of a company. Set the core values carefully, so that they fit with the corporate objectives and corporate environment. If a company has the right values, they can help to reach the corporate objectives. The organization should ensure that the core values observe international aspects. It is important that the core values are present every day. If employees reach the same goals, there is a sense of identification. The company should decide if they have in every country the same values (“International companies have to deal with other challenges as national companies like different laws, different values and traditions and different time zones in operating countries”) and corporate culture and if the manager can choose their own way to communicate the values to their employees. Secondly, the challenges of international corporate culture in which there are many influencing factors on the corporate culture (“Only one interviewee believed that there are no influencing factors on the corporate culture. Most of the other Interviewees think that there are many factors influencing the corporate culture and it’s not easy to overlook the factors.”). An international company faces a lot external factors. Organizations should react to the factors and adapt to the environment where they operate “The corporate culture should be adapted to the international aspects of a company which includes different people, different ways to communicate, different views, communication across boarder, etc.”). This includes political and law issues as well as future trends and future changes. The company should ensure that international employees within the company feel integrated and comfortable. Moreover, it is very important to show respect to different traditions and religions. A company should realize a truly global corporate culture (“It is also important to translate significant documents in the local languages in operating countries and show local presence”). The organization should understand the different laws and the different demands of the customers. Thirdly, the aspect of employee involvement, the employees should be involved in the process of creating and development of the corporate culture. With this involvement they feel more comfortable and there is a better identification with the company. This includes also that the company involves the global employees as well. Moreover the company should give employees the feeling that their work is linked to the objectives of the company. It is also important to give them the responsibility to organize their own work. Furthermore, the employees should really feel supported. The fourth aspect is the top management training. The top management should live the values and communicate them to the employees. Managers and their employees should know the goals, values, mission, etc. of the company. This can be achieved through trainings, meetings, workshops, seminars, newsletter, job orientations or intranet. The last aspect is involving the measurement of corporate culture. It is very important to measure the culture regularly. So the company can learn from their success and mistakes. They should measure to see whether missions, visions and goals are linked to the company’s strategy in order to give the members clear directions.

DISCUSSION AND CONCLUSION

Recommendation

International managers can use this study as a guideline to manage the corporate culture. This involves the development of the core values up to the measurement of corporate culture. International managers should choose their core values carefully and consciously. Furthermore, it is important to implement the core values truly in the everyday work in the company. The core values should help that the employees feel supported and valued in the organization. To gain the trust of the employees and motivate them, the company should support them in developing their capabilities. The values should build a great workplace with effective collaboration. The managers should keep in mind which core values are important, especially for international companies. This study shows them, which core values important for an international company and how to communicate the core values effectively. Moreover, it is very significant to assess the corporate culture to find out if there is a need to improve or change something. The managers can read in this study which assessment tools they can use. It is also very essential which responsibilities the top managers and employees have in the development process of the corporate culture. Additionally, the influencing factors should be recognized. Organizations have a dynamic environment and should be flexible. But there are also internal influencing factors on which a company has to react. Finally, this work shows managers which elements are important to have in a company and why these elements help to be successful.

Future Research Suggestion

A number of members from international companies were reluctant to conduct telephone or Skype interviews due to the firm's security reasons. Moreover, lack the financial resources made it difficult to interview firms from different cities or countries. In addition, qualitative research is very time consuming. To find an adequate number of candidates for the interviews, conduct these interviews, transcribe and analyze the results needed much more time. Because of the Thai culture some interviewees did not prefer their interview sessions to be recorded. This makes the transcription of the results harder. To improve the research, it's better to conduct the interviews with the help of translators in the native language of the interviewee. To obtain more specific results, the question should be asked in more detail. Moreover, more respondents could be interviewed to obtain more data to evaluate.

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PROTECTION OF EXPRESSION OF FOLKLORE UNDER THREAT

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ABSTRACT

The challenges of cultural diversity in ASEAN's societies with both indigenous and immigrant communities, require cultural policies to maintain a balance between the protection and preservation of cultural expressions. According to research findings, expression of folklore is recently commercialized without due respect for the cultural and economic interests of the communities in which it originates. Hence, the need for intellectual property protection emerged as a direct consequence of its purpose for exploitation for economic benefits. However, there are some arguments that intellectual property system for protection of folklore against commercial utilization was not a practical or emotional necessity. Accordingly, this article is aimed to examine the inherent difficulty of expression of folklore protection under intellectual property laws. This article, after reviewing laws and policies complementary to folklore protection, proposes sui generis measures for folklore so that the traditional community's fundamental rights and interests will be appropriately protected from undue exploitation.

KEY WORDS: Expression of folklore, ASEAN, sui generis, and intellectual property

INTRODUCTION

Currently, the need for intellectual property protection for expression of folklore comes into view for people and communities in developing countries especially in ASEAN, a socio-cultural community where consists of many ethnic group identities. Expression of folklore is an important cornerstone of the cultural heritage of every nation. It is, however, of particular importance for developing countries, which recognize folklore as a means of self-expression and social identity which boasts a diverse folklore differs explicitly from nation to nation. The challenges of cultural diversity, particularly in societies with both indigenous and immigrant communities, require cultural policies to maintain a balance between the protection and preservation of cultural expressions. Undoubtedly, unauthorized or inappropriate exploitation of expression of folklore has emerged in the past. Nonetheless, the sophisticated technological development posed more challenge in sense of newer ways of using both literary and artistic works and expressions of folklore to multiplied abuses.

According to research findings, expression of folklore is commercialized without due respect for the cultural and economic interests of the communities in which it originates. At the same time, no benefit sharing of the returns from its exploitation is yielded to the communities who have developed and maintained it. It can be said that commercial exploitation of expression of folklore has been viewed as a threat to cultural heritage mainly in the developing countries. This is because some of the developed countries have the pragmatic perception in this regard that expressions of folklore with origins dating back to the distant past, have fallen into public domain and are outside the notion of protection. On the other hands, a totally different viewpoint was available in the developing countries which perceived commercial exploitation of expression of folklore outside their community, without adequate recompense, as a moral, cultural and economic wrong. Undeniably, it would be fair if the developed countries reciprocate with respect to matters of great concern to the developing countries, which are the main stakeholders of expression of folklore protection (against illicit exploitation). On this basis, the developed countries should undertake to protect folklore even where they do not derive immediate benefit or suffer any harm.

Consequently, the need for protection of intellectual property arose as a direct consequence of its potential for exploitation for economic benefits. However, there are some arguments that intellectual property system for protection of folklore against commercial utilization was not a practical or emotional necessity for developing nations. This is because there are some viewpoints that intellectual property law is conceptualized during the industrial revolution to safeguard the interests of the commercial exploiters of new products of intellectual labor rather than the products derived from human creativity, ingenuity, and talent. Besides, the treatment of traditional knowledge including expression of folklore in national law is as diverse as the cultures found in the region.

In fact, the most suitable form of intellectual property right to protect folklore is obviously copyright law but certain requirements of copyright such as author, originality, fixation and the limited term of protection make it difficult for expressions of folklore to be a proper subject of copyright protection. As a result, to provide adequate for the protection of folklore, attention turned to the possibilities of a *sui generis* solution. Certainly, *sui generis* law on the protection of expressions of folklore could also provide an appropriate basis for protecting expressions of folklore of communities belonging to foreign countries. By extension of their applicability, national provisions might contribute for promoting regional or international protection. Additionally, considering international perception, the issue of community right to protection of expression of folklore is also greatly concerned. This has subsequently led to an intense debate on the nature of the international intellectual property regime and its ability to protect expression of folklore.

Accordingly, this article is aimed to examine the adequacy of the current legal framework for protecting expression of folklore in developing countries especially in ASEAN. Unlike other types of intellectual property rights, expression of folklore is designed not to confer economic benefits to individual creators, but is intended for common exploitation. As the matter of fact, it would not proper to try to fit folklore within the rigidities of national intellectual property law. Thus, this article concludes that it is inherently difficult to protect folklore under modern intellectual property laws which tend to be prompted by concerns irrelevant to folklore. Eventually, this Article, after reviewing laws and policies complementary to, proposes *sui generis* measures for folklore so that the traditional community's fundamental rights as well as interests will be appropriately protected from undue exploitation.

Definition and Nature of Expression of Folklore

Traditional cultural expressions or expressions of folklore have the same meaning which their main purpose is to identify the values, traditions and beliefs of indigenous communities. According the World Intellectual Property Organization (WIPO) interpretation, expressions of folklore can be described as works consisting of characteristic elements of the traditional artistic heritage developed and maintained by a community or by individuals reflecting the traditional artistic expectations of that community. (Kallinikou, 2005) Expressions of folklore are divided into four groups depending on the form of expressions (WIPO, 2001):

- (a) verbal expressions, such as: folk stories, legends and poetry
- (b) musical expressions, such as: folk songs and instrumental music
- (c) expressions by action, such as: popular dances, plays and shows and
- (d) tangible expressions, such as: productions of folk art, especially drawings, paintings, sculptures, pottery, jewels, costumes, musical instruments as well as architectural works.

The terminology also varies depending on the region and stakeholders of traditional community from which the definition derives. As a result, the different and various types of tangible expressions make the consideration of folklore from both national and international perspective extremely complex and sensitive.

Interestingly, expression of folklore is approached differently in developed countries and developing countries, and indigenous groups. The former tends to adopt narrow definitions, viewing folklore as tradition, while the latter tends to prefer broader definitions, viewing folklore as a continuing and constant cultural manifestation. (Palethorpe and Verhuls, 2000) These two contrasting views are extremities at either end of the “folklore continuum” (Palethorpe and Verhuls, 2000)

As a result no widely accepted definition at international level has emerged to date. Clearly, differences in perspective can help enrich the discourse, but because of the vastly different interests involved, with wide spread support from developing nations and indigenous support from developed nations for folklore’s protection, a compromise is needed. (Palethorpe and Verhuls, 2000) To achieve the compromise, balanced, workable and efficient international instruments or mechanism must be considerably established.

RESEARCH FINDINGS AND DISCUSSION

In the following study, two major issues discussed are the significance of the situational aspects of expression of folklore in ASEAN nations, and the necessity of the sequence in which the traditional communities and indigenous groups in ASEAN require the protection of expression of folklore through a functioning intellectual property regime or other sui generis regime.

Situation of Expression of Folklore in ASEAN’s societies and How Their Folklores Are Protected

In respect of qualitative research data collection methods used in this research, understanding of indigenous groups and traditional communities’ concern regarding the situation of misappropriated use of expression of folklore in their nations is obviously revealed. It often found in ASEAN nations (ASEAN) that expressions of folklore adapted for marketing purposes without the consent of traditional communities or expression of folklore’s right holders. Undoubtedly, such purposes may cause the distortion of expression of folklore in a culturally inappropriate manner. This kind of distortions are offensive to their cultural and spiritual beliefs. Many Western corporations have adopted the images, symbols and words of traditional communities as trademarks or business names in order to promote their brands (Palethorpe and Verhuls, 2000) regardless the right holder’s consent. Use of these names and images, some to a greater degree than indigenous groups or right holders normally use, may push dehumanization to many traditional communities due to the dilution of value and

uniqueness of folklore. Some traditional communities regard inappropriate use of their expressions of folklore especially offensive when it economically benefits the appropriator without producing any economic, cultural or social benefit to the originating community (Young-Inn, 2006). In other word, there is no benefit sharing returns to the community or nation where the expression of folklore belongs or exists.

The protection of traditional knowledge in the countries comprising Southeast Asia is typically drawn from existing intellectual property laws in each jurisdiction. Recently, no country has passed a comprehensive law covering traditional knowledge, traditional cultural expressions (folklore), or genetic resources while others are considering stand-alone laws that address these issues separately. (Disini, 2003) The immediate focus of policy-makers is the protection of indigenous genetic resources against bio-piracy where foreign entities typically pharmaceutical companies are awarded patents for inventions arising from genetic sequences sourced from local plants and animals. Hence, the protection of traditional knowledge and traditional cultural expressions will likely take a back seat to the more pressing issue of genetic resource management.

More importantly, there are no cooperative efforts among these nations despite their common membership in the Association of Southeast Asian Nations. Nonetheless, protection of expression of folklore is addressed in the international level since a majority of the countries namely, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam, are actively participating in the World Intellectual Property Organizations (WIPO) (Disini, 2003) initiatives concerning the vital protection. It is therefore likely that the outcome of the WIPO activities will set the pace of policy development as well as its content with whatever model law acting as the template for national legislation on traditional knowledge as well as traditional cultural expression.

In the meantime, however, the treatment of traditional knowledge in national law is as diverse as the cultures found in the region. (Disini, 2003) For instance, Indonesia has reported to WIPO the absence of any specific legal protection for traditional knowledge but some protection of traditional knowledge may be available through copyright, distinctive signs (including geographical indications) and trade secret law. (Disini, 2003; Mancacaritadipura, 2006) In response to a traditional knowledge survey conducted by WIPO, Malaysia indicated that there is no specific law for the protection of traditional knowledge. (Disini, 2003; Mustafa and Abdullah, 2013) Singapore has reported to WIPO that there is no legal protection for traditional knowledge and doubts were expressed even if such protection were possible under intellectual property statutes. While, there exists substantial protection traditional knowledge under existing laws in the Philippines. (WIPO, 2001, 322) The Indigenous Peoples Rights Act, of 1997 and its regulations, protect indigenous communities rights in general, including their rights in traditional knowledge, to limit the access of researchers into their ancestral domains/lands or territories, to be designated as sources of information in whatever writings and publications resulting from research, and to receive royalties from the income derived from any of the researches conducted and resulting publications. (Office of the Director General, Intellectual Property Office (Philippines)). Thailand is now no *sui generis* law for protecting traditional knowledge. A department of intellectual property called for the protection of traditional cultural expressions; the establishment of a database to identify and acknowledge traditional knowledge; and a benefit-sharing scheme for the use of traditional knowledge. (Weeraworawit, 2000) Currently, the *sui generis* law for traditional knowledge protection is drafting; however, there is no sign as to whether when is will be come into force.

In Vietnams WIPO Survey Response, it was reported that there are very few legislative efforts in the area of genetic resources and almost none in the protection of traditional knowledge.

Protection of Expression of Folklore in the Realm of Intellectual Property Law

In general, intellectual property laws provide creators with certain exclusive rights to commercially exploit their creative endeavors. The monopoly is limited by (a) the types of uses that may be authorized or prohibited; (b) various exceptions to or limitations on infringement; and (c) the duration of protection. The need to protect the considerable economic value of intellectual property rights has resulted in several international treaties which provide for the protection and enforcement of intellectual property rights on a global level. (WTO, 2015)

Copyright

Protection by copyright would seem possible because expressions of folklore take the same form as protected works and materials. However certain characteristics of copyright conflict with the expressions of folklore and in particular the limitation in time of protection and the identification of the creator originating the intellectual works.

Copyright provides protection for creative expression for, *inter alia*, literary, dramatic, musical and artistic works. (The University of California, 1997, 233) These categories are typically non-exhaustive and broadly interpreted to allow for flexibility in categorization of copyrightable subject matter. Unlike copyright, since expressions of folklore like folk tales, folk dances, folk music and folk art and crafts, fall broadly into the above categories of copyrightable subject matter, folklore as such, is finally not precluded from copyright protection.

Moreover, for copyright to subsist in a creative work; the work must be “original.” (Hilty and Nérison, 2013, 223) This notion is rarely defined by national legislation and its precise meaning has been left to judicial interpretation in each country. Additionally, the work must originate from the author or creator. The question of whether a work made or expression presented in the territory of folklore is original or not, “...invariably comes down to a consideration of the particular attributes of each individual work”. (Palethorpe and Verhulst, 2000) This is because folklore is tradition-based and often developed in form of cumulative manner over from generation to generation, the similarities between any single expression of folklore and the expressions of folklore which make up the ongoing culture of traditional communities may preclude them from copyright protection. (Palethorpe and Verhulst, 2000) Besides, expressions of folklore are considered to involve insufficient intellectual effort. Therefore, expressions of folklore more strongly associated with an ongoing cultural tradition are less likely to be considered original for the purposes of copyright protection.

Concerning duration of protection, the limited duration of copyright protection raises the *temporal* variable. (Palethorpe and Verhulst, 2000) meanwhile traditional communities have a continued interest in their expressions of folklore beyond the life of the author(s) plus a fixed period. Indeed it has been said that folklore” protection could not be reasonably limited in time.

In regard to identifying creators and/or right holders, and their rights over the normal exploitation, expressions of folklore are generally considered to be in the public domain because they go back much further in time than the term of legal protection granted by the international conventions. (Kallinikou, 2005) Copyright is based on the identification of the creator, but in contrast folklore is distinguished by the anonymity and by the fact that the tradition is the attribute of a community. Copyright confers the exclusive right of exploitation on the person who creates the work, which is difficult to reconcile with the diffuse nature of folklore within a community.

Trademarks

Trademark Law can be used to protect some expressions of folklore, such as designs and symbols. A trademark is a form of property that gives the owner the right to prevent others from using it in relation to a specific category of goods or services. Legislation protecting distinctive signs offer opportunities for the protection of indigenous and traditional marks that are intended to be used in the course of trade. (Li, 2014, 219) However, the disadvantages are the requirement of formalities in registering and renewing trademarks as well as opposition and invalidation proceedings. For example, on the assumption that trademark is registered for particular types of folkloric products or services and is owned by a member or members of a traditional community (WIPO, 2004), “trademark protection may:

- (a) provide redress for the *appropriation* of expressions of folklore, such as folkloric symbols, through injunctive remedies for trade mark infringement;
- (b) *compensate* traditional community for their contribution through payment of royalties for use of words, names or symbols or through damages for infringement; and
- (c) promote the *authentication* of genuine folkloric products through the use of special collective or certification marks”. (Palethorpe and Verhulst, 2000)

There are some concerns about the registration of words and symbols originating from traditional cultures as trademarks. This is because the said registration has been a common practice in developed countries whereas, to certain traditional communities, this practice is often considered highly offensive, disparaging, and dehumanizing. Individuals in traditional cultures are able to register marks in the same fashion as others in society. (Janke, 2003, 32) However, there may be reluctance on the part of individuals to claim monopoly rights over cultural words and symbols belonging collectively to a group.

It is unlikely that traditional communities would seek to register trademarks in products and services unrelated to the general area of their folkloric activity. (Palethorpe and Verhulst, 2000) Therefore the trade mark regime does not allow traditional communities to prevent the wholesale use of their words, symbols, and so on, that is it does not prevent their *inappropriate use*.

Geographical Indications

It is quite accepted that the laws on geographical indications are better suited to the protection of expressions of folklore because they can be assigned to a territory rather than a natural or legal person. There is no “owner” of a geographical indication but each enterprise which is located in the area to which the geographical indication refers has the right, given certain quality requirements are satisfied, to use the indication for the products originating in the area.

(World Intellectual Property Organization, 1997, 232) Regarding protection of folkloric works and expressions through geographical indications, it is truly believed that “geographical indications have the potential to:

- (a) provide redress for the *appropriation* of folkloric indicia by enabling traditional communities of a particular region to restrict which traders may use folkloric geographical indications; and
- (b) promote the *authentication* of genuine folkloric products by permitting the use of particular names to indicate a product originates from a region of a particular traditional community.” (Blakeney, 2000, 251-254)

Consequently, it is important to note that geographical indications were suggested as an element of the protection regime proposed in international Model Provisions for folklore protection. Nonetheless, there is an argument for adopting this legislation for expression of folklore protection since this type of protection can be applied only to certain tangible folklore products such as carpets, and textiles.

Industrial Designs

The laws on industrial designs provide protection for expressions of folklore such as graphical marks and three dimensional plastic forms. Generally, expressions of folklore as such are not expressly precluded from design protection provided they are two or three-dimensional items capable of being used industrially or produced on a large commercial scale. Therefore, folkloric designs may be protected under design law subject to certain other criteria. (Lewinski and Hahn, 2004, 305) Nevertheless, the novelty and originality criteria are difficult to reconcile with the nature of expressions of folklore, since they can date back hundreds of years. Furthermore, the duration is also limited and there is also the problem of the ownership of the rights.

In general, the two main criteria must be satisfied before design protection is possible. Firstly, the design item must be *novel*. That means that the design must not be known, previously used, or already in the public domain. Secondly, the design must be *original*. That is, the aesthetic appearance of a design requires the personal creative effort of the designer. These general criteria are similar to the originality requirement of copyright protection. For similar reasons, folkloric designs may not satisfy these criteria because of folklore’s incremental development in a communal setting.

Unfair Competition

Unfair competition law is designed to protect against “any act contrary to honest [business] practices.” (Howells, Micklitz and Wilhelmsson, 2013, 3) The concept of unfair competition provides protection against wrongful commercial use and in particular against industries which profit from folklore but disregard its traditional use.

Unfair competition differs from other classical categories of intellectual property law such as copyright law, because it does not relate to defined subject matter but instead to monitor all behaviors contrary to honest business practices. In this respect unfair competition provides supplementary protection to other intellectual property regimes. With respect to the protection of folklore, unfair competition can be divided into two main areas: (WIPO, 2004)

- Passing off; and
- Confidential Information

Traditional communities may benefit from passing off protection by asserting their rights in the sale of their cultural products. Making third parties or interested persons account for their misrepresentations, or deceptive or confusing practices regarding the folkloric origins of products will increase sales of cultural products by reducing the competition in the cultural product market. Unfair competition law may also be beneficial for consumers by insuring that what appear to be folkloric products are indeed genuine. (Palethorpe and Verhulst, 2000) Notably, the main obstacle for traditional communities may be to demonstrate the damage or likely damage caused by the offending trader's conduct, as often this will require detailed and costly survey evidence.

With respect to confidential information, the protection of confidential information has the potential to address traditional communities' concerns over the unauthorized *disclosure* of sacred/secret expressions of folklore. It cannot be refused that "the detriment suffered by traditional communities resulting from the disclosure of confidential sacred knowledge is not adequately recompensed by compensatory damages, which can never make the information sacred again." (Palethorpe and Verhulst, 2000) Thus, the most suitable remedy is injunctive relief which, if sought prior to the release this may prevent the disclosure of sacred folkloric knowledge. Moreover, the prior consent from traditional community must be reached before making use of traditional cultural expression.

CONCLUSION AND RECOMMENDATIONS

Finally, conclusion and some feasible recommendations are put forward to guide law makers, scholars, and interested persons comprehend the importance of the enactment of sui generis law for protecting expressions of folklore under threat.

Conclusion

Advanced technological processes have facilitated the commercial exploitation of works of art, craft, and knowledge of traditional societies on a scale that is unprecedented. Monopolistic tendencies are also evident in the acts of individuals and companies who formally register folkloric themes, sometimes incorporating them into advertising and commercial propaganda, as a way of preventing others from using them.

The need for intellectual property protection of expressions of folklore emerged in developing countries. Folklore is an important element of the cultural heritage of every nation. It is, however, of particular importance for developing countries, which recognize folklore as a means of self-expression and social identity. All the more so, since, in those countries, folklore is truly a living and still developing tradition, rather than just a memory of the past.

Recommendations

Traditional communities are recognized as owners fully entitled to dispose of their folklore and where such communities are sufficiently organized to administer the utilization of the expressions of their folklore, authorization may be granted by the community itself. In the latter case, a community may grant permission to prospective users in a manner similar to authorizations granted by authors, that is, as a rule, at its own full discretion. (the International Bureau of WIPO, nd.) The International Model Provisions as well as *sui generis* laws were adopted with the intention of paving the way for regional and international protection, since many countries consider it of paramount importance to protect expressions of folklore also beyond the frontiers of the countries in which they originate. Of course, national legislation on the protection of expressions of folklore could also provide an appropriate basis for protecting expressions of folklore of communities belonging to foreign countries. By extension of their applicability, national provisions might contribute for promoting regional or international protection.

In order to further such a process, the International Model Provisions provide for their application as regards expressions of folklore of foreign origin either subject to reciprocity or on the basis of international treaties. (World Intellectual Property Organization, 1997, 181) Reciprocity between countries already protecting their national folklore may be established and declared more easily than mutual protection by means of international treaties. However, a number of participants stressed at the meeting of the Committee of Governmental Experts which adopted the Model Provisions that international measures would be indispensable for extending the protection of expressions of folklore of a given country beyond the borders of the country concerned.

Concerning *sui generis* regimes, the argument for adopting a separate instrument for folklore rests on the incontrovertible fact that folklore is *sui generis*; despite similarities with intellectual property rights, folklore is created, owned and utilized differently. (WIPO, 1998) Unlike intellectual property, folklore is designed not to confer economic benefits to individual creators, but is intended for common exploitation. (the Secretariats of the United Nations Educational, Scientific and Cultural Organization (Unesco) and the World Intellectual Property Organization (WIPO), n.d.) Consequently, it does not make sense to try to fit folklore within the rigidities of national intellectual property law. If the uniqueness of folklore cannot be successfully accommodated under modern intellectual property concepts, then perhaps, it is expedient to consider new legal arrangements to give effect to the traditional community's fundamental right to protect its interests from undue exploitation.

It should be noted that intellectual property is a constantly evolving system that can be adapted to suit changing social, economic and cultural conditions as well as new technological developments. Therefore, in the field of intellectual property, *sui generis* protection is not a new phenomenon. Recently there has been a significant increase in the adoption of *sui generis* systems in areas such as plant varieties, semiconductor chips or integrated circuits and databases. It is simply understood that intellectual endeavors such as these, while inconsistent with or inappropriate for protection under, traditional intellectual property frameworks, were considered to deserve some form of protection nonetheless. Special systems have been developed to allow for different methods and terms of protection appropriate to the specific subject matter-expression of folklore is exceptional and it needs a special mechanism to protect which is generally called *sui generis* law.

The key element for *sui generis* law as well as International Model Provisions must be balanced, workable and efficient; and designed to prevent inappropriate commercial use of expressions of folklore and promote the continued development of expressions of folklore. (the Secretariats of the United Nations Educational, Scientific and Cultural Organization (Unesco) and the World Intellectual Property Organization (WIPO), nd.) Besides, such specific national and international laws for folklore protection should be based on principles regarding a system to authorize prospective commercial uses; expressions of folklore eligible for protection regardless of whether they are manifest tangibly or intangibly; exceptions for customary uses and certain other forms of use; rights should be recognized in perpetuity; and non-traditional uses of sacred/secret material should be prohibited. (the Secretariat, 2005)

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AHISTORICITY IN THOMAS MORE'S *UTOPIA*

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ABSTRACT

This paper studies Thomas More's *Utopia* and the concept of utopia in ideological studies. While most scholars see utopia as pertaining to the unhistorical condition, this paper argues that utopia should be understood in terms of historicity lest the concept is confused with the ultimate perfection in theological metaphysics. By analyzing Paul Tillich's conceptualization of utopia, it redefines historicity as the stretch of existential encounters with threats and futural possibilities. The paper recommends the "counter-science" model of Michel Foucault in structuring utopia historically. The paper reinterprets the narrative of Thomas More's *Utopia* in this scope of historicity before concluding with remarks on utopia and the ASEAN Economic Community.

KEY WORDS: Humanism, utopia, ahistoricity

OVERVIEW

The book *Utopia* of Thomas More has been a source of inspiration for a number of literary, philosophical and theoretical productions. Written originally in Latin, *Utopia* first entered the European book circle in 1515 under the title *de optimo rei publicae statu deque nova insula Utopia* – "Concerning the Best Condition of the Commonwealth and the New Island of Utopia" (Logan, 1989, p. 7). The book is noted for its description of Utopia, an imaginary republic of blissful abundance and stabilized social order. In fact, the name *Utopia* is coined from Greek morphemes to connote the sense of non-existence and imply the nonsensical nature of the account (Adams, 2003).

This paper explores the concept of utopia in Thomas More's narrative and the reconstruction of the concept in ideological studies. While most scholars understand "utopia" as exhibiting the unhistorical state in static idealism, this paper argues that "utopia", both as a narrative and a concept, is intrinsically historical. To align utopia with ahistoricity is to risk positioning the concept with the ultimate perfection in theological metaphysics, which is irrelevant in both the contexts of Thomas More and ideological studies. The tradition of theological metaphysics locates the ultimate perfection beyond the flow of time in the sphere of transcendental presence. If the narrative of Thomas More's *Utopia* and the concept of utopia in ideological studies build around the search for the ultimate perfection, which transcends the flow of time and rests in the unhistorical state, then the concept of utopia should be speculated and discussed in terms of theological and metaphysical transcendentalism. However, debates that surround the concept of utopia hardly touch upon this transcendental terrain. Thomas More might have been a conservative moralist and an active defender of the Church, but he was not likely an advocate of the metaphysical and transcendental approaches to God. In the same way, the utopian concept in ideological studies primarily concerns phenomena and practices within the bound of human ideology and has little to do with the idea of transcendental perfection. Taking on Paul Tillich's speculation of utopia and Michel Foucault's analysis of the "counter-sciences", this paper will demonstrate that the narrative of Thomas More's *Utopia* and the concept of utopia in ideological studies are never deprived of the historical impulse – the drive that enables *Utopia* the book and utopia the concept to arrive at their narrative forms.

PRELIMINARY

Utopia of Order

“... among the Utopians all things are so regulated that men very seldom build upon a new piece of ground, and are not only very quick in repairing their houses, but show their foresight in preventing their decay, so that their buildings are preserved very long with but very little labour, ...” (More, 2012, p. 66)

The above passage from Thomas More’s *Utopia* points to one significant dynamic that characterizes the Utopian society – the dynamic of regulation. The passage delineates the habit in which the Utopians maintain their city buildings by quickly taking the action of maintenance – “regulated”, “quick in repairing their houses” – the action that attempts to preserve the buildings from change – “preventing their decay”, “preserved very long”.

For the sake of readability, Smith’s translation of *Utopia* drops a few lexical implications preserved in Thomas More’s original Latin. A look at the original passage might reveal these interesting implications:

“At apud Utopienses, *compositis rebus omnibus et constituta republica*, rarissime accidit uti noua collocandis aedibus area deligatur; et non modo *remedium celeriter praesentibus uitij adhibetur*, sed etiam *imminentibus occurritur*. Ita fit ut minimo labore *diutissime perdurent aedificia*, ...” (More, 1895, pp. 149-50, italics added)

“*compositis rebus omnibus et constituta republica*”: “all things are ordered and the republic is arranged”; “*remedium celeriter praesentibus uitij adhibetur*”: “quick remedy of present fault”; “*imminentibus occurritur*”: “run against threats”. In Utopia, where all things are ordered and arranged, the people quickly remedy the fault buildings and run against the threats of decay.

The above passage is thematic of the book *Utopia*. The country of Utopia is the country of order (*compono*) and good arrangement (*constitutum*). This extreme order and arrangement of Utopia has been taken by many readers as the state of eternal stability where change is suspended and time ceases the flow. In Utopia, the society regularly repeats itself in complete arrangement and eternal stability, as if history has already achieved its end and withheld itself from progress – the condition in ahistoricity.

Utopia of Actions

Nevertheless, there is another dimension to the eternal stability of Utopia: changes that operate in fixing the “threats” of change, actions that “remedy” the “faults” of instability. The threats (*imminens*) that menace the stabilized order of Utopia are handled by the action of remedy (*remedium*). Elsewhere in the narrative, other actions and apparatuses are similarly employed to keep the Utopian society in its eternal, unchanged form. It is as if the unchanged is reliant on the hands of change – change that keeps mending the faults of the unchanged order.

Critics often leave out the dimensions of change and action in their interpretations of *Utopia*. Northrop Frye (1965), for instance, examines the static impulse in utopian literature, tracing it back to the naturalist nostalgia for the primordial condition in Thomas More’s *Utopia* (p. 329). Hanan Yorán (2011) similarly points to naturalism in Thomas More’s *Utopia* with

its attempt to undermine the use of language signs, which allows the Utopian society to transcend historicity (p. 178). Christopher S. Ferns (1999) analyses a range of utopian literature and points to the static, unhistorical impulse in these utopian writings, which also finds place in the construction of order in Thomas More's *Utopia* (p. 33). Many theorists who conceptualize utopia in ideological studies also signify a similar unhistorical impulse within the concept. According to Jameson (1981), the utopian concept and thinking lack history as it has no place in the reality. Similarly, the utopian concept in the analysis of Emil Cioran (1987) is the condition in which contradictions are resolved as the end of history (p. 88).

DILEMMA

The Ultimate Perfection

Thomas More's *Utopia* is often interpreted as the construction of perfect idealism where history has found its ultimate culmination. If this interpretation was accurate, the narrative would share the place of the ultimate perfection in theological metaphysics, while further considerations of Thomas More's *Utopia* and the utopian concept should also lead towards the transcendental direction. However, a closer speculation would reveal a break between the utopian ideal of perfection and the metaphysical consideration of the ultimate perfection. In fact, the question of being and its ultimate essence, *ousia*, have long been a topic of concern in the tradition of metaphysics. To narrow down the scope of our analysis, which focuses primarily on the question of historicity and ahistoricity, this paper will only concentrate on the metaphysical approach to motion and change.

Aristotle approached the problem of *ousia* and motion through the theory of the "final cause", the divine state of complete unchangeability. The final cause in Aristotle's conception maintains the self-activated motion that originates multifarious changes in physical forms (Aristotle, 1924, p. 179). While the final cause in Aristotle's conception rests in the eternal mode of circular motion, "things" in physical time are trapped in the discontinuous motion – the lowly form of motion that begins at one point and ends at another in succession. Time is indeed the "number of change" in succession, causing "things" in time to change physically and endlessly in the "rectilinear motion" (Aristotle, 1970, p. 158). Renaissance theologians such as Thomas Aquinas later developed this Aristotelian doctrine into the theory of the "first mover", identifying it with the ultimate being of God (Aquinas, 1981, p. 15). Taking on Aristotle, Aquinas similarly provided the distinction between the ultimate condition of God, which rests beyond change in complete permanence and eternity, and earthly beings in timeness, captured within the misfortune of changes and movements (p. 56). In the tradition of theological metaphysics, the divine condition is transcendental in the circular, "rotatory" motion and, as the "ultimate perfection", remains in "permanence" beyond changes. On the contrary, the earthly forms are inevitably exposed to the misery of changes on the "rectilinear" plane of time succession. This understanding of God was recognized in the theological doctrines of early Renaissance although it received a mixed reception during the late Renaissance of Thomas More.

Utopian Motion

If movements and actions in the utopian condition expressed the unhistorical condition, then the utopian motion – those actions of mending faults and regulating order – would find its place in the circular, "rotatory" motion in the transcendental condition of the "ultimate

perfection”. However, any readers of *Utopia* would recognize at an instant that the utopian motion – the actions of regulating order – is in no way similar to the perfect, rotatory motion in the Aristotelian and Thomist doctrines on the ultimate being. The utopian motion is not self-activated or moves in perfect rotation the way the ultimate being is put in motion. It might imitate certain aspects of the divine order, but to transcend it to the ultimate condition is certainly out of context. The Erasmian humanist context of Thomas More was far from being metaphysically transcendental; the Erasmian humanist writings, particularly Thomas More’s *Utopia*, might adumbrate certain transcendental elements, but their concerns were predominantly material and practical even when it came to theology. Thomas More’s approach to God might at times convey spiritual or mystical expressions, but they don’t share the transcendental descriptions found in the tradition of metaphysics. The expressions of motion in Thomas More’s *Utopia* must indeed be understood in the scope of historicity and in the materiality of time. Similarly, the utopian concept in ideological theories, which is almost always associated with such disciplines as sociology, political science, and human psychology, is also far from voicing the theological and transcendental concerns. The utopian concept in ideological theories must therefore be treated in the scope of historicity, but the meaning of historicity in the discussion of utopia has to be approached differently from the common notion of the idea.

SUGGESTIONS

Redefining Historicity

Apart from the transcendental tendencies that surround the concept of utopia, theorists, particularly in the field of ideological studies, have made endless use of the concept in their analyses of material practices. Jameson, for instance, employs his concept of “utopian form” in the study of different practices in the postmodern society. Cioran similarly hints the role of utopianism in the formation of ideological movements. Let’s not leave out the voluminous texts of Ernst Bloch which discuss “concrete utopia”, the other side of the utopian impulse that brings about materiality to a range of human practices. While the only place for ahistoricity is in the transcendental sphere of theological contemplation, the utopian concept that could bring about so many analyses of material reality cannot be left unhistorical. The utopian impulse is therefore historical in time and space and at the level of materiality.

Ideological theorists often provide hints of futurity in the utopian condition. Ernst Bloch (1995), for instance, places the utopian impulse in “hope” and “anticipation”, which contain the futural structure of “Not-Yet-Become” (pp. 62-63). The utopian concepts of Jameson and Cioran also signify a similar futural sense. The analysis of the utopian concept of Paul Tillich (1971) might elucidate the futurity of the utopian condition, and will probably allow us to redefine historicity for further consideration of the utopian concept.

“When we speak of utopia, therefore, we speak of something that is already characterized by the name itself as having no space and no time, no presence, but as that which comes out of the past as recollection and is an anticipation of what may come in the future” (p. 153). To be clear, Tillich refuses to recognize the historicity of the utopian condition as it has “no space and no time, no presence” and rests in the sphere of “impossibility”. However, the relation between past and present of the utopian condition in Tillich’s conceptualization will allow us to redefine the historicity of utopia and liberate both Tillich’s and other utopian concepts from the confinement of transcendental ahistoricity.

According to Tillich, the utopian condition is a part of man's being. Human beings, according to Tillich, are given "finite freedom": freedom in the sense of being thrown to "possibilities" and temptations (p. 126); finite in the sense of being "threatened" by "non-being" which, paradoxically, resides within the being of man (p. 127). Being free, man is given the possibility to act as "a whole person", but this same freedom is always threatened by the finitude, the non-being, that prevents man's being from being completely free. Because freedom is finite, since the non-being that threatens the being of man is right within the being of man, human being is given the "anxiety" which at all times recognizes the non-being that keeps threatening its being from within (p. 128). This anxiety that looks to clear down the threats that keep threatening its being generates "expectation" which operates in two different directions. The first expectation allows the anxiety with the "courage" to move forward to construct the forward-looking utopia. The other expectation leads the anxiety backward towards the past, urging the anxiety to maintain the stability of the past in the backward-looking utopia (p. 129). Nonetheless, both forward- and backward-looking utopias relate themselves to both the past and the future. The forward-looking utopia urges towards something new, something futural, out of its disappointment of the past, while the backward-looking utopia looks to restore the original past in the future.

Tillich also illustrates the forces that drive utopia towards the positive and negative forms. The positive utopia confesses the elements of "truth", "fruitfulness" and "power". The positive utopia recognizes the truth of man's being – the truth that man is finite in being threatened by non-being. Knowing itself that its own nature is illusive, since utopia is always illusive, the positive utopia is fruitful in that it recognizes the "impossibility" of its very own utopian nature, the fact that equips it with the power to transform man into a fuller being by moving forward. The positive utopia takes possibility as it is – as possibility that is always threatened by impossibility – allowing man to take the risks in developing its person (pp. 166-167). The negative utopia, on the other hand, professes "untruth", "unfruitfulness" and "impotence". The negative utopia denies the impossible and finite aspects of itself, turning itself from illusion to "disillusion", causing the being of man to forget its own finitude, dragging man into the untruth impression that our hope, our anticipation, our utopia are always possible. It is unfruitful because it fails to see the impossibility and the "provisional" character of the utopian vision, causing utopia to become, in effect, ultimate and "impotent". In consequence, the negative utopia incites fanaticism and authoritarianism when utopia of the self looks to transform the reality into its own personal utopia, which, in truth, can never be real as long as it is utopia (pp. 170-172).

From Tillich's formulation of the utopian condition, it is possible to redefine the historicity of utopia. Utopia indeed historicizes itself, not historicizing in the sense of developing itself along the linear time in history, but in the Heideggerean sense of encountering threats along the stretch of being. Utopia is a faculty of anxiety, and anxiety is a faculty of the being of man. If anxiety compels human being to take risks, then anxiety must historicize itself, the way "angst" and "care" in Heidegger's philosophy historicize along the stretch of being. Anxiety historicizes in taking possibilities, and in taking possibilities, it stretches itself, giving the being of man its "having-been", past, and its "becoming", future. In this sense, anxiety is historical; it stretches itself along with man's being. Utopia, as a faculty of anxiety and the being of man, is also itself historical in that it is part of the anxiety. As the anxiety historicizes to give stretch to human being, utopia also historicizes along the variety of threats that menace the anxiety and the being of man.

If anxiety was to lack historicity, the being of man would also lose the stretch of struggles against the threats of non-being. If utopia lacked historicity, utopia wouldn't correspond to the threats of non-being that keep threatening the anxiety. Utopia historicizes by transforming itself along with the anxiety; utopia modifies along the stretch of anxiety. Utopia that cannot transform itself along with anxiety is locked in the absolute condition of the ultimate perfection, but this is the false assumption of utopia, the untruthful condition of the negative utopia. Utopia has to have its stretch, not a stretch on the linearity of time, but a stretch as a stage of transformation along with the *thrownness* of anxiety.

Structuring Utopia

By thinking of utopia historically along the stretch, the utopian condition has to maintain a structure, the way angst and care of *Da-sein* are structured in the Heideggerian sense. To prevent utopia from falling into the negative utopia, in other words, to present the structure of utopia truthfully as it is, that is, as illusive and open, the structure of utopia shouldn't be thought of only as a limit, but as a structure that allows utopia to open itself to transformations along its historical stretch. Michel Foucault's analysis of the "counter-sciences" in *The Order of Things* might be useful in exposing the structure of utopia.

In his critique of the "human sciences", Foucault (2002) demonstrates how human sciences fall into the peril of "anthropologization" – the condition that sets human being as both the subject and object of knowledge construction, yet limits the being of man within its own construction. In other words, human sciences are the terrain on which the being of man is constructed at the same time that they limit man in that constructed space (pp. 179-180). Foucault finds the way out of this anthropological peril in the *praxis* of certain disciplines, namely, psychoanalysis and ethnology – the "counter-sciences". While the human sciences presuppose truths in knowledge *a priori*, setting the limit of truth and its representation in knowledge outside of man, one merit of psychoanalysis, according to Foucault, is the way it recognizes the finitude of knowledge construction within human's own mental symbolic orders such as Death, Desire and Law (p. 408-409). In addition, psychoanalysis still recognizes the openness of possibilities within the limit of each psychoanalytical case; it does not set itself out as theory, but as *praxis*, ready to flex itself along the openness of possibilities within the finitude of each individual case (p. 410). In short, psychoanalysis recognizes knowledge as it is, that is, as possibilities within the finitude of human mind. As for ethnology, its merit lies within the way it studies each individual ethnological case on its own terms, looking to sort the system of labor, language and biology of each ethnological case individually without conflating the cases into a universal set of theories. (p. 412). Unlike human sciences, Foucault commends psychoanalysis and ethnology as the counter-sciences that grasp human knowledge construction as it is, "they lead them back to their epistemological basis, and that they ceaselessly 'unmake' that very man who is creating and re-creating his positivity in the human sciences" (p. 414).

The Archaeology of Knowledge accentuates a similar framework when Foucault (1972) sets out to describe the archaeological model in his analysis of statements in knowledge discourses. The archaeological approach attempts to describe each discursive statement on its own terms and relate each statement to a larger discourse on the case-by-case basis. Indeed, this approach also opens the statement under analysis for futural possibility: "At the very outset, from the very root, the statement is divided up into an enunciative field in which it has a place and a status, which arranges for its possible relations with its past, and which opens up

for the possible future” (P. 99). The archaeological approach does not only describe each discursive statement, the object of its analysis, individually as it is; it still recognizes, within the structure of each statement, the openness to futural changes and possibilities.

Foucault’s analyses allow us to reconstruct the structure of utopia in a new light. By drawing the lessons from Foucault’s reconstruction of the counter-sciences and archaeological model, we may now arrive at the structure of the utopian stretch. Each utopia owns a structure, and this structure delivers a narrative form to the utopian vision. Each narrative form of utopia is individually and uniquely structured; each one has to be considered in isolation the way each discursive statement is considered, the way cases in the counter-sciences are individually speculated.

For this reason, the structure of each utopian vision must never be enclosed; it must be open to transformations so that it gives way to other future forms of utopias to take shape and succeed the precedent forms. This is because the structure of utopia has to correspond to possibilities and impossibilities that the anxiety has to deal with in its encounters with various forms of threats along the stretch of being. In other words, the open structure of utopia allows the utopian vision to transform itself along different situations that the anxiety encounters in its protection of the being. The openness of the utopian structure has to receive futural possibilities as the anxiety struggles along its stretch in expectation and anticipation. Utopia historicizes itself on this futurally-open structure, transforming itself along the being of man, which opens itself to the risks of futural threats in the process of its becoming “a whole person”. By thinking of the utopian structure on this plane, utopia resumes historicity in transforming itself along its stretch.

Redefining Thomas More’s *Utopia*

If utopia is driven and arises out of anxiety, then the utopian condition is also the site where the language of anxiety finds a full expression in the narrative. In case of Thomas More, the actions of remedy, of keeping order, of mending faults and preventing decays, these are the expressions of anxiety that put the narrative of *Utopia* into motion, the motion of material changes in contrast to the circular motion in the ultimate perfection.

We may also come to understand the meaning of utopia as a tale of nonsense – the blame that critics have constantly cast upon the text. The nonsensical elements of *Utopia* indeed contain a significant meaning; they signify the open structure of the utopian condition that allows its form, its narrative, to rest in futural postponement. The utopian condition has to give itself up in nowhere so that it may historicize towards the future, allowing other utopian visions to generate and replace it in the line of transformation. Such is the nature of the utopian condition where the nonsense only makes sense all the while it remains futurally without a form. Once a certain utopian vision comes into form, the nonsensical character of utopia will soon reveal what it truly means by utopia, that is, illusion and nonsense, giving way to other utopian visions to express other forms of nonsense. The nonsensical elements of Thomas More’s *Utopia* are therefore no more and no less serious than the utopian visions of other social and political idealists.

CONCLUSION

There are many utopian expressions out there in the ASEAN Community, but many of them show signs of falling into the negative utopia. Take, for example, the political situation in Thailand where utopian hopes are being driven fanatically in the political reality. Take as other examples the clashes between the governments and national minority groups across the region, from Myanmar to the Philippines. Once utopian thinkers forget the limit of utopia, they quickly incite political fanaticisms that foment ideological conflicts. If only these utopian thinkers realized what utopia actually means, that utopia is indeed the openness to possibilities, we might be able to take things more easily when it comes to political and ideological conflicts.

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**THE VALUE OF PUBLIC-PRIVATE PARTNERSHIPS
TO IMPROVE PANDEMIC INFLUENZA PREPAREDNESS AND RESPONSE:
A SYSTEMATIC REVIEW**

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ABSTRACT

Thailand and neighbor countries are at risk in confronting the spread of emerging/re-emerging infectious diseases e.g., Influenza, HIV/AIDS, diphtheria, malaria and measles. The outbreak of pandemic influenza in 2009 is the major threat for public health, because influenza outbreak threatens human health and lives as well as paralyzes economic activities. Neither public nor private organizations are capable of resolving the outbreak on their own. The vast majority public-private partnerships (PPPs) initiatives in public health were formed in several countries around the world including Thailand. This study explores the PPPs theological content embedded in pandemic influenza preparedness planning through systematic review analysis. The systematic review of empirical studies, will guide to deep understanding the values and challenges facing in establishing PPPs to prevent and/or mitigate risks in confronting the outbreak of influenza. The study result shows that public sectors around the world have engaged the private sectors in addressing these public health concerns. The value PPPs contributing to general public is well- recognized. Partnerships can produce positive public health outcome and prepare for the next pandemic

KEY WORDS: Decentralization, public health, local government capacity

INTRODUCTION

Nowadays the environment and technology are more complex and rapid change. Underpinning the public health, where constantly changing disease patterns and increasing use of sophisticated technology for healthcare. It is impossible to imagine any single healthcare organization providing services without some type of institutional partnership. While the concept of public-private partnerships (PPPs) for nation health security in confronting the emerging infectious disease is relatively recent phenomenon. We urge to know why d countries the PPPs project into their Pandemic Influenza Preparedness Plans.

The purpose of this study is to describe the value of PPPs on the influenza pandemic planning through qualitative research method for documentary research with systematic review analysis procedures. The systematic review of empirical studies, will guide to deep understanding the values and challenges facing in establishing PPPs to prevent and/or mitigate risks in confronting the outbreak of pandemic influenza.

LITERATURE REVIEW

Public Health Public-Private Partnerships

Governments across the world are looking for ways to bring into balance a number of competing policy goals: economic growth; industrial development; attraction of foreign direct investment; advances in education, science and technology; budgetary control; complex and evolving healthcare needs.

There are the changing face and rapid pace of public health. Governments and international health organizations, once the central actors in public health policy, are looking to the private sector for collaboration. In the mean time, private for-profit organizations have come to realize the importance of public health goals and to accept a broader view of social responsibility as part of the corporate initiatives (Reich, 2002). In the international healthcare

field, health is seen as “an overall systems goal, not just a responsibility of the health sector” (Kickbusch, 2003).

PPPs are being crafted to make government and private industry more accountable for healthcare delivery. For more than two decades PPPs have been used to finance health infrastructure in developed countries. Now governments are increasingly looking to the PPP-model to solve larger problems in national health security.

PPPs at national level is important if partnerships are to remain a dominant mechanism within the development and health policy landscape in order to build up a solid literature on which recommendations for best practice can be based. Partnerships are deemed economically advantageous mechanisms as they reduce the costs and risks involved and are socially useful because they increase networking improving trust and reciprocity

Influenza Pandemic

Infectious diseases of both a global and national nature are becoming more prevalent. Unlike other diseases, infectious diseases depend on the biology, climate and human behavior pattern change. Efforts by national governments and international organizations to prevent and control pandemics in the region have been instrumental in mitigating public health disaster (Anthony & Rosalie, 2008).

The World Health Organization (WHO) has emphasized the importance of the Asia–Pacific region as a potential epicentre of emerging diseases such as severe acute respiratory syndrome (SARS) and avian influenza. During the past three decades, 30 new infectious agents have been detected in this region (WHO, 2005).

Thailand and neighbor countries are at serious risk in confronting the emerging infectious diseases. Since, there are more than 30 re-emerging diseases and unexpected outbreaks of new infectious diseases, during the past two decades. Global pandemics have included HIV/AIDS, diphtheria, malaria, measles, poliomyelitis, and H1N1 (swine flu); regional epidemics have included Severe Acute Respiratory Syndrome (SARS), and H5N1 (avian flu) (WHO, 2007). Future preparedness is important, because emerging infectious diseases of a global or regional nature threaten the health and lives of large numbers of people as well as paralyze economic activity.

Neither public nor private organizations are capable of managing public health threat of emerging infectious diseases on their own. Public sectors around the world have successfully engaged the private sectors in addressing these public health concerns. A multiplicity of health challenges, coupled with resource constraints, make it imperative for professionals in the public sectors to learn how to successfully engage the private sectors in order to achieve public health goals.

Following avian influenza outbreaks in 1997, WHO issued recommendations that all governments make plans to mitigate the impact of pandemic influenza (WHO, 2007). Since then, and following similar awareness-raising efforts in the last four or so years after a surge/increase in avian influenza and influenza in humans of avian origin cases, many governments have made preparations involving pharmaceutical responses but have not

covered—or have not been able to cover—their entire populations. Pandemic management was often delegated to crisis management centers and disaster units (WHO, 2004).

RESEARCH METHODOLOGY

Research Questions

From the literature reviewed, that could draw a variety of valuable approaches that fit certain aspects of the study objective. Research question are addressed on the question, what are the partnerships' values contributing to influenza pandemic preparedness?

Data Collection and Data Analysis

The documentary research with systematic review is going to be conducted to explore the attributes related to the PPPs in healthcare to strengthen national health security in confronting emerging infectious diseases. This purpose is typical when a researcher is examining a new interest or when the subject of the study is itself relatively new. Various policy documents (e.g. memoranda of understanding between the parties and annual performance reports) are collected and analyzed.

Systematic literature reviews differ from ordinary literature reviews by having a more explicit selection process for articles. The existing evidences were synthesized in the way that can be a powerful tool for establishing knowledge, and can be valuable for conducting a new research (David and Han, 2004). This procedure a more objective approach, thereby reducing the biased results of samples selected on the basis of subjective criteria (Newbert, 2007).

A search of computerized databases will be conducted (e.g. Academic Search Premier, Emerald Management Plus, Taylor-Francis, ScienceDirect, SpringerLink and PubMed) during November 2013-January 2014 and since updated to account for additional articles that appeared.

Articles were considered eligible if they: had been published in a peer-reviewed journal, in English, between 2000 and 2013 included descriptions about the PPPs in establishing the preparedness planning for the outbreak of emerging infectious diseases and/or lesson learned from the previous outbreak of the pandemic influenza in Thailand included narrative descriptions, qualitative, quantitative or mixed data indicators involved for both public organization and private organization.

This review restricted to the influenza as a key microorganism strains. Outcomes of interest were aspects in the attribute of healthcare PPPs that were described as key success factors and issues or barriers in establishing the PPPs successfully.

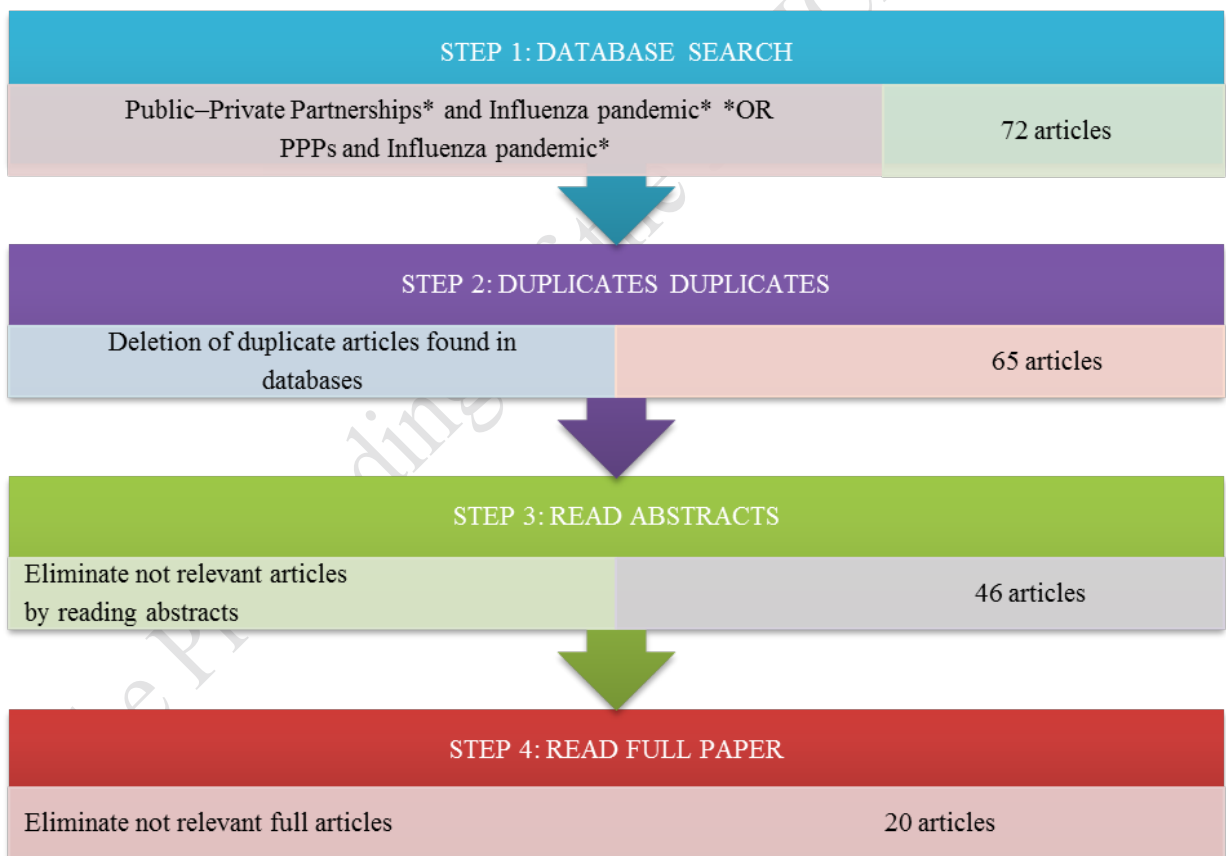
The articles will be selected for full-text review and were assessed using a checklist tool designed to verify the consistency in the eligibility criteria and richness of the content. The checklist will get pre-tested in pilot searches with 10 full-text articles. The amount of final synthesis papers will be shown.

Qualitative content analysis was conducted by interpreting elements with regard to the key aspects on the value of PPPs. The synthesized findings across all included studies (Barnett-

Page & Thomas, 2009; Graneheim & Lundman, 2004). This process is also called conventional content analysis, which uses an inductive process of analysis, allowing the themes and names for the themes flow from the data rather than bringing preconceived categories (Hsieh & Shannon, 2005).

Then, we categorized the information in multiple stages. The first stage involved identifying sentences or phrases in the article that referred to critical aspects of the PPPs. These phrases were underlined and then re-written into a spreadsheet in a condensed manner, preserving the core meaning of the text (Graneheim & Lundman, 2004). These were given codes and assembled into a condensed meaning unit. The condensed meaning units were identified as part of the texts that shed light of the PPPs elements. Units were then compared and reassembled into tentative sub-themes. Sub-themes were further compared, reorganized and merged into overarching themes according to each phase of the PPPs. The systematic review analysis is aim to make the literature review replicable, scientific, and transparent (Tranfield et al., 2003). The review procedure comprised four steps for framing the enquiry and presenting the results, which are summarized in Figure 1.

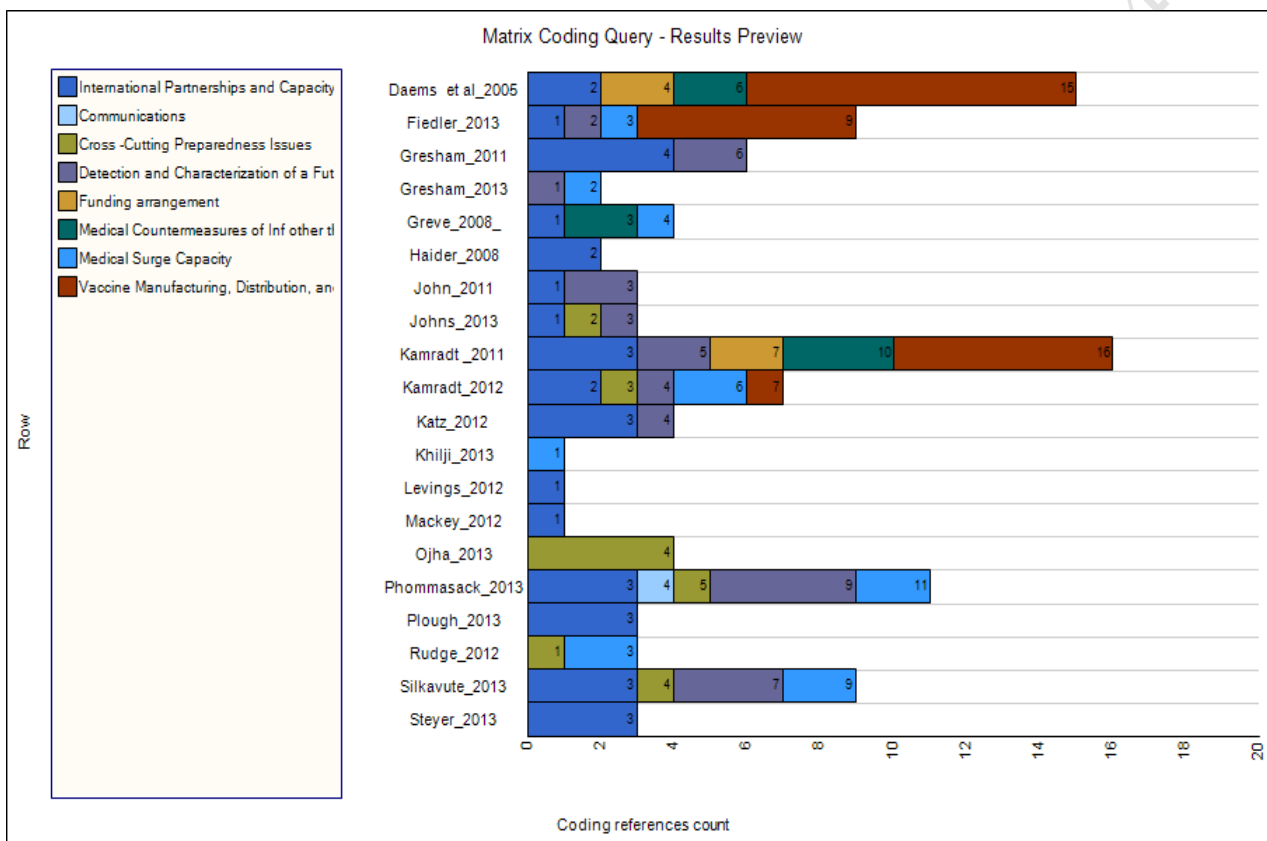
Figure1. A Systematic Review Procedure



RESULTS

Pandemic preparedness PPPS can be categorized in to 8 characteristics which included international Characteristic of partnerships and capacity building, communications, cross-cutting preparedness issues, Detection and characterization of micro organisms strain, funding arrangement, Medical Countermeasures of influenza other than medicines, medical surge capacity and vaccine manufacturing/distribution as illustrate figure 2.

Figure2. The Characteristic of Pandemic Preparedness PPPs



The critical importance in pandemic preparedness is the need for cross sectors planning involving partners outside the health sector. These partners include other government departments across multiple levels of government, as well as partners in the private sector, including industry and non-governmental organizations. Coordination of sectors such as the public and private health sectors, agricultural sectors, higher level governmental authorities and essential services such as water, electricity, transport and social services was clearly indicated in most plans.

The private sector will play an integral role in a community response to pandemic influenza by protecting employees’ and customers’ health and safety, and mitigating impact to the economy and the functioning of society. Collectively employing the thought leadership found in international organization and the execution capabilities of the business community improves the chances of each individual stakeholder/sector more effectively managing and mitigating the negative impacts of a severe pandemic.

The public sector, led particularly by the World Health Organization, has improved its preparedness for pandemics. Partnerships with businesses should elaborate on best practices for the public and private sector and establish mechanisms for ongoing collaboration. Neither sector has significant experience in dealing with the impacts of a threat of this scale and breadth.

International collaboration for pandemic preparedness and response actions was addressed in national plan, which also mentioned collaboration with WHO. The principal areas of collaboration included surveillance, laboratory diagnosis and confirmation, antiviral and vaccine supply, technical assistance and financial support.

An influenza pandemic requires collaboration between public and private sectors. Businesses, particularly transnational corporations, have unparalleled resources to help governments collect and disseminate information and address community-wide socioeconomic losses.

PPPs can reduce the burdens placed upon the government to provide certain goods and services over time, permitting the public sector to focus on other important strategic priorities. The key advantage of this scheme is to utilize the management expertise, advance technologies, physical assets and financial resources of the private sector. PPPs that operates more flexibly and effectively could increase the efficiency of public goods and services delivery, freeing public resources to be allocated to other critical tasks. Operationally, cross-sector partnerships enable governmental agencies to move internal resources rapidly, making the system more responsive to social needs. Finally, PPPs play a substantial role in responding to and recovering from pandemic disaster.

Since 2009, Gresham et al. demonstrated that trust across border can be built through disease surveillance networks. The study conducted in the Middle East, Southeast Asia, and Africa revealed that transnational cooperation can mount the needed flexible and coordinated response to the spread of 2009 H1N1 influenza and future pandemic threats (Gresham et al., 2009).

The importance of PPPs in national health security is made possible by trust and by well-exercised national and regional pandemic preparedness policies. These finding is imperative to promoting health security and cooperation. The co-operation in developing disease control policies can build trust across the most difficult boundaries in the world (Gresham, L., Ramlawi, A., Briski, J., Richardson, M., & Taylor, T., 2009).

DISCUSSION AND CONCLUSION

PPP is a key to pandemic preparedness. After the relatively mild H1N1 pandemic in 2009, a lot of trust needs to be re-built so that we don't get lulled into a false sense of security. The effective PPPs projects is crucial for the strengthen Thailand's national health security.

Since the value of PPPs contributing to general public is well- recognized and published in several articles challenges (Reich, 2002; Kamradt, 2012; and Mackey, 2012). However, we know very little about the conditions when partnerships in public health succeed. Partnerships can produce innovative strategies and positive consequences for well-defined public health goals, and they can create powerful mechanisms for addressing difficult problems by leveraging the ideas, resources, and expertise of different partners.

At the same time, the rules of the game for public-private partnerships are ambiguous and not well-defined. Therefore, it is no single formula exists, establishing an effective partnership requires substantial effort and risk. How to collaborate the organizations with different values, interests, and views come together to address and resolve essential public health issues?

This study establishes on existing approaches in strategies for PPPs in national pandemic preparedness plan and aims at contributing the PPPs theoretical that would better enable of PPPs for public health. It also provides a conceptual framework for analyzing the value of PPPs management for pandemic preparedness. The outcome of the study is to ensure that PPPs will facilitate the public health readiness and strengthen national health security for entire populations.

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**THE INSUFFICIENT PERSONAL DATA PROTECTION REGULATIONS
THAT AFFECT THE PROSPERITY OF INDIVIDUAL IN THAILAND**

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ABSTRACT

This research aims to investigate how the personal data and information protection law in Thailand can be fully constituted and enforced in the near future because this law now is just partly practiced. This comparative legal study obtained the data regarding practices and Acts about personal data and information protection available from legal documents in Western countries such as the U.S. and Canada and then constructed a model for constituting and enforcing this law fully in Thailand. The newly constructed model consists of the following components: (1) freedom to access personal data and information of one's self, (2) legal protection on personal data and information, and (3) the balancing process of the first two components.

KEY WORDS: Personal data and information, legal protection, Thai law, comparative legal study

INTRODUCTION

Globalization together with advancements in information technology, have challenged governments of many industrial countries in the world to confront three competing interests with respect to personal data. Those interests are national security, the advancement of commercial competition, and protection of the individual's personal data. Consequently, data privacy laws has been developed in many countries which attempts to reconcile these competing interests (Solove, 2004, 70). Moreover, in the current information society, individuals use personal information to communicate for several purposes from creating digital identification to performing specific online transaction (Katsh, 2000, 705). Especially, in today's increasingly global community, brought together and facilitated by development of modern technology, that information can be obtained and transferred without the limitation of borders (Regan, 1995, 17).

It can be said that the rapid development of technology has played an important role in the freedom of information access. However, if this freedom of information access is not balanced by personal data protection measure or regulation, personal information is likely to be seriously abused by a wrongdoer illegal benefit. For instance, personal data can be automatically traced and harvested by websites through cookies or other high technology of software (Dam, 2005, 337). Such inappropriate personal data collection may be done for the purpose of commercial interest (Reidenberg, 2000, 1315). Also, the personal data of individuals may be infringed and used for further illegal purpose such as online fraud.

As a result, insufficient personal data protection can affect prosperity of individuals. The difficulty arises with how privacy can be provide if personal data is transferred without appropriate control (Gavison, 2000, 46). Therefore, many nations have paid more attention to personal data protection law in order to balance the concept of freedom information access and the right of privacy. Furthermore, the personal data protection regimes have been also issued to be implemented at international level in order to provide equity of privacy measure effectively. For instance, international organization such as European Commissioner has tried to create reliable regimes in order to ensure the acceptable standard of privacy protection provided in European Union. The country which presents inadequate personal data protection will not be trusted by other countries in the international commercial area. The reason is that people realize that the chance of privacy breach would increase due to the advance of

information transfer. Then they may not do business with other parties in such countries to avoid a consequence of information misuse. It can be considered that insufficient personal data protection not only directly affects the prosperity of individual in term of financial fraud risks but also the adversely impact the confidence of investors dealing with international business transaction which personal data is involved. It can be seen that the prosperity of individuals and national economy of a country could be negatively affected by lack of confidence in international investment due to inadequate personal data protection. As a consequence, this situation can confirm the mentioned concept that the freedom of information access and the right of privacy need to be balanced in order to facilitate business practice and protect fundamental right of personal data.

This article aims to find out legislation system that is suitable to be adopted for personal data protection enactment of Thailand. The article also mentions the role of personal data protection law in creating balance between the concept of freedom of access to information and the right of privacy. The principle of personal data protection law from Europe and the United States of America are examined to understand the basic concept of each legislation system. In order to investigate legislation system that is appropriate to be adopted for personal data protection enactment of Thailand, it is necessary to analyze legislation systems as follows:

1. The European legislative concept laying down the central law to govern personal data protection in all kinds of business of every industries;
2. The American legal concept which specific laws is separately issued to protect privacy right in each industry.

DEFINITION OF PERSONAL DATA

Normally, the definition of personal data is provided by international regulation and domestic law of some countries as well. In 1980, The Organization for Economic Co-operation and Development (OECD) issued the Guidelines on the Protection of Privacy and Transborder Flows of Personal Data. These guidelines provide the definition of personal data as any information relating to an identified or identifiable individual (The OECD, 1980). The said individual who is identified or can be specified by the said data is called "data subject"

Moreover, in 1995 European Directive 95/46/EC on the Protection of Individuals with regard to the Processing of Personal Data and on the Free Movement of Such Data (Directive 95/46/EC) also gave the definition of personal data as well. The Article 2 (a) of this international regime also defined personal data as information concerning identified or identifiable natural person who is data subject. Moreover, an identifiable person can be individual one who is identified directly or indirectly. The reference that identifies person can be derived from one or several factors such as physical, physiological, economic, mental, cultural or social identity. An individual who has been identified by such data is normally called data subject (Directive 95/46/EC of The European Union, 1995).

Furthermore, the Data Protection Act 1998 (DPA) which is the domestic law of the United Kingdom also specifies the wider meaning of personal data. Under this law, personal data is data relating to a living person who can be identified from such derived data. The personal

data also includes other information possessed or has a chance to be possessed by the data controller. In addition, the definition of Personal data also includes opinions of individual, or what is intended for them (The Data Protection Act (DPA) of the United Kingdom, 1998). Generally, it can be inferred that the personal data means any information which is able to identify the individual who is data subject.

INSUFFICIENT PERSONAL DATA PROTECTION CONCERNS IN THAILAND

Thailand is developing country trying to create the personal data protection regulation in order to meet the international standard level. However, it appears that there is only the Official Information Act 1997 which merely provides the privacy protection for personal data held by State Agencies. In fact, this said law mainly aims to provide freedom for ordinary people to access information possessed by the governmental organizations. Nevertheless, the mentioned law cannot serve the purpose of personal data protection if such data is possessed by private sector. As a consequence, it can be noticed that there is insufficient personal data protection law which is able to prevent the personal data of individuals from being misused in Thailand.

Thus, personal data is normally abused in Thailand for commercial purposes and fraudulent transaction also. Obviously, the circumstance of privacy invasion can be apparently seen especially in the case that personal data has been possessed by private organization. The said event occurs due to the fact that there is no personal data protection to be enforced in private sector. This leads to a situation that personal data may be exploited for improper or illegal purpose such as marketing or fraudulent business transaction due to inadequate personal data protection. If privacy is still breached, consumers may lose confidence in business that personal data is needed to be processed to complete transaction. This may impact the prosperity of individual in term of commercial issue. Furthermore, if some nations present insufficient level of personal data protection, the confidence of other countries in dealing international business transaction with such nation might be decreased. The reason is that privacy invasion is considered as severe risk, especially if personal data is transferred to the country that provides inadequate level of privacy measure.

Importantly, according to the article 25 of Directive 95/46/EC on the Protection of Individuals with Regard to the Processing of Personal Data and on the Free Movement of Such Data, there is the rule to ensure that personal data will be still protected although it is transferred to third countries outside European Union (Directive 95/46/EC of The European Union, 1995). This said rule states strict condition to be considered before the personal data in member States of European Union would be transferred to non- member countries. Under this condition, personal data in member states of European Union cannot be transferred to non-member countries if such countries cannot provide sufficient level of personal data protection. Thus, if any countries outside European Union cannot provide adequate level of personal data protection, the citizen may face difficulty in doing business with investors from European countries and also other nations due to the said restriction concerning personal data transfer.

As a consequence, Thailand may lose the opportunity to earn benefit from international business because of the insufficient personal data protection. It can be analyzed that insufficient personal data protection negatively affect the prosperity of individual and also adversely impact on economy of the country. Therefore, the regulation for personal data

protection in private sector of Thailand needs to be issued in order to ensure that privacy and prosperity of individual is protected in the era of freedom of information access.

Existing Laws for Personal Data Protection in Thailand

As a matter of fact that Thailand is a developing country, the issue of privacy has not been paid attention as it should be. As a result, the regulation on personal data protection has been slowly developed. These following laws have been presenting problems of legal enforcement applied for personal data protection.

The Personal Data Protection Specified in the Civil and Commercial Code of Thailand

According to the article 420 of Civil and Commercial Code, B.E. 2551 (2008) of Thailand, fundamental rights of people cannot be illegally breached by willingness or negligence. (The Civil and Commercial Code of Thailand, B.E. 2551, 2008) The breach of the said rule shall be deemed as wrongful act; consequently, a wrongdoer is liable for damages. However, the rights specified in this rule are just the general rights such as the right relating to body, life, health, property, liberty or any right of another person. It can be seen that this law does not clearly state that privacy right is also protected; as a result, the ambiguous rule cannot be effectively enforced to protect personal data (Serirak, 2005, 168). Under this law, the individual who is affected by the breach of personal data needs to prove for the circumstance of privacy violation and exact damages also. Thus, the person whose privacy is violated always face difficulties to implement this law because the breach of privacy normally done without the recognition and consent of an individual. So, it is hard to obtain the evidence of personal data misconduct. However, although the evidence of privacy breach is found, this law cannot be applied unless damage is discovered. It can be considered that there are loopholes in the legal enforcement of Civil and Commercial Code, B.E. 2551 (2008) due to the ambiguous rule and the burden of proof that is not suitable to be applied for the case of personal data breach.

The Personal Data Protection Specified in the Criminal Code of Thailand

The Criminal Code, B.E. 2550 (2007) of Thailand also states the regulation pertaining to personal data protection in article 322. This rule specifies that a mail, a diagram and any enclosed documents belonging to the other person cannot be opened or revealed without permission if it may cause damage to others. A person who has been convicted of an offense may be sentenced to imprisonment for six months or to fine not exceeding one thousand Baht (The Criminal Code of Thailand, B.E. 2550, 2007). However, this law also presents the weakness of legal enforcement because it can merely be applied for the traditional communication such as a letter, a diagram and enclosed documents. This law cannot be implemented to protect personal data contained in electronic format. In other words, the personal data communicated or processed by modern electronic equipment cannot be protected under the power of this law. Furthermore, an individual whose personal data is revealed needs to prove that such disclosure can cause damage to him or other people. Therefore, although wrongdoer reveals personal data without authorization, he will not be punished by the power of this law if such personal data disclosure is not likely to cause damage to others.

In addition, it is generally accepted that standard of proof for criminal offense needs to prove beyond a reasonable doubt. By this principle, the prosecutor needs to prove until a court considered that the wrongdoer has committed a crime without any reasonable excuse. However, it is difficult to prove according to the said principle because at this present the personal data can be breached through online transaction. So privacy can be breached without the recognition of an individual who is data subject. Consequently, there is little chance for that individual to gather evidence of privacy misconduct himself. It can be inferred that the obstacle of criminal legal enforcement may arise from the strict standard of proof that is inappropriate to apply for personal data protection.

The Personal Data Protection Specified in Official Information Act of Thailand

Additionally, there is Official Information Act, B.E. 2540 (1997) that provides the personal data protection for Thai citizen. However, the main concept of Official Information Act, B.E. 2540 (1997) does not mainly promote the protection of privacy. In fact, the main principle of this said law merely aims to provide freedom of access to information possessed by the Government. There is only one part of this law providing that privacy of individual will not be breached by agencies of the Government. So, this law cannot be enforced in order to protect personal data in the private sector. In other words, all personal data cannot be entirely protected by Official Information Act, B.E. 2540 (1997) due to its different main purpose of law and the type of personal data that this law aims to protect (The Official Information Act of Thailand, B.E. 2540 1997).

From the mentioned exiting laws, it can be analyzed that the weakness of legal enforcement appears because the purpose of these laws do not mainly emphasize on privacy protection. The rule specified in the Civil and Commercial Code, B.E. 2551 (2008) only focus on the compensation whereas the Criminal Code, B.E. 2550 (2007) merely aims to impose sentence of the offense. However, the protective measure for personal data has never been provided by both laws. Furthermore, although personal data protection is partly provided by Official Information Act, B.E. 2540 (1997), this law cannot be applied for the personal data possessed by private organization. Therefore, the existing laws of Thailand such as the Civil and Commercial law, the Criminal law as well as Official Information Act cannot provide adequate protection for personal data.

The draft of Personal Data Protection Act of Thailand which had been proposed in 2010 also suggested the rule for the transfer of data. Under this proposed rule, personal data cannot be transferred to other countries having the lower level of legal protection than the regulation of Thailand. However, this said rule may be difficult to be enforced if personal data is transferred to developing countries. These poor countries normally have insufficient standard of legal protection; as a result, the personal data cannot be transferred from Thailand to these nations. Thus, this rule may be the obstacle for international business development. Therefore, the condition for transferring personal data should not be only limited in the scope of legal area.

In other words, the rule should consider non- legal measures of personal data protection to allow personal data to be transferred abroad also. This can be the solution to relief the strict enforcement of law and it can decrease the negative impact on international business also. In order to discover the most suitable regulation of personal data protection that should be adopted for Thailand, the comparative analysis of the international regime and domestic law

of other countries is very important. The international personal data regulations that are interesting to study are the European Directive on the Protection of Individuals with Regard to the Processing of Personal Data and on the Free Movement of Such Data (Directive 95/46/EC), The Personal Data Protection rules of the United States of America as well as the Personal Information Protection and Electronic Documents Act 2004 of Canada.

This article aims to investigate the suitable model of legislation to be applied for personal data protection in Thailand. The article will also examine the type of legislation between comprehensive law and specific law to find out which one is more appropriate to be applied for personal data processed by private sector of Thailand. The comprehensive legislation system presents the concept of central law that is able to govern personal data protection in every type of business. This said legal system has been developed by European countries. Whereas, the other legislation system generated by the United States of America is a specific law or an ad hoc law.

This legal concept aims to enhance personal data protection by specific law which is separately enacted in each business in different industries. Both legislation systems present unique aspect of enactment. As a consequence, the analogy will be made by this documentary research in order to compare the legal concept of both legislative systems.

RESEARCH FINDING AND DISCUSSION

Insofar this research has been conducted under the realm of qualitative analysis which provided a data collection as well as case study analysis. With respect to the research findings, three main legal issues are scrutinized as follows:

1. The importance of personal data protection for privacy right;
2. The role of international regimes in personal data protection; and
3. The process of personal data protection in balancing the concept of freedom to access information and the concept of privacy right.

The Importance of Personal Data Protection for Privacy Right

The history of European personal data protection was the issue of concern after the incident that personal data of individuals had fallen into the hands of the enemy during the Second World War (Kotzker, 2003, 70). This mentioned issue caused seriously danger to life of individuals whose personal data had been revealed by the enemy. Although the said war has already ended, the right of privacy still needs to be protected as it is one of the fundamental human rights. In the new era of international commercial competition, it is generally accepted that the concept of international free trade has caused the increase of the transborder flow of personal data. This situation might lead to higher risk of privacy breach. Moreover, there was difficulty of legal enforcement when the personal data had been transferred abroad but many countries had presented different privacy laws. So, the different level of personal data measure in each country could not provide equal privacy protection. Then, privacy concern became obstacle of international business if personal data was required for transaction. Consequently, the economy of countries might be affected due to opportunity loss in

international business that arises from lack of confidence of consumers and investors. As a result, the international organization tried to generate mutual principle to harmonize personal data protection laws in order to enhance consistency and predictability in personal data protection and development of international commerce. The European Commission negotiated and encouraged member States of European Union to issue the reliable law and measure to guarantee that the equal personal data protection will be provided (Schriver, 2002, 277). Eventually, Directive 95/46/EC was a result of the negotiations by the Council of Europe according to the Convention for the Protection of Individuals with regard to Automatic Processing of Personal Data, 1981 (Klosek, 2003, 70).

This mentioned effort aimed to establish proficient international data protection measure based on the principles of human rights in privacy and freedom of information in the era of free market economies. It can be considered that personal data protection is not only benefit fundamental right, but also promote the economy of country and prosperity of people.

The Role of International Regimes in Personal Data Protection: The Guidelines on the Protection of Privacy and Transborder Flows of Personal Data of the Organization for Economic Co-operation and Development (OECD)

It is generally accepted that the guideline of the OECD had been firstly presented in 1980 in order to provide basic principle for personal data protection to be generally implemented in many countries. As a result, this following principles generated by this guidelines have influence on several regulation in many countries including international regimes (The OECD, 1980).

The principle of collection limitation

This principle states that the personal data should be collected with limitation and it should be legally derived. Moreover, personal data should not be collected without knowledge or permission of individual who is data subject.

The principle of data quality

This principle provides that personal data that is collected should be maintained in accurate, complete and up-to-date information.

The principle of purpose specification

The purposes for personal data collection should be specified in appropriate time. The latest appropriate time should be done during collecting data and subsequently using data. Furthermore, if the purpose is changed, a data controller has to inform individual who is data subject.

The principle of use limitation

Personal data should not be revealed or used for purposes other than those specified to the data subject previously. However, it can be done if there is the permission of data subject or the power of law allow to do.

The principle of security safeguards

The appropriate security safeguards should be provided for personal data protection in order to prevent unauthorized access, use, damage, modification or disclosure of data.

The principle of openness

The individual who is data subject should be provided the information relating to privacy policies and practices. This information is also about the existence and aspect of personal data including the identity and address of the data controller.

The principle of individual participation

An individual who is data subject should be provided the right to know whether the data controller has data relating to such individual within a reasonable time. The said information needs to be made in a form that is readily intelligible to data subject without excessive charge. Moreover, if the request of such information is denied, the data controller must provide the reason of denial in order to give data subject a chance of challenge. Additionally, data subject should have the right to check and correct inaccurate personal data.

The principle of accountability

Under this principle, a data controller should be responsible for complying with rules and measures which give effect upon the principles prior mentioned.

Although the mentioned guidelines created by the OECD seem like only general principle that does not provide detail of legal issue, many countries still adopt these guidelines as a cornerstone to initiate their domestic laws.

Directive 95/46/EC on the Protection of Individuals with regard to the Processing of Personal Data and on the Free Movement of Such Data (Directive 95/46/EC)

Generally, the basic principle stated in article 8 of The European Convention on Human Right provides that everyone must respect private and family life, home and correspondence of others. (European Convention on Human Rights of the council of Europe, 1950). This mentioned principle was applied to be the fundamental concept of Directive 95/46/EC to ensure the protection of privacy in the European countries. Moreover, the minimum requirement from the Guidelines on the Protection of Privacy and Transborder Flows of Personal Data created by the OECD's had been adopted by European Commission to enact Directive 95/46/EC in October of 1995 also. As a result, all member States of European Union that implement the principle the Directive 95/46/EC also need to accept the privacy concept of European Convention on Human Rights and the guideline of OECD as well (Carey, 2004, 5).

The scope of personal data protection provided by Directive 95/46/EC

The definition of personal data is specified in the Article 2(a) of the Directive 95/46/EC. Under the said article the personal data is any data which identifies or can identify individual who is data subject directly and indirectly. This also includes identification referred by one or

several sources of information that can specify individuals such as ID number, social identity, criminal record, physical and physiological health, nationality, financial status. The individual who is identified or can be specified by the said data is called “data subject” (Directive 95/46/EC of The European Union, 1995).

According to Directive 95/46/EC, personal data must be protected in every stages of processing. The definition of “processing personal data” stated by Article 2(b) of Directive 95/46/EC is every operations relating to personal data, by automatic and also manual method for data collection, adoption or alternation, use, organization, and storage as well. The personal data processing is also the stage of data disclosure by dissemination or transmission including making available, combination or alignment, restriction, destruction or erasure of such personal data. Moreover, Directive 95/46/EC also provides wider protection in case equipment for processing data is located in European. In this said event, a data controller needs to comply with this rules even though his office is located outside European Union (Directive 95/46/EC of The European Union, 1995).

The main doctrine of personal data protection under Directive 95/46/EC

The essential purpose of Directive 95/46/EC is to guarantee that personal data will not be collected, utilized and disclosed improperly. As a result, the mentioned Directive 95/46/EC is based on four doctrine such as legitimacy, proportionality, transparency, finality (Blanpain, 2007, 326). The doctrine of legitimacy is provided by the Article 7 of Directive 95/46/EC. It presents that the personal data can only be processed in case the consent of data subject has been given. However, if it is necessary to protect the vital interest of individual or public interest, the personal data may be processed without the permission of individual who is data subject (Bennet, 1997, 104).

Moreover, the doctrine of proportionality is provided to ensure that personal data will be properly processed according to the purpose of data collection. The said doctrine provided in Article 6 of Directive 95/46/EC states that personal data processing can only be done to the extent that it is needed and collected. Consequently, the organization which collects personal data cannot process such data outside the scope of collection purpose that has been previously identified to data subject (Directive 95/46/EC of The European Union, 1995).

Furthermore, the doctrine of transparency is also provided to guarantee that the right of individual who is data subject will be absolutely protected when such data is in the possession of others. For this said purpose, the Articles 10 of Directive 95/46/EC states that the organization processing data must clearly present the information relating to itself such as the address of organization, names of staff, phone number for the individual who is data subject to contact such organization promptly. Also, the Articles 11 provides that the data subject need to be informed if his personal data is transferred to others. This doctrine can guarantee that individual who is data subject can still has the right to monitor his own personal data although it is transferred to other organizations or other persons. Consequently, the data subject still reserves the right to access to personal data relates to him and have it rectified if such data is incorrect (Directive 95/46/EC of The European Union, 1995).

In addition, the doctrine of finality is also the important concept of privacy protection stipulated in this Directive. This doctrine aims to assure that the method of personal data collection should not be in the manner of intrusive collective of data (Nouwt, Vines, & Prins,

2005, 172). As a result, in case the process of personal data collection is sufficient to obtain such data, the unnecessary data gathering cannot be done. This doctrine can protect personal data from being excessively collected and it can control the risk of privacy invasion also.

It can be considered that Directive 95/46/EC was generated in order to balance the different principles between the personal data protection for individuals and the free movement of personal data (Kroes, 2003, 13). The main purpose of Directive 95/46/EC is to harmonize personal data regimes and policies in order to solve the problem of different level of privacy protection in many European countries. As a result, the member states of European Union have duty required by this said Directive to provide sufficient legislation and appropriate measure for personal data protection in their own countries. (Girasa, 2002, 296).

The impact of Directive 95/46/EC enforcement on International business

As a matter of fact that Directive 95/46/EC aims to ensure sufficient personal data protection for member States of European Union; consequently, personal data that is transferred to third countries outside European Union needs to be protected also. The Article 25 of Directive 95/46/EC specifies that the member States of European Union must provide the reliable protection to control the transfer of personal data to other countries outside European Union. Obviously, this mentioned rule strongly presents the condition that limits movement of personal data to the third countries which are non- member States of the European Union. Such transfer can only be done if that third country can provide adequate level of personal data protection. The circumstance of personal data protection and relating regulation of non-member States will be considered by the European Commission in order to evaluate the adequacy of personal data protection.

Even though this article aims to ensure that personal data must be protected after it is transferred outside European Union, there is impact of the enforcement on international business. Under this rule, the countries outside European Union that present insufficient privacy measure or regulation cannot receive such data to complete the international business transaction. Thailand is one of the countries that faces the obstacle of receiving personal data from the member States of European Union. In fact, this problem is caused by insufficient personal data protection of Thailand. There is only personal data protection law for the data collected by State agencies of Thailand; however, the regulation applied for private sector does not exist. As a result, it can be considered that the existing personal data protection of Thailand apparently presented in inadequate level. Thus, the personal data that is necessary for international business transaction cannot be transferred to Thailand. Consequently, there is the risk of opportunity loss and obstacle of business competition which will be negatively affected the prosperity of nation's economy and also individuals.

PROTECTION OF PERSONAL DATA OF THE UNITED STATES OF AMERICA

It is generally accepted that American legislations has been supporting the principle of liberty to operate business according to the concept of free enterprise or capitalism. As a consequence, in the past it seemed like there were not many regulations focusing on the protection of personal data held by American private sector for the purpose of marketing (Shaffer, 2000, 25). Consequently, it was normally found that there were big companies gaining profit from collecting and selling personal data in the United States of America; for example, Winland Services, Aristotle Industries, Catalina Marketing Corporation (Karas,

2002, 393). Initially, the principle of privacy in the United States of America had been presented in the tort law rather than specified in the Constitution (Murray, 1998, 932). Although the Constitution of the United States of America had been revised, the said amendment just focused on protection of the individual's privacy from not being breached by the Government improperly (Loring, 2002, 430). Until 1960, the development of technology and computer system had become to play an important role in the American society obviously; as a result, the data could be transferred faster than it was in the past. Then the issue of privacy invasion began to be interesting concern of American people simultaneously. Consequently, laws for personal data protection were enacted by the Congress in order to solve privacy problems in each issue.

Nevertheless, these mentioned laws were not the central law that governed all categories of personal data. In other words, each personal data protection regulation of the United States of America has been separately issued for each area of business. Hence, the purpose of each regulation only depends on the condition and circumstance of privacy problems arising in each industry.

Due to the fact that each personal data protection regulation of the United States of America is specially issued after the privacy problem arising in each business sector, the American legislative system for personal data protection is separately presented in the sectoral law in each industry. As a consequence, the principle and measure of American personal data protection provided in each law has unique aspect which depends on the specific purpose to protect the personal data of each industry. One of the well-known cases concerning personal data protection in private sector in the past was the case of Robert Bork who had been a candidate for the position of the judge of the Supreme Court. This case appeared that the video rental history of Robert Bork was discovered and disclosed without his consent. It was found that most video appeared in his rental history were pornography. Due to the fact that Robert Bork was seriously criticized by the Commission of the Supreme Court, he was revoked from the Supreme Court nomination. Although Robert Bork had been revoked as a result of improper manner, American people started to pay attention to the right of data privacy, especially the personal data possessed by private sector. After that, in order to prevent the violation of personal data in the industry of VDO cassette or audio visual materials sale and rental service, the Video Privacy Act was then enacted by the Congress in 1988. This case can be one of the examples of the sectoral legislation or the ad hoc law applied in the American personal data protection to solve the problem of privacy invasion in specific industry. (The Electronic Privacy Information Center, 1988).

Moreover, the case that was another example of sectorial law legislation in American personal data protection was presented in 1994. The Drivers Privacy Protection Act of 1994 was issued due to the fact that there was breach of personal data relating to driving license. In 1989, Rebecca Shaeffer, the American actress, had been murdered in her residence. The police took a long time to investigate this case in order to know how the killer could find the information of the victim's accommodation. The result of investigation was found that the murderer had obtained the detail of the victim's accommodation from her driving license issued by the California of Motor Vehicles. This case drew attention to the American people who had previously thought that their personal data should have been protected against illegally abuse. As a consequence, in order to solve the weakness of the personal data protection held by State Department of Motor Vehicles (DMVs), the Drivers Privacy Protection Act of 1994 was issued. Then the measurement of this said law restricted the unauthorized person to access and

obtain personal data that identify an individual who is the data subject. Moreover, this law generally prohibits State agencies from illegally disclosure of personal data submitted by drivers in order to apply for driver's licenses. The definition of personal information specified by this Act includes an individual's name, social security number, photograph, identification number, address, telephone number, and medical data and also information relating to disability of drivers (The Electronic Privacy Information Center, 1994). Furthermore, there are other personal data protection laws separately implemented for unique aspect of business presented in each industry.

Fair Credit Reporting Act of 1970

The Fair Credit Reporting Act of 1970 is the first law that was issued in order to control the private organization processing personal data in American financial industry (Murray, 1998, 932). The purpose of this law is to guarantee that the consumer reporting agency will not process personal data concerning consumer report improperly. By this regulation, the data subject has the right to be notified by the data controller if the financial status or employment report would be used and affected him adversely. The employee of the consumer reporting agency who has a duty to assemble and evaluate data are also under the power of this law. This regulation also provides the right for an individual who is data subject to access his own personal data in order to check for accuracy. Moreover, if consumer report is found that there is incorrect personal data, the consumer reporting agency has a responsibility to notify other agencies to correct it. So, this rule can prevent using and dispatching of incorrect personal data. Furthermore, in case the personal data has been illegally disclosed, an individual who is data subject can take legal action to the wrongdoer directly. Additionally, the Fair Credit Reporting Act, 1970 also empowers the Federal Trade Commission to bring the case to the Court on behalf of the data subject who suffers from personal data violation. Nevertheless, there was some scholars claimed that the scope of consumer report disclosure to facilitate financial industry is too wide; as a result, there is still risk that the personal data can be revealed improperly (Loring, 2002, 421).

Children's Online Privacy Protection Act of 1998

Since online business concerning children had been developed in 1990, children's personal data on websites was often collected and disclosed. For the purpose of data base used for marketing, the American youth had been taken advantage in term of privacy abuse by the commercial organization. They had been convinced by the commercial companies to give their personal data or even personal data of their parents. Without maturity, many children gave the said personal data due to the fact that they had been persuaded by the said commercial website which had offered many free toys, online application, discount for game. As a consequence, in order to prevent the children's privacy violation by inappropriate use and collection of personal data, the Children Online Privacy Protection Act was issued in 1998 (Jasper, 2003, 46). The meaning of "Child" in this Act means the person who is under 13 years old. The definition of "personal information" means identifiable information about the said juvenile collected online. It also includes children's name, an accommodation or other physical address, an e-mail address, a telephone number, and a social security number as well. Without notice that specifies the detail of content, the purpose of use, and the disclosure of that personal information, the internet service provider and website operator cannot collect the personal information of children and their parents (Baumer, 2002, 170).

Moreover, internet service provider and website operator have a responsibility for providing suitable security measure to protect the data security and confidential information of children as well as their parents. Furthermore, the mentioned Act also authorizes the Federal Trade Commissions (FTC) to impose the rules in order to control commercial website operators and commercial organization which collect and use of children's personal information. The Federal Trade Commission also has authority to consider additional types of information to be defined as personal data under this law. For instance, even partial information that is able to identify the parent of child is included to be personal data of children also. In addition, the parental role is also encouraged by this Act to prevent their children from privacy violation by website, chat rooms or even game online (Girasa, 2002, 296). Importantly, the Federal Trade Commission has authority to investigate and conduct the online companies to operate business according to the self- regulation that provides protection for personal data under this law. Thus, the Federal Trade Commission can directly bring the case to the Court if self-regulation is violated by any online business company.

Enforcement of American Regulation for Personal Data Protection

Generally, due to the American concept of liberal trade policy, the US Government allows the private organization of each industry controls each other by the system of the self – regulation (Blackman, 1993, 431). Despite the fact that each personal data protection law was specially enacted according to unique aspect of business or industry, self – regulation still provide the fundamental right for the individual who is data subject to take legal action directly for compensation from the organization and relevant person that breach privacy right. Moreover, the Court can consider punitive damages as a penalty for personal data invasion if it is reasonable to provide justice for individual who is data subject.

It can be seen that although the rules of personal data protection is not apparently specified in Constitution of the United States of America, the Supreme Court still play an essential role in the protection of information privacy in American society. For instance, in legal case between Whalen and Roe, the Supreme Court made a judgment in 1997 that the New York regulation was privacy violation. The Court ruled that the New York regulation could not force the doctor to submit patient's drug prescription to the State for just only to have such data processed by the central computer system. The submission of prescription that contained personal data was the breach of patient's privacy without reasonable purpose. (The Judgment of the Supreme Court of the United State of America, 1977)

One of the advantages of the American self- regulation system is flexibility in practice. In other words, the personal data protection rules can be amended if technology alters rapidly. Furthermore, the Government rarely check whether the private companies processing personal data can comply with rule or not. Therefore, self- regulation may be the suitable solution that allows the private organizations control each other as they know the unique aspect of their own business. In addition, self- regulation model may decrease the burden of legislation of the Government because private organization in each industry can propose a suitable law to be enforced according to specific function of each business.

However, it can be noticed that there are disadvantages of sectoral legislation applied in American personal data protection. Each law can just be separately enforced in each industry, so it cannot be generally applied for different kinds of business. Furthermore, there are many organizations which are the regulators of personal data protection for each industries.

Unfortunately, these regulators cannot cooperate with unity (Banissar, 2000, 230). Whereas the legal enforcement of the United Kingdom specially provides the Commissioner to inspect and govern the firms that process the personal data of people in every industries. Furthermore, in case the personal data is breached, this mentioned Commissioner has the authority to file a lawsuit on behalf of an individual who is data subject (Black, 2001, 397). Paul Simon, the American Senator, had tried to propose the law establishing federal bureau to take responsibility for personal data protection in general. Nonetheless, that legislative proposal was not approved by the Congress (Schwartz, 1995, 553). Even though the Office of Management and Budget (OMB) of the United States of America had issued the guideline to be the instruction for the States agencies to understand the practice for privacy protection, this mentioned body was criticized that it could not be efficiently performed duty and rarely presented report to the President annually (Betnett, 1992, 30). Consequently, the American legal personal data protection still presents weakness of enforcement since there is no general regulation applied for personal data in all industries.

PERSONAL DATA PROTECTION IN CANADA

Background of Personal Information Protection Law in Canada

Generally, the principle of data privacy of EU Directive 95/46/EC had been adopted by Canadian Parliament in order to enact the Personal Information Protection and Electronic Documents Act 2000. Then this said law was entirely applied on January 1st, 2001. The aim of this law is to protect individual's personal information engaged in all on-line business transactions in order to inspire confidence of consumers in electronic commerce (Charnetski, Flaherty, & Robinson, 2001, 1). Nevertheless, in case the personal information is especially gathered, used or revealed for only domestic or personal purposes, this law is not implemented.

Definition of Personal Information

In term of the definition of personal information, the Personal Information Protection and Electronic Documents Act 2000 states that it is any information which can identify person. This definition is similar to the meaning of personal data specified in EU Directive 95/46/EC as it includes information about an identifiable individual. However, name, title, and business address or office telephone number of an employee or staff in workplaces are excluded from the definition of personal information (The Government of Canada, 2000). Thus, it can be inferred that the personal data protection of Canada provides flexibility for enforcement in order to facilitate the business transaction in practice. In order to understand the concept of the Personal Information Protection and Electronic Documents Act 2000, principles behind this law need to be analyzed.

The Principle of Consent

One of the measures that is very important to protect the personal information is the principle of consent. The personal information cannot be processed unless there is the consent of the individual who is the data subject of personal information. This means that the personal information cannot be collected, used, disclosed without the permission of individual who is identified by such information.

However there are exceptions such as for the purpose to protect the security, medical, interest of the data subject of personal information. If such consent cannot be given by individual who is data subject due to serious diseases, or incapacity of mentality, this rule will be exempted. It can be considered that although the purpose of this principle is to protect the personal information, the flexibility is also provided in case there is special situation. In case a private organization needs to use personal information for a purpose that has never been identified, consent might be given after the information has been gathered but it must be done before the use of such information. Nevertheless, the individual who is data subject may revoke consent any time due to legal or contractual restrictions as well as reasonable notice. Moreover, the right of such withdrawal must be apparently presented by the private organization in order to inform the individual who is data subject to exercise the right to withdraw effectively. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Identifying Purposes

The principle of identifying purposes is provided by the power of Canadian personal information law to ensure that individual who is data subject will be explicitly informed the purpose of personal data processing. By this principle, the purpose of personal information collection must be identified by the organization processing such information before or at the time of data collection. According to this principle, the personal information collection is limited subject to the scope of data processing purpose that has been identified. As a consequence, this law is able to protect personal information effectively due to the fact that the private organization cannot obtain personal information for other purposes that have not been previously identified. In case the personal information will be gathered again for a new purpose that is not previously identified, the organization processing personal information has to identify such new purpose before the use of information. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Limitation

The limitation of personal information use, retention and disclosure is also essential principle that enhances personal information protection in Canada. The personal information cannot be used, retained and disclosed if it is not necessary to fulfill the purposes of collection that have been previously identified. However, the said operation can be done in case it is permitted by the law or the consent of individual who is data subject. In addition, the private organization has to delete, destroy the personal information, and make it anonymous to ensure that is no longer necessary to fulfill the identified purpose of personal information collection. Furthermore, the principle regarding elimination of the mentioned unnecessary personal information needs to be clearly specified by the organization which processes such information. This said principle also needs to be effectively completed in order to control the risk of excessive processing of personal information without reasonable cause. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Accuracy

In order to assure that incorrect personal information will not negatively affected the individuals who are data subject, the principle of accuracy is provided in personal information protection law of Canada. Under this principle, the organization processing personal information has responsibility to maintain personal information in complete,

accurate, as well as up-to-date aspect according to the purpose of processing. Nevertheless, the update personal information should only be done to fulfill the purpose of collection. The routine update without necessity may increase the risk of processing outside the scope of information collection purpose. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Individual Access

The principle of individual access has a purpose to support individuals to scrutiny personal information. This said principle aims to provide the data subject with the right to know and access his existing personal information. As a consequence, individual who is data subject can check the accuracy of his personal information. It is explicit that mentioned principle is able to support the principle of accuracy due to the fact that it provides convenience for individuals to correct their personal information. However, the organization processing personal information cannot permit the individual access personal information in case the security or commercial confidence of others may be breached. In the said case the organization processing personal data is able to reject the request of such personal information access. Nevertheless, the organization which processes personal information still has a duty to provide the reason why such request is refused. It can be analyzed that this principle is able to balance the freedom of information access and the personal information protection. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Safeguard Policy

One of the important factors that enhances personal information protection in data system is the safeguard policy. The private organization processing the personal information has responsibility to provide security safeguard that is suitable for the sensitivity of personal information. The appropriate security safeguards needs to be entirely implemented regardless to the format of information in order to prevent personal information from theft or loss, misuse, modification, copying, disclosure as well as unauthorized access. For instance, passwords and encryption should also be implemented to provide proper technological measure for security system. Not only digital information protection, but also basic physical measures that must be provided for the security system. For example, the restriction that only allows the staff who need to know personal information to access the database system can prevent privacy violation from unauthorized person. Moreover, the place or cabinet that contains personal information need to be locked and limited the person who can obtain the data. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Openness

In order to warrantee that the operation of personal information processing is transparent, the principle of openness requires the organization to reveal the policy and practice of personal data processing. Furthermore, the mentioned policy and practice must be apparently presented and available to be promptly inspected. As a result, individual who is data subject is able to check personal data management anytime without difficulty in order to review the measure of privacy protection. By this principle, the inappropriate privacy measure can be discovered and solved efficiently. Consequently, the personal information system can be continually developed. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Challenging Compliance

The principle of challenging compliance is also provided the opportunity for individual to take legal action if privacy policy or practice is improper. By this principle, the organization and its staff that process personal information can be challenged by the individual who is data subject. As a result, the organization has responsibility to provide accessible procedure that is not complicate for the individual to file complaints against misconducted privacy policy and practice. (The Personal Information Protection and Electronic Documents Act, 2000).

The Principle of Accountability

Canadian regulation provides the principle of accountability in order to punish the organization processing personal information that breaches the right of privacy. Moreover, in case personal information is transferred to the third party for further processing, the organization processing such data needs to be liable for any damages. As a result, the said organization cannot excuse that the misconduct has been caused by the third person. By this principle, the organization has to especially appoint staff to be in charge of privacy control. Consequently, the organization processing personal information must take responsibility for the case that its staff does not comply with the personal information protection law. According to this principle, if there is the breach of privacy while personal information is processed, remedy can be effectively provided for the individual who is data subject. (The Personal Information Protection and Electronic Documents Act, 2000).

Enforcement of Personal Data Protection Regulation in Canada

It is apparent that the personal information protection of Canadian relies on a single regulatory system. The central law of Canada can be enforced to protect personal information in all business and industries like European personal data protection law. However, Canadian law seems not to be as strict as the European law due to the exception provided for flexibility of legal enforcement. For example, title, name, office telephone number and business address of an employee of workplaces are excluded from the definition of personal information. Moreover, the principle of personal data protection of Canada is also implemented to balance privacy right and the freedom of information expression (Constitution Act, 1982). Even though the privacy of the individual may be generally compromised in case that the public obtain interest from the personal information, the data subject's consent still needs to be provided before the disclosure of such personal information. For instance, in 1998 the legal case between Aubry and Editions Vice-Versa Inc. was judged by the Canadian Supreme Court that photographs of a public figure taken in public event could not be disclosed without the consent of individual who is data subject. This can be inferred that the balance between the privacy protection and public interest can be controlled by the personal data protection law of Canada efficiently. (The Judgment of the Supreme Court of Canada. Legal case name, 1998)

THE CONCEPT OF FREEDOM TO ACCESS INFORMATION

In the past it often appeared that Thai people had experienced difficulties to access information collected by public sector due to the traditional practice of State officials that always keep information confidential. This situation had been caused by the practical procedure of officials in public sector that had tried to maintain the possession of information

exclusively (Serirak, 2005, 169). Then information of public sector could not be accessed by the citizen for inspection for many decades. This circumstance had occurred in the area of general information and personal data processed by State agencies also. Consequently, individual could not access even his or own personal data, if such data had been processed by the Government. As a result, Official Information Act B.E. 2540 was issued in order to provide freedom of access to transparent and accountable official information for citizen. The purpose of the said law aims to encourage the rules of the official information disclosure as the main principle while the concept of keeping information confidential is just only presented in exceptional conditions. According to the concept of freedom to access to official information of public sector, citizen have the right to request the State to disclose the information in order to inspect the content of the information. It is apparent that the main principle of the Act is to limit the power of the Government that controls information in order to provide the right for citizen to access data processed by State agencies.

The Process of Personal Data Protection in Balancing a Concept of Freedom to Access Information and a Concept of Privacy Right

According to Official Information Act B.E.2540 it is apparent that the main principle of the Act is to limit the power of the State that controls information and to decrease unnecessary privacy surveillance (Serirak, 2005, 170). So the concept of personal data protection also plays an important role in limiting the power of the Government concerning personal data. Under this law, State agencies can process personal data for just only specific purpose that is relevant and necessary to complete their responsibilities. Consequently, State agency is restricted from establishing the system personal information without authority and necessity of its duty. If the personal data system is no longer relevant and necessary to fulfill the duty of State agencies, the said personal data system must be terminated. If the personal data is needed for the achievement of duty, those data must be directly collected from an individual who is data subject in order to guarantee that gathered information will not adversely affect that person. Moreover, the principle of transparency is implemented to provide the fundamental rights for data subject to protect privacy. Under the principle of transparency, the State agencies have to publish the detail relating to the type of person whose personal data is collected and the system of such data. Furthermore, the normal use, the method to inspect and correct personal data, and source of data need to be published as well. (The Official Information Act of Thailand, B.E. 2540, 1997)

In addition, the State agencies must always examine and correct personal data in order to ensure the accuracy of information which is being processed. The principle of accuracy can assure that individual will not be negatively affected by incorrect data. Also, the State agencies which process personal data have to provide security system for such data properly. Furthermore, if State agencies collect personal data from individual who is data subject directly, the agencies need to inform data subject about the purpose of data collection as well as ordinary use. Such information needs to be notified to data subject before or at the time of personal data collection. Also, the individual who is data subject has the right to know whether his personal data would be dispatched to other places that allows other people know such data or not. The States agencies need to inform that individual if personal data will be spread in such manner except it is ordinary operation of that States agencies. Importantly, State agencies cannot disclose personal information regardless the written consent of individual who is data subject. The said consent can be done in advance or at the time of disclosure. However, this rule is not applied if the purpose of disclosure is to fulfil the duty of

such State agencies. Moreover, this rule will not be enforced in the situation that the purpose of personal data disclosure is for statistics, studies or research without personal identity. If it is necessary to protect life or health of person from danger, State agencies can also disclose personal data of individual. (The Official Information Act of Thailand, B.E. 2540, 1997)

It can be seen that the European principles of data privacy have been adopted to protect personal data operated under the power of Official Information Act B.E.2540 of Thailand. For example, the principle of collection limitation, principle of data quality, principle of use limitation, and principle of security safeguards as well as the principle of openness are applied to be implemented in this law. Although people is provided freedom to access information, privacy is still protected under the principle of personal data protection. As a result, it can be inferred that the European principles of personal data protection have played an important role in balancing the concept of freedom to access information and the concept of privacy of Thailand. Not only the principle of personal data protection, but the exception of enforcement adopted from European regulation is also applied for legal flexibility. As a result, personal data processed by Government cannot be breached by ordinary person and even State agencies. Nevertheless, Official Information Act B.E.2540 still presents loophole of legal enforcement. The said law only provides privacy protection for personal data processed by Government or State agencies. Consequently, personal data of people living in Thailand cannot be protected if it is processed by organization in private sector.

CONCLUSION

Insufficient personal data protection negatively affects prosperity of people in the country that presents inadequate privacy measure. Confidence of consumers in using personal data to do business transaction might decrease due to privacy concern. Consequently, lack of personal data protection may lead to the loss of business opportunity and prosperity as well. It can be analyzed that the problem of privacy breach is not only legal concern relating to fundamental rights but it can be the obstacle of business and prosperity of individuals. The impact of insufficient personal data protection also presents disadvantage in term of international business law. Under Directive 95/46/EC, European regimes, personal data cannot be transferred to countries outside the European Union if such countries present inadequate level of personal data protection. The personal data protection law of Thailand is only presented in Government sector; however, the legal protection is not provided for personal data processed by private sector. As a result, it can be considered by the European Commission that Thailand presents inadequate level of personal data protection. By the power of Directive 95/46/EC, obstacle in doing business may arise if personal data is necessary to be used in international business transaction. The economy of Thailand might be impacted by this regulation because opportunity in doing international business with several member countries of European Union may be decreased due to insufficient personal data protection. Consequently, the prosperity of individual would be adversely affected as well.

There are two choices of legislative systems that need to be considered to be a model law for personal data protection of Thailand. The American privacy protection is presented in the form of specific law or ad hoc law whereas the model of comprehensive law is mostly implemented in European countries. Generally, the American specific law is enacted after serious privacy issue occurs in each industry. As a result, this type of legislation is not suitable to be implemented in Thailand because laws may be lately enforced due to long duration of enactment process of Thailand. Particularly, specific law is separately issued, so it

may take a long time to provide protection for personal data in several types of business of Thailand. Moreover, the self-regulation system that allows private organization control each other seems to be suitable for American society that promotes the concept of free trade. However, the system of self-regulation may not be appropriate to be implemented in the country that the high rate of corruption still presents such as Thailand. Therefore, this said system cannot absolutely guarantee that privacy protection would be provided in Thailand. If the private companies are allowed to play a role as regulator, they may help each other rather than provide justice for privacy protection. Especially, if personal data is violated by a big private company in Thailand, there is high risk that justice would not be provided for individual who is data subject. Furthermore, the enforcement operated by many regulators from different industries may lead to lack of unity in legal protection.

As a consequence, the research proposes possible recommendation to be the solution for research problem statement. The comprehensive law, the model of legislation mostly presented in European personal data protection, is suitable to be implemented in Thailand. By the jurisdiction of comprehensive law, personal data in all business and every industry can be controlled by single regulation. In other words, the advantage of comprehensive law is the power of central law that can be implemented for privacy protection regardless of different aspect of business. Moreover, although personal data is transferred to different business or industry, such data can be still protected by single regulation. As a result, legal protection can be efficiently enhanced by the unity of enforcement of single regulator. In addition, it is obvious that the process of enactment presented in the model of single regulation will not be time consuming. Consequently, the expense for establishing organization as single regulator will not be paid at high rate. It can be said that the model of comprehensive law is suitable for developing country because the cost of legal enforcement can be saved. Additionally, the model of comprehensive law has been adopted to be applied for personal data protection in many counties including member countries of European Union and also several countries outside Europe. Consequently, if Thai legislation applies the model of comprehensive law and adopts similar standard of regulation, European Commission will consider Thailand as a country that can provide adequate level of personal data protection. This can increase confidence of domestic and foreign consumer in using personal data if it is required in business transaction. Also, the adequate level of personal data protection that is equal to the international standard will attract the foreign investors to invest in Thailand due to the confidence in reliable privacy measure. It can be concluded that negative impact on prosperity of individual due to insufficient personal data protection can be sustainably solved by comprehensive law.

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**A HYBRID LEARNING IN TEACHER EDUCATION
TOWARDS KNOWLEDGE DEEPENING**

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ABSTRACT

Studies show that blended learning promotes collaborative learning. This paper describes the ICT skills enhancement program as part of the research entitled “ICT in Teacher Education in Region 7, Philippines.” It explicitly describes the experiences of the 6-month blended learning among faculty members in the teacher education, in four provinces in Central Visayas, Philippines. The 6-month blended learning was held in June to November 2013. It was done with the primary purpose of deepening knowledge using ICT among teacher educators. Specifically, the blended learning was aimed to increase the ability of teacher educators to add value to economic output by applying knowledge of school subjects to solve complex problems encountered in the real world situations of work and life. The learning dimensions were based on UNESCO’s ICT Competency Standard for Teachers that includes policy, curriculum and assessment, pedagogy, organization and administration, and teacher professional development. Sixty teacher educators were invited trainees who are coming from 30 private and public higher education institutions in the region. The online learning component was delivered through a customized learning management system of the host university. A two-day face-to-face midterm review was conducted and another two days of face-to-face meeting during the culmination of the training. Of the 60 registered teacher-trainees, only 15 completed the training. The blended learning was evaluated very successful in terms of the constructivist online learning environment, online course elements, and training impact. It can be concluded that the enhancement program is a tremendous success and the teachers widened their knowledge on integrating ICT into the classroom. It is recommended that there must be continuity in the program to ensure sustainability of the acquired skills.

KEY WORDS: Blended learning, hybrid learning, ICT integration, ICT in Teacher Education

INTRODUCTION

In 2012, the Philippine’s Commission on Higher Education (CHED) established a system called Philippine Higher Education Research Network (PHERNet). The network is composed of ten private and public universities in the Philippines. Silliman University (SU), a non-sectarian university, is a member institution because of its track record in research and development. Further, PHERNet is tasked to conduct research on the priority areas of the National Higher Education Research Agenda 2, in which, education and information technology are among the said priority research areas. Motivated by the technology diffusion encountered by teacher educators and the opportunity offered by the PHERNet, a research is funded by CHED, and it is entitled “ICT in Teacher Education in Region 7”. The study facilitated by SU through Research and Development Center and in cooperation with the Center of Development in IT Education of the College of Computer Studies of the same university. The study highlights four (4) phases, these are benchmarking, training, technology development, and evaluation. The benchmarking phase aimed to assess the landscape of the ICT in the teacher education programs in region 7 using the international and national competency standards. Training period intended to offer ICT competency enhancement training program for the pilot group of teachers in the teacher education program in region 7. Technology development phase aims to develop two tools for teachers in the education program; these are: portable learning management system and a mobile application for teacher educators. Evaluation phase seeks to measure the competency among the respondents

after the competency enhancement training. It also aims to evaluate the acceptance level of the two proposed tools as perceived by the pilot group of users.

The training phase of the project is called ICT Skills Enhancement Program, dubbed as ICT4TEd. It is divided into two sub-phases: face-to-face and blended. Phase 1 training was conducted in May 2013 (see appendix A) while phase 2 training is offered hybrid, which means the training is delivered in face-to-face and virtual or online. The 6-month blended learning was held in June to November 2013. This paper describes the experiences of the 6-month blended learning among faculty members in the teacher education, in four provinces in Central Visayas, Philippines. The training objectives, instructional design elements, and blended learning components are described in this paper. Further, this paper also presents the process of evaluation and the methods, including the assessment instruments used. Moreover, it discusses the success level of training of offered.

TRAINING PROGRAM

Training Objectives

The training program is about ICT skills enhancement in the teacher education in Region 7, Philippines. Teacher education refers to degree programs such as Bachelor of Science in Secondary Education and Bachelor of Science in Elementary Education offered in public and private HEIs. The phase 2 training is free, and it was conducted by a hybrid method of delivery. It is designed for teachers in the teacher education program who have undergone the 5-days Phase 1 training. It was aimed to increase the ability of the teachers to add value to economic output by applying knowledge of school subjects, to solve complex problems encountered in the real world situations of work and life. Trainees were expected to have enhanced skills in ICT in relation to all aspects of their teaching responsibilities: policy, curriculum and assessment, pedagogy, organization and administration, and teacher professional development.

Instructional Design Elements

A need-based training module was designed, and it was based on the result of the region-wide assessment conducted in April, 2013. It is organized by topic, objective, resources, and weekly activities. There are 15 topics that include skills development in the knowledge deepening level as described by UNESCO. See Appendix A for the training outline. Each item was delivered in an average of one week. Each topic has a corresponding activity which is to be performed and submitted by the trainees through the submission link provided in the learning management system.

Virtual Component: Learning Management System

The online or virtual component of the blended learning was delivered through a learning management system of Silliman University as the host university. The learning management system is called Silliman Online University Learning (SOUL). SOUL is customized using Moodle platform. All participants were oriented to the use of SOUL during the phase 1 training in May 2013. A Facebook group was also created to supplement the delivery of the online or virtual training. All participants were invited to become a member of the said group. Participants were encouraged to post some discussion notes, chat with co-learners and email

to support the virtual delivery of the training. All resources were posted in SOUL while announcements and reminders were posted on the Facebook page. Weekly reminders were also sent through mobile SMS. Moreover, technical support was provided 24/7 via email and mobile communication.

Face-to-Face Component: Midterm Review and Culmination

A face-to-face meeting and training were conducted to supplement the online training. It was a two-day activity with a twofold objective held on September 13-14, 2013. On the first day, a review and feedbacking of the previous topics as well as completion of the previous online activities were done. On the second day, an overview and introduction to the remaining topics were conducted. The midterm face-to-face meeting ended with a hands-on training in website creation. At the end of the training, all trainees had created their educational website using a free website builder offered for free at www.education.weebly.com. Participants during the midterm review are only those who successfully completed the activities from week 1 to 10. In this case, there were 15 trainees who were invited to the face-to-face midterm review and the website creation training.

In the same manner, a culminating activity was conducted face-to-face for two days. Review, finalization of activities, and reflection-sharing were the significant events during the culmination. There were also keynote speeches and presentations from notable advocates of ICT in education. The culmination program ended with an action planning by all trainees who successfully completed the skills enhancement training.

Trainee's Demographic Profile

ICT4TEd trainees are full-time faculty members teaching any professional, specialization and major courses in the teacher education program in Central Visayas. A total of 60 trainees were invited and registered in SOUL. The creation of accounts and the online registration were done during the last day of the phase 1 training. Sixteen joined in Negros Oriental; 28 joined in Cebu and 16 joined in Bohol. Of the total number of trainees, 22 (37.7 %) are male, and 38 (63.3 %) are female. Twenty (38.8 %) trainees are 31-40 years; the youngest is 22 years old, and the oldest is 64 years old. In terms of the number of years of teaching, 35 years is the longest teaching experience while one year is the shortest. More than the majority of the respondents are married, and many are Master's degree holders. See table 1 in the demographic profile of the registered trainees.

When asked about technology ownership, 38 (68.0 %) owns a desktop computer at home, of which 29 (51.9 %) with internet connection, see table 2. Only 24 (39.9 %) have Smartphones, but all of the respondents have cellular phones. Only 9 (15.6%) said that they held tablet computers, and 44 (78.8%) said that they owned a laptop or notebook computers. Only 49 (92.1%) said that their school had connected with internet; 52 (95.8%) said they created an email account, and 24 (39.4%) said that they opened their account at least once a day. Furthermore, 40 (67.3%) trainees said that they have never attended a similar training like this in the past (see table 2). Only 11 (19.7%) trainees said that they attended a similar training in the past while 7 (13.0%) trainees did not indicate whether they have attended ICT-related training in the past.

Table 1

Demographic Profile of the Registered Participants

Profile	Batch of Trainees						Total	
	Negros Oriental		Cebu		Bohol			
	f	%	f	%	f	%	f	%
<u>Sex</u>								
Male	8	50.0	6	21.4	8	50.0	22	36.7
Female	8	50.0	22	78.6	8	50.0	38	63.3
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Age</u>								
21 – 30	2	12.5	8	28.6			10	16.7
31 – 40	7	43.8	8	28.6	5	31.3	20	33.3
41 – 50	4	25.0	2	7.1	1	6.3	7	11.7
> 51	2	12.5	3	10.7	3	18.8	8	13.3
No Answer	1	6.3	7	25.0	7	43.8	15	25.0
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Number of years in teaching</u>								
< 4	1	6.3	11	39.3	2	12.5	14	23.3
4 – 6	2	12.5	4	14.3	3	18.8	9	15.0
7 – 9	3	18.8	1	3.6	1	6.3	5	8.3
10 – 15	2	12.5	3	10.7	2	12.5	7	11.7
16 – 20	3	18.8		0.0	1	6.3	4	6.7
> 21	2	12.5	6	21.4	1	6.3	9	15.0
No Answer	3	18.8	3	10.7	6	37.5	12	20.0
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Status</u>								
Single	6	37.5	12	42.9	1	6.3	19	31.7
Married	9	56.3	12	42.9	10	62.5	31	51.7
Widowed		0.0	1	3.6	1	6.3	2	3.3
No Answer	1	6.3	3	10.7	4	25.0	8	13.3
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Highest Educational Attainment</u>								
Bachelor	4	25	5	19			9	14.7
Master's Degree	7	43.8	5	19	4	33	16	32.1
Doctoral/Ph.D.	3	18.8	5	19			8	12.7
No Answer	2	12.5	11	42	8	67	21	40.5
Total	16	100	26	100	12	100	54	100.0

Table 2

ICT Literacy Profile of the Registered Participants

ICT Profile	Batch of Trainees						Total	
	Negros Oriental		Cebu		Bohol			
	f	%	f	%	f	%	f	%
<u>Technology Ownership</u>								
Desktop	11	68.8	20	76.9	7	58.3	38	68.0
Smartphone	4	25.0	16	61.5	4	33.3	24	39.9
Tablet	5	31.3	4	15.4			9	15.6
Notebook/Laptop	13	81.3	23	88.5	8	66.7	44	78.8
<u>Internet Connectivity at Home</u>								
Yes	9	56.3	15	53.6	5	31.3	29	48.3
No	3	18.8	4	14.3	4	25.0	11	18.3
No Answer	4	25.0	9	32.1	7	43.8	20	33.3
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Internet Connectivity in School</u>								
Yes	16	100.0	22	78.6	11	68.8	49	81.7
No			3	10.7	1	6.3	4	6.7
No Answer			3	10.7	4	25.0	7	11.7
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Email Ownership</u>								
Yes	14	87.5	26	92.9	12	75.0	52	86.7
No	2	12.5					2	3.3
No Answer		0.0	2	7.1	4	25.0	6	10.0
Total	16	100.0	28	100.0	16	100.0	60	100.0
<u>Number of times in opening email account</u>								
At least once a day	7	43.8	15	53.6	2	12.5	24	40.0
At least once a week	2	12.5	9	32.1	5	31.3	16	26.7
At least once a month	2	12.5	2	7.1	3	18.8	7	11.7
At least once a semester	1	6.3		0.0	1	6.3	2	3.3
At least once in a SY	4	25.0		0.0	1	6.3	5	8.3
No Answer		0.0	2	7.1	4	25.0	6	10.0
Total	16	100.0	28	100.0	16	100.0	60	100.0

TRAINING EVALUATION

Evaluation Method and Instruments

In this training, the success level is measured in four different models. These are 1) retention rate, 2) Constructivist On-Line Learning Environment Survey (COLLES), 3) Online Environment Evaluation (OEE) Model and 4) New World Kirkpatrick Model. The retention rate is computed by getting the total number of registered trainees divided by the number of trainees who were successfully completed the training. The Constructivist On-Line Learning Environment Survey (COLLES) measures the learners' perceptions of both their preferred and actual online training environments. It is a feature embedded in the Moodle platform, which means, the COLLES evaluation was adopted and done virtually through SOUL. The COLLES is composed of an economical 24 statements grouped into six parts (Taylor & Maor). Each of elements is designed to assess the quality of the online training environment. These elements are relevance, reflection, interactivity, tutor support, peer support, and interpretation (see Appendix B). The COLLES comprises a five-point Likert-type response scale. Each scale has a corresponding score, 1, 2, 3, 4, 5 for almost never, seldom, sometimes, often, and almost always, respectively.

The second model used in determining the success of the training is the Online Environment Evaluation (OEE). OEE aims to measure the effectiveness of the online training course based on the principles of online design. The OEE questionnaire is adapted from an online course evaluation published on the website of Florida Gulf Coast University and the University of New South Wales. The OEE questionnaire comprises of 37 questions grouped into four elements. These elements are instructional design features, interaction and feedback, course management, and technical support (see Appendix C). Using Google Form, all trainees were asked to rate the level of effectiveness of the online training course using the five-point Likert scale as follows: 5 - almost always, 4 – often, 3 – sometimes, 2 – seldom, and 1 -almost never. The second part of OEE questionnaire is composed of seven open-ended questions to allow the trainees provide qualitative feedback and assessment. See Appendix C for the copy of the OEE questionnaire.

The third model used in evaluating the success of the training is on the modern training evaluation model, the Kirkpatrick Model (KM). KM was developed in 1950s and presently clarified with the New World Kirkpatrick Model. On the website of Kirkpatrickpartners.com, explains the four (4) levels of evaluation. The first level is the reaction in terms of satisfaction, engagement, and relevance. Level 2 is learning in terms to the extent that participants acquire the intended knowledge, skills, attitudes, confidence and commitment based on their participation in a training activity. The third level is the degree that participants apply what they learned during training when they are back on their work. Level 4 is the results in terms of the degree of targeted outcomes occur as a result of the training event and subsequent reinforcement. The KM questionnaire is composed of 16 close-ended questions that represent the four levels described in the New World Kirkpatrick Model (see Appendix D). Using Google Form, all trainees were asked to rate the level of their agreement with the statements adapted from the New World Kirkpatrick Model. All trainees were asked to rate using the four alternative choices: strongly agree, agree, disagree, and strongly disagree.

All questionnaires were scrutinized and undergone a thorough critiquing and modification. Mean and frequency and percentage are the statistical tools employed in the analysis of data in the three evaluations. Respondents of the three questionnaires are those who have successfully completed the entire blended learning. Only 14 responses were recorded and analyzed because one trainee failed to answer the online evaluation at the specified date.

Success Level of the Training

Retention rate

As discussed earlier, there are 60 teacher educators invited and registered in SOUL. Of the 60, only 15 (25%) teacher-trainees were given a certificate of completion. The completion signifies that they have successfully performed all the activities from week 1 to 18 and completed the ICT skills enhancement training program that is delivered in blended mode. This result is just one of the many examples of low retention in online learning. Topdegreeonline.org asserts that in general, the retention rates for online courses have been calculated to be 10 to 20% lower than the retention rates for the face-to-face learning. In the same manner, the US News and World Report announced that the average retention rate among first-time part-time students is 39% (Burnsed, 2010). According to an article by Rob Jenkins in the Chronicle of Higher Education, cited by Luzer, (2012), “students were more likely to fail or withdraw from online courses than for face-to-face courses, regardless of their initial level of preparation.” The result can be associated with the ICT4TEd blended learning where the teacher educators are considered trainees or students on a part-time basis. On the positive note, the result is reasonable considering that more than the majority (67.3%) are new to online learning and at the same time, they are challenged with the technical skills. It can be recalled that these trainees have not experienced the actual process of ICT operations relevant to teaching-learning integration. The result is also reasonable considering the technical limitations among the trainees personally and institutionally. To recall, only 38 (68.0 %) of the trainees owns a desktop computer at home, of which 29 (51.9 %) with internet connection. Koller, Ng, Do, & Chen (2013) assert “retention in massive open online courses (MOOC) should be viewed in the appropriate context, the apparently low retention in MOOCs is often reasonable.” They strongly recommended that there must be a consideration in the framework of the learner intent.

If Coursera experienced around 60% returnees during the first lecture, almost 100% of the ICT skills enhancement trainees returned and logged to SOUL and performed the first weekly activity. Around 17% of the trainees logged to SOUL until the midterm period but have not submitted any activities. Based on the initial interview, problems of internet connectivity and preoccupation with work and at home are the common reasons why the others have not completed phase 2 training.

Shown in table 3 is the profile of the teachers-trainees who successfully completed a phase 2 training. As shown in the table, 10 (66.67%) are female; 9 (60%) are married; 9 (60%) have age 19 – 40; 9 (60%) have a master’s degrees, and 11 (73.33%) are coming from the private higher education institution. In terms of the total number of HEIs, there are 13 because there are two schools with two trainees. It can be noted that no one from Siquijor successfully completed the blended learning. Based on the first interview, the trainees from Siquijor are challenged with internet connectivity.

COLES

The summary of COLES result is shown in table 4. The quality of the online learning environment (SOUL) is very high with an aggregate mean of 4.37 and 4.64 for preferred and actual, respectively. The result implies that the online learning component of the training is very highly relevant to the trainee's professional development. It also suggests that the online learning stimulated the trainee's critical reflective thinking. The result also suggests that the extent of interactivity among the trainees is very high, and the trainees believed that they highly engaged in productive conversation with co-trainees. The result suggests that the tutor support highly encouraged the trainees to participate and finish the program. The lowest mean of the elements in both preferred and actual evaluation is on peer support. The result means that the trainees did not highly expect to be assisted or supported by fellow trainees. Moreover, the result shows that the trainees and the tutor made a good sense of each other's online communication. It can also be seen that there is a positive mean difference between actual and preferred experience in the online component of the training.

Table 3

Profile of the Trainees Who Successfully Completed the Training

Profile	Provinces						Total	
	Bohol		Cebu		Negros Oriental			
	f	%	f	%	f	%	f	%
<u>Sex</u>								
Female	4	26.67	5	33.33	1	6.67	10	66.67
Male	2	13.33	1	6.67	2	13.33	5	33.33
Total	6	40.00	6	40.00	3	20.00	15	100.00
<u>Status</u>								
Single	0	0.00	5	33.33	1	6.67	6	40.00
Married	6	40.00	1	6.67	2	13.33	9	60.00
Total	6	40.00	6	40.00	3	20.00	15	100.00
<u>Age</u>								
19 -40	2	13.33	5	33.33	2	13.33	9	60.00
41 - 65	4	26.67	1	6.67	1	6.67	6	40.00
Total	6	40.00	6	40.00	3	20.00	15	100.00
<u>Highest Educational Attainment</u>								
BS	0	0.00	4	26.67	1	6.67	5	33.33
MA/MS	4	26.67	3	20.00	2	13.33	9	60.00
Ph.D./Doctorate	1	6.67		0.00		0.00	1	6.67
Total	5	33.33	7	46.67	3	20.00	15	100.00
<u>Type of HEIs</u>								
Public	2	0.00		0.00	2	13.33	4	26.67
Private	4	13.33	6	40.00	1	6.67	11	73.33
Total	6	26.67	6	40.00	3	20.00	15	100.00

Table 4

Summary of the Constructivist Online Learning Environment Survey Result

Elements	Preferred		Actual	
	x \bar{x}	Description	x \bar{x}	Description
Relevance	4.60	Almost Always	4.84	Almost Always
Reflective thinking	4.29	Almost Always	4.74	Almost Always
Interactivity	4.27	Almost Always	4.53	Almost Always
Tutor support	4.48	Almost Always	4.73	Almost Always
Peer support	4.09	Often	4.38	Almost Always
Interpretation	4.46	Almost Always	4.63	Almost Always
Aggregate Mean	4.37	Almost Always	4.64	Almost Always

Online Environment Evaluation

As shown in table 5, the online training environment is rated with an aggregate mean of 4.91 described as “almost always.” The result suggests that the principles of online design are excellently integrated with the online learning. The result suggests that the instructional elements of the online training such as audience analysis, training course objectives, instructional activities, and teaching strategies are excellently achieved. It also entails that the trainees excellently experienced a positive interaction and collaboration among co-trainees and online tutor or instructor. The result also means that the training course was managed excellently particularly in monitoring requirements of the trainees, their progression as well as in providing adequate feedback. Moreover, the result also indicates that the technical support for the trainees is excellent.

Table 5

Summary of the Online Environment Evaluation Result

Summary	x \bar{x}	Description
Instructional elements	4.85	Almost Always
Interaction and feedback	4.91	Almost Always
Course management	4.91	Almost Always
Technical support	4.96	Almost Always
Aggregate Mean	4.91	Almost Always

New World Kirkpatrick Model

Using the New World Kirkpatrick Model, the trainees strongly agree that the training was effective with an aggregate mean of 3.90 (table 6). The result implies that the training was highly effective. The result suggests that the trainees are highly satisfied with the training and actively collaborated with the entire training program. Moreover, the result indicates that the trainees highly believed that they can use or apply what they learned in training on their teaching job. It also shows that the trainees have acquired the intended knowledge, skills, attitudes, confidence and commitment from the training. It also indicates that the required drivers for motivation present during the training delivery. It also suggests that the trainees

have a positive behavior to apply what they have learned from the training. Most importantly, the result denotes that the targeted training outcomes are highly achieved.

Table 6

Summary of the Training Evaluation Result

Summary	x$\bar{}$	Description
Reaction	3.96	Strongly Agree
Learning	3.84	Strongly Agree
Behavior	3.86	Strongly Agree
Results	3.93	Strongly Agree
Aggregate Mean	3.90	Strongly Agree

In response to the question “This course could be improved by,” a trainee said that this course could be enhanced by providing the trainees with appropriate technology or gadget. Three of the trainees felt that frequent updates and collaboration would keep them abreast with the new ICT approaches in their classroom. Another trainee suggested for a needs assessment to be conducted to gauge his knowledge on ICT. On the other hand, two trainees said that training should be continuous, and basics of HTML should be included. Surprisingly, a trainee believed that the course is designed to provide a holistic improvement of Education teachers like them. This further implies that the course is well-designed and very appropriate for teachers in Education Technology. Finally, when the trainees were asked the question “Do you have any other comments,” three proudly expressed their gratitude to be a pioneering member of the renowned group - ICT4TED. A trainee, however, encouraged the project leader to continue his advocacy to promote quality education most especially in the Education Technology subject. Another trainee said that the online course is a state of the art teaching-learning opportunity that combats obsolete or traditional teaching methods. The trainees are undivided in showing their heartfelt gratitude to the project leader, CHED, Silliman University, organizing team and other partner institutions for the one of a kind training. This particular finding signifies that the trainees are satisfied with the training provided and are eager to enhance their knowledge of ICT to become globally competent.

CONCLUSION AND RECOMMENDATION

The ICT skills enhancement program in the region was the first ever training that is delivered in a hybrid method of learning. It was a remarkable and challenging experience not only for the trainees but as well as to the organizers. It can be concluded that the training is a big success, and the training outcomes were highly achieved. The teachers widened their knowledge on integrating ICT in the aspects of educational policy, curriculum and assessment, pedagogy, tools, organization and administration, and teacher professional development.

To sustain the learned skills, trainees must cascade their knowledge to their students. Collaboration and partnerships with CHED and other non-government agencies including private industries must be designed or redesigned into the knowledge creation approach. HEIs should consider giving incentives to teachers who are trained in the use of ICT in the classroom. School leaders must continue in supporting the trained educators and they should

prioritize them in any ICT-related endeavors such is ICT in education research, instruction, community service-learning. Organizers must develop a continuing program to ensure sustainability of the acquired skills. The training resources and weekly activities must be reviewed to ensure scalability and adaptability of the learning materials especially to those who are challenged by internet connectivity. A study to know the barriers and difficulties in an online or hybrid method of learning as perceived by those who did not complete the training is also recommended.

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APPENDIX A
Training Module

Topic	Objective
Week 1: ICT Integration Policy	Teachers should be able to identify key characteristics of classroom practices and specify how these features serve to implement.
Week 2: Simulations, Visualizations, Data Analysis Software	Teachers should be able to describe the function and purpose of simulations, visualizations, data analysis software and how they support students' understanding of these concepts and processes and their application to the world outside the classroom. References: What is Simulation? Visualizing Knowledge Collection of Data Analysis Software
Week 3: ICT Integration in the Classroom	Teachers should be able to help students acquire ICT skills within the context of their subjects/courses; be able to incorporate appropriate ICT activities into lesson plans so as to support student's acquisition of school subject matter knowledge, student engagement in reasoning with, and using key subject matter concepts while they reflect on and communicate solutions. References: ICT uses across the College Integrating ICT into Daily Teaching Strategies for implementing ICT in the Classroom
Week 4: Presentation Software	Teachers should be able to use presentation software and digital resources to support instruction. References: History of Presentation Software Pedagogical Uses of Presentation Software Top 10 Presentation Software The Effect of PowerPoint on Student Learning and Students Tips for Creating and Delivering an Effective Presentation My Collection of Presentation Slides

<p>Week 5: Web 2.0</p>	<p>Teachers should describe the function of Web 2.0 and how they support student's acquisition of knowledge of school subjects and in the academe in general.</p> <p>References:</p> <p>Web 2.0 in Education</p> <p>Web 2.0 Tools for Schools</p> <p>Higher Education in a Web 2.0 World</p> <p>Web 2.0 and Higher Education: Pedagogical Implications</p> <p>Research Publication about Web 2.0 in Education</p> <p>Video: Web 1.0 vs Web 2.0</p> <p>Web 2.0 Teaching Tools</p> <p>Teacher Tube</p> <p>100 Best YouTube Videos for Teachers</p>
<p>Week 6: Social Media and Social Networking</p>	<p>Teachers should be able to understand Social Media and Social Networking Site, and describe the function and purpose of these tools and how these tools can be applied appropriately in the classroom.</p> <p>References:</p> <p>What is Social Media?</p> <p>The challenges and opportunities of Social Media</p> <p>Academic Uses of Social Media by Harvard Faculty</p> <p>What is Social Networking Site?</p> <p>Social Network Sites: Definition, History, and Scholarship</p> <p>Top 15 Most Popular Social Networking Sites</p> <p>Facebook Penetration in Asia</p> <p>History of Facebook</p> <p>Facebook: One Billion and Counting</p> <p>Silliman University FB Fan Page</p> <p>Facebook's academic utility</p> <p>Facebook in Higher Education</p> <p>Findings on Facebook in higher education</p>

<p>Week 7-8: Online Communication</p>	<p>Teachers should be able to explain the function and purpose of an online communication tool and describe how collaborative this tool to support student thinking and social interaction.</p> <p>References: Communication Tools</p> <p>Skype</p> <p>Skype in the Classroom</p> <p>Skype in Education</p> <p>Using Skype chat to build a community of learners</p> <p>The effects on Skype-based video chats w/ Filipino English teachers</p> <p>Ten ways to use Skype in a course</p> <p>Educators Move Beyond the Hype Over Skype</p> <p>Teachers Testimonies about Skype Integration in the Classroom</p>
<p>Week 9: Online File Sharing</p>	<p>Teachers should be able to describe synchronous communication useful in teaching and learning and describe how collaborative a file-sharing tool to support student thinking and social interaction.</p> <p>References: Using Skype to Increase Educational Communication</p> <p>Screen and File Sharing with Skype</p> <p>Adding Attachments With Facebook Messages</p> <p>YouTube: Screen and File Sharing with Skype</p> <p>Sharing with Your Contacts on Skype</p>
<p>Week 10: Online Video-Sharing</p>	<p>Teachers should be able to describe educational video-sharing sites and demonstrate how a collaborative video-sharing tool to support student thinking and social interaction.</p> <p>References: Video Sharing Guidelines</p> <p>What is Video Sharing?</p> <p>What is Online Video-Sharing?</p>

	<p>The Impact of Broadcast and Streaming Video in Education</p> <p>Teachers Tap Video-Sharing In the Classroom</p> <p>Video sharing in education: revolution or hype?</p> <p>Top 10 Video Sharing Sites Judged by Mashable Readers</p> <p>The YouTube Effect: How YouTube Has Provided New Ways to Consume, Create, and Share Music</p> <p>YouTube across the Disciplines: A Review of the Literature</p> <p>Video Sharing in Education</p> <p>Conducting Video Research in the Learning Sciences</p>
<p>Week 11-12: Midterm Activity (Face-To-Face: Evaluation Of Laboratory Exercises)</p> <p>Creating a Website</p>	<p>Teachers should be able to develop a classroom or educational website, and describe the function and purpose of this tool and how these tools can be applied appropriately in the classroom.</p> <p>References:</p> <p>The Internet and WWW</p> <p>What is a Web Server?</p> <p>What is a Local Area Network (LAN)?</p> <p>Introduction to HTML</p> <p>What is Hypertext Transfer Protocol?</p> <p>Definition of a Website</p> <p>Examples of Domain</p> <p>How to create a Website?</p> <p>Top 10 Web Hosting Site-Builders of 2013</p> <p>Web Design Tips For Absolute Beginners</p> <p>Web Design Tutorials for Beginners</p> <p>Basics of Web Design</p> <p>Making the Most of Your Class Website</p> <p>How do I Introduce Students to Educational Websites?</p> <p>8 Great Web Tools to Create a Website for your Class</p>

Week 13: Web Content	Teachers should be able to plan, design, add and manipulate content on their classroom or educational website.
Week 14: Website Pages, Gallery and Slide Shows	Teachers should be able to plan, design, add and manipulate pages, gallery and slideshow on their classroom/educational website.
Week 15 Adding Videos in a Website	Teachers should be able to understand the importance of adding videos in an educational website.
Week 16-17: Adding Sub-Pages And Forms in a Website	Teachers should be able to add subpages and forms into their educational website.
Week 18: Adding Blogs and Forum in a Website	Teachers should be able to add web blog and discussion forum into their educational website.

-end-

APPENDIX B

Constructivist Online Learning Environment Survey Questionnaire

Directions

The purpose of this questionnaire is to help us understand how well the online delivery of this unit enabled you to learn. Each one of the 24 statements below asks about (a) your *preferred* (or ideal) experience, and (b) your *actual* experience in this unit. There are no 'right' or 'wrong' answers; we are interested only in your opinion. Please be assured that your responses will be treated with a high degree of confidentiality, and will not affect your assessment. Your carefully considered responses will help us improve the way this unit is presented online in the future. Thank you very much for your kind assistance.

Relevance

In this online unit...		Almost Never	Seldom	Sometimes	Often	Almost Always
1	I prefer that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	I found that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	I prefer that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	I found that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	I prefer that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	I found that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4	I prefer that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	I found that	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Reflection

In this online unit...			Almost Never	Seldom	Sometimes	Often	Almost Always	
5	I prefer that	I think critically about how I learn.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
6	I prefer that	I think critically about my own ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
7	I prefer that	I think critically about other students' ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
8	I prefer that	I think critically about ideas in the readings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Interaction

In this online unit...			Almost Never	Seldom	Sometimes	Often	Almost Always	
9	I prefer that	I explain my ideas to other students.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
10	I prefer that	I ask other students to explain their ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
11	I prefer that	other students ask me to explain my ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
12	I prefer that	other students respond to my ideas.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Th

Making Sense

In this online unit...			Almost Never	Seldom	Sometimes	Often	Almost Always	
13	I prefer that	I make good sense of other students' messages.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
14	I prefer that	other students make good sense of my messages.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
15	I prefer that	I make good sense of the tutor's messages.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
16	I prefer that	the tutor makes good sense of my messages.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Tutor Support

In this online unit...			Almost Never	Seldom	Sometimes	Often	Almost Always	
17	I prefer that	the tutor stimulates my thinking.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
18	I prefer that	the tutor encourages me to participate.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
19	I prefer that	the tutor models good discourse.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
20	I prefer that	the tutor models critical self-reflection.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Th

Peer Support

In this online unit...			Almost Never	Seldom	Sometimes	Often	Almost Always	
21	I prefer that	other students encourage my participation.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
22	I prefer that	other students praise my contribution.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
23	I prefer that	other students value my contribution.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
24	I prefer that	other students empathise with my struggle to learn.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	I found that		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
25	How long did this survey take you to complete?		<input type="text" value="Choose..."/>					
26	Do you have any other comments?		<input type="text"/>					

-end-

The Proceedings

APPENDIX C

Online Environment Evaluation Questionnaire

Dear eLearner,

We appreciate your opinions and suggestions. We are conducting a survey to assess the effectiveness of the online training course that we have conducted. Part I of the evaluation is designed for your quantitative assessment in terms of the instructional design elements, interaction and feedback, course management, technical support offered by the online training course. The second part of the questionnaire is to gather your qualitative feedback and assessment. Your responses will help us improve the way this unit is presented online in the future. Thank you very much.

PLEASE RATE THE LEVEL OF EFFECTIVENESS OF THE ONLINE TRAINING COURSE THAT YOU JUST COMPLETED. ENCIRCLE THE NUMBER THAT BEST REPRESENTS YOUR HONEST ANSWER USING THE SCALES BELOW:

ALMOST ALWAYS (you strongly agree with the statement)

OFTEN (you agree with the statement)

SOMETIMES (you somewhat agree with the statement)

2 SELDOM (you disagree about the statement)

ALMOST NEVER (you strongly disagree with the statement)

INSTRUCTIONAL DESIGN ELEMENTS	EFFECTIVENESS LEVEL				
Course goals are clear and appropriate.	5	4	3	2	1
Objectives are clear, behavioral and measurable and are appropriate to course goals.	5	4	3	2	1
Utilizes active learning strategies that engage me and appeal to differing learning styles.	5	4	3	2	1
Learning activities are linked to course objectives.	5	4	3	2	1
Content is organized by modules, units, lessons, or other meaningful architecture	5	4	3	2	1
The course strives to create a “Community of Learners” through interaction.	5	4	3	2	1
All content adheres to current copyright law.	5	4	3	2	1

Formative evaluation is provided to me through ongoing feedback (emails, Gradebook, announcements, discussion board postings).	5	4	3	2	1
Summative evaluation is clearly described.	5	4	3	2	1
Evaluations are linked to objectives.	5	4	3	2	1
Rubrics are used for assignments.	5	4	3	2	1
The instructor assumes a facilitative role.	5	4	3	2	1
Instructions for assignments are clear.	5	4	3	2	1
The syllabus is online and complete, including course expectations, goals & objectives, grading criteria, course policies.	5	4	3	2	1
Support for my questions is provided (Examples: instructor contact information, FAQ's, Discussion board for questions).	5	4	3	2	1
INTERACTION AND FEEDBACK	EFFECTIVENESS LEVEL				
Discussion Boards and/or chat is available.	5	4	3	2	1
There are group activities.	5	4	3	2	1
Email is used to support the delivery of the class.	5	4	3	2	1
Orientation to SOUL and Facebook Group was provided.	5	4	3	2	1
Instructor conveyed policy on answering emails (i.e. how soon students (learners) can expect response, etc.	5	4	3	2	1
Instructor communicated how to give feedback, including frequency of feedback on discussion forums, assignments, etc.	5	4	3	2	1
Instructor published office hours (virtual or "physical") and contact information.	5	4	3	2	1
Feedback is evident through announcements, emails, discussion postings, or other means.	5	4	3	2	1
The instructor allows own personality to emerge through postings, notes, and other means.	5	4	3	2	1
Instructor "personalized" course for me (emails, using name, friendly tone).	5	4	3	2	1

I was oriented on how to post in the discussion forum, submission, and using a Facebook Group utilized during the course.	5	4	3	2	1
Resources for completing course activities were provided.	5	4	3	2	1
Guidelines for posting to a discussion board and/or participating in Chat were provided.	5	4	3	2	1
I am provided with the opportunity to collaborate with other learners through group work or other means.	5	4	3	2	1
All due dates were published with timely reminders.	5	4	3	2	1
Progress through the course was documented.	5	4	3	2	1
C. COURSE MANAGEMENT	EFFECTIVENESS LEVEL				
Units of instruction were organized in a logical, consistent sequence.	5	4	3	2	1
Evaluation of online participation was described.	5	4	3	2	1
Instructor feedback was evident, following the guidelines set by the Instructor.	5	4	3	2	1
My emails were answered in a timely manner.	5	4	3	2	1
TECHNICAL SUPPORT	EFFECTIVENESS LEVEL				
I was provided with information as to where to get technical help.	5	4	3	2	1
The online support information was helpful to me.	5	4	3	2	1

QUALITATIVE FEEDBACK

Any additional comments on course access?

How helpful were the course materials and activities?

Please comment on support and facilitation.

Please comment on the activities used in the online course.

Please comment on how you were able to apply your own interests or experience to your learning of the course.

The best features of this course are

This course could be improved by

--Thank You Very Much!--

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APPENDIX D

Training Evaluation Survey Questionnaire

PLEASE RATE THE LEVEL OF YOUR AGREEMENT WITH THE FOLLOWING STATEMENTS USING THE SCALES PROVIDED.

I am satisfied with the training. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I actively involved in training. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I contributed to the learning experience of the training. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I have the opportunity to use or apply what I learned in the training on my teaching job. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I know how to create an educational website. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I know how to integrate ICT in the classroom. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I can create a website right now. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I can integrate ICT in the classroom. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I believe creating a website will be worthwhile to do with my job. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I believe integrating ICT in the classroom will be worthwhile to do with my job. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I think I can create an educational website. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I think I can integrate ICT in the classroom. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I intend to create an educational website. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I intend to integrate ICT in the classroom. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

I can apply what I learned during the training when I am back in my workplace. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

The targeted outcomes of the training have been achieved. *

- Strongly Agree
- Agree
- Disagree
- Strongly Disagree

**RETHINKING SPACE FOR HUMAN RIGHTS PROTECTION
IN SOUTH EAST ASIA REGION**

By
Neamhom, Kittipoom
Independent Researcher

Remarks: This research was funded by NIDA during 2012-2013 and is the final part of the author's research project under the theme of protection of individual rights. The author is the sole responsible for opinions expressed in this research.

ABSTRACT

In other regions, spaces are provided for individuals to exercise their rights and to bring their claims in front of regional judicial bodies. Procedures under the auspices of European Court of Human Rights and of the Inter America Court of Human Rights are examples. Promoting protection of human rights is said to be one of key concepts for the integration in South East Asia region as reflected in the Preamble, as well as in the Article 1 and the Article 14 of the Charter of the Association of Southeast Asian Nations. Questions remain, however, on practical applicability of this concept across the region. This research aims to examine whether the integration of states in South East Asia region would result in providing common “space” to protect human rights of each individual. Preliminary approach taken by this research is to observe potential factors presenting as challenges against human rights protection in the region. This includes the non-interference principle, the absence of regional binding human rights instrument, and the nascent nature of rule-based integration of states in South East Asia. The research also looks into current positive developments such as the entry into force of ASEAN Declaration of Human Rights and the increasing roles of civil society including national human rights institutions. The ultimate goal of this research is to identify opportunities to expand this human rights protection space in the region.

KEY WORDS: International Law, Human rights protection, ASEAN charter, rule-based integration, non-interference, civil society

INTRODUCTION

Capacity for human rights protection in South East Asia region is challenged by a number of factors. Diversity of human rights situation in the region remain one of constrains. At the same time, non-interference principle is used as a core value governing relation among countries in the region. With this principle, a number of human rights issues are treated as internal affairs not to be put on the table for discussion. So far the ‘rule-based’ mechanism is therefore functioning only in the area of trade-related. In addition, the dualist approach taken by most countries in the region makes international human rights legal instruments become more difficult to be applied within the region.

Although facing constrains, space for human rights protection is however expanding. Strong presence of civil society at national and regional level is noted. In particular, the role of academic and the quasi-governmental bodies such as the national commissions of human rights have produced impact to decision makers at the governmental level. In each country, media and religious bodies can play a role as a platform to promote human rights and to raise public awareness. In a more institutional front, a few mechanisms have emerged within regional structure. Starting with sectorial approach, the ASEAN Commission for Promotion and Protection of the Rights of Women and Children (ACWC) and the ASEAN Committee on the Implementation of the ASEAN Declaration on the Protection and the Promotion of the Rights of Migrant Workers (ACMW) were created. The ASEAN Inter-Governmental Commission on Human Rights (AICHR) was finally established in 2010 with general mandate to promote and protect human rights. In addition, beyond, this regional landscape, strong presence of global institutions such as United Nations bodies can be counted to promote and to boost protection and implementation of international standard.

METHODOLOGY

This research aims to identify opportunities to expand protection space in South East Asia region. The research is based on literatures related to development of human rights protection in South East Asia together with official documents issued under the auspices of ASEAN and United Nations bodies. By observing the above mentioned challenges and opportunities, the presumption was set in a way to make a departure from the traditional concept of regional mechanism where power lied with super-state organization such as the regional human rights court. Instead of employing this traditional top-down structure, the research tries to find opportunity to address human rights with states and decision makers on the ground (part I); to strengthen the role of civil society bodies within the region (part II) and to call upon international bodies in filling gaps and oiling the wheel of the existing regional mechanisms (Part III).

I: Entry points to the region

Whether we like it or not, international law has always functioned on a 'pick and choose' basis which allows states to be engaged only with the rules that they found to be of their interest. This applies to various sectors of international law such as international trade as well as human rights. The phenomenon of 'forum shopping' of the GATT (Carreau, 1998) and 'spaghetti bowl' in the WTO system are examples in the field of international trade. On human rights, states in socialist and eastern countries may prefer to be engaged in economic and social rights rather than political and civil ones. This resulted in the two separated human rights instruments: the ICCPR and ICESCR. States are free to choose among them.

We are living in the real world where States are primary responsible for human rights protection within their territory. The human rights protection therefore relies largely on the engagement with States. Finding entry points to discuss human rights with states is an initial but crucial step to move forward with activities. In the context of South East Asia, opportunities to address human rights can be found around the process of the establishment of the ASEAN Community itself as well as on various sectorial initiatives in which States have shown their interests.

Opportunities surrounding the creation of ASEAN Community

Although not being at a high priority among topics of discussion, human rights have found their space in relevant ASEAN instruments. Starting with "we, the peoples of member states" in its preamble, the ASEAN Charter has well reflected the importance of human beings in the community. More specifically, the Article 1 of the ASEAN charter provides for the promotion and protection of human rights and fundamental freedom as one of its key purposes. The Article 14 of the charter ensures the establishment of an ASEAN Human Rights Body, which became the ASEAN Intergovernmental Commission of Human Rights in 2010.

Practically, opportunity to address human rights can be found in the blueprints of the three communities. On the blueprint for ASEAN Political-Security Community, human rights can be addressed together with issues related to the rule of law, good governance and various humanitarian relief programs. The linkage between human rights and economic development can be found in the structure of ASEAN Economic Community (AEC). The Blueprint for AEC addresses the market access of agricultural products, food security and protection of

consumer which are all linked to the protection fundamental rights of people in the region. Likewise, People-oriented has been a primary approach taken by the ASEAN Socio-Cultural Blueprint. By focusing on human development, welfare and social justice and ensuring environmental sustainability, the blueprint provides platform to initiate various human rights activities. For example, on the human development, opportunity has been provided for activities surround the right to primary education. Human welfare also provides opportunities to create various program targeting basic rights such as activities to ensure access to medical treatments and access to necessary public services. In addition, the blueprint provides basis for the promotion of rights of vulnerable individuals such as women, children, and persons with disabilities.

Opportunities with sectorial initiatives:

States in South East Asia region have taken sectorial approach in dealing with their human rights challenges. Progress has been observed on activities to address the rights of women and children as well as on the protection of migrant workers. To protect the right of women and children, ACWC was established in 2010. The 2012-2016 work plan of this body provides basis to further develop various activities aiming to protect and to promote the rights. To be highlighted among activities is the action program for ending violence against women and children. In this regard, ASEAN has adopted the Declaration on the Elimination of Violence Against Women and Violence Against Children. The rights of victim of violence such and the issue of access to justice are guaranteed by this work plan. Other initiatives prescribed in ACWC's plan include the right of children to participate in decision-making process, the access to and quality of education and gender equality.

Migrant workers have contributed to the economic growth for both sending and receiving countries. As such, protection of the rights of migrant workers has been another sectorial focus for states in South East Asia region. Migrant workers' rights protection regime has been framed together with the adoption of ASEAN Declaration on Promotion and Protection of the Right of Migrant Workers in 2007. In putting the declaration in action, the ACMW was established and mandated with four priorities namely: to step up protection and promotion of the rights of migrant workers against exploitation, to strengthen protection and promotion of the right of migrant workers by enhancing labor migration governance in ASEAN countries, to fight human trafficking in ASEAN and; to further develop a regional instrument on the protection and promotion of the rights of migrant workers.

Other sectorial activities can be found on instruments under the auspices of ASEAN. For example, linked to the migrant workers, initiative taken to combat human trafficking including protection of the rights of victim. Disaster relief programs as planned in the blueprints also provide space to discuss human rights with the States in the region. In absence of binding instruments, Human rights actors need to be creative in finding entry points to further develop program to address human rights with the States, both individually and regionally.

II Within the region: rethinking the roles of civil society actors

Existence of various actors working on human rights protection is one of advantages in South East Asia. Civil society actors in the region can be ranged from Non Governmental Organizations (NGOs) with zero or very limited connection with the government to the “quasi-governmental” bodies such as the National Human Rights Commissions or academics affiliated to state-own institutes. This research identifies good practices and provides observations on the roles of NGOs and the quasi-governmental bodies.

Constructive roles of non-governmental organizations

NGOs are well recognized in the ASEAN structure. Guidelines have been issued to boots relation between non-governmental organizations and ASEAN bodies (Guidelines for Relation with NGOs, ASEAN). Affiliations of NGOs to ASEAN structure would serve several constructive purposes such as to draw the NGOs into the mainstream of ASEAN activities so that they are kept informed or major policies, directives and decisions as well as to ensure interaction and fruitful relationship between the existing ASEAN bodies and the NGOs.

Among NGOs, networking remains crucial to reduce duplicated work and overlaps of mandate. By networking, NGOs can exchange information and can produce more impact through their joint advocacy messages. Forums for networking have been provided under the auspices of ASEAN such as the Annual Conferences of Civil Society and Asian Forum for Human Rights and Development.

Constructive activities that NGOs can jointly be engaged may include promotion of human rights through capacity building initiatives. NGOs can offer expertise in each respective sector to government authorities. Good practices have been identified in terms of training programs on technical human rights issued initiated by NGOs targeting government officials. These capacity building activities can be used as an entry points for further promotion on human rights with states officials. Beyond the promotion, NGOs can contribute to several other activities aiming to protect Human rights. NGOs with legal expertise, for example, can ben engaged in judicial intervention in some particular human rights cases. A number of national court decisions surrounding the issue of the rights to seek asylum can be identified as good practices result from judicial intervention from civil society organizations.

Increasing roles of quasi-governmental bodies

National Human Rights Commission (NHRC) is available in four countries in South East Asia namely Thailand, Malaysia, Indonesia and Philippines. The status of the NHRC is recognized by the constitution of each country. NHRC’s activities include promotion as well as protection of human rights with capacity to investigate and to bring individuals’ claim to the court.

The four NHRCs have worked together to promote human rights protection in the region. The Declaration of Cooperation was adopted by the four NHRCs in 2007 with a view to develop common strategy targeting governments and relevant bodies in ASEAN structures. Beyond South East Asia, the Asia-Pacific Forum for National Human Rights Institutions was established and was mandated to support cooperation among NHRCs in wider Asia and

Pacific region. Twenty-one NHRCs, including the four in South East Asia, meet twice a year. The recent meeting was organized in India in September 2014 with particular focus on gender equality, peace and security, and the linkage between business and human rights.

Networking of National Human rights Commission within and beyond the region can serve as a platform to discuss and to jointly develop activities targeting human rights protection. In addition, particular nature as 'quasi-governmental body' provides an effective linkage with decision makers in each country. NHRCs, therefore, increasingly play major roles in expanding human rights protection space of the region.

III: Beyond the region: The roles of international bodies

One of advantages in South East Asia region is a strong presence of international organizations. In the field level, there exist various regional offices of United Nations bodies together with their country offices in most countries. In addition, international processes at the global level can help to ensure international standards.

International presence at the field level

The role of international human rights bodies in the field is to ensure that there is no protection gap (Mutabhorn, 2013). International presence can well encourage cooperation and capacity building within the country and regionally. On the social and economic rights front, UNDP has added considerable value to their development works on the ground with countries in the region. UNDP's Millennium Development Goals targets vulnerable persons at the margin to benefit from relevant development programs such as programs aiming at extreme hunger and poverty, or relevant programs addressing gender equivalent or promotion of primary education for children. UNDP in the region has particular focus on democratic governance, poverty reduction, crisis prevention and recovery and, environment and sustainable development.

UNODC in South East Asia focuses on addressing criminal justice in particular in the areas of transnational organized crime, anti-corruption, terrorism prevention, criminal justice system, and issues related to drugs and health. The office has various program targeting persons with vulnerabilities. These would result in adding more human rights protection sense in their crimes prevention activities.

With various reasons, States may feel reluctant to be cooperative in a deeper field of human rights such as civil and political ones. However, the presence of international bodies: UNHCR, UNICEF, OHCHR, etc., can add oil to the protection wheel in the regional structure. Developments have been observed, for example, in terms of addressing statelessness. In particular, significant improvement on civil registration to prevent statelessness was resulted from cooperation between states in the region and international bodies. International presence in the region can provide capacity building to government officials and can serve as platform for further discussion and agreement on sensitive human rights issues.

The role of Special Rapporteurs and international processes

With the status as independent expert of the Human Rights Council appointed by the United Nations General Assembly, Special Rapporteurs held a key role in human rights monitoring as well as in providing advice, ensuring communication, and raising public awareness. Their annual reports submitted to Geneva and to New York provide great impact to each government policy on related human rights issues. Monitoring undertaken by the process of special rapporteurs cover thirty-one thematic areas and fourteen countries including two in our region: Cambodia and Myanmar.

One of challenges as identified by this research is the non-intervention principle resulted from the lack of willingness to discuss sensitive human rights issues. Special Rapporteur can well address this protection gap. Statements made by the special rapporteur can call upon states to make improvement on issues even with sensitivity. In November 2014, the Special Rapporteur on the situation in Cambodia made a statement on the use of judicial organ for political purpose of the leading party. Likewise, in 2011 the Special Rapporteur on arbitrary detention had submitted his report addressing the situation of immigration detention globally including in countries in South East Asia region. Without these processes, this type of issues will not be addressed under the structure of ASEAN.

Apart from the special rapporteurs, there exist international processes under treaty bodies and, most recently, the newly established global and general process namely the Universal Periodic Review (UPR). Through these processes various human rights issues, from the less to the most sensitive, can be addressed internationally. On the regional front, international processes especially the UPR can help to build coalition of civil society organizations through the process of submitting the report (UPR Publication, 2014). Report framed by coalition among actors in the field would make considerable weight to decision makers within the states. International presences therefore remain important factor to fulfill regional gaps and to expand protection space in South East Asia region.

CONCLUSION

Within the context of South East Asia, human rights protection mechanism should not be seen in a traditional top-down structure where power remains with a super state body such as a regional court of human rights. With or without the regional judicial organ, States remain primary responsible to protect the rights of individual within their territory. Finding a way to discuss human rights issues with decision makers and gaining their collaboration remain crucial primary step. International Human Rights law should not be seen as a rule but rather as a platform for further negotiation and cooperation among stakeholders. At the same time, in absence of binding regional legal instrument, 'soft law' such as declaration or even the work plans can play major role in providing opportunity to protect human rights.

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**THE DAWNING ERA OF INTEGRATED COMMUNICATION IN THAILAND:
EMERGING LEADERSHIP OF PUBLIC RELATIONS
IN CORPORATE COMMUNICATION**

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ABSTRACT

Integrated communication is a relatively new idea in the field of corporate communication and is often confused with integrated marketing communication. The present study attempted to identify status of integrated communication in selected private and public organizations located in Bangkok and its parameter. Based on the notion of integrated communication proposed by Caywood (1997), the study employed in-depth interview method to investigate how senior managers/department heads of corporate or marketing communication perceived and implemented integrated communication. Results show that all managers/department heads shared similar views that integrated communication involved close coordination among various parts of the organizations in developing and implementing communication strategies and tactics. The study led to conclusion that all four levels of communication integration as suggested by Caywood (1997); namely, Stakeholder Integration, Management Function Integration, Corporate Structure Integration, and Societal Integration were found in all organizations studied.

KEY WORDS: Integrated communication, corporate communication

INTRODUCTION

Communication has been recognized by scholars and professionals alike as one of the indispensable tools of modern organizations. Constant changes in business and social environment have continued to pose new challenges, forcing organizations to adapt in order to survive. Expectations of stakeholders are growing at a faster pace than ever, making it necessary to establish and maintain favorable relationship with stakeholders on whom organizations' success or failure depends. For several decades, the task of identifying, building and maintaining such mutually beneficial relationship has been assigned to "public relations," a management function that helps organization survive business and social turbulences.

Caywood (1997) suggests that, as the world entered the twenty-first century, public relations would lead business and other complex organizations. Its leadership would be defined by the public relations professionals' ability to integrate at several levels of business and society and create more integrated management processes. (Caywood, 1997, p.xi) Public relations has thus increased its prominence as vital tool of organizational management as it would lead the management in the endeavor to integrate relationship with internal and external stakeholders using a wide range of management strategies and tactics including communications.

With this emerging new role, public relations would lead corporate communication efforts that integrate relationships inside and outside an organization. This is where the notion of "integrated communication," comes into play as an essential management tool that involves strategic management of relationship with the entire universe of corporate stakeholders.

The present study sought to identify how managerial personnel in Thai organizations defined and practiced the concept of integrated communication. The micro and macro framework of relationship integration, which makes up one of the two dimensions of management of PR as suggested by Caywood (1997), was used to guide research questions to describe status of each level of integration—(1) Stakeholder Integration, (2) Management Function Integration, (3) Corporate Structure Integration, and (4) Societal Integration. The study was intended to

serve as an exploratory investigation into how this concept of integrated communication in which public relations takes a new leading role in organization's communication was perceived and practiced in Thai organizations.

CONCEPTUAL FRAMEWORKS

Integrated Communication: A New Level of Public Relations Leadership in Corporate Communication

Integrated communication reflects a new role of public relations in leading organizational management to integrate relationships inside and outside an organization, using a wide range of management strategies and tactics including communication. (Caywood, 1997, xi) Several levels of relationships are to be identified and managed with various stakeholders, as well as with the integration of management functions, the integration of corporate and organizational structures, and finally the integration with society. The concept of integrated communication suggests that public relations, now taking a more leading role, help organizations integrate various levels of business and society.

A term that seems to be more familiar is "integrated marketing communication" or IMC, a concept of marketing communication planning that represents the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines—general advertising, direct response, sales promotion, and public relations. IMC combines these disciplines to provide clarity, consistency, and maximum communication impact. (Caywood et al. 1991 cited in Caywood, 1997: xiv).

However, as Duncan and Caywood (in Thorson and Moore, 1996:13-34) note that as an organization recognizes the needs to integrate its relationship with other stakeholders beyond customers and consumers, IMC moves to a more broadly defined integrated communication as it expands the communication to other stakeholders including employees, community, government, the press, vendors and suppliers and others. Given this scenario, such integration requires public relations role to expand beyond marketing support function to a larger role as corporate communication.

A New Leadership of PR in corporate communication:

Public relations has its advantage to identify, build and nurture productive relationships with various stakeholders. To cope with increasing demands of market and various stakeholders, organizations need more advanced management approach to integrate various functions, goals, strategies and tactics including communication. This is where public relations leadership is demanded. In summary, a new role of public relations is to lead in integration of organization's relationship with all groups of stakeholders. Public relations, when capitalizing on its full capacity as corporate communication, can help expand communication and relationship management with other stakeholders including employees, community, government, the press, vendors and suppliers and others. Public relations has accordingly found its place in integrated communication.

Levels of Relationship Integration

The present study was conceptualized based on the notion of levels of relationship integration (Caywood 1997). Public relations will lead organizations on several levels of relationship integration as follows:

Stakeholder relationship integration

The first level of integration takes on the intellectual- and skill-based advantage of the public relations professionals to foster new relationships with valuable stakeholders. This integration also seeks to maintain and enhance reputations of organization with stakeholders. The leadership role open to public relations is the ability to work with many groups, audiences, publics and stakeholders. As the name suggests, public relations manages relations with various publics, rather than focusing on the mere narrow relationships of marketing with customers.

Management function integration

The second level of integration of public relations is with other management functions including marketing, finance, accounting, human resources, general management, as well as legal department. Public relations professionals will assume leadership as they are recognized as being experts in the managing of communication. Public relations offers its organizations the greatest experience and skill using various communications-based strategies and tactics. At this level, PR will lead the integration of the communication of an organization with its customers in integrated marketing communication programs or with other stakeholders including the press, government, employees, community and others.

Corporate structure integration

The third level of integration is defined by public relations function to serve at various units. This includes contribution to the marketing function, internal communication, development of media relations for managers of other functional divisions or units, and community relations. In other words, demand for more public relations' leading role is the result of changes in the corporate structure to cater to new demands for profit and management responsibility that have been given to strategic business units and separate profit centers. As Caywood (1997:xiii) explains, "The 'flattening' of the corporate hierarchy will force public relations managers to examine the role of PR in the management of divisions and at the corporate level."

Societal integration

As relationship integration reaches this stage, public relations will lead in establishing a macro relationship with numerous stakeholders. With its expertise and skills in examining, analyzing and identifying issues in the social environment that can be vital to success or failure of an organization, public relations can help manage corporate response to challenges and opportunities in the society in which that organization operates.

METHODOLOGY

Data Collection

A qualitative method of in-depth interview was employed to collect data from key informants who were middle to high – level management responsible for marketing communication, public relations or corporate communication. A total of 15 key informants from governmental organizations and 13 key informants from 10 private organizations were interviewed. Data were collected from January to September 2013.

Data Analysis

Data collected from the interviews were analyzed using data reduction method and then inductive analysis was conducted to provide overall synthesis of the findings. Findings are presented in four sections as follows: (1) understanding of integrated communication, (2) communication policies and activities, (3) status of integrated communication, and (4) problems and challenges for development of integrated communication.

FINDINGS

Understanding of Integrated Communication

Results show that management personnel at organizations studied adopted the concept of integrated communication in their practice. All key informants said they understood the meaning of “integrated communication,” elaborating that the term referred to coordinated communication efforts among various units within the organizations. However, their collective views on the concept reflect three dimensions of the meaning. These are (1) integration or coordination within the organizations, (2) integration with stakeholders outside the organizations, and (3) integration of media uses in all internal and external communication activities. The study also reveals that many organizations had made changes in terms of structure, making changes and adaptation regarding lines of command and department restructuring. In about half of organizations studied, communication function was in the hands of the “corporate communication” unit responsible for all fields of communication tasks including public relations, marketing communication, and public affairs. However, some organizations still used the title “public relations” departments, among which two distinctive areas of public relations practices were identified—1) publicity and marketing public relations and (2) organizational or corporate communication.

Communication Policies and Activities

All organizations studied placed communication as one of their top policies for maintaining relationship with both internal and external stakeholders. Communication objectives were to make the organizations known among stakeholders. This was found particularly in either newly established organizations or those attempting to rebuild their image.

Study reveals that both business and public organizations used a wide variety of communication tools including traditional method such as interpersonal communication, print, electronic, as well as new media such as intranet, the Internet and social network media.

Status of Integrated Communication

Key informants from both governmental and private organizations expressed similar views that they had embraced the concept of integration of communication more than ever. This resulted in increase of close collaboration and coordination among different departments or units within the organizations. Externally, integration with the society at large was also viewed as vital by most organizations, especially larger ones.

Following data analysis, all four levels of relationship integration were identified. As for the first level, "Stakeholder Integration," the findings suggest that all organizations investigated had achieved this level of integration. According to Caywood (1997), the first level of integration helps foster relationships with valuable stakeholders and maintains and enhances the reputation of the organization with these stakeholders. For governmental organizations, their stakeholders encompass not only internal personnel but also external publics whose welfare and interest could be affected by the organizations' missions. As for business corporations, their external stakeholders include not only customers but also the larger community and society in which they operate. At the same time, employees were also considered by business corporations as important target of communication efforts.

For the next level of "Management Function" integration, it was found that most public and private organizations placed importance on participatory management, a practice that involves all parts and units of organizations in outlining strategic directions and policies. To illustrate, communication unit served to disseminate information on management's policy to members of the organization in order to keep them informed. This was much done in collaboration with human resource departments. Moreover, it was revealed in the study that communication function units were involved in outlining communication policy and directions. Similarly for external stakeholders, communication units worked closely with other line units such as marketing and sales departments in the case of business corporations. As for governmental organizations, communication units collaborated closely with policy and planning divisions and, sometimes, with public affairs section as well.

At level 3 of Corporate Structure Integration, the study found that organizations investigated made changes in their organizational structures in order to facilitate integrated communication and placed more importance on both internal and external communication. It was also found that flattening chain of command was done to advance status of communication units to be at the same level as other line functions. This also includes designating communication units to be under direct supervision of high - level management such as the board of directors or managing directors. Nevertheless, some exceptions were found in certain organizations, mostly in smaller governmental agencies, where structural changes had not yet been made to facilitate more involvement of communication function in policy making and strategic planning. In such organizations, communication was given more of a supporting and coordinating role with other units.

The final level, Society Integration, was found to be embraced by key informants interviewed from all organizations studied. All interviewees explained their understanding of societal integration that organizations must be responsible for the society in which they operated. In many business organizations, especially petroleum-producing, power - generating and industrial companies, it was indicated that their policy, vision and mission were very much focused on social contribution and socially responsible practices. Interestingly, such mindset

was also found among high level officials of public or governmental organizations who said that care for well-being and quality of life of the public were among their top priorities. Similarly in the case of business enterprises, quality and responsible business practices were regarded as very important. Some of them even initiated socially responsible campaigns, either as in - process or after - process CSRs. Many organizations, both public and business had established either policies or projects to take their initiative to action. For example, the Electricity Generating Public Company Limited or EGCO established the Thai Rak Pa (Thai Saves the Forest) Foundation, in its bid to promote forest and water resource conservation. Similarly, the Ministry of Foreign Affairs, had initiated the “Young Ambassadors of Virtue” Foundation to promote awareness and spirits of volunteer works among Thai youths.

Problems and Challenges for Development of Integrated Communication

One of the key problems identified in the study is difficulty in bringing messages across to stakeholders, which was found mostly in large public and private organizations. This was caused by relatively large number of employees which obstructed efficient flow of information. Other challenges include limited capacity of the workforce, and understaffed functions.

Another issue found to be problematic was generation gap of the workforces. Young and older generation tended to have dissimilar views, which in turn led to communication breakdowns and poor perception and understanding of corporate policy and issues. One of the emerging challenges for organizations is mounting pressure on organizations with regards to standard verification and accreditation, which resulted in too much focus on individual achievements and negligence of collective results.

Another area of challenge is inadequate budget allocated for communication tasks, particularly found in public organizations. Also adding to the list of challenges faced by communication managers are changes of corporate policies and rapid growth of media and communication technology, which in turn makes it more difficult for organizations to communicate efficiently with their stakeholders.

DISCUSSION AND RECOMMENDATION

The study reveals a clear picture that integrated communication, which is defined by new role of public relations in leading management to integrate relationships inside and outside an organization, has emerged in Thailand. Managerial personnel at both public and private organizations shared similar understanding of integrated communication, though they were not yet familiar with the exact meaning of the term. Their perspective that communication is an indispensable management function undoubtedly reflects the core idea of integrated communication.

The present study, which draws upon the notion of integrated communication, found that all organizations investigated had established the first level of integration of Stakeholder Integration. All organizations considered their stakeholders to encompass a very wide variety of public groups, both internally and externally, confirming their belief that all stakeholders are equally important and have significant influence on success or failure of organizations. Internally, communication was found to play prominent role either on its own or as collaboration with human resource departments. The latter was found mostly in larger

organizations where corporate communication unit was responsible for communication with employees. Messages communicated with internal staff were no longer limited to personnel management issues like welfare, payroll and fringe benefits, but also management policy, strategic directions and other relevant corporate issues. Members of the organizations must be kept well informed if they were to drive growth and success of the organizations.

The second level of integration, Management Function Integration, was also identified. About half of the organizations studied demonstrated such integration at management level, while in the other half still communication served as supporting units responsible for bringing policy to implementation. Communication was not given a place at “management table” just like the first half of organizations studied. This level of integration is characterized by leadership role of communication that integrates with other management functions like marketing, finance, accounting, human resources, general management or even legal units. This is much in line with the notion proposed by Knecht (cited in van Riel and Fombrun, 2007, p. 30) that internal communication in organizations must be coordinated with different parts of the organization. Even though the present study shows that some organizations still gave communication a supporting, not leading role, the findings can be a good sign that communication function has been recognized by top management and other functions more than in the past.

As for Corporate Structure Integration, the study reveals that most organizations had renamed their public relations departments to be “corporate communication,” responsible for both internal and external communication that included marketing communication, public affairs and corporate social responsibility programs. These corporate communication units were found to originate in public relations departments. In other organizations studied, the name “public relations” departments were still used. These “public relations” departments were either units in marketing departments or independent units with full responsibility for external communication. These findings suggest that a portion of Thai organizations studied still did not fully adopt the concept of corporate communication characterized by establishment of a complete corporation communication function with full responsibility of both internal and external communication. (Argenti, 2013)

Another promising trend identified by the study is that organizations had integrated themselves to the society more than ever. Social affairs became one of the important agenda for private and non-business organizations. Such phenomenon obviously reflects the systematic view of public relations as strategic function that helps organizations achieve the “equilibrium” within the social system. This level of integration is vigorously practiced by Thai organizations, whether in the form of social responsibility policy or campaigns and projects that really yield concrete impacts.

The study clearly demonstrates that the new leadership of public relations in corporate communication to integrate relationships with various stakeholders has emerged, though without much of a clear understanding of the term itself among management personnel. Real actions were already taken and communication has earned its place somehow at a center stage of corporate ground in Thailand. The trend should continue to see growth of public relations role in leading corporate communication to integrate relationships of organizations with stakeholders, internally and externally. To facilitate future growth of integrated communication practice and research, it is necessary that well-defined concept and practice of the field be collaboratively established by both corporate communication academia and practitioners.

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**POST-DISASTER PREPAREDNESS:
AN ONLINE KNOWLEDGE MANAGEMENT-BASED APPROACH
FOR A PHILIPPINE NATIONAL GOVERNMENT AGENCY**

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ABSTRACT

One of the challenges faced by post-disaster preparedness planners is how to institutionalize valuable experiences among responders and the mechanism to convert them into knowledge as resource. As the old adage goes “experience is the best teacher,” this study is inspired in the challenges of how the field in disaster risk reduction and management exploit the multi-faceted opportunities of ICT. Post-disaster preparedness is a framework whose main objective is to immediately respond and mitigate the hazards of the after-effect of a disaster to a community. It covers the provision of basic subsistence needs for life preservation based on acceptable standards. Knowledge management (KM) on the other hand, is a business framework aimed at organizing with conscious strategy to systematically optimize business strategy of collecting, organizing, storing, and disseminating knowledge that puts an organization in a strategic position. And online system can be defined as a web-based set of processes and components that interact with each other forming as a whole to accomplish specified tasks or outputs. This research is aimed at developing an online knowledge management-based system that will serve as portal of collected and shared post-disaster experiences, management impact, collaborations among others. Using a content management system (CMS) tool and cloud technology, the primary objective of the portal is to hasten awareness campaign geared at disseminating post-disaster preparedness practices to improve quality of survival mechanisms through an informed decision-making strategy. Features include but not limited to the standardized international and local post-disaster management frameworks, tools, forums and blogs. A prototype portal site was created and published for DTI-NOPO’s evaluation. The outcome of the evaluation was positive and DTI-NOPO vouched to implement the said concept design of a web portal implementing KM-based approach for post-disaster preparedness. As a way of showing interest to the concept design, DTI-NOPO suggested to incorporate matters regarding consumer advocacies to further enhance awareness campaign on consumerism rights rolled into a post-disaster preparedness site to increase public service mileage. DTI-NOPO also confirmed that all of its existing accounts from social networking sites such as Twitter and Facebook be linked to the portal to optimize its use and widen the horizon of its purpose.

KEY WORDS: Knowledge management, post-disaster preparedness, web-based system, online system

INTRODUCTION

As a destructive event, disaster is classified in two categories – man-made and natural. Man-made disasters include “technological, sociological, and transportation hazards; rebellion and war, among others that are often a result of negligence and error” (Department of Trade and Industry, 2013). Natural disasters, on the other hand, “are brought about by natural phenomenon such as floods, volcanic eruption, earthquakes, tornadoes, landslides, and hurricanes” (Department of Trade and Industry, 2013). Additionally, disaster is “a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceeds the ability of the affected community or society to cope using its own resources” (Department of Trade and Industry, 2013). As a destructive event, disaster can definitely affect people’s lives directly or indirectly.

Disaster risk is “the potential disaster losses, in lives, health status, livelihoods, assets and services, which could occur to a particular community or a society over some specified future time period. The definition of disaster risk reflects the concept of disasters as the outcome of continuously present conditions of risk” (United Nations Office for Disaster Risk Reduction, 2009). Similarly, disaster risk reduction is “the concept and practice of reducing disaster risks through systematic efforts to analyze and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events” (United Nations Office for Disaster Risk Reduction, 2009).

Despite pre-disaster planning and management coupled with the observation and practice for risk reduction, disaster, when it hit can alter the lives of people. More often than not, people in disaster-stricken areas have gained survival experiences. These experiences are essential sources of knowledge for disaster and post-disaster preparedness.

Today, the challenge lies on capturing these experiences and to make them formal knowledge readily available. Such knowledge can be a tool to aid decision-makers, rescue managers, and business continuity planners. Conversely, from a business organization’s perspective, knowledge is the representation of a long period accumulated experiences in the organization and is considered an intellectual capital (Badpa, Yavar, Shakiba, & Singh, 2013). This realization brought the concept of knowledge management (KM) as one of the new significant tenets in management. Fundamentally, KM deals on the systematized approach to capture, organize, store, and disseminate knowledge with the end in mind to hasten goal achievement over optimum time, increase understanding and problem-solving efficiency through timely decisions (Kasapbasi, 2014).

Information and communications technology (ICT) plays a major role in the realization and delivery of KM. Imploring the powers of computers, telecommunication technology and the Internet facilitates KM to be interwoven in the fabrics of many fields of application. In a study, a web-based KM system was designed and implemented to support learning in higher education in China showed a significant success by demonstrating ease of use in course integration (Peng, Jiang, & Zhang, 2013).

Banking on these trends, this study seeks to design and implement a KM product mediated with ICT using the Internet as platform to capture, organize, store, and make knowledge out of experiences from disaster-stricken areas of the Central Visayas of the Philippines, specifically Region 7, be available as information resource to support post-disaster preparedness endeavors.

Project Objectives

Recognizing the benefits of ICT, specifically the Internet, this study is geared towards the development of an online KM-based system that will serve as a portal of collected and shared post-disaster experiences, management impact, collaborations among others. Online can be defined as the state of being “connected to, served by, or available through a system and especially a computer or telecommunications system as the Internet” (Merriam-Webster, Inc., 2014). As such, the developed system is a local initiative for the Department of Trade and Industry Negros Oriental Provincial Office (DTI-NOPO), Dumaguete City, Philippines.

Purpose of the System

Disaster Response, as a major area in the National Disaster Risk Reduction and Management Plan (NDRRMP) of the Philippines, is aimed at decreasing the number of preventable deaths and injuries, providing basic subsistence needs of affected population, and to immediately restore basic social services.

Disaster risk reduction is defined as “the concept and practice of reducing disaster risks through systematic efforts to analyze and manage the causal factors of disasters, including through reduced exposure to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events” (United Nations Office for Disaster Risk Reduction, 2009). Consequently, disaster risk reduction plan is viewed as “a document prepared by an authority, sector, organization or enterprise that sets out goals and specific objectives for reducing disaster risks together with related actions to accomplish these objectives. Disaster risk reduction plans should be guided by the Hyogo Framework and considered and coordinated within relevant development plans, resource allocations and programme activities” (United Nations Office for Disaster Risk Reduction, 2009).

DTI is one of the major government line agencies required to function in times of a disaster. Its function is underscored in their mandate on price monitoring and control on basic necessities and prime commodities as defined under Republic Act 7581, otherwise known as the “Price Act” (National Disaster Risk Reduction and Management Council, 2014).

The generality of DTIs role in the NDRRMP boils down to the business continuity of the disaster-stricken area. Based on the experiences highlighted by the magnitude 6.7 quake that hit the province, magnitude 7.2 quake that hit Bohol, and the significantly varying strengths of typhoons Sendong, Pablo, and Yolanda, DTI-NOPO recognizes the potential value of knowledge from aforesaid experiences of the agency and its stakeholders. These experiences have the power to drive awareness and consequently play significant inputs to disaster mitigation planning. Hence, an online KM-based system to collect, store, and disseminate those experiences can bridge the gap between the accumulated knowledge and DTI-NOPO’s ability to function based on their mandate on disaster preparedness and the response that is geared towards business continuity in times of disasters. Preparedness can be defined as “the knowledge and capacities developed by governments, professional response and recovery organizations, communities and individuals to effectively anticipate, respond to, and recover from, the impacts of likely, imminent or current hazard events or conditions” (United Nations Office for Disaster Risk Reduction, 2009).

Scope

The proposed system for development underscores post-disaster preparedness that will house a plethora of previous disaster-mitigation experiences of DTI-NOPO and its stakeholders. As a web-based KM system, the portal shall uphold DTIs mandate in times of disasters through a facilitated response from collected experiences. Specifically, the portal shall serve as an alternative to promote awareness and extends DTI-NOPO’s business continuity plan (BCP) advocacy in the local government units (LGUs) of the province. Development of the portal shall pay special attention to the following features:

Publications

This item shall handle the publication of all resource materials pertaining to disaster and be made available for viewing or downloading by the public. These resource materials shall include publications both international and local references of public domain type.

Promotion of community participation

This item shall persuade elicitation among sources of valuable experiences that can contribute to awareness, mitigation, Price Act compliance, and decision-support among others. This item shall lead into the establishment of “communities of knowledge” as a result of segregation.

BCP Templates

This item shall promote DTI-NOPO’s advocacy through the provision of a template mechanism to facilitate LGUs to establish their own BCP.

News

This item will serve as to promote information dissemination of current events related to disasters and then promotion of awareness.

Tools

This item will contain tools for DTI-NOPO’s stakeholders’ use. As an example, by way of assisting to LGUs, a BCP template be made available.

Directory

Aimed to promote information dissemination for the proper authority in the LGUs, this item shall showcase DTI-NOPO’s organized groups related to the promotion of post-disaster preparedness i.e. the Center for Consumer Welfare of Negros Oriental that functions for the promotion of the Price Act.

This study shall only cover the design and development of a web portal. Testing and usability evaluation are not covered.

Significance

Capturing and formalizing valuable experiences from a post-disaster in the light of DTI-NOPO’s mandate into a KM product have been a challenge to the agency. Relevant information that can serve as requisites to the planning and decision-making of DTI-NOPO are more often than not wasted due to either retrieval issues or worst, unavailable.

This study is significant because it will bridge the gap between DTI-NOPO’s impending need of a KM product to capture valuable experiences of the agency along with its stakeholders and the challenges of the agency’s optimum functioning and compliance to its mandate in times of disasters.

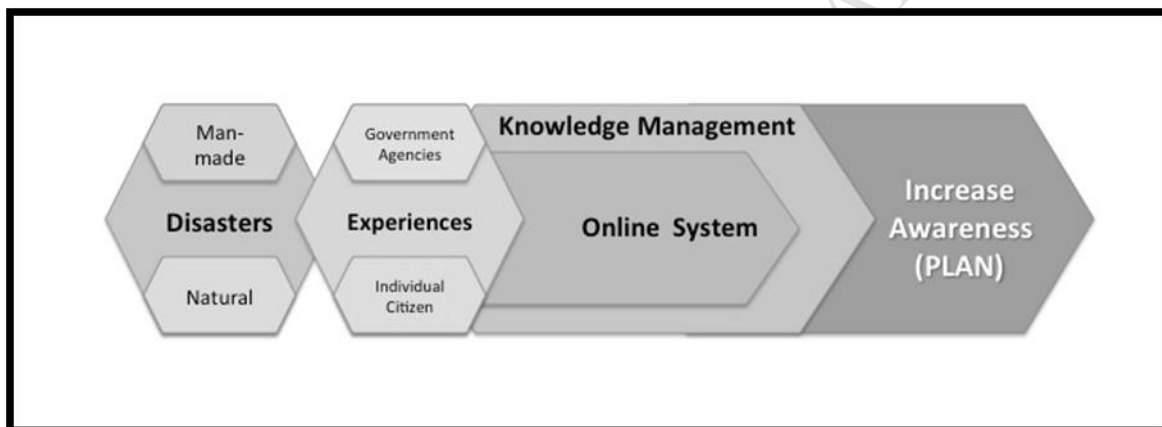
As a local initiative of DTI-NOPO, this study can be replicated to other DTI provincial offices to promote disaster resilience in the country. The scientific approach hopes to send a rippling effect to other government line agencies of the country.

Moreover, this study will also serve as literature that espouses information systems in the field of KM with application to disaster risk reduction and management.

Conceptual Framework

This study proposes to develop a web-based KM system that will address the impending challenges faced by DTI-NOPO on institutionalizing accumulated valuable experiences specifically on the agency’s functions during disasters. Figure 1 depicts a multi-dimensional conceptual framework that will serve as roadmap for the development of the web portal.

Figure 3. Conceptual Framework for the Development of an Online KM-Based System for a Post-Disaster Preparedness Portal



The development of an online KM-based system for a post-disaster preparedness portal basically starts with disasters that happened as source of data for the requirements analysis. These disasters consequently invoke the mandate of DTI-NOPO to function along with its stakeholders. When functions are performed, valuable experiences were accumulated. As the old adage goes “experience is the best teacher,” more often than not, prompt decision-makings are mediated that will in turn result to another valuable experience. The accumulation of valuable experiences remains only within every individual.

When disaster strikes, because of the accumulated experiences, it resulted to an orchestration of prompt responses that were focused to the objectives set forth in the disaster risk reduction management plan. The Philippines is located along the pathways of typhoons and within the perimeters of the ring of fire. Hence, a cocktail of disasters is inevitable on a regular basis. The challenge now lies on sustaining prompt responses to calamity without having to be highly dependent with the same people involved because people come and go. This is where the concept of KM sets in.

By providing a platform, the Internet, an online system can serve as repository that employs a KM framework to capture, organize, manage, and disseminate experiences that eventually

will become knowledge. Since the platform is online, accessibility is high thereby promoting awareness. Consequently, increase awareness is significantly achievable because of the proliferation of technology in the country. When awareness is increased, planning is mediated fostering an improved response mechanism to disasters that will strengthen resiliency among the constituents of the province.

Related Systems

In his study, Emmanuel M. de Guzman elucidated structures and systems are necessary to be in placed as an enabling mechanism for a total disaster risk management. He further stressed that participative community approach is an essential management scheme because community and people are the ones directly affected in a disaster, thus management plans must be dynamic and remains relevant to the community (de Guzman, 2010).

Conversely, some studies in KM showed that knowledge sharing were best achieved through social relationships. In fact, online forums have become useful tool for problem solving, learning discussions, and knowledge-building. Studies integrating technology in KM showed effective outcomes (Li, Liao, & Lai, 2012).

In another study, KM integrated with a web-based course tutoring system resulted to be more efficient when outcomes were compared to a group who experienced the classic educational delivery (controlled group). The technology-based platform has proven effective that it “ensures the transfer of special skills, perception abilities and experience.” Accordingly, the said approach made education of students more successful as compared to those in the controlled group (Kasapbasi, 2014).

Indeed, technology has been found valuable in various fields and industries. Its multi-faceted application spawns research and development. As a tool, it has penetrated in a number of major applications. The Internet itself has popularized web-based application resulting to online transaction processing implemented either through the use of a computer or mobile communication technologies. A testimony to this trend is the integration of technology to a field in search and rescue (SAR) operations. The iSAR+ platform is defined as “a holistic approach to the effective adoption of the new communication media in emergencies or crisis by public protection and disaster relief (PPDR) and citizens” (Manso & Manso, 2012). The system evolves in the delivery of service that “shall enable the use of technologies for a bi-directional provision, dissemination, sharing, and retrieval of information between PPDRs, FRs, and citizens, with the later acting as strong enablers for the rapid generation of high levels of awareness and C2 agility, during and after crisis situations” (Manso & Manso, 2012). The use of mobile technology and social media in iSAR+ has enhanced situational awareness. Accordingly, benefits included faster response reaction times for the citizens’ benefit; improved links amongst prevention, detection, reporting, and rescue; and improved performance of first responders, medical personnel, police, and law enforcement.

And in the same vein, an online tool was developed for tsunami inundation simulation and tsunami loss estimation has also proven technology’s effectiveness in mediating disaster preparedness. Financially supported by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Internet-based simulation platform for inundation and risk evaluation (INSPIRE) is a tool that simulates tsunami generation, propagation, and inundation on a user-given earthquake parameters. The tool is used to determine tsunami

hazards and estimation of damage – disasters that when simulated can enhanced preparedness and mitigation plans through an estimated degree of damage (Srivihok, et al., 2014).

METHODOLOGY

Research Design

The research study took a descriptive route with a systems development. It observed interviews under a focused group discussions, and library works to justify paradigms used. The foregoing ventures to discuss the track to take on for the entire voyage of the systems development life cycle in terms of scope and characteristics.

Research Environment

Holding office in the province's capital of Negros Oriental, Dumaguete City, DTI-NOPO is located on the 2nd floor of the Uymatiao Building along San Jose Street. The provincial office is responsible for the filed operations of DTI in the provincial level. It abides by the department's mandate set forth from DTIs head office in Metro Manila that "is responsible for realizing the country's goal of globally competitive and innovative industry and services sector that contribute to inclusive growth and employment generation."

DTI-NOPO functions as a frontline agency in the province of Negros Oriental serving six component cities and twenty municipalities as its area of coverage. It is led by a provincial director that oversees two distinct functional divisions with each division chief managing to facilitate proper delegation of functions and service support unit. The business development division (BDD) is in-charge of investment promotion in activities critical to the DTI's trade and industry development program. The consumer welfare and business regulation division (CWBRD) is in-charge of the enforcement of laws to protect consumers, consumer education, and formation of consumer group. The management support services unit (MSSU) handles support services for the provincial office that includes administrative matters, human resource related matters, procurement services and supplies and property management.

Research Respondents

The respondents of the study were composed of two groups totaling to 14. The first was composed of two respondents from the DTI-NOPO group. The group's composition included the division chief CWBRD and one staff. The second was composed of 12 respondents from the Center for Consumer Welfare (CCW). CCW is a group of LGU employees of the province organized by DTI-NOPO to help, as watch dogs, in the monitoring of price of commodities in their locality. This legitimate group was organized by DTI-NOPO to assist in their mandate as stipulated in the Price Act.

Research Instrument

This study utilized, as research instrument, interviews to the DTI-NOPO group and focused group discussion for the CCW group. The series of interviews conducted to the DTI-NOPO group were aimed at identifying items in the requirements analysis that covered the documents to be published in the portal as reference materials. Available informative

materials during the previous disasters, processes done involving disaster preparedness, post-disaster mitigation, and other groups involved were also identified.

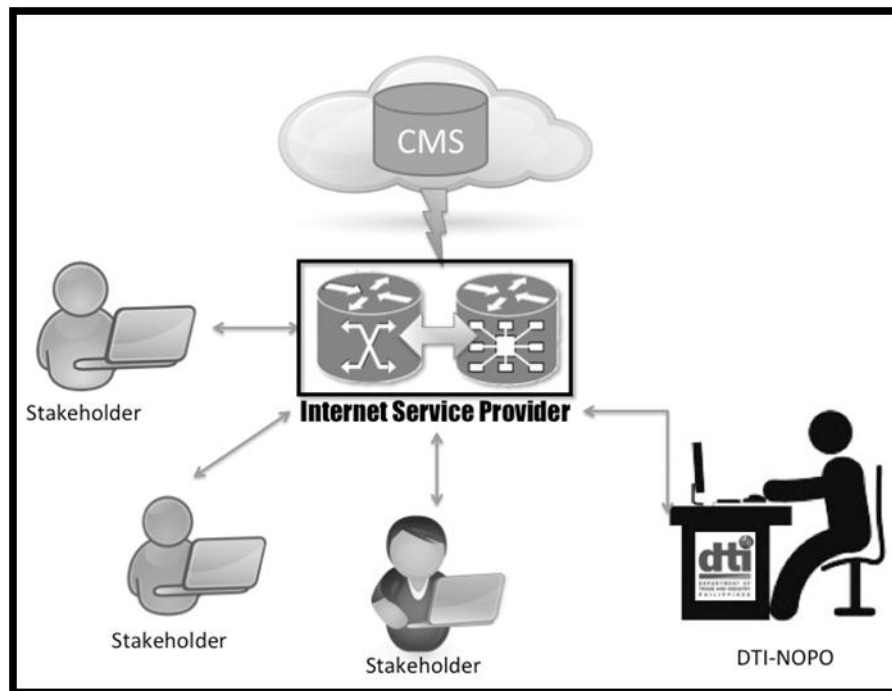
The focused group discussion was conducted twice during the holding of their regular quarterly meetings. On two occasions, the researcher was given a slot to discuss with the group on their willingness to take part and share experiences during the past disasters. The group was sold to the idea of experience and knowledge sharing over a defined platform in the Internet. The session, after showing to the group the proposed design of the site map, was aimed at identifying other features to be included in the web portal. The group's enthusiasm proved to be useful that lead to the identification of features like the inclusion of a template for the LGUs generation of a business continuity plan as advocated by DTI-NOPO. Additional informative documents were requested and added in the downloadable section. And the provision of a directory of CCW members with their contact numbers to boost information dissemination.

Data gathered during the interviews and focused group discussions served as source of information for the requirements analysis and valuable inputs in design phases.

Development Methods

Figure 2 depicts the block diagram of the online KM-based post-disaster preparedness portal. Hosted using a cloud computing facility and assured a 24-by-7 operation, the portal was developed using a web content management system (WCMS). The decision for an outside hosting was based on the consideration that in case of disasters in the province that will result to massive electric power outages, the portal will still be up and running. Based on DTI-NOPO's observation, Internet service from mobile telephone companies was reliable in the province during calamities. Thus, through mobile technology, access to the portal is possible even in times of disasters since Internet service providers (ISP) are utilized for office and home use.

Figure 4. The Block Diagram of the Proposed Online KM-Based Post-Disaster Preparedness Portal



The portal served as the primary interface to the system. It can be accessed by stakeholders or DTI-NOPO for information needs and generate reports or to services that needed population. The portal must be dynamic aesthetically to entice viewing, thus refinement of “looks” and updates to contents must be done regularly.

Development Models and Tools

The following models were employed to tackle the analysis and design phases of the study:

Cloud Computing

Maricela-Georgina Avram quoted Buyya et. al. describing cloud computing as a collective term to describe “a parallel and distributed computing system consisting of a collection of inter-connected and virtualized computers that are dynamically provisioned and presented as one or more unified computing resources based on service level agreements (SLA) established through negotiation between the service provider and consumers” (Avram, 2014). She further reiterated that this new concept is the convergence of two major information technology trends – IT efficiency that refers to the high scalability of hardware and software resources, and business agility attributing to new technologies’ ability to respond timely to user requirements (Avram, 2014).

Web Content Management System

Geisert and Railsback defined content management system (CMS) as “a computer software system for organizing and facilitating collaborative creation of documents and other content” (Geisert & Railsback, 2014). On the other hand, the Government of Hong Kong Special Administrative Region refers to web CMS (WCMS) as “a web application that facilitates a group of users, usually from different departments in an enterprise, to collaboratively maintain and organise the content of a website in an effective manner” (The Government of the Hong Kong Special Administrative Region, 2002).

The following tools were used to develop the online KM-based post-disaster preparedness portal:

Weebly CMS Facility

As a free webpage generator, Weebly offers free hosting of web sites on limited size and features. Fees are charged for customers seeking unique domain name and for more extensive features. As a webpage generator, Weebly makes webpage experience easier and exciting by offering a number of features. Offers a multitude of themes and templates that support a variety of fields and subjects areas. The drag and drop tool offers an easy manipulation to design and create webpages without the need to know any scripting language but with full control. Mobile app support allows design to viewable with ease using mobile devices. The blogging feature supports blog pages to be incorporated in the webpages of a site. eCommerce feature allows the design of webpages using electronic commerce platforms equipped with features to include, but not limited to shopping carts, shipping, and inventory management among others (Weebly, Inc., 2014).

Adobe Photoshop

Photoshop is a unit in the Adobe Creative Suite that handles image editing. As graphics software, Photoshop allows user to edit and create incredible images using its digital imaging features. It is also equipped with 3D editing and image analysis tools (Adobe Systems, Inc., 2014). This tool was used to edit pictures that needed image processing for the portal's use.

Adobe Acrobat Pro

Portable document format (PDF) is the de facto when it comes to file exchange practice in the Internet. Adobe Acrobat is a PDF file converter made commercially available by Adobe. It supports a wide range of file format and operating system platforms for conversion to PDF including Microsoft's Word, Excel, and PowerPoint; Apple's Pages, Numbers, and Presentation. Apart from the conversion capability, Acrobat showcases a number of features like editing an existing PDF file, combining several PDF files into a single PDF file, and convert PDF file back to Microsoft Word document among others (Adobe Systems, Inc., 2014). This tool was used to convert files that were made available for download from the portal.

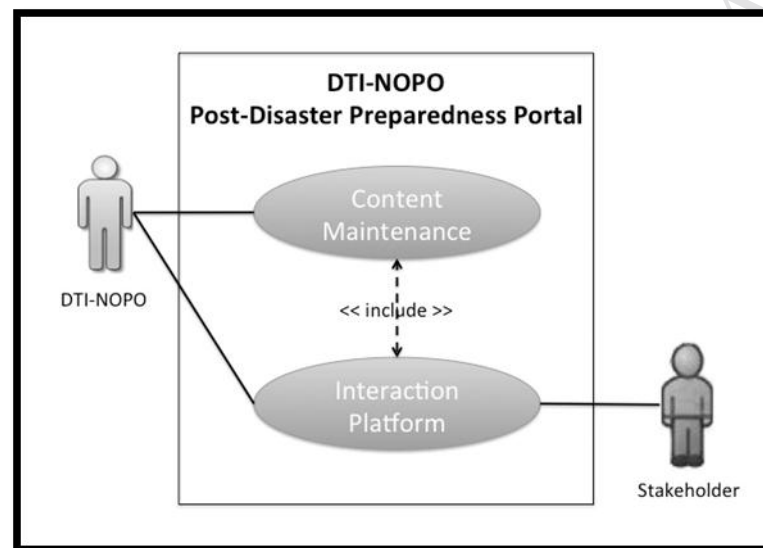
SYSTEM DEVELOPMENT

The development of proposed system in this study adhered to the standards in systems development life cycle but did not cover testing and evaluation phase. The foregoing sections show the deliverables conforming to the planning and requirements analysis, design, and implementation.

Requirements Analysis

The Use Case diagram below, Figure 3, depicts design's relationship of processes and the users involve in the system:

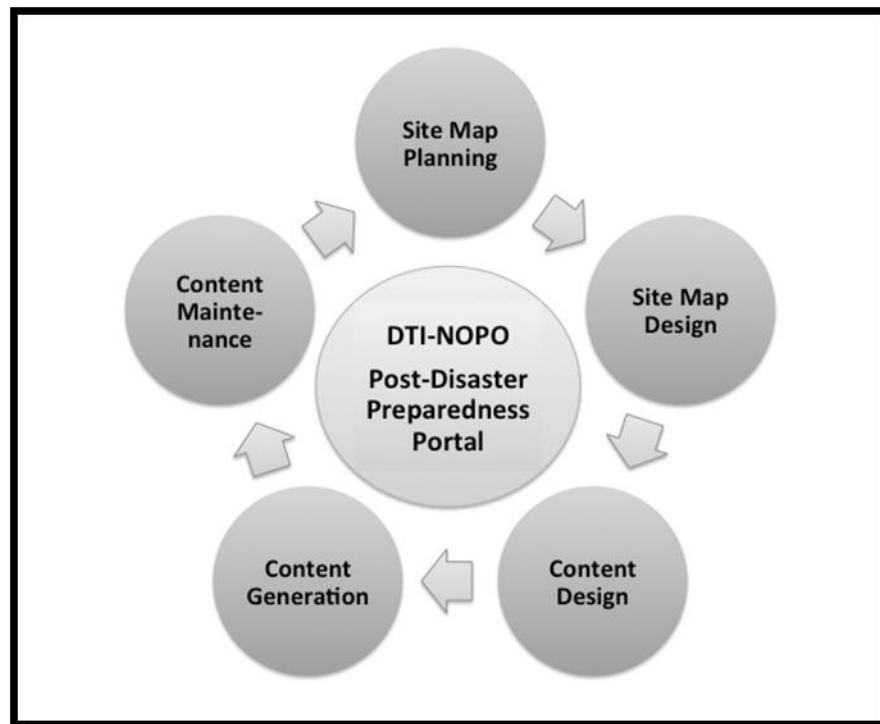
Figure 5. Use Case Diagram of Users and Processes



The portal has two major actors as users, DTI-NOPO employees who helped in the maintenance and also populated the portal, and the CCW as stakeholders who only populated the portal. Stakeholders also represented other users like the viewing public who can populate with moderation included.

System Design

The cyclical diagram below, Figure 4, depicts the design process done to the web portal. The five-fold cyclical approach is a notable feature that emphasizes the portal's dynamic outlook.

Figure 6. The Design Cycle of the Proposed Portal**Site Map Planning**

This covered the sum total of activities involving identification of the features and services the portal contained.

Site Map Design

This phase was done to match the content with the “looks” of the portal based on the planned site map.

Content Design

This phase involved processes on how contents were presented in the portal and were matched with the requirements of the CMS.

Content Generation

This phase involved the processes that established the CMS into action and placed all content patterned to the site map design.

Content Maintenance

This phase involved the process of upholding the portal’s objective to be a dynamic site by virtue of a regular updates of its contents including aesthetic quality.

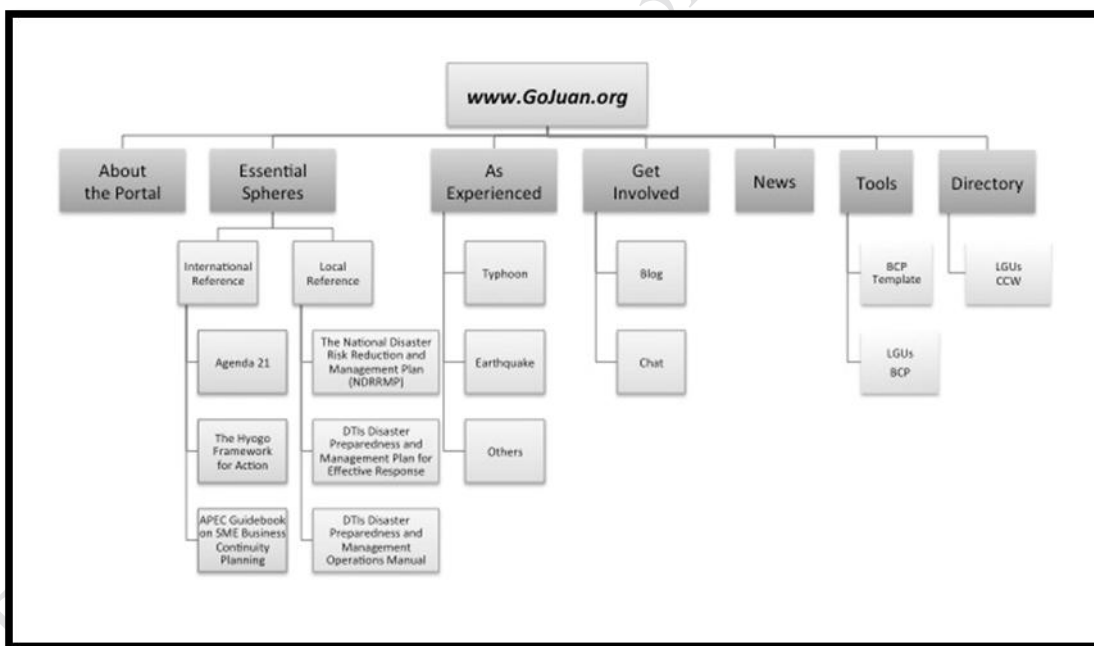
System Implementation

The diagram, Figure 5 below, depicts the designed site map of DTI-NOPO’s online KM-based post-disaster preparedness portal. The developed online KM-based post-disaster preparedness portal assumed the domain name “GoJuan.org” as its universal resource locator compliant to DTI-NOPO’s suggestion.

Accordingly, “GoJuan” represented a number of things. The word “Go” represents action and resilience. It insinuates action by the community for a disaster-preparedness endeavor. A sentence in one word yet full instructional statement.

The name “Juan” is commonly used in the Philippines as a short version of “Juan de la Cruz” that connotes similar meaning in the U.S. for “Uncle Sam”. It is the generic name referring to person with a Philippine nationality.

Figure 7. The Designed Site Map of the Proposed Portal



Figures 6 on the other hand, shows the screenshot of the design implementation of the site map hosted by weebly.com.

Figure 8. The GoJuan.org Main Page Design Implementation



The sample screen shot of the portal describes how the site map (Fig. 5) was implemented into an online KM-based post-disaster preparedness web portal. Item "The Juan" was the implementation of the "About the Portal" in the designed site map. All the other items in the designed site map were implemented in the web portal using the same labels.

SUMMARY, CONCLUSION, AND RECOMMENDATION

This paper proposes an online KM-based post-disaster preparedness portal that collects, stores, and disseminates experiences that can bridge the gap between the accumulated knowledge and DTI-NOPO's ability to function based on their mandate on disaster preparedness and the response that is geared towards business continuity in times of disasters.

The study provided an efficient platform and implemented the developed design following an acceptable methodology for a systems development life cycle. When the initial web version of the portal was demonstrated to DTI-NOPO and its stakeholders, a resounding nod of acceptance was gained. As a gesture of gratitude to the study made, DTI-NOPO vouched and expressed commitment to implement and use the results of this study. The agency also confirmed that all of its existing accounts from social networking sites such as Twitter and Facebook be linked to the portal to optimize its use, increase public service mileage, and widen the horizon of its purpose.

DTI-NOPO's acceptance and commitment to implement and use the portal leads to the recommendation of a formal system testing and usability evaluation using an empirical approach. Likewise, a mobile version of the portal for smart phones and tablets is recommended for further enhancement and development. Lastly, it is also recommended that a formal launching coupled with massive information dissemination be made to drum-up advertising mileage for public awareness.

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**THE EFFECTS OF A DEVELOPMENT PROGRAM ON
THE SOCIAL CONSCIOUSNESS OF JUVENILE OFFENDERS IN ASEAN:
A CASE STUDY OF THE POSITIVE POTENTIAL DEVELOPMENT PROGRAM
IN THE DISTRICT 7 VOCATIONAL TRAINING CENTER,
CHIANG MAI PROVINCE, THAILAND**

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ABSTRACT

This research was an experimental design which had five purposes: (1) to study the level of public consciousness in young offenders in the District 7 juvenile Vocational Training Center, Chiang Mai Province, (2) to study the effect of their participation in the Positive Potential Development Program which enhanced public consciousness in the young offenders, (3) to study the young subjects' satisfaction with the Positive Potential Development Program, (4) to analyze the activities of the Positive Potential Development Program, (5) to analyze the overall effectiveness of the Positive Potential Development Program.

A total of 341 young offenders in the District 7 juvenile Vocational Training Center, Chiang Mai Province, were willing to answer a public consciousness test. Sixty young offenders were randomly chosen from those offenders who scored lower than 3.00 in the test. These 60 were separated into two groups: 30 in a control group and 30 in the experimental group. Those in the experimental group were given training at the Positive Potential Development Program Training Camp which was designed to enhance public consciousness behavior. The research results revealed that overall the levels of public consciousness were at a low level. The youths displayed a low level of public consciousness with regard to emotional intelligence, self-sufficiency, and gratitude, a medium level with regard to responsibility and charity, but they showed a high level of self-discipline. Before the training was given to the experimental group the average score for public consciousness of the two groups was not significantly different. After attending the positive potential training program, the experimental group members were found to have gained significantly higher average scores than before the training. The analysis of both the content and process of the activities in the Positive Potential Development Program found that this experiment stimulated the youths free expression, encouraged mutual interaction learning and sharing with friends, and helped the subjects understand the main lessons from the course which were responsibility, charity, respect for public properties and self-development.

From the findings, it should be acknowledged that the Positive Potential Development Program can be used to enhance the public consciousness of young offenders. This program could be used for the development of gratitude, charity, discipline and responsibility, self-sufficiency and the emotional intelligence of youths. It is possible that a social curriculum could be developed for the classroom based on the results of this program.

KEYWORDS: Public consciousness behavior, Positive Potential Development Program, Young offenders in a Juvenile Vocational Training Center

INTRODUCTION

Importance and Background of Research

Economic integration in ASEAN causes transfers of population, investment and production from one country to another and this has both positive and negative effects. One positive impact is that, there are more trade and investment opportunities, which can aid economic growth. One adverse effect is caused by competition. In order to earn money, both parents now have to seek income, which has a negative effect on child rearing. Children and youth do not receive adequate care, and some of them become motivated by external factors, such as

games, drugs, premarital sex, theft and crime, and these are problems facing all ASEAN countries.

In addition, various new technologies tend to lead to the isolation thus of people from each other. As a result, the bond between family members decreases, which has an effect on the youths' socio-emotional development and cognitive development (Suephalung, 1999)

Such a situation could be called an ethical recession, social responsibility has fallen. The destruction of natural resources and public properties has increased. There seems to be little social responsibilities or selflessness and many youths pursue money with little thought of how their actions impact society.

Thailand is one of the ASEAN countries which is faced with such problems. For example, many young people seem to neglect the common good, because they feel it is not their duty. And when a problem occurs, these people lack the social responsibility and will to tackle the problem. They seem to think that this is the job of the government and that it does not concern them. When they see people suffering, they do not try to help and they do not pay attentions to issues that do not affect them directly. These problems demonstrate a lack of public awareness, or public consciousness. (Kiattisuk Saeng-R-Roon , 2009).

This lack of public consciousness occurs in many societies, and each individual occurrence affects the family and the community. As a result, communities become weaker, crime rises, and the country does not develop according to its potential.

It is clear that the social consciousness of youths can have a big impact on the ASEAN societies, and improving their public consciousness can play a significant role in alleviating social problems in ASEAN.

The researchers were interested in studying the effects of training programs on the public consciousness of youths, in this case young offenders, and decided to examine the effects of the Positive Potential Development in the District 7 Vocational Training Center, Chiang Mai Province Thailand as a guideline for the development of children and youths in ASEAN.

At present, many people in Thai society seem to lack public consciousness due to an increasing focus on technological, economic and industrial progress. They tend to favor consumerism and materialism, with little thought of the negative consequences their might have on other people or the environment. This attitude can often be seem in the news: two former national weightlifters were caught trafficking drugs; a man was arrested for illegally selling fuel; the owner of a massage parlor was arrested for human trafficking; and logs have been illegally cut in the mountainous area of Patthalung Province.

These actions show a lack of public consciousness, Social responsibility and ethical conduct. Money is accumulated in response to personal desires with regard of the effects on society. This includes taking possession of public property for personal use and not property taking care of this property. And when problems arise, people are not willing to work together to solve them; on the contrary, they tend to assume that this is the sole responsibility of the government. Often, when someone is in trouble or attacked, there is no one who will help or report the incident to the police, and this shows the general indifference that many people have to the world around them. Neglecting to take care of public property, not being able to work together to solve public problems, and being indifference to matters not directly related to them betray an evident lack of public consciousness.

Public consciousness is beneficial for the society and country. Public – spirited people take good care of public property, such as public telephones, parks, roads and rest rooms, and they try to conserve natural resources and the environment, which can benefit every member of society. Furthermore, they are supportive and generous, and value cooperation and living in peace with each other. If the majority of people in our society had public consciousness, our homeland would become more peaceful.

A lack of public consciousness is at the heart of many of today's social problems. The prevalence of juvenile offences reflects these youths' selfishness and lack of emotional control. These young offenders seem to commit crimes to fulfill personal desires with little thought of the social harm they might cause.

There have been several studies recently which have been concerned with the development of juvenile offenders in the "Testing the program of counselors group by truthfulness. For build the identities of achievement by youth who are arresting in reformatory: In case, teenagers are arresting of sexual offender" (Pairat Rujiranuphong, 2005). Furthermore, there is a completed research work to developmental consciousness of the juvenile offenders entitled "The Adjustment of Children and Juvenile Narcotic Offenders by Using Community Remedial Method of Ubekkha Rehabilitation House of Medical Division, The Central Youth Protection and Retention Centre, Ministry of Justice." (Sankamon Kornnum, 2001). However, there has been no research work on the effect of positive potential development training on the public consciousness of young offenders. Thus, the research team became interested in studying the effects on public consciousness of the Positive Potential Development Program, conducted at the District 7 Vocational Training Center for Juvenile Offenders in Chiang Mai. It was hoped that the young offenders would feel encouraged to engage in public – spirited behavior, such as protecting public property and the environment, being self – disciplined and generous, and not harming the community. It was also expected that, after leaving the training center, they would be able to live self – sufficiently, as well as, growing up with mental and physical beauty for their future happy life.

Objectives

- (1) to study the level of public consciousness in young offenders in the District 7 juvenile Vocational Training Center, Chiang Mai Province
- (2) to study the effect of their participation in the Positive Potential Development Program which enhanced public consciousness in the young offenders
- (3) to study the young subjects' satisfaction with the Positive Potential Development Program
- (4) to analyze the activities of the Positive Potential Development Program
- (5) to analyze the overall effectiveness of the Positive Potential Development Program

Hypothesis

After participating in the Positive Potential Development Program, young offenders have average scores of public consciousness different from those who have not participated in the program. The average scores of young offenders before their participation in the program are different from their scores after their participation.

Scope of the Research

Scope of population

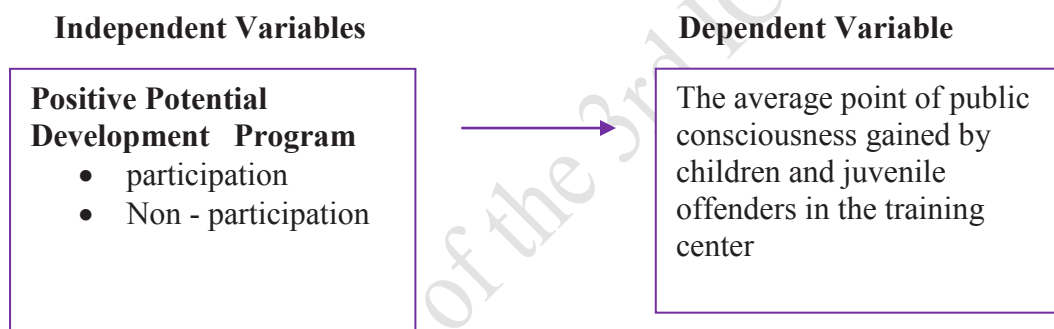
The population of the research was the children and juvenile offenders in Vocational Training Center District 7, Chiang Mai Province.

Scope of content

Public Consciousness Behaviors for the study include the following characteristics:

1. Ethical conduct and morality including gratitude, discipline, generosity and responsibility.
2. Emotional Quotient, namely, ability to control emotions and desires, ability to solve the problems consciously.
3. Living a adequate life based on Economy Sufficiency Philosophy

Research Concept



Technical Term Definition

Positive Potential Development Program means the plan of activities for potential development in the training format to enhance public consciousness behaviors as previously prepared of ethical conduct and morality including responsibility, discipline, generosity, gratitude, emotional intelligent and an adequate life style.

For each element of these developments, the researcher focused on creating realization for social responsibility, not taking advantages of other people, not causing troubles to others, and not destroying public property which are based on the concept of optimistic looking at the children and juveniles’ inner ability to develop their potential.

Public Consciousness Behaviors can be defined as the behaviors that express realization for social responsibility, intention of not taking advantages from others, not causing troubles to other people and society, not damaging public property, and comprise of gratefulness, discipline, generosity, responsibility, together with emotional intelligence and belief in sufficiency economy way of life.

Children and Juvenile Offenders ‘

Based on the Criminal Code, Article 74, the terms are defined as follows:

“**Child**” means a child whose age exceeds 10 years, but does not exceed 15 years.

“**Juvenile**” means a juvenile whose age exceeds 15 years, but does not exceed 18 years

“**Offenders**” means persons who are accused of offences, and the court gives an order or a verdict that they be trained in a Children and Juvenile Training Center of a district for a period of time as provide by court.

RESEARCH METHODOLOGY

The research is a Quasi-experimental design consisting of an experimental group and a control group whose members were selected by using the Randomized Control Group Pretest-Posttest Design (Puangrat Taweerat 1995: 33). The design is as follows:

R E	T1	X	T2
	T1		T2
R C	T1		T2

R E stands for Randomly selected for Experiment Group

- R C stands for Randomly selected for Control Group
- T1 stands for Pretest
- T2 stands for Posttest
- X stands for Positive Potential Development Program

Population and Subjects

Research population was 495 male children and juveniles accused of wrongdoing and sentenced to undergo the training in Vocational Training Center District 7, Chiang Mai Province in accordance with the court’s provision (Data at December 2012).

The subjects of this study were 60 children and juvenile offenders in Vocational Training Center District 7, Chiang Mai Province average points of public consciousness behavior test was at 2.50 and lesser, considered at a low level. The control group consisted of 30 offenders and the other 30 were in the experimental group given a training regarding the Positive Potential Development Program.

Research Instruments

The instruments utilized are as follows:

Public consciousness behavior test form

This test form was developed from Nongnaphat Phanphonlakrit's 2012, consisting of 6 items on basic information about the subjects while the Youth Behavior Evaluation form consisting of 20 items. An individual item was analyzed and so was the finding of the form's reliability value. It was found that the discriminative power constraints ranged from .477 to .699 and the reliability was at .841 ($\alpha = .841$)

Youth behavior evaluation form

The evaluation was done by the teaching advisor, a house master and technician teachers one month after the experimental group members trained in the Positive Potential Development Program. Being anxious about the stability of the behaviors, some individuals exclusively concerned with the subjects were invited to participate in the evaluation of their behaviors.

A handbook of positive potential development training

The handbook consisted of 17 activities given to the subjects in three days within the two weeks of training program.

The Analysis of Data

The research work was based on Software for Social Studies Program (SPSS) analysis, as well as, the T-test (dependent), had been used in order to test the experimental hypothesis.

The Finding of the Research

The researcher studied the effect of the participation in the Positive Potential Development Program that resulted in the enhancement of the public consciousness behaviors of children and juvenile offenders in Vocational Training Center District 7, Chiang Mai Province. Hence, the hypotheses are as follows:

1. Children and juvenile offenders attending the Positive Potential Development Program would score the average points of the public consciousness test significantly different from the one before the training participation.
2. Children and juvenile offenders experiencing the participation in the training program thereof would score the higher average points than those without such experience.

Effects of Data Analysis

Table 1

Comparison of the level of public consciousness of the Experimental group and the control group after the experimental group undergoing the training

Variable	Experimental Group (n = 30)		Control Group (n = 30)		t	p-value
	\bar{X}	SD	\bar{X}	SD		
Public Consciousness	5.018	.585	2.144	.578	17.525**	.000

** p ≤ .01

From table 1, it is evident that after the experimental group was given the training, the two groups scored the different average point in that the experimental group got the significantly higher average point than the control group at the level of .01 ($t = 17.525^{**}$)

Thus, hypothesis 1 was accepted.

Table 2

Comparison of the public consciousness of the experimental group both before and after the training

Variables	Before participated (pre-test)			After participated (post-test)			t	p-value
	n	\bar{X}	SD	n	\bar{X}	SD		
Public Consciousness	30	1.85 5	.522	30	5.01 8	.585	20.916**	.000

From table 2, comparing the pre-test and the post-test of the experimental group, it was found that the average points of public consciousness differed, and after the training it turned out to be significantly higher than the average point scored prior to the training participation at the level of .01 ($t = 20.916^{**}$)

Hence, hypothesis 2 was accepted as well.

DISCUSSION OF THE FINDING AND ADVANTAGES

Due to data analysis, before the experiment the average of each group was not significantly different; however, after the experiment given to the experimental group and the average of the pre-test and the post-test compared, it was found that after the experimental training the experimental group scored the average significantly higher than before the training participation at the level of 0.01 which were in accordance with both hypotheses. It can be

concluded that the effect of using the Positive Potential Development Program can be the way of enhancing public consciousness of children and juvenile offenders therein.

Additionally, the researcher made a follow-up 1 month after the experiment by using the interviewing and questionnaire to collect some data of behavior change from the experimental group; data from many parties, namely, the social-worker, the advisor, teacher technicians in the training center and the housemaster looking after the youth in the dormitory, together from members of the experimental group one more time. The data collected from all the parties were consistent with that of the researcher – in other word, the offenders changed into well-behaved and more public-minded youngsters; that is, they did not break the training center's rules and regulations, attended classes and participated in remedial, corrective and rehabilitative activities better than before. In addition, They became more responsible with assigned work, pleaded guilty to wrongdoing and tried to improve their behavior, became a better assistant to the teachers, helped in the dining-hall of the training center and had a better leadership, became public-spirited, well-mannered and public devoted. There was better improvement in generosity and helpfulness. More importantly, some of them were chosen by the technician teacher to accompany the mobile unit to fix electrical appliances outside the training center. The training and the young people's behaviors developed well; the young people took better care of common school and sport equipment.

After the experimental training, the researcher organized a project entitled, "Hi-Plus: Good Youth with the Public Mind". From the study, the public consciousness of the members of the experimental group changed into a better degree and their behaviors were stable and consistent with Siri Kan-sa's study with aimed to investigate the development of public consciousness of secondary school students as a case study at Korn-sa-wan School], and Suntaree Joongwongsuk (2007) studied the using of the study of environmental process to create public conscious characteristics of Matthayon Suksa 1 of Chiang Mai University Demonstration School, also the study by Kiattisak Saeng-a-roon (2009) investigated the methods of developing public mind for Thai youth as a case study investigating the group and network of young people working in the field of social-consciousness. From the researches, all the findings were compatible at the point that the subjects of every study had higher public mind, paid better attention on public advantages than their own, and devoted more to society.

In conclusion, organizing various forms of group experiences, one is able to enhance public consciousness of children and juveniles. In this present study, the positive potential development can enhance public consciousness behavior of children and juvenile as well. That is, the children and juveniles who are experienced in participating in the positive potential development training program had much higher public mind behaviors than those who did not have the experience therein. Moreover, the public consciousness behaviors are also stable.

The fact that the average of the experimental group increased can result from various causes:

Group Members

Children and juvenile members of the experimental group voluntarily participated and took part in making a conclusion of each lesson. They had opportunities to fully express their true feeling that was such crucial part that made the training successful. This is consistent with the opinion proposed by Gazda, Duncan and Meadow (Gazda, 1981). It was stated that group

members should volunteer to participate in solving the problems and truly express how they feel to lead them to the solutions to the confronted problems.

The characteristics of the Activities

In the training, the researcher focused on the activities that would create awareness of the followings: Social responsibility, self satisfaction, society without harm, generosity and protection of public property which would be based on the positive thinking of the young people in that they are able to develop the inner potential on their own. These are in consistence with the effect of the activity evaluation, and it was concluded that those young people were highly satisfied with the formats of the activities.

The Group Atmosphere

The atmosphere within the training groups was organized as an activity camp which could create good socialization within the group. Members were brave enough to expose themselves to others, while others attentively listened and accepted them. These would infuse them with a good new learning method which is appropriate and consistent with Ohlsen (Ohlsen, 1987) who suggests that good relationship could make the group members confident, and this will make it easy to build good new behaviors later.

Roles of the Group Leader

Roles of the group leader could help create the good atmosphere within their group. Therefore, the group leader played a crucial role in enhancing public consciousness of children and juvenile offenders by using an improving principle of positive development. It was to build a new thinking method for the young people and to understand them; consequently, they would be strengthened, able to get away from the pitfall of life, ready for self-development and to have characteristics of the good youth based on the learning theory of Humanism which states that human can achieve happiness and fulfillment by themselves because of the inner motivation, virtue, and ability to develop their potentiality. If a person has freedom and liberty, he will try to develop himself to be perfect, (Tissana Khaemmanee, 2007: 43) This is compatible with Maslow's Learning Theory (Abraham H. Maslow, 1968) which ranks various basic human needs, self-esteem and self-actualization respectively. Thus, the principles of teaching are based on the theory emphasizing the basic needs of learners and sufficient responses to those needs, freedom and liberty to learn, beneficent atmosphere to facilitate their learning experiences and self-actualization Rogers' theory (Carl R. Rogers) also supports this issue, stating that man can improve within a relaxing and independent conditions. The atmosphere set up should be learner-centered with the teacher as a facilitator, and more importantly focusing on the learning process, warmth and safety. The teacher is a guide assisting the learners to highly succeed.

All these causes probably make this study of the positive potential development for the enhancement of public consciousness of children and juvenile offenders highly successful.

Suggestions

The application of the findings

Positive Potential Development Program can be applied to the training activities for children and juvenile offenders in other training centers and districts, orphanages and vocational schools and colleges. Social workers, teachers, educational administrators, parents and guardians or people concerning with children development are capable of adjusting and utilizing it to fulfill the needs of people under their supervision or applying it for any development of virtue conduct, morality, gratefulness, generosity, discipline and responsibility, including using it as a model of living a sufficiency life with emotional intelligence (EQ); it can be adjusted and used as a pedagogical subject in educational institutes as well.

Suggestion for the next study

There should be another study in order to adjust and standardize the test form used for this study, "Public Consciousness Behaviors of Children and Juvenile Offenders in Vocational Training Center District 7, Chiang Mai."

Benefit of the Research

In this study, the researcher emphasized using the "Positive Potential Development Program" Development Training or the Positive Potential Development Program" for enhancing public mind of the offender subjects. This is a crucial development of human resources that will help to prevent a number of social problems that may possibly take place in the future.

1. Theological Results. There was an innovational discovery that was the handbook entitled, "The Handbook of Positive Potential
2. Practical Benefit. Trainers, psychologist or the social workers are capable of adopting the improved program to use with children and juvenile groups in various social welfare homes across the country.

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**STUDY OF THE WEAK FORM MARKET EFFICIENCY
OF THE AUTOMOTIVE INDUSTRY IN NINE INDUSTRIALIZED MARKETS**

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ABSTRACT

This paper analyses if the automotive market in nine developed countries is weak-form market efficient over the period 1994-2013. Daily return indices are used, extracted from DataStream database. Four different types of tests are conducted: the run test, the autocorrelation Durbin-Watson test, the Augmented Dickey-Fuller unit root test and the variance ratio test (Lo-Mac). In addition, the overall period is divided into five sub-periods in order to correlate the efficiency of these markets and the dynamics within the global business environment of the last years (macro external factors). The overall result show that the market efficiency of the given markets do not stay the same over time and depend heavily on the external environment. For the period 1994-2013, all markets except the U.K. and Indian market are weak form market efficient. For the current sub-period 2011-2013 all automotive markets seem to be weak-form efficient.

KEY WORDS: Weak Form Market Efficiency (WFME), Run test, DW test, ADF test, VR test, automotive industry, industrialized markets

INTRODUCTION

In recent years, the automotive industry has increasingly been influenced by a highly dynamic business environment. Influences from politics, economic & financial crisis situations and other sources have altered the current situation entirely. Trends of fast technological advances (e-tools), increased competition, the rise of fuel prices, changes of perception by the end user and stricter legislation have thereby accelerated these circumstances. As a result, the automotive manufacturer is revising and reorganizing its complete corporate strategy. These changes have an impact on the efficiency of the stock market of this industry. In this line, market efficiency tries to correlate the information available and the share prices in the capital market. According to the weak form market efficiency hypothesis, the stock returns must be serially uncorrelated and must have a constant mean. This means that the current prices completely show all market information, including historical prices and volumes. As a result, no investor may devise a trading rule based on only past price patterns.

This article analyzes if the automotive industry in different markets is weak form efficient and if the macroeconomic and other changes within the business environment during the past years (1994-2013) have an influence on this weak form market efficiency. Therefore, daily returns of nine automotive markets are examined using the random walk hypothesis. These markets are chosen based on the top 12 car manufacturers in 2012, expressed in production capacity in million units which include Toyota, Volkswagen, GM, Hyundai, Renault/Nissan, Ford, Fiat, Honda, PSA, Suzuki, BMW and Daimler. Other important car manufacturers that are considered are Tata, Chery and Wheego.

The results of the tests indicate which markets are efficient and how the efficiency has changed in the last years as a result of the highly dynamic business environment. These insights are useful for investors and their investment strategy; if a market is inefficient, investors might find undervalued securities which will lead to excess returns. In addition, this information is important to security analysts, investors and security exchange regulatory bodies in their policy making decision to improve market conditions.

DATA AND METHODOLOGY

The Run Test

The run test is a non-parametric test, used to assess the independence between successive price changes (Shea, 2012; Khan & Vieito, 2012; Mobarek & Fiorante, 2013). The run test determines whether successive price changes are independent. If so, the actual number of runs must be about equal to the expected number of runs (Hamid, Suleman, Shah, & Akash, 2010).

The advantage of this test is that it does not require returns to be normally distributed. When there is a significant difference between the expected number of runs and the observed number of runs, the market suffers from over- or under reaction to information. This gives traders the opportunity to make excess returns (Poshakwale S. , 1996). The total number of runs is a measure of randomness, since too many or too few runs might indicate dependency between the observations. The main hypothesis for run tests is the following (Shea, 2012):

H_0 : The observed series are random (the number of expected runs is about the same as the number of actual runs)

H_A : The observed series are not random (significant different counts of runs); there is a significant association between the series and its lags.

Mathematically, the run test can be explained as follow (Wallis & Roberts, 1956; Khan & Vieito, 2012): First of all, each price change is classified as positive, negative or zero changes. A positive change exist when the price is higher than the previous price; a negative change exist when price is less than the previous price, and there is no change (zero) in a series when succeeding prices are the same.

The expected number of runs (m) is obtained using the equation:

$$m = \frac{N(N+1) - \sum_{k=1}^3 n_k^2}{N} \quad (1)$$

where, N = number of observations, k = the sign (positive, negative, zero), n_k = total number of runs from the same category.

If the sample (N) has more than 30 observations, the expected number of runs m is approximately normally distributed, and the standard deviation of runs is specified as:

$$\sigma_m = \left[\frac{\sum_{k=1}^3 [\sum_{k=1}^3 n_k^2 + N(N+1)] - 2N(\sum_{k=1}^3 n_k^3 - N^3)}{N^2(N-1)} \right]^{1/2} \quad (2)$$

This way, the standard normal Z-Statistics related with the run test is:

$$Z = \frac{R - m + (\frac{1}{2})}{\sigma_m} \quad Z \sim N(0,1) \quad (3)$$

with R = the actual number of runs and $(1/2) =$ a correction factor for continuity adjustment (Ma & Barnes, 2001). It will be positive if $R \leq m$ and negative if $R > m$. If the number of runs is more or less than expected, the hypothesis of statistical independence of the elements may be rejected.

So, the standard normal Z-statistic can be used to test if the actual number of runs and the expected number of runs are about the same. When the actual number of runs exceed (fall below) the expected runs, a positive (negative) Z value is obtained. Positive (negative) Z value indicates negative (positive) serial correlation in the return series (Abraham, Seyyed, & Alsakran, 2002).

In statistical terms, if the Z-value is more than -1.96 and less than + 1.96 (two-tailed test), the value is assumed to be significant. This means that prices of the security appears in random fashion. If the Z-value is less than -1.96 and more than + 1.96, the value is assumed to be insignificant. This means that prices of the security are not appearing in random fashion (Nisar & Hanif, 2012).

The Autocorrelation Durbin-Watson Test

The autocorrelation Durbin-Watson test is a parametric test. This test measures if there exhibit any serial correlation within the rate of return over a certain time period. Mathematically, this test analyzes if the rate of return on day t correlates with the rate of return on day $t-1$, $t-2$, $t-n$. If there exist a significant relation between the returns on day t and those on day $t-1$, $t-2$, $t-n$, the markets are considered to be inefficient. The equation which is used for testing autocorrelation is following:

$$R_t = \alpha + \rho R_{t-1} + \epsilon \quad (4)$$

With R_t = return of the current time period, R_{t-1} = the return of previous time period, α = constant term, ρ = estimated parameter (value between -1 and 1) and ϵ = error term.

The Durbin-Watson test (Durbin & Watson, 1950) allows to detect any presence of autocorrelation in the residuals. It is one of the most famous serial correlation tests. The accordingly formula of Durbin-Watson is following:

$$d = \frac{\sum_{t=2}^T (e_t - e_{t-1})^2}{\sum_{t=1}^T e_t^2} \quad (5)$$

With e_t = return of the current time period, e_{t-1} = return of the previous time period and T = the number of observations. The Durbin-Watson value is approximately equal to $2(1-\rho)$, with ρ = an estimated parameter with a value between -1 and 1. The value of d always lies within the interval $[0,4]$. If the Durbin-Watson statistic has a value equal to 2, there is evidence of no autocorrelation in the sample. If the Durbin-Watson statistic has a value substantially less than 2 (or close to 0), there is evidence of positive serial correlation of the considered series. If the Durbin-Watson statistic has a value substantially greater than 2 (or close to 4), there is evidence of positive serial correlation. Roughly, one can say that there is a strong positive correlation if the Durbin-Watson is less than 1.0 and that there is a strong negative correlation if the Durbin-Watson is greater than 3.0 (Nisar & Hanif, 2012).

The Augmented Dickey-Fuller Unit Root Test

According to Hassan et al. (2007), the unit root test offers another possibility to test the (weak form) efficiency of capital markets. The unit root test investigates whether the financial time series are stationary or not. If the test statistic is smaller or more negative compared to the critical, Mackinnon tabulated value, then the null hypothesis is rejected. This means that the time series considered show no unit root (the time series are stationary). One way to study the unit root test is by making use of the Augmented Dickey-Fuller test. The accordingly formula equals:

$$\Delta p_{it} = a_0 + a_1 t + p_0 p_{it-1} + \sum_{i=1}^q p_i p_{it-1} + \epsilon_{it} \quad (6)$$

With p_{it} = the price for the i-the market at time t, $\Delta p_{it} (= p_{it} - p_{it-1})$, p_i = coefficients to be estimated, q = the number of lagged terms, t = the trend term, a_1 = the estimated coefficient for the trend, a_0 = a constant presenting white noise.

The Variance Ratio Test, type Lo-Mac

The variance ratio test is used to see if the price indicated or the return indices of the considered data are recurring over time or not. One of the most applied technical test statistics for this is developed by Lo and MacKinlay (Mollik & Bejari, 2009). The Lo-Mac test measures the variance of the difference of time series over different intervals. Assuming that the time series show random walk, this implies that the variance of q period should be q times the variance of the one period difference. In order to apply the (Lo-Mac) variance ratio test, one also must decide to test either under the assumption of homoskedastic or heteroskedastic by making use of the asymptotic distributional (Nisar & Hanif, 2012).

If the variance ratio equals 1, one can conclude that the stock equities follow a random walk; the null hypothesis is accepted. We can conclude that the observed series show random walk and that the considered market is efficient. If the calculated value is significantly different from one, the null hypothesis is rejected, meaning that the market is not efficient.

Following hypothesis were developed for testing by application of above mentioned methods.

- H1: the Japanese automotive stock exchange is a weak form efficient: $VR_{Jap} = 1$
- H2: the American automotive stock exchange is a weak form efficient: $VR_{U.S.A.} = 1$
- H3: the Indian automotive stock exchange is a weak form efficient: $VR_{India} = 1$
- H4: the South Korean automotive stock exchange is a weak form efficient: $VR_{S.K.} = 1$
- H5: the Italian automotive stock exchange is a weak form efficient: $VR_{Italia} = 1$
- H6: the French automotive stock exchange is a weak form efficient: $VR_{France} = 1$
- H7: the German automotive stock exchange is a weak form efficient: $VR_{Germany} = 1$
- H8: the U.K. automotive stock exchange is a weak form efficient: $VR_{U.K.} = 1$
- H9: the Chinese automotive stock exchange is a weak form efficient market: $VR_{China} = 1$

ANALYSIS OF RESULTS

The daily return indices of the automotive industry in Japan, U.S.A, India, South Korea, Italy, France, Germany, U.K. and China are extracted from DataStream database. The changes in return are calculated for the period 1994-2013, using the formula

$$\Delta RI = RI_t - RI_{t-1} \quad (7)$$

With RI = daily return indices, t represents a certain day within this period and $t-1$ represents the day before that certain day within the considered period.

The run test is applied by making use of an R code, developed by V. Aumeboonsuke and A. L. Dryver (Aumeboonsuke & Dryver, 2014). For the other three tests, the packages tseries, lmtest (command dwtest and adf.test) and vrtest (command Lo.Mac) are used.

The Run Test

The Z-value and the accordingly p-value of this test for the total period 1994-2013 and for the different sub-periods are summarized in table 3.1.

Over the whole period 1994-2013, the results in table 3 show that only the U.S.A. and Italian market have a Z-value within the interval $[-1.96, 1.96]$. This means that for these two markets, the null hypothesis fails to be rejected. For the other markets, the Z-value falls outside this interval. This means that only the two afore mentioned markets are considered weak form efficient. These results are confirmed by the P-value. This information might be useful for security analysts, investors and security exchange regulatory bodies in considered countries.

For the sub-periods, we can summarize that the evolution over the different periods shows that the Global Financial crisis had an impact on the market efficiency of the U.S.A., Germany, India, S. Korea, Italy and France. For Japan, U.K. and China, these effects are not (yet) visible.

Tabel 3.1

Non-Parametric Run Test for the Nine Observed Markets during the Total Period 1994-2013 and the 5 Sub-Periods

	Japan	U.S.A.	India	South Korea	Italy	France	Germany	U.K.	China
Total period (1994-2013)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	290	16	5	301	158	151	144	34	586
Cases > Test Value	2454	2600	2757	2416	2451	2463	2567	2591	2396
Cases < Test Value	2371	2499	2353	2398	2506	2501	2404	2490	2133
Total Cases	5115	5115	5115	5115	5115	5115	5115	5115	5115
Number of runs	2676	2601	2395	2658	2653	2592	2576	2459	2341
Z value	-4.288***	0.760	-4.283***	-5.104***	-1.592	-3.163***	-3.368***	-3.708***	-20.831***
Asymp. Sig. (2 tailed)	1.802 e-05***	0.447	1.844 e-05***	3.329 e-07***	0,111	0.002***	0,001***	0***	0***
First sub-period (1994-1997)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	55	3	4	77	41	55	41	3	16
Cases > Test Value	517	572	580	438	485	461	537	572	578
Cases < Test Value	471	468	459	528	517	527	465	468	449
Total Cases	1043	1043	1043	1043	1043	1043	1043	1043	1043
Number of runs	549	468	440	524	517	532	516	468	508
Z value	-1.465	0.251	-4.978***	-4.120***	-2.763***	-2.502**	-2.710***	-3.251***	-1.383
Asymp. Sig. (2 tailed)	0.143	0.801	6.425 e-07***	3.787 e-05***	0.006***	0.012**	0.007***	0.001***	0.167
Second sub-period (1998-2000)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	42	1	0	60	22	30	23	3	396
Cases > Test Value	365	401	391	346	372	378	374	382	239
Cases < Test Value	375	380	391	376	388	374	385	397	147
Total Cases	782	782	782	782	782	782	782	782	782
Number of runs	403	427	369	413	407	411	391	367	180
Z value	-2.021**	2.423**	-1.610	-2.347**	-0.397	-0.648	-1.646*	-1.965**	-23.918***
Asymp. Sig. (2 tailed)	0.043**	0.015**	0.107	0.019**	0.691	0.517	0.099*	0.049**	0***
Third sub-period (2001-2006)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	89	0	1	83	44	34	37	9	125
Cases > Test Value	769	786	854	779	742	783	786	772	707
Cases < Test Value	707	779	710	703	779	748	742	784	733
Total Cases	1565	1565	1565	1565	1565	1565	1565	1565	1565
Number of runs	812	795	756	801	822	793	807	766	771
Z value	-2.710***	0.557	-1.091	-2.990***	-0.140	-1.161	-0.572	-1.316	-6.513***
Asymp. Sig. (2 tailed)	0.007***	0.577	0.275	0.003***	0.888	0.245	0.567	0.188	7.343 e-11***
Fourth sub-period (2007-2010)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	66	9	0	50	30	20	29	12	29
Cases > Test Value	488	531	576	519	520	508	531	520	530
Cases < Test Value	491	505	469	476	495	517	485	513	486
Total Cases	1045	1045	1045	1045	1045	1045	1045	1045	1045
Number of runs	556	524	519	567	558	529	536	496	528
Z value	-1.736*	-0.472	0.030	-0.098	0.355	-0.843	-0.876	-2.426**	-1.390
Asymp. Sig. (2 tailed)	0.082*	0.637	0.976	0.921	0.722	0.399	0.381	0.015**	0.164
Fifth sub-period (2011-2013)									
Test Value	0	0	0	0	0	0	0	0	0
Cases = Test Value	38	6	0	31	21	12	14	7	20
Cases > Test Value	315	366	356	334	332	333	339	345	342
Cases < Test Value	327	308	324	315	327	335	327	328	318
Total Cases	680	680	680	680	680	680	680	680	680
Number of runs	358	330	312	356	349	327	327	363	356
Z value	-1.381	-1.088	-2.134**	-1.046	-0.908	-1.965**	-2.110**	1.150	-0.252
Asymp. Sig. (2 tailed)	0.167	0.277	0.033**	0.295	0.364	0.049**	0.0349**	0.250	0.801

(*) denotes significance at 10%, (**) denotes significance at 5%, (***) denotes significance 1%

The Autocorrelation Durbin-Watson Test

The Durbin-Watson calculated value and the accordingly p-value of this test within the total period 1994-2013 and for the different sub-periods are summarized in table 3.2. From this table, we can conclude that during the total period 1994-2013, the Indian, French, U.K. and Chinese market fail to reject the null hypothesis. The other five markets do not fail, meaning that these markets show no autocorrelation; they are considered to be efficient.

After analyzing the five sub-periods, one can conclude that throughout these five sub-periods, the Japanese market seem to have retained its status of efficient market (with a P-value around 50%), together with the U.S.A. (increase of P-value although difficulties in the fourth sub-period). The Indian market was only efficient in the sub-period 2001-2006. The South Korean, U.K. and Chinese markets were able to increase market efficiency. The Italian market decreased a little bit in market efficiency. The German market has decreased a lot in p-value. Currently, this market is considered inefficient. Finally, the French market could increase its p-value, but not enough to become efficient.

Tabel 3.2

Durbin-Watson Test Results and Accordingly P-Value for the Total Period 1994-2013 and the 5 Sub-Periods 1994-1997, 1998-2000, 2001-2006, 2007-2010, 2011-1013

	Japan	U.S.A.	India	South Korea	Italy	France	Germany	U.K.	China
Total period (1994-2013)									
Durbin-Watson calculated value	1.999	1.976	1.873***	1.977	1.987	1.901***	2.053	1.843***	1.943**
P-value (2 tailed)	0.493	0.197	3.043 e-06***	0.203	0.325	0.001***	0.971	1.033 e-08***	0.0216**
First sub-period (1994-1997)									
Durbin-Watson calculated value	1.992	1.999	1.670***	1.881**	1.803***	1.886**	1.969	1.694***	1.910*
P-value (2 tailed)	0.449	0.491	4.919 e-08***	0.027**	0.001***	0.033**	0.307	3.763 e-07***	0.072*
Second sub-period (1998-2000)									
Durbin-Watson calculated value	2.001	2.001	1.851**	1.826***	2.068	1.821***	1.775***	1.818***	1.880**
P-value (2 tailed)	0.505	0.509	0.019**	0.001***	0.829	0.006***	0.001***	0.005***	0.046**
Third sub-period (2001-2006)									
Durbin-Watson calculated value	2.001	2.015	1.974	1.810***	1.840***	1.976	1.948	1.855***	1.847***
P-value (2 tailed)	0.506	0.615	0.305	9.018 e-05***	0.001***	0.316	0.152	0.002***	0.001***
Fourth sub-period (2007-2010)									
Durbin-Watson calculated value	2.002	0.892**	1.842***	1.996	2.066	1.900*	2.173	1.928	1.869**
P-value (2 tailed)	0.512	0.040**	0.005***	0.472	0.857	0.053*	0.997	0.121	0.0168**
Fifth sub-period (2011-2013)									
Durbin-Watson calculated value	1.997	2.013	1.873**	2.006	1.959	1.795***	1.776***	1.896*	2.050
P-value (2 tailed)	0.482	0.566	0.049**	0.533	0.299	0.004***	0.002***	0.088*	0.740

(*denotes significance at 10%, (**denotes significance at 5%, (***)denotes significance 1%

The Augmented Dickey-Fuller Unit Root Test

The ADF test statistics and the accordingly p-value of this test for the total period 1994-2013 and for the different sub-periods are summarized in table 3.3. This table shows that during the total period 1994-2013 and for all the sub-periods, the alternative hypothesis is stationary. And this is true for all the automotive markets. This means that this test indicates that all markets in all (sub) periods are weak form efficient.

Table 3.3

Results of the Augmented Dickey Fuller Test for the Total Period 1994-2013 And the 5 Sub-Periods 1994-1997, 1998-2000, 2001-2006, 2007-2010, 2011-2013

	Japan	U.S.A.	India	South Korea	Italy	France	Germany	U.K.	China
Total period (1994-2013), lag order = 17									
ADF test statistics	-16.802	-16.595	-16.628	-17.356	-16.027	-16.604	-17.464	-17.040	-15.416
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
First sub-period (1994-1997), lag order = 10									
ADF test statistics	-9.635	-9.982	-10.090	-10.574	-9.591	-10.036	-9.160	-10.049	-10.281
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
Second sub-period (1998-2000), lag order = 9									
ADF test statistics	-9.058	-8.889	-8.059	-9.281	-9.111	-8.901	-8.007	-8.869	-8.153
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
Third sub-period (2001-2006), lag order = 11									
ADF test statistics	-11.391	-11.574	-11.303	-11.121	-11.797	-11.701	-11.489	-9.740	-10.542
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
Fourth sub-period (2007-2010), lag order = 10									
ADF test statistics	-9.978	-11.206	-9.370	-9.901	-8.544	-9.820	-11.630	-10.037	-9.258
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**
Fifth sub-period (2011-2013), lag order = 8									
ADF test statistics	-8.762	-9.554	-8.134	-8.747	-8.450	-8.955	-8.507	-10.155	-9.232
P-value (2 tailed)	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**	0.01**

(*) denotes significance at 10%, (**) denotes significance at 5%, (***) denotes significance 1%

The Variance Ratio Test, type Lo-Mac

The Z-statistic of the Lo-Mackinlay Variance Ratio Test for holding periods of 2 days/5 days/10 days, calculated for the total period 1994-2013 and the 5 sub-periods 1994-1997, 1998-2000, 2001-2006, 2007-2010, 2011-2013 is shown in table 3.4. M1 denotes the assumption of homoscedasticity while M2 denotes the assumption of heteroskedasticity. Since the stock returns show conditional heteroskedasticity, we only use the results of the M2 test (holding period 10days). The table shows following results:

If we assume heteroskedasticity, the obtained z-values lead in general to the same conclusion as under assumption of homoskedasticity. The only differences between homo- and heteroskedasticity which lead to other conclusions about market efficiency are following:

U.S.A.: For the sub-period 1998-2000 and a holding period of 10 days: the results of heteroskedasticity assumption lead to the conclusion that the market is inefficient. The same is true for the sub-period 2001-2006 and a holding period of 2, 5 and 10 days.

India: For the sub-period 1998-2000 and a holding period of 2 and 5 days. Although homoscedastic assumption leads to the conclusion of an inefficient market, the z-values under heteroskedasticity assumption result in a failure to reject the null hypothesis: The return series follow random walk.

South Korea: For the global period 1994-2013 and a holding period of 5 and 10 days, for the sub-period 1998-2000 and a holding period of 2 days and for the sub-period 2007-2010 and a holding period of 5 and 10 days. Although the assumption of homoscedasticity leads to the conclusion of an inefficient market, the contrary (efficient market) is concluded under heteroskedasticity.

Italy. There are opposing results for the sub-period 1994-1997 and a holding period of 5 days and for the sub-period 2001-2006 and a holding period of 2 and 10 days. Although the assumption of homoscedasticity leads to the conclusion of an inefficient market, the contrary (efficient market) is concluded under heteroskedasticity.

France. The results of the z-value under homo- and heteroskedasticity lead to the same conclusions regarding market efficiency.

Germany. There are opposing results for the total period 1994-2013 and a holding period of 5 and 10 days and, as well as for the sub-period 2007-2010 and a holding period of 2, 5 and 10 days. Although the assumption of homoscedasticity leads to the conclusion of an inefficient market, the contrary (efficient market) is concluded under heteroskedasticity.

U.K. There is only an opposing result for the sub-period 1994-1997 and a holding period of 10 days. Although the assumption of homoscedasticity leads to the conclusion of an inefficient market, the contrary (efficient market) is concluded under heteroskedasticity.

For the Chinese market, there are opposing results for the sub-period 1998-2000 and a holding period of 10 days, for the sub-period 2001-2006 and a holding period of 2 days and for the sub-period 2007-2010 and a holding period of 2 days.

Tabel 3.4

Z-Statistic of the Lo-Mackinlay Variance Ratio Test for Different Holding Periods, Calculated for the Total Period 1994-2013 and the 5 Sub-Periods

Z-statistic		Japan	U.S.A.	India	South Korea	Italy	France	Germany	U.K.	China
Total period (1994-2013)										
Holding period = 2 days	M1	0.018	0.853	4.521*	0.792	0.439	3.532*	-1.904	5.604*	1.861
	M2	0.444	0.833	2.478*	0.373	0.226	2.454*	-0.121	3.550*	1.103
Holding period = 5 days	M1	0.011	0.382	3.696*	-3.189*	1.702	1.355	-6.829*	4.413*	0.440
	M2	0.212	0.442	2.111*	-1.441	0.939	0.941	-0.546	2.894*	0.266
Holding period = 10 days	M1	-0.002	1.337	3.500*	-3.606*	1.018	0.229	-7.748*	3.573*	-0.648
	M2	-0.030	1.369	2.056*	-1.667	0.588	0.157	-0.804	2.353*	-0.396
First sub-period (1994-1997)										
Holding period = 2 days	M1	0.129	0.021	5.278*	1.926	3.148*	1.732	0.496	4.861*	1.354
	M2	0.937	0.578	4.219*	1.571	2.124*	1.4432	0.161	2.900*	0.765
Holding period = 5 days	M1	0.081	-0.258	4.867*	-1.139	2.028*	0.948	1.155	3.601*	1.780
	M2	0.607	-1.106	3.913*	-0.991	1.461	0.820	0.423	2.295*	1.117
Holding period = 10 days	M1	-0.144	-0.294	2.529*	-2.229*	0.689	-0.057	0.287	1.978*	1.027
	M2	-0.717	-1.111	2.077*	-1.968*	0.527	-0.051	0.120	1.316	0.689
Second sub-period (1998-2000)										
Holding period = 2 days	M1	-0.012	-0.023	2.070*	2.436*	-0.950	2.507*	3.123*	2.538*	1.677
	M2	-0.291	-0.430	1.771	1.523	-0.612	2.142*	2.469*	2.331*	-0.430
Holding period = 5 days	M1	-0.035	-0.077	2.116*	1.202	-0.385	0.249	1.094	2.509*	0.806
	M2	-0.761	-1.563	1.787	0.711	-0.258	0.218	0.851	2.405*	-1.563
Holding period = 10 days	M1	-0.093	-0.108	1.225	-0.755	-0.412	-0.967	0.908	2.181*	0.422
	M2	-1.612	-2.206*	1.047	-0.467	-0.305	-0.863	0.709	2.099*	-2.206*
Third sub-period (2001-2006)										
Holding period = 2 days	M1	-0.014	-0.293	0.510	3.743*	3.172*	0.478	1.025	2.852*	3.015*
	M2	-0.310	2.343*	0.222	3.737*	1.615	0.414	0.820	2.195*	1.946
Holding period = 5 days	M1	-0.061	-0.544	-1.168	1.578	4.367*	-0.561	0.294	3.102*	3.110*
	M2	-1.178	-4.330*	-0.530	1.466	2.328*	-0.483	0.229	2.488*	1.995*
Holding period = 10 days	M1	-0.043	-0.723	-0.455	0.197	3.697*	-0.318	-0.070	4.368*	3.087*
	M2	-0.801	-2.468*	-0.455	0.178	1.926	-0.275	-0.052	3.431*	2.029*
Fourth sub-period (2007-2010)										
Holding period = 2 days	M1	-0.030	0.191	2.470*	0.070	-1.068	1.612	-2.791*	1.147	2.087*
	M2	-0.612	0.142	2.003*	0.059	-0.875	1.321	-0.257	0.886	1.522
Holding period = 5 days	M1	0.016	-1.432	1.073	-2.397*	0.598	0.819	-5.388*	-0.007	-0.165
	M2	0.276	-1.448	0.887	-1.948	0.483	0.673	-0.623	-0.005	-0.124
Holding period = 10 days	M1	0.036	-1.060	1.242	-2.309*	0.594	0.223	-5.662*	-0.245	-0.740
	M2	0.530	-1.026	1.041	-1.819	0.486	0.180	-0.851	-0.196	-0.556
Fifth sub-period (2011-2013)										
Holding period = 2 days	M1	0.045	-0.167	1.610	-0.145	0.027	2.621*	2.741*	1.336	-0.816
	M2	0.682	-0.322	1.445	-0.124	0.024	2.532*	2.587*	1.375	-0.741
Holding period = 5 days	M1	0.092	-0.140	2.074*	-1.520	0.314	1.826	1.240	-0.441	-1.010
	M2	1.151	-0.173	1.967*	-1.252	0.256	1.674	1.108	-0.4299	-0.898
Holding period = 10 days	M1	0.065	-0.228	1.704	-1.574	0.307	0.735	0.429	-1.690	-1.468
	M2	0.833	-0.273	1.677	-1.334	0.253	0.672	0.381	-1.608	-1.305

denotes significance at 10%, (**) denotes significance at 5%, (***) denotes significance 1%

CONCLUSION

In this paper weak form market efficiency is tested for the automotive industry in 9 markets: Japan, U.S.A., India, South Korea, Italy, France, Germany, U.K. and China. Four types of tests are used: the non-parametric run test and the parametric autocorrelation DW test, the augmented DF unit root test and the variance ratio test (type Lo-Mac).

The findings of these tests show that the market efficiency of the given markets don't remain the same over time; they vary depending on changes in macroeconomic factors, which influence the whole world. In order to investigate the influence of different crises e.g. the Japanese asset price crisis, the savings and loan crisis in the U.S.A., the Asian Financial Crisis, Global Financial Crisis and the nuclear disaster in Fukushima, the investigated period

1994-2013 is split into 5 sub-periods. In addition, other macro changes, such as political economical, technological and changes of perception of the end user have been studied in order to see if they have had any influences on the market efficiency in the automotive industry.

Since some of the considered tests fulfill the condition of a random walk, but are not sufficient, this article uses following ranking of the tests: run test < autocorrelation DW test < augmented DF test < Variance Ratio Lo-Mac test.

Based on previous ranking of the tests, we can conclude that for the total period 1994-2013, the Variance Ratio test indicates market efficiency for the Japanese, U.S.A., South Korean, Italian, French, German and Chinese automotive markets. This is confirmed by the Augmented DF test. Only the Indian and U.K. market are inefficient over the whole period, which is confirmed by the run test and the DW test, but not confirmed by the Augmented DF test.

If we link the results to the macroeconomic changes, following conclusions can be drawn.

Crisis Situations

*Japan. Only the results of the run test might indicate that the Asian Financial crisis and the attacks of September 11th 2001 might have had a bad influence on market efficiency of the automotive industry.

*U.S.A. It is not possible to allocate the outcome of inefficient market of the period 1998-2000 to a certain financial crisis in the U.S.A. However, the attacks of September 11th 2001 might be responsible for market inefficiency in the sub-period 2001-2006.

*India. The Indian economic crisis (started in 1991) can be held responsible for the inefficient market in the sub-period 1994-1997. In contrary, the Global Financial crisis does not seem to have hurt market efficiency over the last years.

*South Korea. The run test and the autocorrelation DW test indicate that the Asian Financial Crisis is responsible for market inefficiency in the automotive market.

*Italy. It does not seem that the Global Financial Crisis (and Eurocrisis) has hit the automotive industry on a short term. For a long term view, a new analysis in some years from now should give more insight.

*France and Germany. The run test and the Autocorrelation DW test might indicate that the Global Financial Crisis (and Eurocrisis) has hit the automotive industry. But here again, these results are only short-term interpretations. For a long term view, a new analysis in some years from now should give more insight.

*U.K.. All four tests indicate that this market has not suffered from the Global Financial Crisis (and Eurocrisis) in the short time; this market still is weak-form efficient.

*China. Both the run test and Variance ratio test indicate that this market is inefficient for both the periods 1998-2000 and 2001-2006. This can be linked to the Asian Financial Crisis, which might have hit the automotive industry seriously.

Political and Economic Changes (BBC, 2013)

*Japan. Only the run test indicates that the trade disputes with China and the instability of the political situation (anti-LDP vs LDP and frequent changes of prime minister), as well as the Asian economic crisis might have had an influence on the market efficiency of the automotive industry. The other three tests don't give any sign of decrease in market efficiency as a result of political and economic changes. Surprisingly, these results show that the nuclear disaster at Fukushima did not have any consequences on the efficiency of the Japanese automotive market. Moreover, the P-test shows that the probability of 'failure to reject the null hypothesis' increased during the last sub-periods. In addition, the changes of prime minister in the period 2007-2013 seem to have had a positive influence on the market efficiency: Although the economic growth in 2013 was lower than expected and the export activities of the country as being the world's second largest economy were taken over by China, this has not harmed the market efficiency of the automotive industry. Prime Minister Abe's economic recovery plan might have had a positive influence on this.

*The U.S.A. Both the run test and the Variance Ratio test can indicate that the scandal of Clinton and the elections of president Bush in 2000 had a bad influence on the market efficiency. The September attacks, the Iraq war and other turmoil of the last years don't seem to have had important influences on market efficiency of the automotive industry in the U.S.A.

*India: The changes in politics in 1996 and the ascending tension between India and Pakistan might be responsible for the market inefficiency in the sub-period 1994-1997. Although these tensions continued in the following years (1998 and further), this is not reflected in market efficiency. Moreover, the Indian automotive market becomes efficient from 1998 on.

*South Korea. The many tensions between North and South Korea, and the many acts of malpractice by government between 1994 and 2006 can be held responsible for disbelief in the South Korean automotive market and its resulting market inefficiency.

*Italy. The national elections between 1994 and 1996 might have hit the Italian automotive market. But this probably won't have been the only reason for the outcome of market inefficiency within this sub-period. Other political events, such as the rural around Silvio Berlusconi don't seem to have hit the Italian automotive industry.

*France. The run test indicates that the elections of Jacques Chirac (1995) might have had an influence on the efficiency of the automotive industry. Although this is not confirmed by the other three tests. The indication of market inefficiency by the Variance Ratio test of the period 2011-2013 might be caused by the economic interventions of the government as a result of the Euro crisis. This neither is confirmed by the other three tests.

*Germany. For the first sub-period 1994-1996, the run test indicates market inefficiency. This might be linked to the post-WWII changes, such as the payments made to different victory countries, the torn down of the Berlin Wall (1989) and the accordingly reunification of East and West Germany with the assembly of the parliament, the investment in gaining trust of domestic and foreign investors, the joining of the E.U... Unfortunately, this result cannot be confirmed by the other three tests. The Euro crisis can be held responsible for the result of inefficient market during the period 2011-2013: The German economic growth almost slowed down to a standstill in the second quarter of 2011 and the Bundesbank cuts its growth forecast for Germany in 2013 from 1.6% to 0.4%. But this linkage cannot be confirmed by any of the other three tests. In contrary, the change of DM to Euro and other important reformations, together with the rather stable political situation in the last years, seem to have had a positive influence on the efficiency of the automotive market.

*The U.K. The tensions with Ireland, the national elections of 1997, the death of princess Diana (and tensions within the Royal family), the many changes within the British government, the September attacks in New York and the attacks in London's transport network can be held responsible for the results of market inefficiency throughout the period 1998-2000 and 2001-2006.

*China: The Asian Economic crisis and the following restructures of the Chinese government seem to have harmed the Chinese automotive industry: Although this market was efficient in the period 1994-1997, results of the run test and Variance Ratio test indicate market inefficient for the subsequent period 1998-2000. The tensions with Japan, India and Taiwan and the changes within the Chinese government over the period 2001-2006 can have led to inefficiency of the automotive industry.

Technological Changes

The increase of technology (e-tools) through the WWW did not only asked from the automotive manufacturer to adapt its marketing and other communication tools towards its customers. For investors, the increased use of internet also has helped in obtaining a lot of information in a very short period, which has an influence on weak form market efficiency. Since this increased use of technology (from the late 1990s) is still an ongoing process, the evolution of market efficiency throughout the different sub-periods can give an indication about the connection between technological changes and the use of historical data. If we consider the results of the Variance Ratio test, assuming heterodascicity and a holding period of 10 days, we can see that from the first to the second sub-period (beginning of the technological changes), the U.S.A., U.K. and Chinese market have decreased market efficiency for the two following periods. This might indicate that in these markets, there were some problems with the adaption of technology. The other markets have maintained market efficiency or improved from inefficient to efficient markets. If we consider the evolution over all five sub-periods, we can conclude that all the markets, except the French, have maintained or increased their market efficiency. This might indicate that the automotive manufacturers in these considered countries have very well reacted on the changes in technology, meaning that investors had no or less problems with obtaining the right information about these companies.

Perception of the End User, Competition, Fuel Prices, Emission Regulations, and Others

The changes in perception of the end user, increase of competition, increase of fuel prices, the tightening of emission regulations and others have put a lot of pressure on the automotive manufacturer. As a result, the automotive manufacturer was (and still is) forced to change its strategy and parts of its business activities. Market efficiency might indicate to what extent the automotive manufacturer has been open about its changes in corporate strategy towards its investors and other stakeholders. If we look to the evolution of the efficiency over the different sub-periods, we can see that all these factors might have been well interpreted and translated by all the markets, except for the French market. But, since the French market only shows market inefficiency for the last sub-period 2011-2013, it can be possible that the automotive manufacturers will catch up in the coming years.

In order to take into account the weights that the effects of these six different (macro) changes have on the efficiency of the WFME hypothesis, models can be developed that differentiate these effects.

In addition, this paper only studies the external factors that might influence the market efficiency. Internal factors, such as management structure, R&D capacity, innovation, organizational design, mission & vision, objectives, company culture. Also they are important for investors and their influences on the market efficiency can be considered in a future study.

Overall, one can conclude that although all the automotive markets seem to be weak-form efficient for the moment (based on the results of the Variance Ratio test and the Augmented DF test). Past events and the emotional (rather than rational) behavior of investors and many other stakeholders can turn these outcomes. Therefore, security exchange regulatory bodies must continuously try to adapt their policy making decisions in order to improve market conditions and attract investors. Investors, from the other side, must keep track of the efficiency of the market(s) they want to invest in. As a general rule, risk adverse investors better diversify their portfolio, meaning that they should not invest in only one market.

To conclude, one must remember that the results of this paper are drawn, based on only four test. In order to confirm these results, more tests for weak-form market efficiency should be performed. In addition, the interlinkage between the different markets should be studied using multiple variance ratio test techniques.

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The Proceedings of the 3rd ICADA 2014

**NEOCLASSICISM & INDO-JAPAN ENGAGEMENT:
CONNOTATION TO ASEAN PLUS & PLUS**

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ABSTRACT

South East Asia is driving the economic growth story of the 21st century. United by trade and divided by nomenclature, the region is also fast experiencing both integration and isolation at the same time. Economic and trade structures like ASEAN; ASEAN plus Three; ASEAN plus Three plus Three; East Asian Community (EAC) or even ASEAN CEPA or Washington mooted eleven member Trans Pacific Partnership (TPP) are notions of integration and expansion of Asia's economic boundary and confluence of seas where the political boundaries are stretched to accommodate neoclassical interests. The region is undergoing a spectacular economic and geopolitical churning internally as well as externally. This is the first time in history; the region is struggling and strategizing to configure the shape and size of economic boundaries of the region along with a quest to define and redraw the geopolitical space that most suits the bilateral, multilateral, regional and extra regional stake holders.

While theoretically economic neoclassicism is driving the internal economic, trade, investment contours of the region; dominated by core regional powers and influenced by politico-economic interests of the extra regional powers, the region is politically stretching itself into a political neoliberal format of Asia-Pacific image and identity. Asia-Pacific neoliberal profile means, half of world's population, half of world GDP and half of world trade- a mega international interest zone of the world where competing powers like China, Japan and India at the regional end and Australia, South Africa and the United States at extra regional end guide the parameter and perimeter of regional grouping.

In this scenario of diversity, while rising China is incrementally demanding better share of the regions prosperity, India and Japan stand in the same side of the fence to compete and contain the regional forces and parameters. Washington's TPP idea on the other hand expands the economic scope and definition of the region but isolates China politically. In the context of this emerging regional economic order and political restructuring, integration and isolation happening at the same time, India and Japan stand together and offer a more stability axis to these emerging neoclassical models.

India and Japan being common victims of rising Chinese hegemon stand as strategic partners with a bilateral trade value of over US\$18.43billion, combining and collaborating in many regional and multilateral forums towards possibly a broader and equitable region. Four fundamental objectives guide the contours of this paper. First, the paper shall analyze the emerging economic structures of the region and their implication to regional political economy. Second, the paper will provide a theoretical construct of political realism to political neoliberalism and constructivism at one end and economic neoclassicism on the other to explain the regional paradigm shift. Third, the paper shall analyze the implication of Indo-Japan bilateralism and its implication to the regional economic and political climate and 'Multipolar Consociational Model' that appears to be taking shape in the region. Finally, building on the theoretical and empirical evidence, the paper shall conclude with a comprehensive prospects and challenges analysis of these neo-formations and the road ahead.

KEY WORDS: ASEAN; bilateralism; CEPA; India; Japan, comprehensive

INTRODUCTION

Indian foreign policy in the last over one year is experiencing a critical paradigm shift. Prime Minister Narendra Modi's government elected to power in May 2014, seem to have embarked on a decisive foreign policy positioning is visible from all his foreign visits and their corresponding outcomes. India's immediate neighbourhood, South East Asia and Far East which Modi prioritized to focus as an extension of India's Look East Policy (LEP), seem to have been very positive and rewarding. At the larger international positioning, his initiative towards a regional BRICS bank and G-20 summit at Australia are not only popular with bilateral dividends to India, it has opened newer international debates on 'G-All' phenomena and 'Global Poor'. Modi governments defiance on Trade Facilitation Agreement at Bali WTO summit to accommodate India's concern with agriculture subsidy, which finally was accepted, are some of the most decisive foreign policy positioning of India in the last few months.

While Chinese growing influence in the South Asia and Indo-China border dispute are concerns for India, Indo-China trade-investment openings and Chinese US\$ 20billion investment commitment to India in the next five years are some of the newer dynamics around market economics and theoretically conform to neoclassical approach. Indo-Japan engagement has strategic facets but well-grounded around a neoclassical order.

In the interest of deconstructing regional complexity, first this paper proposes a theoretical construct of neoclassicism in the regional order. Second, India's shifting extended neighbourhood approach followed by Indo-Japan and larger strategic agenda of the region (part three). Part four shall empirically contextualise Indo-Japan and South Asian economic engagement frame work to finally conclude on the implications of Indo-Japan engagement in the regional groupings like ASEAN.

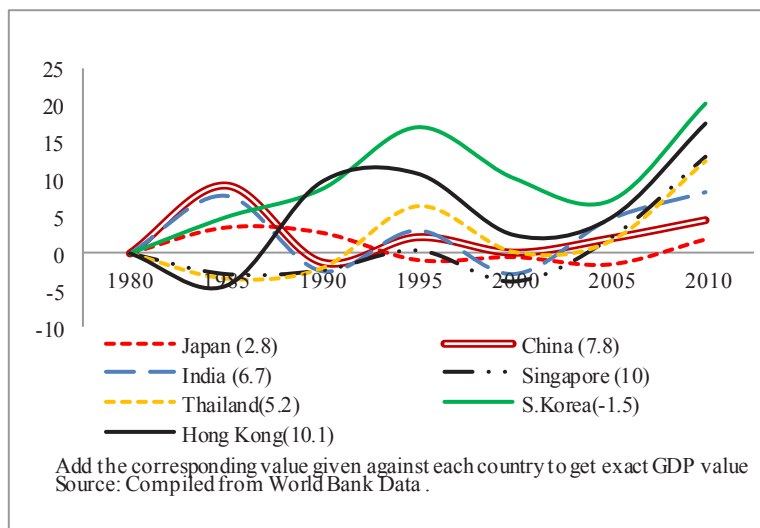
Neoclassicism & Asian Relations

The term 'Neoclassical' was first used by American economist and sociologist Thorstein Veblen in 1900. A neoclassical paradigm shifts attention to economic productivity and growth through the optimisation of market, international investment and the institutional mechanisms to support and supplement a favourable economic climate. While neoclassicism received further refinement through a generation of economists like Robert Solow, T.W. Swan, Harrod-Domar, Keynes, Robert Gilpin and Samuelson, the importance of foreign capital investment in domestic market remained under-estimated till the collapse of the Soviet Union. Interestingly, the overriding penetrations of the neoclassical approach since the early 1990s toned down the role of strategic security perception and diluted the discourse around securing market and resources (Masanori, August, 2012). Neoclassicism proposes economic prosperity away from zero-sum spiral of strategic insecurity competition and focuses on laissez-faire, capital, market, export led growth and higher role of non-state actors- phenomena of political neoliberalism.

Within Asia, the major impetus for structural change occurred not primarily with the end of the Cold War but rather with the shift in China's economic trajectory (Figure 1.) The Chinese leader Deng Xiaoping, influenced by the 1970s economic prosperity of Japan, Taiwan, Singapore, Hong Kong and South Korea, virtually re-scripted an Asian version of political neoliberalism and economic neoclassicism reforms in 1978- a crucial Chinese economic

outlook and policy shift (Harvey, 2005). Chinese economic miracle opened up space to revisit and validate existing international relations theories.

Figure 1. GDP Growth Rate 1980-2010



India's Fast Train to Extended Neighbourhood

India's bilateral experience with her immediate neighbourhood has historically been volatile. China in the process, following her ancient strategy of '*hexiao kongda*' (cooperate with the small to counter the big), has gained visible ground among SAARC countries which India finds as unwarranted strategic growth in the Indian backyard. China's Silk Route diplomacy which strengthens 'String of Pearl' approach; investing in India's neighbourhood and SAARC +1 proposal promoted by Pakistan and supported by multiple SAARC countries are some of the challenging developments around India's regional interests (Kondapalli, 2014).

India's LEP, 1992 modified to Act East Policy (AEP) is therefore a larger strategic envelop. It is in this background, Modi's first foreign policy positioning began with an internationalised swearing in ceremony attended by all the SAARC heads of states which efficiently signalled India's opening to the neighbourhood which seem to warm up to this gesture. Modi's landmark visits to Bhutan, followed by his religious trip to Kathmandu have gone visibly spectacular. Calling it as B2B (Bharat to Bhutan) relationship, Modi inaugurated Bhutan's Supreme Court building built with India's assistance; promised for a digital library and doubling of India's educational scholarship to their students (PTI, June 15, 2014). In Nepal it was 'HIT Nepal'- Highways, Information ways and Transmission ways in Nepal which India promised to help build in Nepal along with US\$1billion credit line offer (Ghimire, 2014). Also towards a long range Indo-Nepal bilateral process, the India-Nepal Joint Commission frozen for 23 years got proactively activated to review Indo-Nepal relations.

US\$1billion supplier's credit to Bangladesh and bilateral exchange of over 24,000 acre land involving 162 land enclaves that remained 'Stateless' under international law since 1974 are

visible positive bilateral developments between India and Bangladesh⁷ (Schendel, 2002). India also hosted leaders like Prime Minister Tony Abbott- Australia, Chinese President Xi Jinping, Russian President Vladimir Putin and Prime Minister Nguyễn Tấn Dũng of Vietnam, apart from the most notable visit of President Barack Obama which generated serious Chinese speculation. External Affairs Minister Sushma Swaraj's targeted official visits to several Asian capitals like Dhaka, Kathmandu, Naypidaw, Singapore, Hanoi, Manama, Kabul, Dushanbe, Male, Abu Dhabi, Seoul, and Beijing has increased the pace and space of India's engagement in the extended neighbourhood which seriously opens India to the ASEAN plus and plus equation.

India's High Table Diplomacy

Rising from sober tea sellers back ground, Modi- India's real-life Slum dog Millionaire who once was denied visa to the United States for over a decade and personally represented a thread of Washington's discomfort, visiting the United States in September, not only enthralled the American and Indian American community, but seemed to have started a new chapter in Indo-US relations.

Once an outcast to Washington administration and considered most unwanted, Modi's amazingly popular visit to the United States and American media addressing him as Mahatma (venerated) Modi – Indo-US relationship is now bristling up into newer promises. A Joint editorial: *'Forward together we go'* by Modi and Barack Obama in Washington Post; *'G-All'* at UN General Assembly address- a notion of global inclusiveness than 'bloc politics' and *'Make in India'* – Investment invitation, very conclusively revised language of Indo-US engagement. President Barack Obama in reciprocation, accepted to be the chief guest at India's Republic day parade on 26th January 2015- a scenario of discomfort for Pakistan and China in more than one way. Apart from symbolism, on the substantive front, what followed 'Modi-Obama Delhi Declaration' is the coming together of India and the US on "Grand Strategy" in Asia - new level of Indo-US engagement with ramification to regional/global geo-economics and strategic configurations including freedom of navigation, maritime security and air space safety, especially in the South China Sea. This is the first time India and the US have come together openly to say that they do not want Asia to be dominated by one power- clear signals to China (BBC, 2015). The "Grand Strategy Asia" has deeper connotation to conflicting maritime claims of China, Taiwan, Japan, Vietnam, Philippines Malaysia and Brunei and therefore, maritime freedom as part of Modi-Obama's Delhi Declaration has long term strategic implication. Japan sharing this vision shall dilute China's regional hegemon and Asian politico-economic and strategic highway therefore shall move through New Delhi-Tokyo- Beijing and Washington- a scenario of regional power distribution and pluralism. Chinese press noting Obama's India visit, advised that India-China mustn't fall into trap of rivalry set by the West and called upon a higher level of Sino-Indian strategic partnership (Dao, 2015).

⁷ 111 Indian and 51 Bangladesh enclaves through the tragic Indo-Pak border division and creation of Bangladesh in 1971 remained as stateless enclaves whose over 50,000 people continued as 'Stateless People' now see the hope of belonging to either India or Bangladesh.

Asian Economic Internationalism: Normative Shift

Regional integration has always been an idealistic imagination in the region. While Indian Pan Asian idea has been cultural in nature and bereft of military or territorial expansionism, the rest of competing ideas like Malaysian ‘neo-Asianism’, Japanese new Asianism, Chinese Confucian regionalism, and variations of Korean ideas of regionalism intellectually imagined of Asian identity against Western values, ideas and domination (Szpilman, 2011). Most such ideas largely promoted nationalist interest and approach (Taylor, 1964). The notion of ‘Asian Co-Prosperity Sphere’ is however; graduating to neoclassical economic liberalisation and market integration models around ASEAN Axis and ASEAN+3; ASEAN+6 and ASEAN+11 are only nomenclatures of scale and size of regional and global economic internationalism.

ASEAN Noodle Bowl

ASEAN is the epicentre of neoclassical global economic integration and internationalisation today. 109 ratified FTAs till January 2013 and another 148 FTAs at various stages of development, brings the total to 257- highest number of FTAs in the world (ADB, 2013). ASEAN plus three; ASEAN plus six and ASEAN plus sixteen are neoclassical economic diplomacy corridors for regional and extra regional economic integration and aspirations. The shape and size of ASEAN plus is extra-regional power dependant. While ASEAN- FTAs seem to have created wealth in the region, on the flip side, they are driven by five of the region’s richer and larger economies i.e. Singapore, Japan, South Korea, China and Thailand and smaller economies hold lessor promise (Ganeshan Wignaraja, 2014).

Does India Fit- in

Addressing the ASEAN Summit in Myanmar in November, Modi converted India’s LEP to Act East Policy (AEP) which is around larger engagement and fast connectivity in the region (Parameswaran, 2014).

Towards this larger role, Modi Doctrine’s four pronged action plan includes – a. Immediate Neighborhood focus; b. LEP to AEP- ties with extended neighbourhood and ASEAN and deepening cooperation with island nations in the Pacific and the Indian Ocean; c. Increased security cooperation with Japan, Australia, and the United States; d. G-20 to G-All- a larger global debate towards inclusiveness (Baruah, 2014). Although never explicitly stated, ASEAN and East Asian nations seem compatible with India as a counterweight to growing Chinese footprints in the region. Thailand, Philippines, Indonesia and more particularly, Vietnam and Myanmar have intended Indian help in terms of military training and weapons supply (Gokhale, 2013).

India’s AEP therefore seems set in creating a regional balance which is appearing to move through many corridors and one of them certainly connect strongly to Tokyo. ASEAN, ASEAN+3; ASEAN+6 and ASEAN+16 are economic diplomacy corridors for regional player’s economic aspirations. Washington as a balancing factor, India’s strategic collaboration and configuration to mitigate regional challenges may have to pass from New Delhi - Tokyo to Washington.

Indo-Japan Engagement in New Times

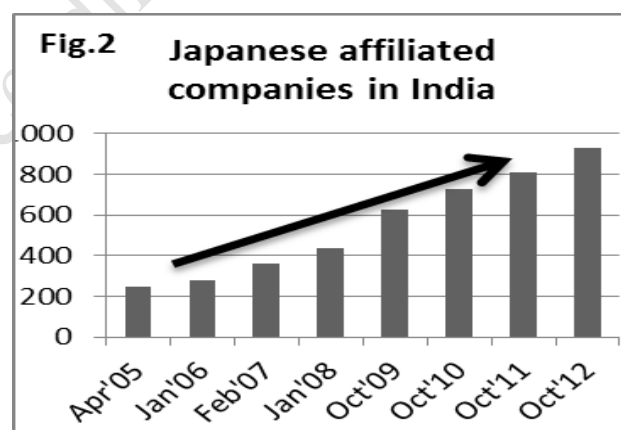
Overview

The Indo-Japan Peace Treaty of 1952⁸ laid the basis for Indo-Japan trade, economic and technical cooperation. Japanese iron ore import from Goa in 1950s was reciprocated by extending a 18billion Yen loan (US\$50million) to support India's second five year plan in 1958 (Takaji.S, 1995). This was the first-ever Japanese government-to-government yen aid loan to India (MOFA, 2011). Interestingly, during 1958 - 1965, Japan, through the World Bank Consortium, extended US\$330 million loans to India which marked its highest loan amount to any developing country (Takaji.S, 1995). Indo-Japan Agreement on Commerce-1958 further strengthened their trade relations and provided Most Favoured Nation (MFN) status to each other in matters of taxation, tariff, enterprises and sea passage. Japan in 1980s negotiated a \$ US 5 billion long-term loan from the IMF and in March 1991, extended \$2.45billion loan to address India's BOP crisis (Sato, 2012).

Rising Japan Inc. in India

As of October, 2012, 926 Japanese corporations have come into India and more than 1200 operation bases are established (Figure 2). The establishment of Maruti-Suzuki joint venture plant in 1983 revolutionised India's automobile sector. In June 2008, Japanese pharmaceutical company Daiichi Sankyo bought a \$4.6 billion controlling stake in India's largest pharmaceutical firm Ranbaxy Laboratories followed by \$2.7 billion Japanese telecom giant NTT DoCoMo acquiring 26% stake in Tata Teleservices Ltd. Most investments have been in automobiles, auto parts and electronics. However, some companies have invested in businesses like pharmaceuticals (EISAI), health drinks (Yakuruto), pulp (Nihon Koso) and rice processing (Yanmar). Japan's small and medium enterprises have also started to discover India as the new growth market.

Figure 2. Japanese Affiliated Companies in India



⁸ Both countries offered Most Favoured Nation status to each other on matters of air traffic rights, customs duties and offered 'national treatment' to each other on matters of shipping, navigation, importation of goods etc.

On the other hand, there are few Indian companies and affiliates in Japan with a total capital investment of Yen 1252 million (US\$12.01million). Indian MNCs are a new phenomenon post government of India's economic liberalisation since 1991.

Indo-Japanese Economic Engagement

Four major economic modes characterise Japan's economic engagement with India. Japanese Official Development Assistance (ODAs), Grants in Aid, Technical Cooperation Assistance for capacity building is the foremost channel. Japanese FDI and portfolio investments constitute the second mode. Third, Japanese private sector business and investment interests in India and finally, the bilateral export-import market in the order of around US\$18billion creates a strong basis for bilateral stakeholder-ship.

Aid as economic diplomacy

Japan's ODA Loans; Grant Aid and Technical Cooperation Assistance are interconnected instruments and have been early forms of Indo-Japan engagement. Japan's first ODA Loan of Yen 18billion (US\$50million) in 1958 was the first ODA Japan ever provided to any country in the world. The ODA Loan and Japan's India-specific Country Assistance Program has been further refined since May 2006-07 (MOFA, 2010).

Disbursed through Japan Bank for International Co-operation (JBIC), India has been the largest recipient of Japanese concessional ODA loans since 2003-04 at annual interest rates of 0.3% to 1.2% with 15-30 years repayment period have greatly helped India access international capital for infrastructure projects (Geethanjali, 2010). ODA funded projects like Yamuna Action Plan; 1,616 million yen Dedicated Industrial Freight Corridor Project for a 552 km-long segment; 19,832 million yen Bangalore Metro Rail Project (II); forestry, biodiversity projects in Rajasthan, Bihar National High Way Project- nearly two third of Indian provinces have at least one such on-going projects.

Japanese Grant Aid to India started in 1977 and the total assistance so far is 89.654 billion yen (MOFA, 2011). In the last seven years, India has received 21,665 million Yen (Table 1.) as Grant Aid and technical cooperation assistance.

Table 1

Grant aid / technical cooperation from Japan to India (Million Yen)

Financial Year	Grant Aid	Technical Cooperation
2005-06	2,109	1,784
2006-07	596	2,535
2007-08	397	2,160
2008-09	428	2,451
2009-10	466	3,194
2010-11	1,159	1,681
2011-12	12	2,693
TOTAL	5,167	16,498

Source. JICA/ Indian Embassy

Foreign Direct Investment

Japan is the fourth largest FDI investor in India (Table 2) and JBIC 2010 annual industry outlook survey indicated that 74.9% of 605 Japanese companies selected India as their investment destination over the next 10 years, while 71.7% chose China (Embassy, 2013).

Table 2

Japanese FDI to India

Year	million US\$	% Change
2001	150	-14.3%
2002	146	-2.7%
2003	124	-15.1%
2004	139	12.1%
2005	266	91.4%
2006	512	92.5%
2007	1506	194.1%
2008	5551	268.6%
2009	3664	-34.0%
2010	2864	-21.8%
2011	2326	-18.8%
2012	2802	19.8%

Source. JETRO <http://www.jetro.go.jp/en/>

Survey conducted since 1992 has continuously projected China as the preferred investment destination for Japanese companies. For the first time in 2010, India topped the investment destination list as most attractive location overtaking China.

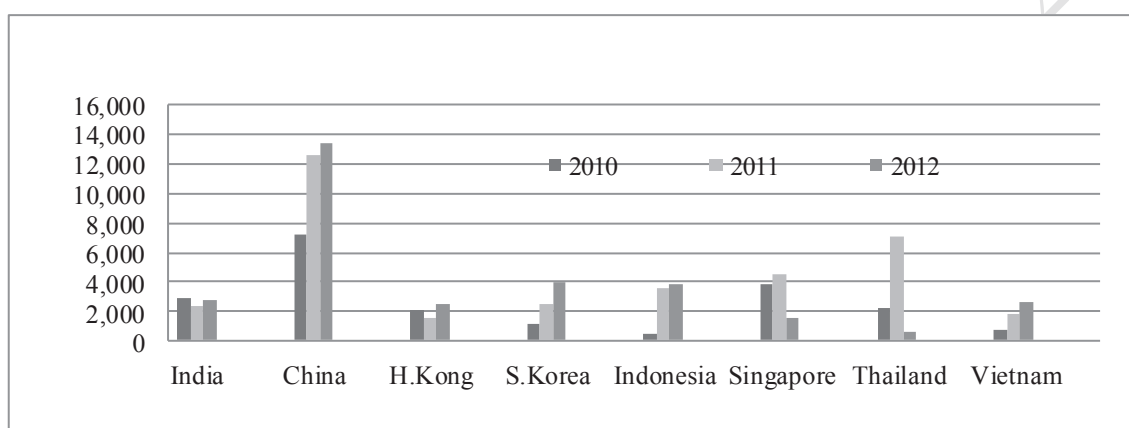
Increasing labour costs in China, *Senkaku* islands dispute in September 2013 and China's regional hegemony are likely to create further Indo-Japan collaboration. In short-term projections however, China still tops the list with 77.3% of the respondents being China-positive while ratings for India were at 60.5%, Vietnam at 32.2%, Thailand 26.2% and Brazil at 24.6%⁹ (JBIC, 2013). Japanese FDI increased during 2004-08 from 12.1% to 268.6%.

Japan: Comparative Investments in South Asia

⁹ Interestingly while JBIC Survey 2010 puts China, India, Vietnam, Thailand, Brazil and Indonesia in order of chosen destinations, 2013 survey shifts the preference to Indonesia, India, Thailand and then China. Regional political and strategic issues therefore seem to have a strong bearing on perceptions and the survey's findings.

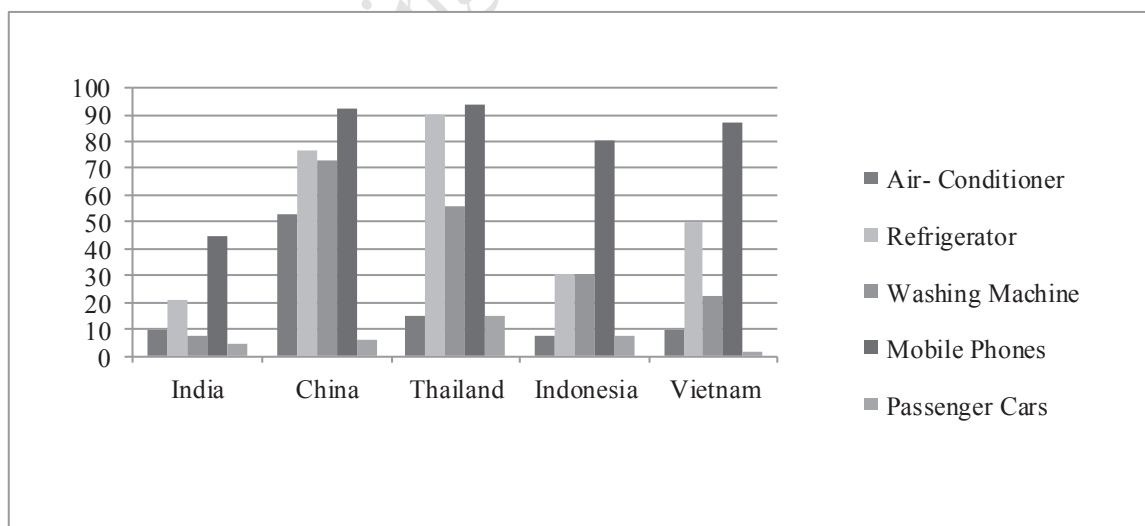
The Japanese share of India’s automobile market is already above 50%, and Japanese tier two and tier three auto component manufacturers are making inroads into India. Attractive deals in the sector are the \$450 million Panasonic-Anchor buyout in April 2007 and NTT DoCoMo (Hisao Najajima, 2011). Over a five-year period, M&A and Greenfield ventures in target sectors like specialty chemicals, consumer goods, health care and information technology sector have registered 18 fold Japanese investments jump. Infrastructure investments in India are expected to be about a trillion US Dollars in the next 5 years including public private partnerships. While Japanese investment in India is continually on the rise, it is important for India to tap the Japanese investment shift from China and South East Asia which have been Japan’s focus markets (Figure 3 & Figure 4).

Figure 3 Japan's investment in other Asian countries US \$ Million



Source. JETRO Report 2013

Figure 4 Japan Product Market Penetration 2012

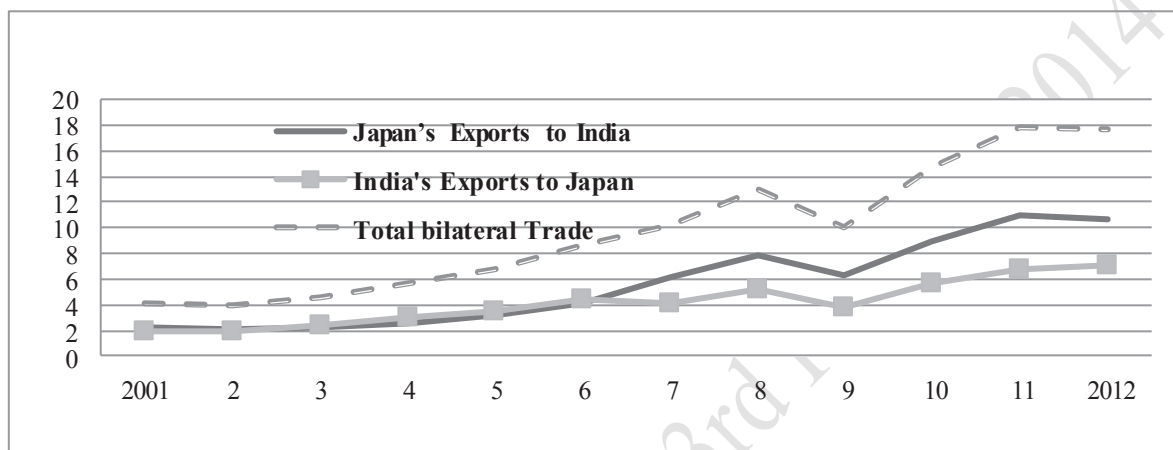


Source. JETRO Report 2013

Indo-Japan Trade

Indo-Japan export-import trade graph has been continuously on the rise since 2000 (Figure 5), reaching over US\$ 18.43billion. Japanese exports to India since 2006 have reached over US\$12 (Embassy, 2013). Bilateral trade constitute 2.21% to 2.46 % of India's total trade during the last five fiscal years and Indo-Japan CEPA signed in 2011 is seen to be a game changer in this direction.

Figure 5. India-Japan Trade Year 2000-2012 US\$ Billion



Source. Author's compilation from JETRO/DIPP data

Indo-Japan CEPA

India and Japan signed Comprehensive Economic Partnership Agreement (CEPA) in February, 2011 (MOFA-Japan, 2011). While it is too early to quantify the tangible CEPA gains, there are positive signs and in Yen terms, the export - import change has been over four times than the previous year, in dollar terms.

Indo-Japan CEPA, India's third of its kind, covers more than 90% of trade on the Indian side, a vast gamut of services, investment, IPR, customs and other trade-related issues. 17.4% tariff-lines from India are reduced to 0% and another 66.32% of tariff lines shall be brought down to 0% in ten years so that Indian industry can adjust to trade liberalization. India's export interests in seafood, agricultural products such as mangoes, citrus fruits, spices, instant tea, spirits such as rum, whiskies, vodka etc., textile products like woven fabrics, yarns, synthetic yarn, readymade garments, petro chemical and chemical products, cement, jewellery are expected to benefit.

Indo-Japan CEPA covers trade in Goods, Services, Movement of Natural Persons, Investments, IPR, and Custom Procedures and envisages abolition of tariffs over 94% of items by 2021.

Promising Sectors

Two promising sectors, the IT (Chaturvedi, 2011) and pharmaceutical sectors hold growth prospect for Indian investors in Japan. In 2012, Japan's IT / ITES market were estimated to be US\$146billion and pharmaceutical sector estimated to be US\$ 90billion. Only 10% of

Japanese IT services are outsourced/ off-shored. While China shares 50% market, around 70 Indian IT companies hold only 1% market share with strong development prospects (Embassy, 2013).

Global pharmaceutical sector grows 15% annually. Pharmaceutical Export Promotion Council of India (Pharmexcil), in a two-pronged strategy- 'India-Japan Pharma Alliance' or 'Brand India Pharma' in Japan, is strategizing towards Indian foothold in the \$ 90billion Japanese market. Indian pharmaceutical majors, especially in the area of generic drugs seem to have market prospect in Japan. India's Lupin acquired Japanese Kyowa Pharmaceutical Industry and From Pharmaceutical Co, in 2007 to enter the generic injectable segment and posted 14% (US\$143million FY2012-13) revenue growth in Japanese market. (Balakrishnan, 2013)).

Road Ahead

Japanese diplomat Sakutaro Tanino summarizes Tokyo - New Delhi and Tokyo-Beijing engagement ratio as 1:30 or 1:50 with examples like, 1.9 lakh Japanese visited India than over 36 lakh to China; only 541 Indian students study in Japan, compared to over 86,000 Chinese; there are only 7,000 Japanese residents in India, against 1.5 lakhs in China; 18,000 Indian students are learning Japanese, compared to 8.27 lakh in China; and there are 26 weekly flights between Japan and India against 668 flights between Japan and China. Tourism flows have also been dismal mainly due to the lack of cheap, clean hotel accommodation in India. These are the trends Emperor Akihito's November 2014 visit to India was trying to reverse. A similar royal visit to China in 1992 helped transform Sino-Japanese engagement quantitatively (Dikshit, 2013).

CONCLUSION

India and Japan at least openly do not declare their cooperation as being directed against any third country. However, China axis remains an unspoken factor in India-Japan relations.

In 2007, Japanese Prime Minister, Abe Shinzo addressing Indian Parliament stressed on "confluence of the two seas." The Pacific and the Indian Oceans are "now bringing about a dynamic coupling as seas of freedom and of prosperity. A 'Broader Asia' that broke away geographical boundaries is now beginning to take on a distinct form," Japan and India "have the ability - and the responsibility - to ensure that it broadens yet further and to nurture and enrich these seas to become seas of clearest transparency (sic)." Abe' largely pitched for prosperity alliance than confrontation which India and Japan and ASEAN plus variants seem to cherish.

Economic and trade structures like ASEAN; ASEAN+3; ASEAN+6 or even TPP are notions of deeper neoclassicism in Asia's economic prosperity. Since Indo-Japan collective psyche and most of the regions aspirations greatly converge with this neoclassical co-prosperity order, the future directions of the region are more likely to be market and economy centric with occasional security flash points.

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HEALTH COMMUNICATION: CURRENT STATE OF RESEARCH AND FUTURE TRENDS

By

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ABSTRACT

Public health problems in developing countries represent significant challenges for research and development. As a consequence, there has been an increasing number of public health research articles available in academic databases. This study examines the current state of health communication studies conducted in developing countries and the role of traditional media and information communication technology (ICT) in health communication articles. A content analysis was conducted on 73 peer-reviewed journal articles published between 2004 and 2014. The findings demonstrate that research on HIV/AIDS topics continue to embrace the health communication field. Moreover, the rise of ICTs marks a turning point and media shift for health communication articles published between 2004 and 2014.

KEY WORDS: Health communication, HIV/AIDS, developing countries

INTRODUCTION

Health communication is defined by the Centers for Disease Control and Prevention (CDC) as “the study and use of communication strategies to inform and influence individual and community decisions that enhance health” (National Cancer Institute, 2008). Health communication has been initiated since the early 1970s as a compelling approach to public health and healthcare study. This communication involves using some form of communication for the propose of delivering healthcare and health promotion (Kreps, Bonaguro, & Query, 1998). To date, a number of international and local nonprofit organizations, private sector and public health agencies, have achieved their goal in tailoring and implementing health communication interventions that include various forms of communication activities such as peer to peer approach, public relations, public advocacy, community mobilization, and professional communication (Schiavo, 2013). In order to investigate the impact of human and mediated communication on health, healthcare delivery, and health promotion, health practitioners and health communication researchers have adopted applied social scientific research that utilizes qualitative and quantitative approaches. This type of research is a problem-based approach which places great emphasis on determining, discerning, and providing a solution to healthcare and health promotion problems (Thompson, 2014). Health communication, an interdisciplinary area of study, is rooted in psychology, anthropology and sociology, marketing, social marketing, health education as well as communication science (Schiavo, 2013). It was also identified as one of the approaches in the development communication field by UNESCO in 1989 (Servaes, 2007).

Growth in Health Communication

There is sufficient scientific evidence that the health communication approach plays an important role in the communication field. In spite of the fact that health communication journal articles focus particularly on public health problems in a few countries or regions, the number of health communication research publications has increased each year (Esser & Hanitzsch, 2012). Examining citation data from 2006 to 2008, Feeley, Smith, Moon, and Anker (2010) conducted a journal citation network analysis of health communication in 26 journals listed by the Institute for Scientific Information Web of Knowledge. Their results demonstrate that health communication is among the top 25% of journal impact factors and that this communication has been consistently cited by communication journal articles over

the period of 2002 to 2008. Ogan et al. (2009) examined the state of development communication research in the era of information communication technology (1998-2007). Their findings showed that the community participation approach, including the AIDS/HIV community approach, coupled with health communication, are the second and third most frequently adopted strategies found in development communication research articles. Their meta-review study also demonstrated that most of the health communication literature in their sample articles focused on the HIV/AIDS epidemic, and cultural and gender issues in South Africa, Nepal, Brazil, and Zambia. Ogan and colleagues also emphasized an interesting finding. Their study shows that the theories under the modernization paradigm still play a role in development communication articles, although the development communication field has been moved from a modernization paradigm to an alternative paradigm which rely heavily on the community participation approach.

A large amount of the health communication literature uses research synthesis, meta-analysis, and systematic review. These studies focus on various topics, such as mobile phone messaging for HIV/AIDS care (Velthoven, Brusamento, Majeed, & Car, 2012), HIV/AIDS risk (Lewis, Malow, & Ireland, 1997), HIV/AIDS mass communication campaigns (Noar, Palmgreen, Chabot, Dobransky, & Zimmerman, 2009), public health branding (Evans, Blitstein, Hersey, Renaud, & Yaroch, 2008), and hospital marketing communication (Fischer, 2014). However, it is clear that there are few research synthesis studies that comprehensively examine the trend of the health communication literature in developing countries. The current study aims to address this issue by conducting a content analysis of existing health communication articles published in peer-review journals in order to understand the current trend in health communication research.

Objectives

One of the objectives of this study is to examine the current state of health communication studies in developing countries in terms of what is being studied, and in which countries and regions. Additional objectives include: exploring the theories and research methodology that were adopted in health communication articles from 2004 to 2014; investigating how the traditional media and information communication technology (ICT) are situated in health communication articles; and finally, examining the outcomes of health communication literature.

REVIEW OF RELEVANCE LITERATURE

Health Communication Theories

This section explores the concepts and theories related to health communication, the paradigm of health communication, and the paradigm shift and its influence on the health communication field. Theories provide valuable guidance for tailoring health communication programs because of their capacity to explain people's health risk behavior and to demonstrate ways of changing an individual's behavior (Braungart MM, 2008). A majority of theories related to health communication draws its orientation from a broad range of disciplines, including social and behavioral sciences, psychology, sociology, anthropology and marketing (Glanz & Rimer, 1997). The theories and models that have been used as a theoretical framework for health communication research fall into three categories: (1) the intrapersonal level (individual factors); (2) the interpersonal level; and (3) the community

level (institutional, community, and public policy factors) (McLeroy, 1988). Each level has an impact on individual health behavior but with a different perspective (Glanz & Rimer, 1997). For instance, female migrant workers sometimes delay getting an HIV test after engaging in risky sexual practice. At the intrapersonal level, they may fear HIV infection. At the interpersonal level, their friends may suggest not getting the test. At the community level, they may lack healthcare coverage. Further, it may be difficult to get a day off from work or the hospital may be located far from home. Thus, a woman's intention to get an HIV test may be hindered by various factors.

Intrapersonal level (individual factors)

Theories at the intrapersonal level focus on character traits which influence an individual's behavior, such as knowledge, attitudes, beliefs, and demographic background. The approaches utilized extensively in health communication research include the health belief model, the theory of reasoned action or the theory of planned behavior, the stages of change model, and the precaution adoption process model (Hou, 2014).

Interpersonal level

Theories at the interpersonal level look at interpersonal processes and primary groups, such as family, friends, and peers, that play a supportive role in strengthening social identity. The theories categorized in the second group place an emphasis on interpersonal support, such as social cognitive theories and social learning theories (ibid).

Community level

At the community level, institutional, community, and public policy factors influence the health behavior of individuals. Theories categorized at this level support the idea that it is not just the individual that is situated in the center of public health approaches. Lending itself to the ecological approach, community level models focus on the individual, the group, and institutions and the community. Health communication practitioners exert a mobilization effort toward community members and organizations. The theories categorized in this group address social system functions and their change. Models at the community level include community organizations and other participatory models, diffusion of innovations, media effect theories, agenda-setting and new communication technologies (ibid).

Paradigm Shift

Today, the health communication programs launched by the World Health Organization have shifted their focus—from an individualistic perspective to the social environment context which focuses on creating an environment that enables individuals to make healthy behavior choices (Kickbusch, 2003). This shift in perspective reflects the evolution of the communication field. In the beginning, health education relied heavily on the conventional education approach. Painter, Borba, Hynes, Mays, and Glanz (2008) conducted a systematic review that attempted to examine the use of theory in health behaviour research between 2000 and 2005. Their findings showed that the most frequently-used theories were the individual behaviour change models, such as the transtheoretical model of change, the theory of reasoned action, and social network support. Likewise, the modernization paradigm was firmly rooted in individual behavior models that focused on disseminating messages to alter the individual's knowledge, attitude, and behavior (Waisbord, 2001).

However, numerous scholars and health practitioners have questioned whether the behavior change models, which focused on changing individual behavior, could fit the African, Asian, Latin American, and Caribbean context, in which people value group identity (Obregon, 2000). As a consequence, the models and theories related to the social and environmental context gradually became more prominent (Servaes & Malikhao, 2008). Health education interventions explicitly take account of the policy and social factors that influence an individuals' health behavior. Conventional approaches developed without considering the underlying factors that drive behavior are unlikely to result in the desired change in behavior. Social mobilization engages family and community so that they become involved in driving change and nurturing a healthy environment. To date, the behavior change theories appear to exist in the health communication field, but in combination with other strategies. Various interventions such as conventional education, social marketing, and empowerment and social mobilization are well-integrated into health promotion and health education (Waisbord, 2001).

METHODOLOGY

This study adopts content analysis, “a research method that uses a set of procedures to make valid inferences from text” (Weber, 1990, p. 9). This method allows the researcher to combine findings across a set of qualitative and quantitative studies. Content analysis refers to a quantitative logic which focuses on calculating frequencies. In order to generate a cluster and categories, the qualitative and quantitative studies are coded (Klenke, 2008). It is a useful tool for demonstrating social attention and for describing trends in the communication literature (Weber, 1990). The data collection procedures for the present study are provided as follows.

Selection procedure

A comprehensive and systematic search of the literature was conducted using SAGE journals, PubMed, EBSCO host, Taylor and Francis, and other major online journal databases. Reference lists and related citation menus were manually searched for more outcomes. The search included articles relevant to health communication published from January, 2004 to July, 2014.

A search key was developed based on the book “*Communication for Development and Social Change*” by Servaes (2007). The search key included health communication, community participation, HIV/AIDS, entertainment education, BBC, IEC, and non-communicable disease. The selected journals had to meet 4 criteria as follows: (1) they need to have published peer-reviewed articles related to health communication studies; (2) the journal had to be listed in the SCImago Journal & Country Rank; and (3) the articles had to have been conducted in developing countries and published between 2004 and 2014. Dissertations, books, and book chapters were excluded from this study. Seventy-three articles met the criteria and were included in the review.

Coding

Each article was coded on 10 dimensions (journal, year, research setting, research issues, main actor of the research, theory used, research design, target population, media used, and outcome) adapted from Ogan et al. (2009). In order to ensure the reliability, two coders were trained before the coding. A first coder and a second one met to discuss discrepancies, and inter-coder reliability was calculated for each dimension. For instance, for the target population dimension, the coders agreed on 70 out of the 73 articles, or .988 ($p < .001$). This percentage represented very good agreement among the coders.

FINDINGS

The results showed that the average number of health communication articles conducted in developing countries and published in peer-review journals ranged from six to twelve per year. The highest percentage of health communication articles in the samples were published in the *Journal of Health Communication*.

Research Setting

Due to the fact that there were so many developing countries located in Africa and Asia, the largest percentage of research settings demonstrated in the sample articles were Asia and Africa (42.5%, $n=31$ and 42.5%, $n=31$). The second-largest number of articles were conducted in multiple regions (8.2%, $n=6$), followed by Americas (5.5%, $n=4$). With regard to the country of studies, health communication published articles were carried out in various countries across Americas, Asia, Africa and Europe but they were fairly concentrated in some countries such as South Africa, India, China, and Kenya. Perhaps, these urgently need to escalate the public health responses (see Table 1).

Table 1

The Number and Percentage of Health Communication Research Articles Conducted in Developing Countries by Region and Country

Region	Number	Percent	Country
South America, North America, and Caribbean	4	5.5	e.g., Peru (n=1), Mexico (n=1),
Asia	31	42.5	e.g., India (n=7), China (n=6), Thailand (n=3), Vietnam (n=3), Pakistan (n=2), Nepal (n=2), Kazakhstan (n=1), Jordan (n=1), Laos (n=1), Taiwan (n=1)
Africa	31	42.5	e.g., South Africa (n=9), Kenya (n=5), Tanzania (n=4), Cameroon (n=3), Ethiopia (n=2), Egypt (n=1), Mauritius (n=1), Nigeria (n=1), Peru (1), Uganda (n=1), Zambia (n=1), Zimbabwe (n=1)
Europe	1	1.4	e.g., Turkey (n=1)
Multiple Regions	6	8.2	
Total	73	100.0	

Research Issues

When considering the research issues, the largest percentage of articles focused on HIV/AIDS, accounting for 63.5% (n=47). Non-communicable diseases such as diabetes, unhealthy diet, and smoking came at second, with 12.2% (n=12.2) of publications devoted to them, while the rest of the articles were directed at sexual health, reproductive health, family planning, health literacy, collaboration effort and communicable disease. Given the number of study areas by region, the results showed that Africa and Asia were the center of health communication research, reflecting the high volume of public health problems there. Moreover, these regions were the most studied setting among articles on HIV/AIDS, which comprised 54.8% (n=17) and 67.7% (n=21) respectively. This might be because Africa and Asia were the regions most and second most affected by HIV/AIDS and therefore it has been necessary to scale up HIV/AIDS intervention in both regions. HIV/AIDS also received the most attention among the articles from the Americas and multiple regions (Table 2).

Table 2

The Number and Percentage of Research Issues by Region

Study Area	America	Asia	Africa	Europe	Multiple regions	Total
Non-communicable disease		5 16.1%	2 6.5%	1 100%	1 16.7%	9 12.3%
Communicable disease		3 9.7%	1 3.2%			4 5.5%
HIV/AIDS	4 100%	17 54.8%	21 67.7%		5 83.3%	47 64.4%
Sexual health, reproductive health, and family planning		6 19.4%				6 8.2%
Others (e.g., literacy, and health facility)			7 22.6%			7 9.6%
Total	4 5.5%	31 42.5%	31 42.5%	1 1.4%	6 8.2%	73 100%

Note. $X^2 = 29.810$, d.f. = 16, $p < .019$

Main Actors of the Research

The largest percentage of research projects demonstrated in the sample articles (34.2%, n=25) were a collaborative effort between various actors, including educational institution government offices, private and international and local non-government organizations (NGOs). Because of its major role in making a contribution to research and expanding the body of knowledge in the academic field, educational institutions took second place, dedicating 21 articles (28.8%) to health communication research. The government was third place, conducting 17 (23.3%) research articles, followed by local NGOs (n=6, 8.2%) and international agencies (n=3, 4.1%).

Theory Used

As expected, a new perspective on health communication has come to the forefront. The highest number of articles (n = 22, 30.1%) was guided by theories at community levels such as Communication for social change, empowerment, Social mobilization and the participatory approach (Table 3). This research has made an interesting finding. Instead of fading into insignificance from the health communication literature, it seemed that theories concerning individual behavior change still existed, as twenty (27.4%) articles in the sample were guided by theories at the intrapersonal level including the health belief model, the rational model-KAP, the theory of reasoned action, and the stage of change theory. Moreover, the theories at the interpersonal level such as the social learning theory and social cognitive theories were

ranked third, with almost the same frequency as theory at the intrapersonal level (N=19, 26%).

Table 3

The Number and Percentage of Theories Used in the Research Articles

Level of theory	Number	Percent	Theories
Intrapersonal level	20	27.4	e.g., health belief model, rational model-KAP, theory of reasoned action and stage of change theory
Interpersonal level	19	26.0	e.g., social cognitive theory, social learning theory, social marketing, entertainment-education, behavior change communication (BBC), and information, education and communication (IEC)
Community level	22	30.1	e.g., communication for social change, Empowerment, Social mobilization, participatory approach, and diffusion of innovations
Theories brought from other disciplines	3	4.1	e.g., structuration theory and symbolic interaction theory
Theories guided by previous research or organizations	5	6.8	
Grounded theory	4	5.5	
Total	73	100	

Research Design

Articles utilizing the quantitative approach (n=40) outnumbered those that using the qualitative approach (n=24) and mix method (n=9). In terms of research design, about 21 articles utilized survey research using a questionnaire as the tool to gather the data (see Figure 1). The research found that approximately 12 studies conducted library research (e.g., meta-analysis, document analysis) and about 12 articles used multiple research methods such as a combination of focus group and in-depth interviews (see Figure 2).

Figure 1. The Number of Research Approach Utilized in the Research Articles

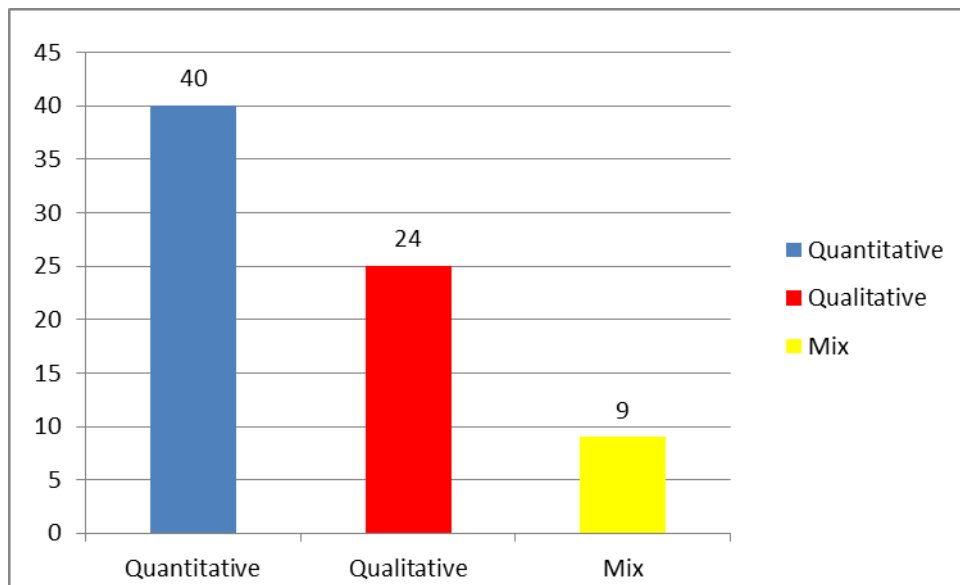
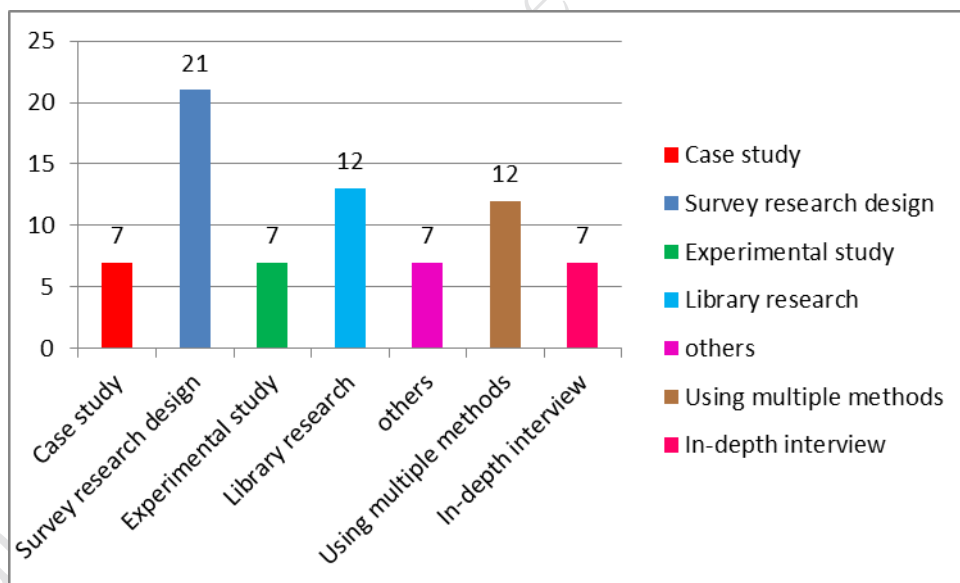


Figure 2. The Number of Research Methods Utilized in the Research Articles



Target Population

As shown in table 4, the largest percent of the target population employed in the sample articles was children and youth (32.9%, n=24) followed by the general public (13.7%, n=10) and NGOs, health workers, government officers, and policy workers (13.7%, n=10), with the same percentage. This implies that youth was regarded as a high risk population and urgently needed to exhibit healthier lifestyle behavior. When considering the percentage of study areas employed among the sample articles that targeted youth and children, HIV/AIDs

was found to be the most popular area of study. This result demonstrated the high prevalence of HIV/AIDS among youth and children. The results appeared to be consistent across the target populations of the sample articles including farmers, fishermen, gays, People who living with HIV/AIDS (PLWHA), women, and the general public (see Table 4).

Media Used

Interpersonal communication was found to be the primary tool utilized in the sample articles (Table 5). The majority of articles (38.4%, n=28) made use of interpersonal communication uniquely, while about 23.3% of the articles (n=17) designed interventions that combined interpersonal with various types of media such as mass media, information communication technology (ICT), and social media and community media. A media shift has occurred in health communication articles published between 2004 and 2014; there has been a decline in using mass communication and print media in articles published from 2010 to 2014. On the other hand, the sample articles have initiated ICT-based health behavior change interventions since the 2010. Thus, changes in communication technology and an increasing use of ICTs reflected a trend in health communication research. Although social media have been prominently used in other fields such as marketing communication, these media were discussed in little detail of one article sample (n=1).

Outcome

Typically, the goal of health communication intervention is an individual's capacity to change his or her behavior. Therefore, the role of the health communication practitioner was to tailor and implement a health campaign that would motivate individuals to adopt desirable behavior patterns. About 34.2% of the studies in the sample articles demonstrated evidence that people were able to change their behavior after participating in the interventions. Approximately 21.9% of the articles showed that the intervention could provoke the target populations' intention to change their behavior. The respondents to the intervention implemented in these research articles changed their knowledge and attitude and this led to the adoption of the desired behavior. At a similar percentage, about 21.9% of the articles also found that their interventions could lead to resource and program development. The intervention that yielded this kind of outcome involved conducting assessment studies in order to investigate a particular health situation in one research setting and to examine the target population's obstacles to participating in the health program.

Table 4

The Number and Percentage of Study Areas by Target Population Employed in the Sample Articles

Study Area	Children and youth	Farmers, fishermen, people in rural areas	NGOs, health workers, policy makers	Gays	PLWHA	Women	General Public	Others	Could not define	Total
Non-Communicable Disease	3 12.5%	1 20.0%	1 10.0%			1 16.7%	1 10.0%	1 14.3%	1 50%	9 12.3%
Communicable Disease	1 4.2%		2 20.0%				1 10.0%			4 5.5%
HIV/AIDS	19 79.2%	3 60.0%	2 20.0%	6 100%	3 100%	1 16.7%	6 60.0%	6 85.7%	1 50%	47 64.4%
Sexual Health, Family Planning	1 4.2%	1 20%				4 66.7%				6 8.2%
Others			5 50.0%				2 20.0%			7 9.6%
Total	24 32.9%	5 6.8%	10 13.7%	6 8.2%	3 4.1%	6 8.2%	10 13.7%	7 9.6%	2 2.7%	73 100.0%

Note. $X^2 = 60.738$, d.f. = 32, $p < .000$

Table 5

The Number and Percentage and Media Used by Year

	Year											Total
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Interpersonal		1		2	2	4	3	8	5	2	1	28
Mass media		25%		40%	18.2%	57.1%	33.3%	72.7%	50.0%	22.2%	50%	38.4%
ICT	3	2	1		1	1				1		10
	75%	50%	100%		9.1%	14.3%	11.1%			11.1%		13.7%
Social media							3	1	4	2	1	11
							33.3%	9.1%	40%	22.2%	50%	15.1%
Print media							1					1
							10%					1.4%
Interpersonal with mass media, social media, community media and ICT							1	1				5
							11.1%	9.1%				6.8%
ICT, mass media, and social media												
Total	4	4	1	5	11	7	9	11	10	9	2	73
	5.5%	5.5%	1.4%	6.8%	15.1%	9.6%	12.3%	15.1%	13.7%	12.3%	2.7%	100%

Note. $X^2 = 96.166$, d.f. = 60, $p < .002$

CONCLUSION

The objective of the current study was to examine the current state of health communication studies published in journal articles from 2004 to 2014. A comprehensive search found 73 peer-reviewed articles conducting health communication programs in more than 26 developing countries across different regions. All sample articles were coded in 9 dimensions, including journal, year, location of study, study area, theory used, research design, target population, media used, and outcome. The results showed that the African and Asian regions were the hub of health communication research because the people in these regions have been facing severe public health problems, especially the HIV/AIDS epidemic. As evidenced by the findings of this study, the majority of articles conducted in both regions focused on the HIV/AIDS issue. This study also explored the theories adopted in the sample articles. The largest percentage of sample studies utilized theories at the community level such as Communication for social change, Empowerment, Social mobilization, and the Participatory approach. This result was consistent with previous research, which stated that theories addressing the social environment context have become prominent in health communication research.

This might be because these theories were suitable for the African, Asian, Latin American, and Caribbean context (Obregon, 2000; Servaes & Malikhao, 2008). However, the number of articles that adopted theories at the intrapersonal level (e.g., health belief model, the rational model-KAP, theory of reasoned action and stage of change theory), coupled with articles that utilized theories at interpersonal level (e.g., social cognitive theory, social learning theory, social marketing, entertainment -education, behavior change communication (BBC), and information, education and communication (IEC)) made up a larger proportion of studies in the sample articles. Thus, this finding showed a resurgence of interest in theories at the intrapersonal and interpersonal levels in health communication literature. This resurgence came as a surprise since according to the current public health paradigm, the majority of articles were supposed to apply theories at the community level rather than the intrapersonal and interpersonal levels. Painter et al. (2008) expressed the notion of the unrelenting challenge of encouraging health communication practitioners to integrate theories at the community level in empirical research.

A media shift has been seen to have occurred in this review of health communication articles in the 10-year period (2004-2014). Print and mass media became outdated. Instead, information communication technology (ICT) marked a turning point in health communication studies. Since 2010, the articles in the sample have consistently adopted the ICT tool in their interventions. Thus, ICT has become the most valuable used tool for the development communication field (Ogan et al., 2009). Although the popularity of social media has been increasing, this study found only one article that employed social media in the health communication program. A few studies reported using social media in health promotion programs even if they provided only a fundamental tool for program assessment (Kaufman, 2012). Social media currently have become an integral part of people's life style, and this researcher expects to see greater emphasis placed on the application of social media in future health communication research.

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**AN UPDATED QUALITATIVE META-ANALYSIS OF WORD-OF-MOUTH
IN MARKETING COMMUNICATION AND GROUNDED THEORY**

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ABSTRACT

This study is to investigate the status of word-of-mouth (WoM) communication in marketing communication during 1994-2013. Based on the study of Stamp's (1999) titled, "A qualitatively constructed interpersonal communication model: A grounded theory analysis" and on the study of Rojjanaprapayon (2014) titled, "Simply Grounded Theory Analysis on Word-of-Mouth in Marketing Communication and a Qualitatively Constructed Model," this study aims at offering the new findings on how WoM has been employed and studied in marketing communication contexts. Primary data were collected from the English-language articles published during 1994-2013 and available on the international data bases at a national and public graduate institute in Thailand. The findings include four major components in a new qualitatively constructed model of WoM, which are: (1) interactions among consumers, (2) assessment process of product-related messages, (3) consumers' decision-making process and purchasing behaviors, and (4) organizational strategies. The fourth strategy has implied that a corporate decision making process plays a key role in planning and implementing WoM communication for marketing purposes.

KEY WORDS: Word-of-mouth (WoM), marketing communication, grounded theory analysis, qualitative inquiry, and organizational strategies

INTRODUCTION AND RATIONAL

This study is to investigate the status of word-of-mouth (WoM) communication in marketing communication during 1994-2013. It is also a revisit to the previous study titled, "Simply Grounded Theory Analysis on Word-of-Mouth in Marketing Communication and a Qualitatively Constructed Model" (Rojjanaprapayon, 2014), which investigated the English-language articles published during 1988-2012 and available in the databases available in 2012. After 2012, the databases available were expanded, thus a re-investigation was expected to be made. Hence, this current study aims at offering new findings on how WoM has been employed and studied in marketing communication contexts.

RESEARCH QUESTIONS

In this study, there are two research questions addressed below.

RQ 1: What are the general characteristics of word-of-mouth (WoM) studies published during 1994-2013?

RQ 2: What is a model of WoM studies published during 1994-2013 like?

CONCEPTUAL FRAMEWORK

There are two issues to be addressed in this section: (1) WoM communication and a multi-step flow, and (2) grounded theory method. The details are discussed below.

Word-of-Mouth and a Multi-Step Flow

As a key feature of integrated marketing communication (IMC) tools, such as personal selling and public relations (PR), WoM has played only a minor role in those activities because mediated communication has dominated the realm. As part of interpersonal communication or dyad communication, WoM communication emerges when a minimum of two parties are engaged in an interaction (Fill, 2005; Fill, 2006). WoM, however, has a large influence when consumers are making a decision whether to buy products. Relying on the information obtained from people around them, such as friends and siblings, the consumers are expected to effectively decide whether to purchase or not purchase. This is because these people are considered to be genuinely neutral, trustful, and reliable (Assael, 1998: 633-635).

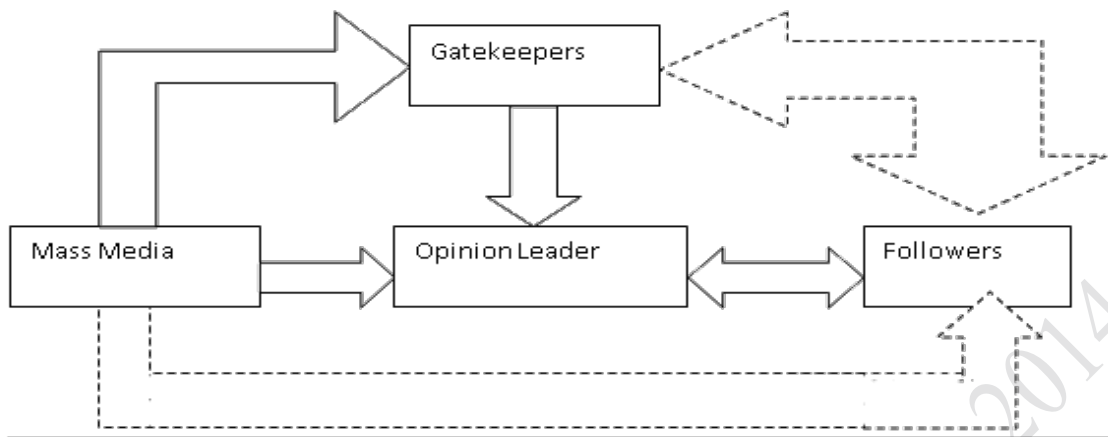
WoM is generally known as “buzz” which was introduced by Letelier, M. F., Spinosa, C., & Calder, B. (2003) when words can be disseminated and re-disseminated through other types of channels, especially mass media. This process is called a “multi-step flow of communication,” which is derived from a “two-step flow of communication” postulated in 1948 (Katz & Lazarfeld, 1955).

To illustrate, in a “two-step flow of communication,” information moves from mass media to opinion leaders and to the followers, respectively. In this model, the followers or receivers are perceived to be passive when compared with the opinion leaders while the flow of communication is one way. See figure 1 below.

Figure 1: Two-Step Flow of Communication (Assael, 1998: 637)



On contradistinction, in the multi-step flow of communication model, in order to better describe WoM, all parties participating in this interaction are perceived to be active while gatekeepers are present. Gatekeepers in this model are defined as the ones who decide whether and which information will be disseminated. Nevertheless, these gatekeepers' direct influence on the followers may or may not exist, but that of the opinion leaders evidently exists (Assael, 1998; Assael, Nigel, Linda, & Kevin, 2004; Letelier et al., 2003; Sawhney & Kotler, 2001). See figure below.

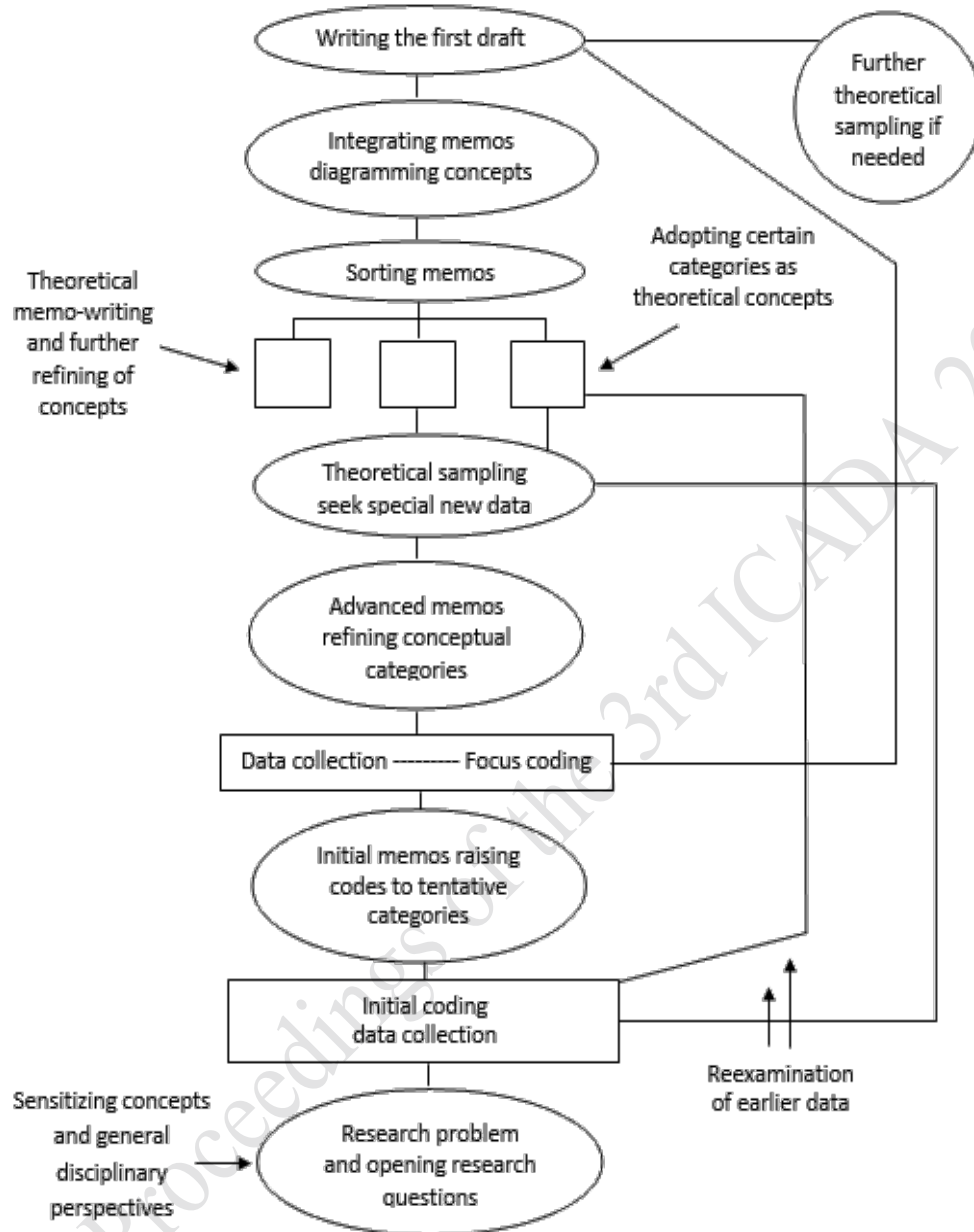
Figure 2: Multi-step Flow of Communication (Assael, 1998: 637)

Currently, in the realm of IMC, WoM is expected to be transmitted via digital media and/or new technological devices, including e-mail, smart phones, and electronic social networks; however, the characteristics of disseminated information are not changing. Definitely, WoM communication is always alive and will attract and draw the interest of scholars and practitioners at the same pace with the advancement of communication technology.

Grounded Theory

In the grounded theory method, both data collection and data interpretation can be possible simultaneously and empirically, since it was created to support the data analysis process. Then, validation of data collection and data interpretation can be made, thus the quality of both endeavors will be strengthened and improved. Consequently, a theory will be constructed as the outcomes of the data analysis process (Bryant & Charmaz, 2007; Charmaz, 2006; Denzin, 2007). See figure 3 illustrating the procedure below.

Figure 3: The Grounded Theory Process (Charmaz, 2006; Bryant & Charmaz, 2007)



METHODOLOGY

A benchmark for this study is the study of Stamp (1999) which was an attempt to “weave these threads together into a coherent tapestry through the use of grounded theory approach” (p. 531) (see also Timulak, 2009). Stamp performed a “constant comparison analysis” to implement the grounded theory approach, so that a system of categorization was developed to account for each article. Then, each category (total of 17 categories) was made related with one another. A model of interpersonal communication, as a result, emerged; the model consisted of seven components. An adoption of the procedure of Stamp’s study was made in this study.

In this study, primary data were collected from the English language articles published during 1994-2013 and available at the international data bases at a national and public graduate institute in Thailand. The international data bases included: (1) IEEE/IEE Electronic Library (IEL), (2) Sage Journal Online: Humanities & Social Sciences, (3) Science Direct, (4) Academic Search Complete (ASC), (5) Taylor & Francis Online, and (6) Wiley Online Library. Initially, 90 articles were selected but only 72 articles qualified as the other 18 articles were not related to marketing or marketing communication, according to the criteria of “Key Words”, “Title”, and “Abstract” (see also Rojjanaprayon, 2014). No inter-coding procedure was administered in this study.

FINDINGS

In this section, findings are presented as the answers to the two research questions. The details are given below.

Selected Important Categories of WoM

Five important categories of WoM were selected and presented in this report as they signified the real characteristics of WoM. They were: (1) types of sources, (2) types of disciplines, (3) types of data collected, (4) types of research methods, and (5) topical categories.

Types of sources

Sources were found to be two types: academic journals and the Proceedings. Of the 72 articles, 59 articles (81.9%) were found in journals, while 13 articles (18.1%) were found in Proceedings. See table 1 below for details.

Table 1

Types of Sources

Source	Quantity	Percentage
1. Journal	59	81.9
2. Proceedings	13	18.1
Total	72	100

Types of disciplines

The articles were found to belong to six disciplines. General management ranked first (41.7%), while both communication and information technology were equal and ranked second (16.7%). Surprisingly, marketing ranked the fourth (8.3%). This may imply that those in marketing may have not paid as much attention to WoM as those in other fields did. See table 2 below for details.

Table 2

Types of Disciplines

Discipline	Quantity	Percentage
1. Marketing	6	8.3
2. Communication	12	16.7
3. Psychology	11	15.3
4. General Management	30	41.7
5. Information Technology	12	16.7
6. Economics	1	1.4
Total	72	100

Types of data collected

In regard to types of data collected, quantitative data were collected the most (94.4%), while the data from the mixed methodological type (quantitative and qualitative) were collected only 5.6%. Qualitative data alone were not found in this study. See table 3 below for details.

Table 3

Types of Data Collected

Type of Data Collected	Quantity	Percentage
1. Quantitative	68	94.4
2. Quantitative and Qualitative	4	5.6
Total	72	100

Types of research methods

Among seven types of research methods, the method of survey questionnaire ranked highest (48.3%), that of experiment ranked second (38.5%), and both textual analysis and ethnography were equal at least (4.4%). This implies that qualitative methods were considered irrelevant. See table 4 below for details.

Table 4

Types of Research Methods

Method (one article may have more than one method)	Quantity	Percentage
1. Experiment	35	38.5
2. Descriptive Statistics	4	4.4
3. Textual Analysis	1	1.1
4. Content Analysis	3	3.3
5. Qualitative Interviewing	3	3.3
6. Survey Questionnaire	44	48.3
7. Ethnography	1	1.1
Total	91	100

(Remarks: One article may have more than one method.)

Topical categories/aspects

Findings reveal that nine topical categories/aspects existed, including: (1) emotion and behavior in WoM, (2) communication elements in WoM, (3) WoM as organizational marketing strategies, (4) WoM and psychological factors in marketing activities, (5) WoM and information and communication technology (ICT), (6) impacts of WoM, (7) WoM as organizational responses (to the market), (8) WoM measurement and evaluation, and (9) influences of social and cultural contexts in WoM. The aspect of “emotion and behavior in WoM” ranked highest (16.67%), while five aspects (i.e., communication elements in WoM, WoM as organizational marketing strategies, WoM and psychological factors in marketing activities, WoM and information and communication technology (ICT), and impacts of WoM) were equal as second highest (12.5%). This finding implies that WoM and its on-going process were the focus of the scholars and experts. Also, the aspect of “WoM as organizational responses (to the market),” which was directly related to organizational policy but not the WoM itself, was found as the third (8.33%). See table 5 below for details.

Table 5

Topical Categories/Aspects

Topical Category/Aspects	Quantity	Percentage
1. Emotion and Behavior in WoM	12	16.67
2. Communication Elements in WoM	9	12.5
3. WoM as Organizational Marketing Strategies	9	12.5
4. WoM and Psychological Factors in Marketing Activities	9	12.5
5. WoM and Information and Communication Technology (ICT)	9	12.5
6. Impacts of WoM	9	12.5
7. WoM as Organizational Responses	6	8.33
8. WoM Measurement and Evaluation	5	6.94
9. Influences of Social and Cultural Contexts in WoM	4	5.56
Total	72	100

The Four Major Components and the New Model of WoM

As a result of the findings on the nine topical categories/aspects, a new model is emerging from the relationships of all nine topical categories/aspects. The new model is a qualitatively constructed model of WoM, consists of four major features of WoM in marketing communication, which are: (1) interactions among consumers, (2) assessment process of product-related messages, (3) consumers' decision-making process and purchasing behaviors, and (4) organizational strategies. The details are given below.

Interactions among consumers/customers is the first feature of this study and also that of the previous one (Rojjanaprapayon, 2014) who explicated this feature by saying that:

[t]his feature is considered the most important because it is both a start and an end of the process. The consumers/customers interact with each other all the time, exchanging the messages about the products they are interested in. These messages are a key for their decision making on purchasing (or not purchasing the products). (p. 246)

Product-related message production and assessment is the second feature of this study and also that of the previous one (Rojjanaprapayon, 2014) who explicated this feature by saying that:

[t]his feature is the second most important in the process. It is because the consumers may or may not assess the product-related messages they have received in their interactions with each other, and then they may or may not produce and reproduce the messages. (p. 247)

Consumers' decision-making process and purchasing behaviors is the third feature of this study and also that of the previous one (Rojjanaprapayon, 2014) who explicated this feature by saying that:

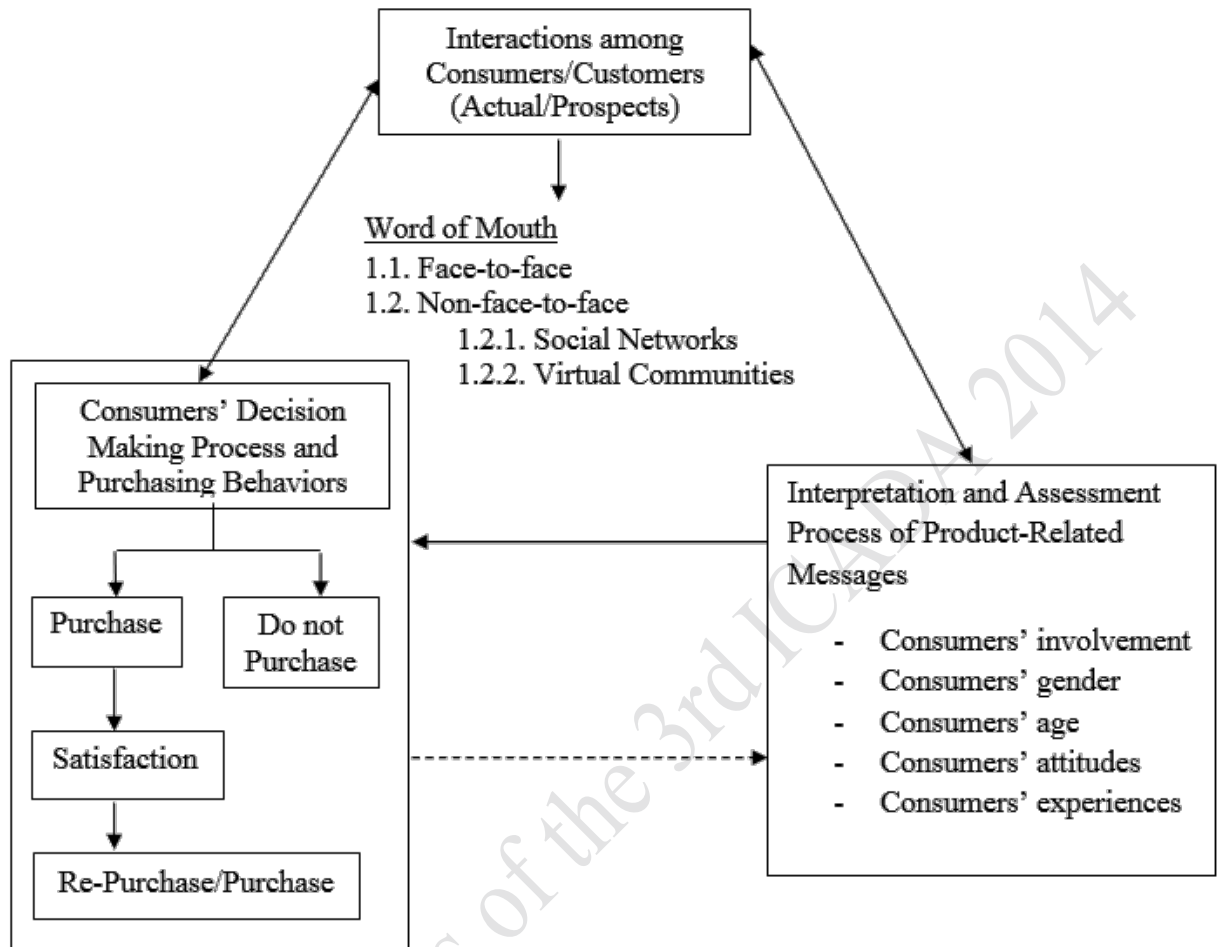
[t]his feature is the least important in the process even though purchasing (or repurchasing) could be a desirable outcome of the marketers. In many cases, consumers/customers do not make a decision and do not make a purchase of the product even though they have exchanged, assessed and reproduce the messages.

However, in this study, this feature is no longer the least important because its effects have led to the fourth feature as both the causes and reactions from organizations towards this feature, which results in all four features being equally important.

The fourth feature refers to *organizational strategies*, which is considered a new feature of the model. This feature refers to how an organization deals with marketing communication in situ by using WoM. Two sub-features were found in this feature, including: (1) using WoM as a buzz as well as viral marketing, and (2) using WoM as a response to situations that demand good marketing communication.

To illustrate, both the previous model of WoM (2014) and the latest one (2015) are presented below in figures 4 and 5.

Figure 5: Rojjanaprapayon’s Qualitatively Constructed Model of WoM (2015)



CONCLUSION AND IMPLICATIONS

This study revisits how a qualitatively constructed model of WoM for marketing communication by a grounded theory method is created. Seventy-two selected articles were analyzed; nine topical categories/aspects of the previous studies on WoM were found, and thence a new model which consists of four major features emerged from the interpretation of relationships among the nine topical categories/aspects. The fourth strategy implies that a corporate decision-making process plays a key role in planning and implementing WoM communication for marketing purposes.

It is also most intriguing that WoM has been studied widely in the field of general management as well as information technology and communication, but not in marketing. Repeatedly, almost all of the previous studies employed quantitative research methods, particularly a survey research method. Difficulties in qualitatively constructing a model became unavoidable. Issues such as “How do communication concepts and theories play their role in studies on WoM for marketing communication” could be a focus in future research.

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**CHARACTERISTICS OF CORPORATE SOCIAL RESPONSIBILITY
AT A PUBLIC UNIVERSITY IN THAILAND**

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ABSTRACT

A selected public university in Thailand has employed corporate social responsibility (CSR) in its strategic development plan to foster their external relations performance, since CSR is a key performance indicator (KPI) of the university. Therefore, this exploratory study, which is treated as an initial and pilot project into CSR at Thai universities, focuses on the classification and clarification of the characteristics of the campus' CSR activities in 2011-2013. The data were collected from the reports which were documented by the school and publicly accessible. Subsequently, the data were analyzed and interpreted by typological qualitative analysis. The findings reveal that the CSR projects were classified and clarified mainly by the nature of the target audience, while their impacts were not clearly identified even though the projects were announced to the public as being successful. Implications of this study include suggestions for the implementation of more sustainable development practices by the organizations and their stakeholders.

KEY WORDS: Corporate social responsibility, corporate communication, strategic development plan, sustainable development, Thai public university

INTRODUCTION AND RATIONAL

Corporate Social Responsibility (CSR) has become known as a type of corporate or external communication used for promoting good relationships between organizations and stakeholders from within and outside (see also Mavro, 2010). The CSR concept and practice has been extended to the higher educational institutions in Thailand and monitored by the Office of Higher Education Commission (OHEC) of Thailand. Therefore, all the higher educational institutions in Thailand have to comply with this requirement to be successful.

A selected public university in Thailand has employed CSR in its strategic development plan to foster their external relations performance, since CSR is a key performance indicator (KPI) of the campus. Therefore, this exploratory study, which is treated as an initial and pilot project into CSR at Thai universities, focuses on the classification and clarification of the characteristics of the university's CSR activities in 2011-2013.

RESEARCH QUESTIONS

RQ 1: What are the general characteristics of the CSR related activities of the selected university in 2011-2013?

RQ 2: What should a model of the CSR related activities of the selected university in 2011-2013 be like?

CONCEPTUAL FRAMEWORK

Bowen (1953), in *Social Responsibilities of the Businessman*, defined the concept of CSR (see also Carroll, 1999). Subsequently, CSR gained further attention from both corporations and the public in the West as a code of conduct for being a good corporate citizen. Since 1990's the concept of CSR has been widely practiced worldwide and became known as a standard evaluation of organizations' performances in both public and private sectors. The implications reveal that most organizations perform their CSR activities as their public relations activities to secure and promote their goodwill and public image in addition to their initial purposes

(Carroll, 2008). According to a McKinsey & Company survey of corporate executives (2006; see also Freeman, 1984), most corporate executives were confident that CSR activities should lead to positive feedback from the public and the stakeholders to those companies who perform the CSR activities.

General Description of CSR

In terms of definition, currently, there is no unanimous, official or unofficial, definition of the term “corporate social responsibility”; however, several known scholars have offered their definitions which are similar to one another. In this study, the definition given by Kotler and Lee (2004) is used: “a commitment to improve community wellbeing through discretionary business practices and contributions of corporate resources” (p. 3; see also Dunphy, Griffiths, & Benn, 2007; Schwartz & Gibb, 1999).

In terms of criteria for judging whether it is a CSR activity, Crane, Matten and Spence (2008) has identified six characteristics for use as follows: (1) voluntary, (2) internalizing or managing externalities, (3) multiple stakeholder orientation, (4) alignment of social and economic responsibilities, (5) practices and values, and (6) beyond philanthropy. Voluntary in this context refers to “go beyond those prescribed by the law” (p. 10). In “internalizing or managing externalities,” the term “externalities” refers to “the positive and negative side-effects of economic behaviour that are borne by others, but are not taken into account in a firm’s decision-making process, and are not included in the market price for goods and services” (p. 10). In “multiple stakeholder orientation,” it means that “CSR involves considering a range of interests and impacts among a variety of different stakeholders other than just shareholders” (p. 11). In “alignment of social and economic responsibilities,” it means “While CSR may be about going beyond a narrow focus on shareholders and profitability, many also believe that it should not, however, *conflict* [sic] with profitability” (p. 11). In “practices and values,” it means that “CSR is clearly about a particular set of business practices and strategies that deal with social issues, but for many people it is also about something more than that—namely a philosophy or set of values that underpins these practices” (p. 11). In “beyond philanthropy,” it means that “the current debate on CSR has tended to emphatically claim that ‘real’ CSR is about more than just philanthropy and community giving, but about how the entire operations of the firm—i.e. its core business functions—impact upon society” (pp. 11-12).

At the same time, Carroll (1991) has offered four responsibilities of CSR activities, including: (1) economic responsibilities, (2) legal responsibilities, (3) ethical responsibilities, and (4) philanthropic responsibilities. See Figure 1.

Figure 1. The Pyramid of Four Responsibilities of CSR Activities (Carroll, 1991)

In this pyramid (Carroll, 1991), “economic responsibilities” refers to the fact that organizations are expected to produce and provide necessary goods and decent services to the consumers while a profit can be made. “Legal responsibilities” refers to the fact that the organizations’ operations must be legal and follow all the given laws and regulations. “Ethical responsibilities” means all CSR activities must be ethical and in accordance with the code of conduct, shows respect to the rights of the consumers, stakeholders, and involved communities. “Philanthropic responsibilities” means organizations are expected to be a good community member who has to pay back to the community by being supportive and giving. This pyramid reflects the traditional and classic views of CSR activities.

Typological Analysis

Typology analysis or typological analysis is a tool in the qualitative method to decipher the deep and hidden structures and elements of a social phenomenon. In other words, this analysis will yield the results as classification and clarification for future studies in that given particular phenomenon (see also Somekh & Lewin, 2005; Tiryakian, 1968).

Ayres and Knafl (2008) and Ritchie and Lewis (2003) have offered the step-by-step explanation of how to conduct a research by using this tool:

- a. Constructing a framework (e.g., using a continuum) (before data collection)
- b. Identifying and classifying the data sets
- c. Interpreting and typifying the data (e.g., comparing and contrasting the datasets)
- d. Reconstructing the data sets for a new pattern or a typology

First, in “constructing a framework,” a researcher has to construct a framework such as a continuum for sorting the data before collecting the data. Second, in “identifying and classifying the data sets,” the researcher must be certain that the data can be identified and classified according to the continuum that has been constructed. Third, in “interpreting and typifying the data,” the researcher has to group the identified and classified data based by comparing and contrasting the datasets. Subsequently, several detailed patterns of the data

emerges. Finally, in “reconstructing the data sets for a new pattern or a typology,” both similar and different patterns will be reconstructed and integrated into a model representing the so-called “typology” of the investigated phenomenon.

METHODOLOGY

This study used a qualitative research tool called “typological analysis” by collecting the available data of all activities related to the concept of CSR and implemented by the selected university. The data were collected from the reports which were documented by the university and publicly accessible, which were extremely limited. The given data represented 34 qualified activities related to CSR which were implemented by only 13 units on university grounds in 2011-2013. Next, the data were analyzed and interpreted by using the recommendations from Lioness and Knafl (2008) and Ritchie and Lewis (2003) in order to yield similar and different patterns and characteristics of the recorded activities. At the end, a typological model of the CSR activities emerged. The number of the activities was limited due to the constraints on the filing system of the university.

FINDINGS

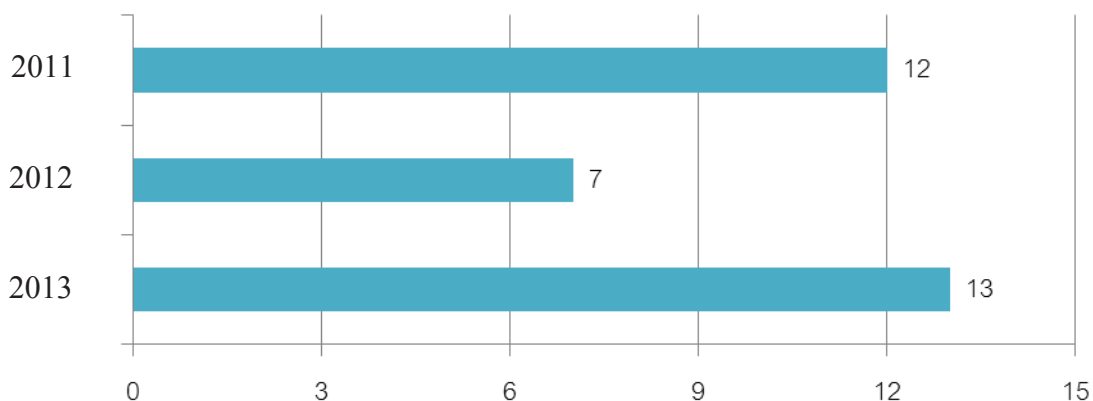
The findings reveal that the 34 CSR projects were classified and clarified mainly by the nature of the target audience, while their impacts were not clearly identified even though the projects were publically announced as being successful. The selected details will be offered in two separate divisions that correspond to the given research questions:

RQ 1: What are the general characteristics of the CSR related activities of the selected university in 2011-2013?

RQ 2: What should a model of the CSR related activities of the selected university in 2011-2013 be like?

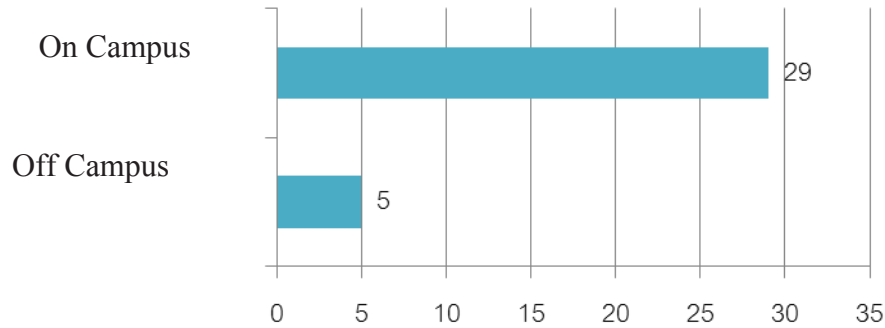
(A) In terms of quantity, in 2011, 12 activities were recorded and performed. In 2012, only seven activities were given, while 13 activities were recorded and reported. The year of the last two activities were not reported. See Figure 2.

Figure 2. Number of Activities (by year)



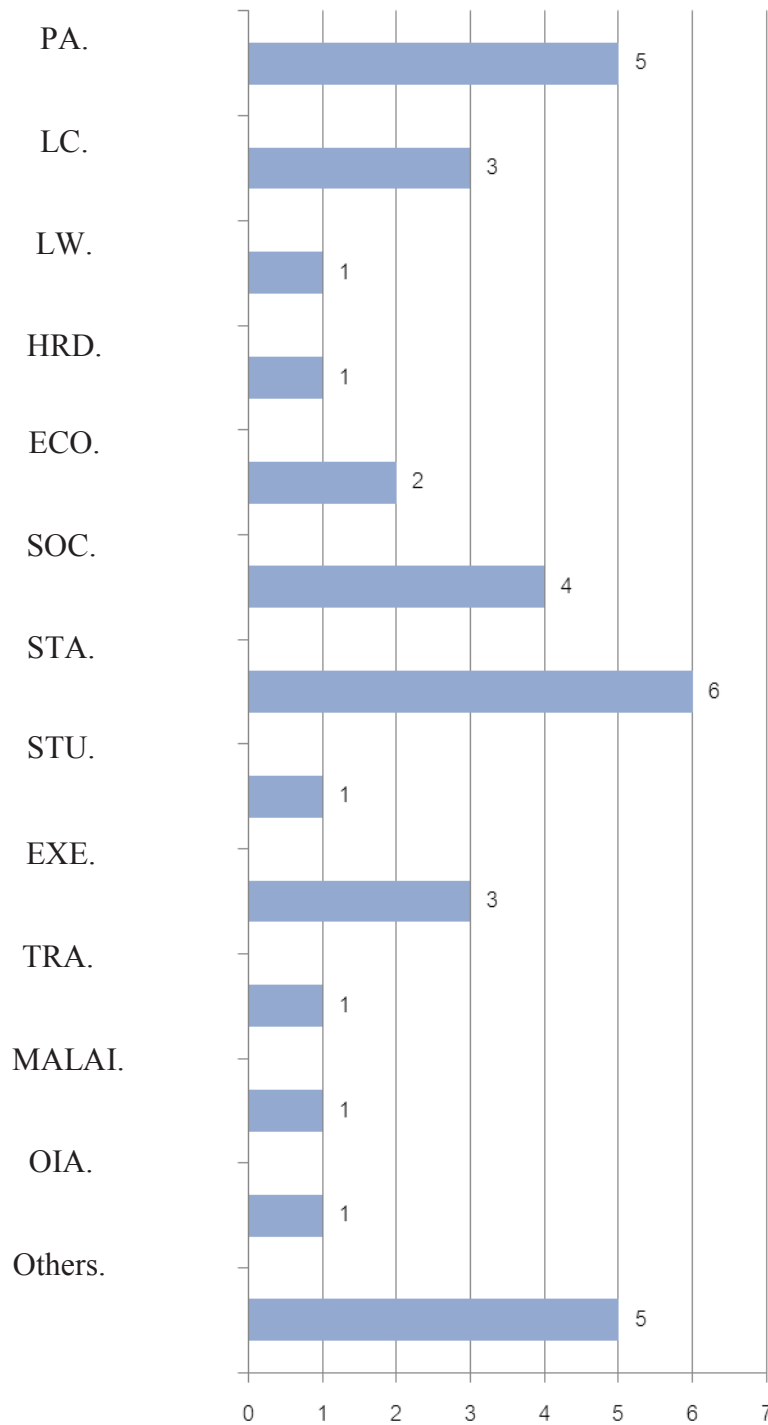
In terms of the geographical details, in all three years, 29 activities performed at the university were recorded, while only five were performed off campus. See Figure 3.

Figure 3. Geographical Details

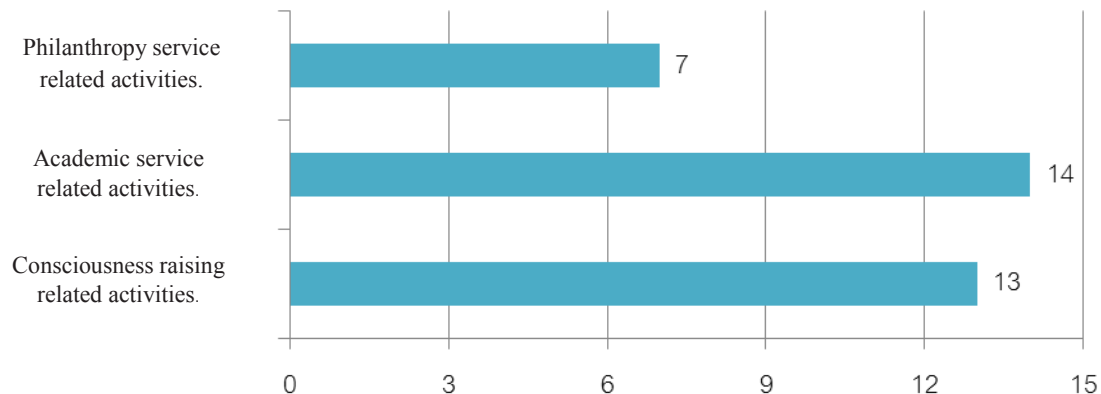


In terms of the units performing the activities, 12 individual units reported to have performed their own 29 activities in total, while five activities did not have their responsible units. STA was the single unit having most activities (six activities), while PA ranked the second (five activities). See Figure 3.

Figure 4. Units Performing the Activities



The study found three common characteristics of the selected activities related to CSR concepts, including: (1) philanthropy service related activities, (2) academic service related activities, and (3) consciousness raising related activities. The most frequent CSR activities were academic service related (14 activities), while the least frequent CSR activities were philanthropy service related (seven activities). See Figure 5.

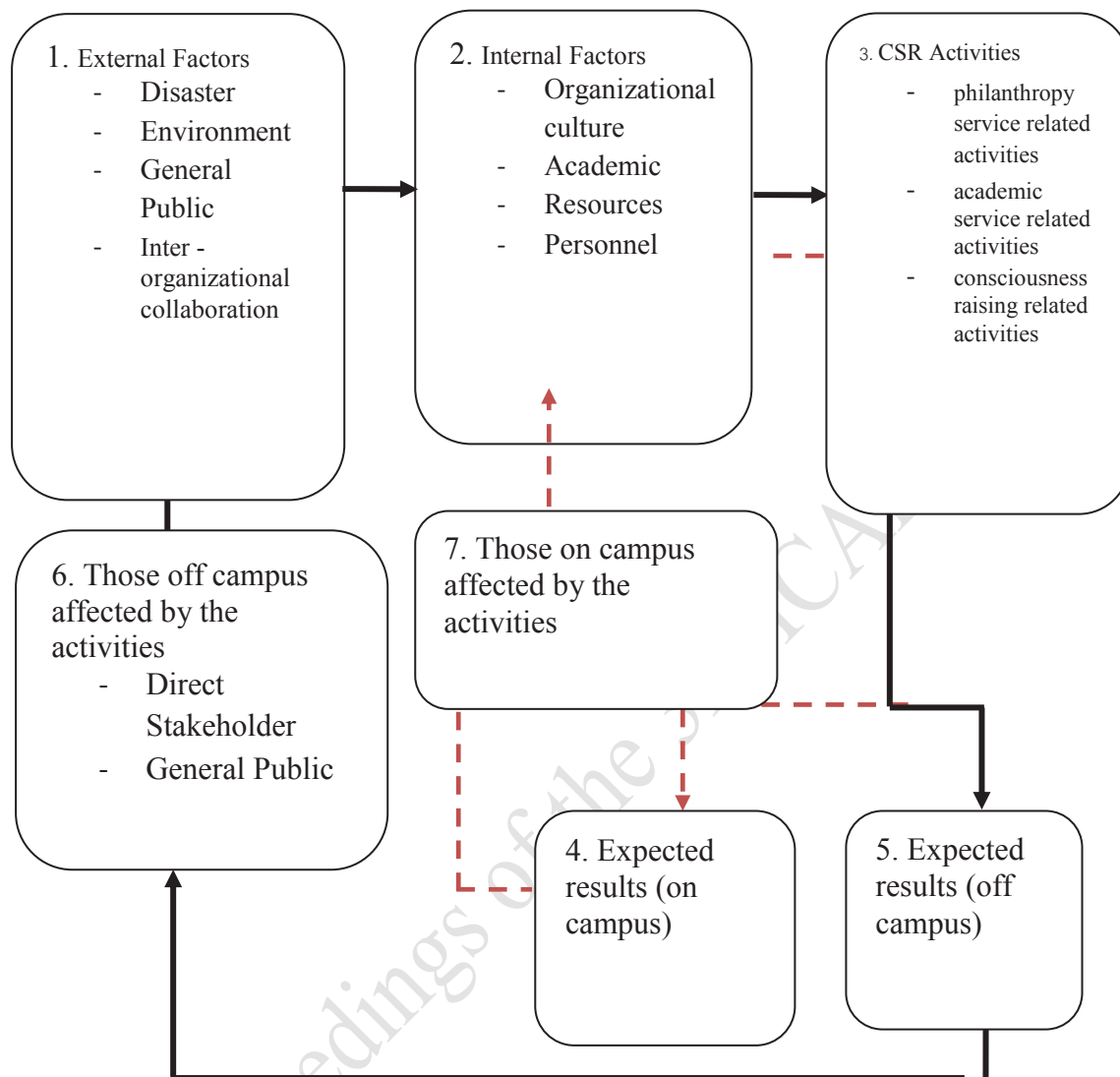
Figure 5. Types of CSR Activities

(B) The study offers a qualitatively constructed model via the typological analysis presenting the dimensions and the process CSR activity of the university during year 2011-2013. The output of the analysis is a model explaining the elements of the phenomenon, details of each element, and the relationship among themselves. The model consists of seven major elements, which are: (1) external factors, (2) internal factors, (3) types of CSR activities, (4) expected results (on campus), (5) expected results (off campus), (6) those off campus affected by the activities, and (7) those on campus affected by the activities.

The external factors include four sub-elements, which are: (1) disaster, (2) environment, (3) the general public, and (4) inter-organizational collaboration. The internal factors also include sub-elements, which are: (1) organizational culture, (2) academic atmosphere, (3) organizational resources, and (4) personnel. These two elements are considered important to determine the types of activities appropriate for the organization.

The types of CSR activities are the major focus of this study. There are three types which are: (1) philanthropy service related activities, (2) academic service related activities, and (3) consciousness raising related activities. After the activities are performed, expected results are determined and tested via two aspects: on campus and off campus. Subsequently, the organization is concerned about those who are affected by the activities. The affected people are classified into two groups: those on campus and those off campus. The affected people are expected to provide their feedback to the organization. However, the findings reveal that the organization did not pay attention to the on-campus people and did not receive their feedback. Also, a formal evaluation process does not exist in the model. See Figure 6.

Figure 6. Model of the CSR Related Activities of the Selected Campus in 2011-2013



DISCUSSIONS AND CONCLUSIONS

This study has revealed that this organization made an attempt to perform its CSR mission in the three-year period. The major constraint of this study is the limited availability of the data, which has affected how the data actually reflected the organization’s performance. Meanwhile, it is the researcher’s first attempt at utilizing the typology analysis, which may be considered another constraint of this study. Future research should focus on the evaluation process of CSR activities, since the selected university was not analyzed in terms of this factor.

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**INFRASTRUCTURE, INDUSTRIAL DEVELOPMENT AND POLICY ORIENTATION:
A DISTRICT LEVEL ANALYSIS FOR JHARKHAND, INDIA**

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ABSTRACT

Most of the earlier researches have been either at national or state (macro) level, which may be due to non availability of data at micro level, and assumes the whole area as a homogeneous unit- which is not true. It is felt that 'District' should be the level at which the research should be based. The paper formulates different composite indices and analyses the impact of infrastructure availability on the industrial development based on the different models generated using multivariate OLS regression techniques. Results show that, when all the districts as a group is considered, for all the models, the association of the components of infrastructure: (1) Physical Infrastructure (PI), (2) Banking Infrastructure (BI), (3) and Social Infrastructure (SI), with level of industrial development is found to be weak -which reflects the low level of infrastructure availability in the state, whereas when the more industrialized districts are considered, for the same set of models, only PI and SI are found to be significant, suggesting a lack of proper synchronization of the industrial development policy for BI at the district level. The paper further tries to turn the findings into useful policy tools, concentrating on the districts of Jharkhand state - one of the most resource rich states in India with low level of industrial development.

KEY WORDS: Infrastructure, Industrial Development, Disparity, Districts, Composite Indices, Regression.

INTRODUCTION

It is widely recognized that industrialization, intended as the shift from agriculture to manufacturing, is key to development: hardly any countries have developed without industrializing. This phenomenon has been so striking to induce some economists to hypothesize that the manufacturing sector is the engine of economic growth, the so-called "engine of growth argument" (Kaldor, 1967; Cornwall, 1977). Infrastructure plays a leading role in industrial development. The causal study by many researchers has established that in long run infrastructure is the leader and the industrial development is the follower.

In Indian context the main characteristic of development has been the wide regional disparity in development levels. Since India is a vast country, the geographical diversity does create some imbalance in resource base. A country with more than 60 years of planned development should have exploited the available resources of the different regions to stimulate some sort of development in every region. No doubt, the efforts have been made in this direction, but wide regional disparity is still a ground reality in India (Mathur, 1987; Ghosh and De, 1998; Dadibhavi, 1991).

However, this study goes a step ahead into the districts of a particular state Jharkhand, which is one of the natural resource rich states of India. The study initially reviews the level of industrial development and the availability of the infrastructure facilities at district level. Formulating composite indices for different components of infrastructure, the extent of disparities among the districts is found. Further using the econometric models it is seen as to how far the infrastructural development in the districts is influencing the industrial development of the districts.

The results show that though physical and social infrastructure influences the level of industrial development of these districts in Jharkhand, banking infrastructure needs an

immediate intervention to be developed to influence the industrial development. Results show that, when all the districts as a group is considered, for all the models, the association of the components of infrastructure: (1) Physical Infrastructure (PI), (2) Banking Infrastructure (BI), and (3) Social Infrastructure (SI), with level of industrial development is found to be weak - which reflects the low level of infrastructure availability in the state, whereas when the more industrialized districts are considered, for the same set of models, only PI and SI are found to be significant, suggesting a lack of proper synchronization of the industrial development policy for BI at the district level. The paper further tries to turn the findings into useful policy tools, concentrating on the districts of Jharkhand state - one of the most resource rich states in India with low level of industrial development.

Industrial policy in general promoting industry, requires an understanding of the political equilibrium of a society, the actors and their interests, the political institutions, rule of law, and how these pieces all fit together. We need to stop thinking of normative industrial policy. Industrial policy has been successful when those with political power who have implemented the policy have either directly wished for industrialization to succeed or been forced to act in this way by the incentives generated by political institutions (Robinson, 2010).

Objective of the Study

Most of the earlier research works have been either at national level or at state level and assumes the whole state as a homogeneous unit-which is not true. Since our country has different types of regions within the states, it is felt that 'District' should be the level at which the research should be based. A diversified industrial development and different components of infrastructures should be properly and adequately reflected through multiple and composite indices. Consequently the following objectives were framed.

1. To examine the impact of infrastructure on industrial development of Jharkhand at district level.
2. To utilize the findings as a tool to facilitate, for an efficient policy synchronization, in industrial development of Jharkhand at district level.

Research Questions

Research questions are essential in order to have a clear understanding of the issues the study seeks to respond. The following questions guided the study:

1. What are the driving factors for an industrial development?
2. Does a disparity exist in "infrastructure availability" and "level of industrial development" within the districts of Jharkhand?
3. How does the "infrastructure availability" influence the "level of industrial development" within the districts of Jharkhand?
4. How are the "infrastructure availability" and "level of industrial development" correlated among the more industrialised districts of Jharkhand?
5. Are the more industrialised districts coherent with the current industrial policy of Jharkhand?
6. What orientations are needed at policy level to stimulate the industrial development of Jharkhand?

DATA AND METHODOLOGY

The study was mainly based on the secondary data for the eighteen (old) districts of Jharkhand, which measures the level of industrialisation and the infrastructural availability at district level using various variables. Furthermore, this paper has not included the newly created districts in the analysis, because data were not available for the period of study. The data of district level infrastructure facilities of 2011 used by the statistical abstract from Director of Economic and Statistics, Government of Jharkhand, whereas demographic statistics of individual districts taken from statistical Abstract, State Census data 2011, are considered for the analysis.

Methodology

It is accepted that a region cannot be so easily termed underdeveloped or having 'inadequate' infrastructure. There are various facets of industrial development and a region, while lacking in one, may be well developed in another. Similarly, while it may lack in one or more of the infrastructural services available, it may possess adequate supply of others. Consequently the selection of the drivers/prime movers of both Industrial Development and Infrastructure is importantly required with a further subdivision into constituent components.

Drivers of Industrial Development

The socio-economic condition plays a major role in determining the level of industrialisation of a region or district. The industrial development depends on how efficiently the economic components and social components are contributing at the district level. The three major components which may play a significant role in determining the levels of industrial development are as follows:

1. The transportation system- which enables the transport of the raw materials from the source to the industries and finished goods to the markets.
2. The financial facility to the industries which gives the financial support for setting up a new unit or for smooth functioning of it.
3. The work force as availability of skilled labors for efficient production.

Selection of Variables (Based on the Drivers of Industrial Development)

The development can be measured using two types of variables- one is *input variable* and the other is *output variable*. The most preferred and undisputed way to measure the industrial development is using *output variable* in the form of the percentage share of the secondary sector in the state gross domestic product (SGDP), for which, the data is available at state level in Indian context. But for analysing the industrial development at district level, due to non availability of most of the data under *output variable*, the study focus has been shifted towards measuring the industrial development using some *input variable* which is available at district level. Hence for a rational analysis – both the variables- the dependent variable as well as the independent variables are to be considered from the input variables.

Selection of independent variables

Though the variables measuring the availability of different components of infrastructure at district level might be from a wide range of socio-economic aspects, this study since focuses on impact of infrastructure on industrial development, the following input variables are considered:

- The variables covering the transportation system and facilitating the industrial development and denoted by **PI** are- *Road Length per 100 Square Km, Railway Route Length per 100 Square Km, no. of households having electricity connection per 1000 population.*
- Similarly the variables contributing at district level to the financial component and denoted by **BI** are- *no of banks, per capita bank deposit and per capita credit to industry.*
- The third component though not directly related to the industrial development, but has a strong impact and is influenced by quality of education (particularly technological learning) and the availability of health facilities influencing the industrial output. This component denoted by **SI** may be covered by the following proxies - *number of primary schools per 1000 Sq.Km., number of secondary schools per 1 000 Sq.Km., number of higher secondary schools per 1000 Sq.Km., number of colleges per 1000 Sq.Km., number of primary hospitals and dispensaries per 1000 Sq.Km, number of health sub-centre per 1000 population, number of sub divisional hospitals, no. of district hospitals .*

Selection of dependent variables

For measuring the industrial development (dependent variable) at district level, which is related mainly to the manufacturing sector, the following proxies are considered which may contribute to the industrial development of the study area-

- *Total no of industries per 1000 sq. km* including SSI (Small Scale Industries), MSME (Micro, Small and Medium Enterprises) and Large Integrated Public Sector Units,
- *Percentage of Industrial Labour-* which is a measure of the actual labours involved in the process of industrial development and
- *Percentage of urban population-* This is the percentage of the population living in urban areas to the total population of the district- which may be considered as a proxy to level of industrial development.

Research Method

Common problems with cross-section analysis are multicollinearity and dimensionality. Principal component analysis (PCA) is used as a statistical tool to remove these problems. Dimension reduction technique of Factor analysis which uses PCA is applied to those variables/proxies which are highly correlated amongst each other. The study finds number of sub divisional hospitals (SDH) and number of district level hospitals (DH), which are at the top in the hierarchy of the hospitals at district level, are weakly associated with the other variables and are also not significant, and hence these two variables are not considered for the further empirical analysis. Since the units of measurement of correlated variables are different, the rotated component matrix using PCA is used in order to obtain the corresponding weights. Since a variable should not have an artificially higher weight due to its higher variance, the

data are standardized with variance one (1) and mean zero (0) before applying PCA. Principal components having Eigen values greater than one (1) are selected.

Finally, three principal components are retained which have extracted 88.32 percent of variance of the dataset. The obtained weights are multiplied by the corresponding standardized values of the variables to arrive at the indices.

Since the variable Road Length per 100 Square Kilometre receives the highest weight in the first principal component, after multiplying it with the data on Physical Infrastructure and adding up, the resulting index is named the Index of Physical Infrastructure (Index_PI). Similarly, the second principal component is the Index of the Banking Infrastructure (Index_BI). The third principal component, which has the highest weight to number of primary health center, is the Index of Social Infrastructure (Index_SI). The index of level of industrial development (Index_Industrialisation) is prepared in the same way as discussed above.

The higher numbers of these four indices represent better level of infrastructural availability. The resulting four indices no longer have the problem of multicollinearity and can be used together in a regression equation. Since all the indices move in one direction, it is expected that economic performances are positively correlated. Hence, it is expected that the coefficient of all the indices would be positive.

MODELS

Since the objective of the study is focussed on policy implication, so for getting a clear picture of the impact of the infrastructure components at district level, analysis focussed at two tiers, first- the individual contribution of each component and second the contribution at a combination level will make the analysis more focussed. Hence the model formulation is based on first- the individual contribution of each component which is studied in Model I, Model II and Model III.

Next level is of combining two (out of the three) of the components and hence next three models –Model IV, Model V and Model VI are formulated to examine the influence when two of the infrastructures are clubbed. The seventh and the last model-Model VII, studies the impact when all the three components are considered simultaneously which may be considered as the inclusive model of industrial development. Hence in total seven models are formulated which are represented below:

$$\text{Model I: } Y_i = \alpha_1 + \beta_1 (\text{PI})_i + \varepsilon_1 \quad (1)$$

$$\text{Model II: } Y_i = \alpha_2 + \beta_2 (\text{BI})_i + \varepsilon_2 \quad (2)$$

$$\text{Model III: } Y_i = \alpha_3 + \beta_3 (\text{SI})_i + \varepsilon_3 \quad (3)$$

$$\text{Model IV: } Y_i = \alpha_4 + \beta_4 (\text{PI})_i + \lambda_4 (\text{BI})_i + \varepsilon_4 \quad (4)$$

$$\text{Model V: } Y_i = \alpha_5 + \beta_5 (\text{PI})_i + \lambda_5 (\text{SI})_i + \varepsilon_5 \quad (5)$$

$$\text{Model VI: } Y_i = \alpha_6 + \beta_6 (\text{BI})_i + \lambda_6 (\text{SI})_i + \varepsilon_6 \quad (6)$$

$$\text{Model VII: } Y_i = \alpha_7 + \beta_7 (\text{PI})_i + \lambda_7 (\text{BI})_i + \theta_7 (\text{SI})_i + \varepsilon_7 \quad (7)$$

Here, 'Y_i' represents the Index of level of Industrial Development of ith District; PI represents the Physical Infrastructure index of the districts, BI represents the Banking Infrastructure index of the districts, SI represents the Social Infrastructure index of the districts, α is the intercept, β, λ and θ are the corresponding co-efficient of the different components of infrastructure and ε is the error term. The null hypothesis of level of industrial development (as dependent variable) is tested against the respective indices of the different infrastructure component (as independent variables) of each model separately.

The Index of level of industrial development is considered as a function of Physical Infrastructure Index, Banking Infrastructure Index and Social Infrastructure Index. Here it is hypothesized that, infrastructural development promotes economic growth, in the districts of Jharkhand. But, as all districts are not equally developed an attempt is also made to split the districts of Jharkhand into those above and below the average level of industrialisation.

EMPIRICAL RESULTS AND ANALYSIS

The results are analysed using the different composite indices formulated, which is the base data for studying the inter district disparities, as well as the solutions to the alternative models. The seven alternative equations have been solved for all districts as a group and for districts which are having the level of industrial development, above the district average value, as a second group and for districts below the districts average industrial development as a third group. However, the solutions to the third group did not give significant results as such the study discusses the results of the first two groups only.

Results of OLS Regression for all districts as a group (Refer Table 1.0- Appendix-I)

For measuring the impact of different components individually as well as in various combinations, the indices of PI, BI and SI are prepared and regressed over level of industrial development and the regression results are presented in the form of seven models in Table 1.0.

The first three models tests the individual impact of the three components of infrastructure considered on the level of industrial development at district level. In Model I,II & III, Adjusted R² value is maximum for Model I (PI) having value 0.8688, followed by Model II (BI) and Model III (SI) which reflects that the individual priority of impact on the industrial

development. Hence the contribution of PI is maximum as compared to other two components.

From Table 1.0, it can further be summarised that for all the models, in all the districts of Jharkhand, initial level of industrial development is significant which is reflected by the highly significant values of the F-Statistics for the intercept. Surprisingly the initial level of industrial development in Model-III is showing negative sign. It might be reflecting that the social infrastructure does not influence the level of industrial development directly.

In models IV, V, & VI, the maximum explanation is observed for model IV (PI and BI) where

AR^2 value is maximum 0.897, followed by model V (PI and SI) and VI (BI and SI). Hence it may be noted that when there is a combination of two components, it's again the PI which when combined with BI and SI has more impact. Model VII which might be a good fit model for industrial development is to be noticed for its maximum impact on the industrial development where AR^2 value is highest (0.9070) and it occurs when all the three components are taken together suggesting an inclusive growth model which combines PI, BI and SI simultaneously.

All the insignificant coefficient values, for the index of PI, BI and SI, in all the models are suggesting that the contribution of these components are not significant and hence a policy orientation at district level is highly and immediately required to utilize these infrastructures for achieving a high level of industrial development in Jharkhand as because the current industrial policy – the Jharkhand industrial policy 2012, states about the uniform regional growth, but the approach, priority and phasing is not properly described.

Results of OLS for districts having Level of Industrialisation above average of all districts (Refer Table 2.0- Appendix-I)

For measuring the impact of different components individually as well as in various combination, the indices of PI, BI and SI, is regressed over level of industrial development for the districts identified as more industrialised districts and the regression results are presented in the form of seven models in Table 2.0. The regression is performed here for the same set of models as considered in Table 1.0.

The results in Table 2.0 find that the initial level of industrialization is pertinent to all the Models, reflected by the significant F-Statistics values, except Model II (BI). For Model I (PI), AR^2 value is maximum and the F-Statistics value is also highly significant suggesting the maximum contribution of PI in industrial development. Model II (BI) shows the least impact, which is an indicative of the insignificant contribution by the existing BI.

The individual impact is significant for Model-III (SI) only. This is in accord with the present situation as these more industrialised districts are having a good number of schools as well as hospitals, which is due to the existing rich industrial base of the major public sector units in these districts. The insignificant individual contribution in Model I (PI) and Model II (BI) may be due to the lack of policy synchronisation for PI and BI at district level.

The combination impact is tested in model IV onwards. Model V shows that SI in the more industrialised districts is properly linked, while PI is not. Model VI is showing high significance for SI showing its proper linking again but not for BI. The negative coefficient values for BI in models IV&VI again may be a result of failure in policy implication.

Model VII where all the three components are combined together is to be noticed for it being highly significant for PI and SI though here again BI has negative coefficient values, indicating some (or all) factors of BI is not contributing to industrial development and hence intervention in this infrastructure is highly and immediately required to counteract the negative effect for achieving a better level of industrialisation.

The results further find that the minimum coefficient values (under PI_Index column) for all the models is 1.486, indicating that a unit increase in Level of Industrial Development calls for more than 1 unit increase in physical infrastructure indicating the inadequacy in this infrastructure. Similarly a unit increase in level of industrial development requires at least more than 0.77 units of social infrastructure (under SI_Index column) and one unit increase in level of industrial development calls for more than 0.012 units decrease in BI (under BI_Index column) which is a clear picture of decreasing per capita income of the people of Jharkhand.

POLICY IMPLICATIONS

The current Jharkhand Industrial Policy -2012 is not very focussed towards the existing gap at district level in the PI, BI and SI and the level of industrialisation. It also not says anything regarding the priority of implication of PI BI and SI at district level as a district may be strong in one infrastructure but lacking in the other. Even the five more industrialised districts needs immediate focus in the BI Sector. The rest districts need focus in all the three components of infrastructure. This study establishes district wise empirical results which may be helpful in setting priority amongst the three components and amongst the districts for the policy implication. This may be further helpful in phasing the development which will provide a precise focus in the industrial development at district level.

If the policy is good and balanced one, but even after thirteen years of formation, the state is ranked amongst the underperformer category in Indian states, it is a major concern as the state is one of the most resource (mineral) abundant states in India. It may be then indicating the failure in the part of implication of the policies. Since Jharkhand is one of the most politically unstable states in India, the possible factor may be the existing quality of institutions and governance which plays a very important role in implementing the policies of industrial development.

Policies are highly required as they set the direction for the path of development of any region. But only formulation of a good policy cannot guarantee development. An efficient and time bound implication of policy is highly required to achieve the objective of the industrial development.

Needless to say, policies and institutions have to be framed to local circumstances, at a district level. But with good intentions and innovative thinking, there is no reason why the resource-rich regions will not achieve a high level of industrial development. Future research may be based on the role of institutional qualities and governance in industrial development of resource abundant regions, both at macro level and micro level.

CONCLUSION

In conclusion it could be stated that a high degree of disparity exists within the districts in terms of Physical Infrastructure, Banking Infrastructure and Social Infrastructure resulting into a high variation in the level of industrialisation at district level within the state.

PI, BI, SI are not contributing significantly at the district level is a major concern and is strongly indicating a failure at the level of policy implication. For only five identified districts, though PI and SI are comparatively in a better condition, this shouldn't be misinterpreted as a well placement of this infrastructure in these districts. Results clearly indicate an immediate intervention in BI is required even for the five more industrialised as well as the rest districts parallelly. Strengthening of BI will take place only when its components namely, the number of banks and credit facilities to industry by the banks are focussed. Once the retarding effect caused by poor availability in the BI is counterbalanced, all the three components of infrastructure, PI, BI and SI are to be intervened parallelly, integrated with the socio-economic conditions of the districts, within the frame of the industrial policy, which will help in achieving the uniform industrial development throughout the state. Proper industrial planning integrated with policy thinking at district level along with set planning priorities are needed to fulfil the objective of balanced regional development in Jharkhand.

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APPENDIX I

Table 1.0

Regression Results of OLS for all districts as a group

	Intercept	Index_PI	Index_BI	Index_SI
Model I	2.706 (6.433)	2.086 (11.552)		
AR ²	0.8688			
F-Stat	133.457***			
Model II	0.5229 (1.0359)		1.392 (7.528)	
AR ²	0.735			
F-Stat	56.68***			
Model III	-0.137 (-0.227)			3.685 (5.780)
AR ²	0.618			
F-Stat	33.412***			
Model IV	2.160 (5.01)	1.526 (5.56)	0.497 (2.515)	
AR ²	0.897			
F-Stat	88.604***			
Model V	2.12 (4.784)	1.678 (7.147)		1.165 (2.397)
AR ²	0.895			
F-Stat	86.28***			
Model VI	0.295 (0.6355)		0.974 (3.97)	1.635 (2.325)
AR ²	0.785			
F-Stat	37.614***			
Model VII	1.877 (4.260)	1.37 (4.97)	0.373 (1.856)	0.8403 (1.720)
AR ²	0.907			
F-Stat	66.49***			

Notes. 1. *** values significant at 1% level of significance.

2. Figures in parenthesis below the coefficient values are the t-Statistics values.

Abbreviations:

Independent Variables- **Index_PI**, Composite Index for Physical Infrastructure; **Index_BI**, Composite Index for Banking Infrastructure; **Index_SI**, Composite Index for Social Infrastructure.

Dependent Variable- **Index_Industrialisation**, Composite Index for Level of Industrialisation

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Table 2.0:

Results of OLS for districts having Level of Industrialisation above average of all districts

	Intercept	Index_PI	Index_BI	Index_SI
Model I	3.841 (6.12)	1.87 (7.033)		
AR ²	0.9237			
F-Stat	49.46***			
Model II	3.421 (1.197)		0.849 (1.31)	
AR ²	0.1522			
F-Stat	1.7185			
Model III	0.2763 (0.150)			4.970*** (3.832)
AR ²	0.7738			
F-Stat	14.6855**			
Model IV	3.872 (3.674)	1.88 (4.501)	-0.0129 (-0.04)	
AR ²	0.8857			
F-Stat	16.50**			
Model V	3.23 (1.695)	1.6215 (2.071)		0.769 (0.347)
AR ²	0.892			
F-Stat	17.544**			
Model VI	0.161 (0.08)		-0.45 (-0.761)	6.355*** (2.768)
AR ²	0.736			
F-Stat	6.60**			
Model VII	2.944 (1.064)	1.486*** (1.284)	-0.1634 (-0.292)	1.623*** (0.387)
AR ²	0.8013			
F-Stat	6.3781**			

Notes. 1. *** values significant at 1% level of significance.

2. ** values significant at 5% level of significance.

3. Figures in parenthesis below the coefficient values are the t-Statistics values.

Abbreviations:

Independent Variables- **Index_PI**, Composite Index for Physical Infrastructure; **Index_BI**, Composite Index for Banking Infrastructure; **Index_SI**, Composite Index for Social Infrastructure.

Dependent Variable- **Index_Industrialisation**, Composite Index for Level of Industrialisation

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ASEAN+3 CURRENCIES: DETERMINING LONG-RUN LINKAGE

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ABSTRACT

The study is an attempt to evaluate the extent with which the expanded ASEAN grouping commonly known as the ASEAN+3 region has attained long run currency linkages which is an important requisite for an eventual monetary integration. The study used high frequency inter-bank call rates (nominal exchange rate vis-à-vis the US Dollar) data on seven floating currencies of the region with sufficient historical time series covering the period 1998 to 2012 (weekly: January 7, 1998 to December 26, 2012 – average of bid and ask rates on Wednesdays) that includes two major financial crises – The 1997-1998 Asian Financial Crisis and the current worldwide credit crisis which started in 2008. The goal is to establish through state-of-the-art econometric procedures three crucial outcomes: (1) bilateral dependence of the various currency pairs, (2) informational efficiency in the markets of participating currencies, and (3) long-run bilateral and multilateral linkages of the currencies. When these outcomes are established, the state of current knowledge on the readiness of the region for currency union and eventual monetary integration will be enhanced. The over-all result of the study is quite encouraging to supporters of currency union as all of the three outcomes are adequately established empirically. There is a high level of the currencies bilateral dependence, both in their level values and their returns; all markets of the participating currencies exhibit informational efficiency, and there exist a number of significant long-run equilibrium relationships linking the floating currencies of the region.

KEY WORDS: ASEAN+3 Region; panel unit roots; informational efficiency; cointegration

INTRODUCTION

The global financial crisis that plagued Asia in 1997 brought about important changes in the way East Asian countries address their problems. Multilateral financial institutions like the International Monetary Fund (IMF) and the Asian Development Bank (ADB) were not able to adequately attend to Asia's rising needs for funds, prompted affected economies, particularly the hard hit countries of Southeast Asia to solve their own financial difficulties by their own means (Lipsey, 2003). The ASEAN+3 cooperation started in 1997 at the height of the crisis, but institutionalized only in 1999 during the ASEAN summit in Manila when the leaders issued a joint statement. From then on, sustained economic, financial and monetary collaborations have been effected in the pursuit of regional stability and a resolute stand in avoiding the occurrence of similar crises.

The current initiative of the regional grouping of the 10 countries Association of Southeast Asian Nations and the three biggest economies in East Asia – Japan, China and South Korea to adopt a unified currency has raised a number of concerns. Foremost among which is the apparent lack of financial integration among the participating economies owing to their relative heterogeneity – from the extremely rich countries of Japan, Korea, Singapore and China, to the poor nations of Laos, Cambodia and Myanmar. A number of studies have been made to assess the bilateral and multilateral integration of the different economic sectors of the different countries comprising the region. A unified research that will focus on the determination of the long-run relationship among currencies of the region is needed to gain insights on the strength of their long-run linkages.

This study will attempt to empirically answer the question on whether there exist financial integration among ASEAN+3 countries by examining the multilateral movements of the

currencies using modern time series econometric techniques. It is expected that the results of the study will provide additional quantitative evidence on the existence (or lack) of monetary and financial integration in the ASEAN+3 Region using contemporary high frequency foreign exchange data covering the time period after a major financial crisis the region has experienced, plus another with worldwide outreach. The study will also supplement the different research efforts by various think-tank groups working on the feasibility of the adoption of a regional monetary unit to be used in macroeconomic surveillance and transactions among participating economies of the region.

METHODOLOGY

Economic integration is a complex process any conglomeration of national economies undergo, especially when the membership of the regional grouping includes vastly disparate nations with highly uncoordinated exchange rate arrangements. Such is the case of the ten countries of the Association of South East Asian Nations (ASEAN) which is composed of high, middle and low income economies in a move to coalesce with the three East Asian economic giants – Japan, People's Republic of China and South Korea to form an expanded ASEAN region.

Quantitatively assessing the extent in which the ASEAN+3 region has attained a sufficient degree of financial and monetary interdependence despite the economic shock of the 1997 crisis and the current world wide credit crisis, may provide useful insights in predicting the success or failure of the coalition. In this study, a number of time series econometric tools are employed on contemporary high frequency foreign exchange data covering the 15-year period 1998 to 2012. The scope of the study is limited to the descriptive and inferential analysis of the monetary integration so far attained by the region suggested by the informational efficiency and convergence of the floating currencies in the region.

Among the empirical tools used in the study are individual and panel unit root tests (to assess the order of integration of the foreign exchange series), variance ratio tests (to examine the weak-form efficiency of the foreign exchange markets) and multivariate cointegration tests (to analyze the existence of long-run equilibrium linkages among the exchange rate series). The analytical techniques are employed in an a-theoretic or non-structural basis that allows the historical data to speak for themselves.

Panel Unit Root Tests

Due to the interplay of various market forces, economic and financial time series frequently exhibit the characteristic of having time varying first and second moments. As a result, these variables often display non-stationary behavioural pattern – a condition that may lead to a breakdown of inference especially when regression-type techniques are employed. When financial series like stock prices or exchange rates are involved, inquiring on the presence of the unit root components of these series is an important requirement of establishing informational efficiency of the underlying asset markets. In this study, the usual individual unit root tests (e.g. ADF, PP and KPSS tests) are not used but instead, more powerful panel based tests are considered. In view of the panel structure of the data set and the goal of inferring for a group of countries, these tests are appropriate. In this study, the presence of the unit root component will be empirically determined through a battery of individual (Madalla and Wu, 1999; Im-Pesaran-Shin, 2003) and joint (Levin, Lin & Chu, 2002) panel unit root

tests. The literature points out the superiority of panel based unit root tests (e.g. Wu and Chen, 1999; Azad, 2009) in terms of power vis-à-vis unit root tests based on individual time series. To conserve space, technical discussion on these tests will not be done, since the study highlights on the more important market efficiency analysis of Variance Ratio tests and Cointegration tests.

Variance Ratio Tests

Lo and MacKinlay (1988) provided the seminal basis for the Variance ratio (VR) test, which has been used extensively in testing market efficiency of the weak form. This empirical procedure explores the validity of the random walk hypothesis (RWH) by testing the property that the variance of random walk increments is linear in all sampling intervals (that is, the variance of q-period return is q times the variance of one-period return) (Charles and Darne, 2009). Hence, the VR at lag q which is defined as the ratio between (1/q) of the q-period return to the variance of the one-period return should equal to 1 for all q.

If r_t is the return of a currency at time t (t =1, 2, ...,T) , and is assumed to be a realization of a stochastic process R_t that follows a martingale difference sequence (MDS), which is known to be uncorrelated and may or may not be conditionally or unconditionally heteroscedastic. Lo and MacKinlay (1988) formulated two test statistics to undertake the VR test for the RWH. The first statistic works under the strong assumption of iid (identically and independently distributed) R_t with constant variance, while the other downgraded the iid assumption to permit general types of time varying volatility which are often seen in financial time series (aka ARCH effect). The associated null hypothesis under the heteroscedastic assumption is presented below¹⁰.

From the Variance Ratio (VR) statistic

$$VR(r_t; q) = \frac{\sum_{t=q}^T [r_t + \dots + r_{t-q+1} - q\bar{r}]^2}{q \sum_{t=1}^T [r_t - \bar{r}]^2} \text{ with } \bar{r} = \sum_{t=1}^T r_t / T \tag{1}$$

the Variance Ratio (VR) test statistic $M(r_t, q)$ (shown to be asymptotic standard normal z) under the assumption of conditional heteroscedasticity (MDS null) proposed by Lo and MacKinlay (1988) is given by

$$z = M(r_t, q) = \frac{VR(r_t, q) - 1}{\sqrt{\psi(q)}} \text{ with } \psi(q) = \sum_{k=1}^{q-1} \left[\frac{2(q-k)}{q} \right]^2 \xi(k) \tag{2}$$

¹⁰ We focus only on the test statistic robust under heteroscedasticity as all return series display ARCH effect

$$\text{and } \xi(k) = \frac{\sum_{t=k+1}^T [r_t - \bar{r}]^2 [r_{t-k} - \bar{r}]^2}{\sum_{t=1}^T [r_t - \bar{r}]^2}$$

Since the variance ratio restriction holds for every q difference (or logarithmic difference) of the underlying currency series, for $q \geq 1$, it is customary to evaluate test statistics (2) at several selected values of q (in this study $q = 2, 4, 8, \text{ and } 16$).

Chow and Denning (1993) proposed a test statistic used to examine the absolute values of a statistic set of multiple variance ratio statistics (for the different set values of q). The main purpose of this is to control the size (type I error probability) of a joint variance ratio test to be implemented.

The null hypothesis for the Chow-Denning multiple VR test is set as the joint statement:

$$VR(q_i) = 1 \text{ for } i = 1, 2, \dots, m \tag{3}$$

against the alternative hypothesis

$$VR(q_i) \neq 1 \text{ for some holding period } q_i \tag{4}$$

The Chow-Denning test statistic can be written as:

$$CD = \max |M(r_i; q_i)| = \max(|z|) \text{ for } 1 \leq i \leq m \tag{5}$$

where

$$MV(r_i; q_i) = (VR(q_i) - 1) \left\{ \sum_{j=1}^{q_i-1} \left[\frac{2(q_i - j)}{q_i} \right]^2 \xi_{q_i} \right\}^{-0.5} \tag{6}$$

and

$$\xi_{q_i} = \frac{\sum_{t=q_i+1}^T [r_t - \bar{r}]^2 [r_{t-q_i} - \bar{r}]^2}{\sum_{t=1}^T [r_t - \bar{r}]^2} \tag{7}$$

The Chow-Denning (CD) test is anchored on the idea that any decision on the null hypothesis can be based on the maximum absolute value of the individual VR statistic under the MDS assumption of Lo and McKinlay (1988). Under such assumption CD statistic follows the studentized maximum modulus (SMM) distribution with m and T degrees of freedom (Chow and Denning, 1993), whose critical values are tabulated in Stolone and Ury (1979). The p-value for the CD statistic is bounded from above by the p-value for the SMM distribution with parameters m and T, with T approaching infinity.

Johansen Multivariate Cointegration

Cointegration is a property of two or more variables moving together through time, and despite following their own individual stochastic trend, will not drift too far apart since they are linked together in some sense. Their long run equilibrium relationship(s) may be established using appropriate statistical modeling tools. If the variables are not cointegrated, no meaningful economic insights can be drawn in examining their supposed relationship. Only time series variables that are non-stationary in their level values (i.e., I(1)) or lag differenced (i.e., I(p) with p the number of unit roots of the series) can exhibit the property of cointegration.

There are a number of econometric techniques that are available to empirically test the presence of cointegration of a given set of time series variables. Notable among these techniques are the Engle-Granger bivariate test for cointegration, and the Johansen multivariate cointegration procedure. The Johansen technique is considered to be the most powerful approach of testing for multivariable cointegration (Lutkepohl, 2005) and is the main tool adopted in this study. The Johansen approach is based on an unrestricted Vector Autoregressive (VAR) model of non-stationary or differenced stationary time series variables using a relatively long sample period. The first step of the procedure is to ascertain the stationarity of the given variables. This is accomplished by implementing a series of Unit Root tests. In this study, the panel unit root tests described earlier are employed. After establishing stationarity or non-stationarity of variables, a trial VAR model is developed and subjected to a battery of diagnostic tests to check for statistical adequacy and explanatory power. This step is repeated until an appropriate model is identified which will then be used to test for cointegration.

Suppose the vector X_t contains the exchange rate series (which are integrated of the same order, hence with the same number of unit roots) and has the dimension $n \times 1$, where n is the number of series in the VAR and k is the maximum lag length. Across the time horizon $t = 1, 2, 3, \dots, T$, each series follows a process that is influenced by its own lagged values and the lagged values of the other exchange rate series.

$$X_t = \Psi_1 X_{t-1} + \dots + \Psi_k X_{t-k} + \varepsilon_t \quad (8)$$

The matrix of coefficients Ψ_k has the dimension $n \times n$. Based on (8), the VAR can be converted into a model of first differences, error correction representation (through the Granger Representation Theorem). To accomplish this, the lagged values of the series are subtracted from both sides of (8) to come up with the following equation system –

$$\Delta X_t = \sum_{j=1}^{k-1} \Gamma_j \Delta X_{t-j} + \Upsilon X_{t-1} + \varepsilon_t \quad (9)$$

with $\Gamma_j = -I + \Psi_1 + \dots + \Psi_j$ for $j = 1, 2, \dots, k-1$ and $\Upsilon = -(I - \Psi_1 - \dots - \Psi_k)$.

According to Johansen and Juselius (1990), the matrices Γ_j contain the information on the short-run adjustment process, while the expression ΥX_{t-1} represents the error correction relationship among the different series, hence it contains the long run equilibrium information about the variables (Lutkepohl, 2005). This matrix also indicates the number of cointegrating vectors that can be made if the rank of the matrix is known. This is the reason why the Johansen procedure is anchored on the idea of determining the rank of the matrix Υ which is equivalent to the maximum number of linearly independent equations the variables can meaningfully form, that is, the number of long run equilibrium relationships.

For the above reason, a test for cointegration aims at testing the rank of Υ . If the rank is p where $0 < p \leq n$, Υ with dimension $p \times r$ can be decomposed into the matrices α and β , such that $\Upsilon = \alpha\beta'$. Through the cointegrating vector β , the non-stationary vector X_t can be made stationary using the transformation $\beta'X_t$. In this case, (9) becomes a vector error correction model, with the matrix α describing the speed for each variable to return back (adjust) to equilibrium after a short run deviation from the long-run relationship. In other words, the elements in α weight the error correction term in each row of the Vector Error Correction (VECM) model (9). Furthermore, the matrix β contains the coefficients of the cointegrating relationship(s) or the coefficients of the equilibrium equation(s). Estimation of the elements of α and β is accomplished through the Maximum Likelihood Estimation (MLE) procedure (Johansen, 1991).

Testing for the cointegration rank can be made by adopting the alternative testing procedures outlined by Johansen (1991). The first test weights the hypotheses of, at most, r cointegration vectors, i.e. $\text{Ran}(\Upsilon) = r$, against the alternative of $\text{Rank}(\Upsilon) > r$, that is to say, there are at most r long run relations at the null. This particular test, based on a likelihood ratio test and is called the Trace Statistic test –

$$\lambda_{\text{trace}} = -T \sum_{l=r+1}^p \ln(1 - \lambda_l) \quad (10)$$

In addition to this test, Johansen (1991) also proposed another test for the same purpose of finding the number of cointegrating vectors in a VAR model of n time series which he called the Maximum Eigenvalue test –

$$\lambda_{\text{max}} = -T \ln(1 - \lambda_{r+1}) \quad (11)$$

Johansen and Juselius (1990) showed that (10) and (11) are asymptotic χ^2 with $p - r$ degrees of freedom. They suggested the use of both tests simultaneously as each requires the same intermediate input information, but may give different (but not too detached) results. These two test statistics will be used in the study to empirically establish the presence of long-run linkages among the floating ASEAN+3 currencies.

Pair-wise Granger Causality Analysis

A secondary analysis performed under the VAR framework applied in the cointegration study is a series of Granger causality tests between pairs of participating currencies. This analytical procedure is used to determine whether a change in one variable causes a change in or helps

to predict the other variable. For each equation in the VAR, representing each of the currencies as dependent variable, Wald (F) statistics for the joint significance of each of the other lagged endogenous variables in that equation reveal the statistical causality (in a Granger sense) of the RHS (right hand side) currency on the LHS (left hand side) currency of the equation.

Data

Among the 13 economies comprising the ASEAN+3 region, seven have sufficient historical data of floating exchange rate regimes covering the period (1998-2012). These countries are Brunei Darussalam, Japan, Korea, Singapore, Indonesia, Philippines and Thailand, whose respective currencies – Brunei Dollar (BND), Japanese Yen (JPY), Korean Won (KRW), Singapore Dollar (SGD), Indonesian Rupiah (IDR), Philippine Peso (PHP) and Thai Bath (THB) are under either the freely floating or managed float regimes. Please see Appendix A. for the IMF classified currency regimes of all of the ASEAN+3 countries (Rufino and de Guia, 2011).

The daily inter-bank call rates of these currencies vis-à-vis the US Dollar (nominal currency value per US Dollar) for the period January 1998 to December 2012 constitute the primary data base of the study. Data source is OANDA – the world's most trusted source of filtered currency and foreign exchange market information. The weekly data (average of bid and ask rates for Wednesdays) are used in the analysis instead of daily observations to avoid the built-in biases associated with daily series (e.g. bid and ask spread, asynchronous prices, etc. (Lo & McKinlay, 1988; Azad, 2008; Darrat & Zhong, 2000)). Consequently, a balanced panel data of 781 (January 7, 1998 to December 26, 2012) weekly observations for each of the seven currencies was utilized in the study.

RESULTS AND DISCUSSIONS

Stylized Facts about the Floating ASEAN+3 Currencies during the Sample Period

Descriptive analysis of the pattern of movements of the variables under study often reveals useful insights relevant to the goals of the research. Figure 1 depicts the line graphs of the weekly nominal rates of the participating currencies against the US Dollar. Ocular inspection of the graphs may give a general impression that the movements of currencies are erratic. All currencies appear to be drifting in the same general direction, that is, long term strengthening against the US Dollar, with pronounced local peaks and troughs, particularly their simultaneous dips during the early part of 2008. All currencies weakened during most of the later part of 2008 until around 2010 when a long term strengthening again set in. Such general pattern of the exchange rate series may give initial, although hazy evidence of their long-run linkages. When analysis is focused on the simple pair-wise correlations of FX series showed in Table 1, only two currency pairs (IDR vs. BND and IDR vs. SGD) out of a total of 21 pairs registered statistically insignificant correlations. The other 19 currency pairs have highly significant correlations ($p \leq 0.0063$), for a simple bilateral linkage rate of 90.48%.

In order to fine tune the results of the correlation analysis, a Granger statistical causality analysis is performed on the currency pairs. This procedure will provide direction of statistical causality whenever there is bilateral linkage. The results of this analysis are presented in

Table 2 wherein total of 13 currency pairs register insignificant ($p > 0.10$) granger causality out 42 possible directional pairs, for a lesser linkage rate of 69.05%.

Figure 9. Line Graphs of Floating Currencies of ASEAN+3 Region January 7, 1998 to December 26, 2012

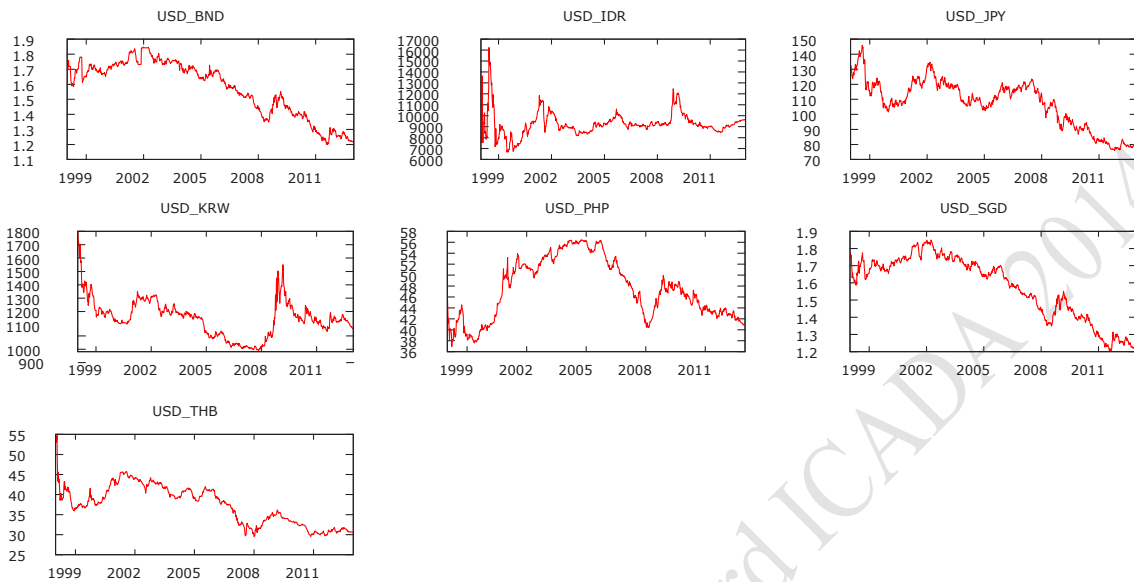


Table 1

Correlation Matrix of Floating ASEAN+3 Currencies

Correlation p-value		Weekly Nominal FX Rates, Jan 7, 1998 - December 26, 2012					
	BND	IDR	JPY	KRW	PHP	SGD	THB
IDR	0.027066	1.000000					
	0.4498	-----					
JPY	0.834540	0.149858	1.000000				
	0.0000	0.0000	-----				
KRW	0.310247	0.314394	0.178999	1.000000			
	0.0000	0.0000	0.0000	-----			
PHP	0.454170	0.173707	0.258271	-0.097624	1.000000		
	0.0000	0.0000	0.0000	0.0063	-----		
SGD	0.997137	0.028427	0.833748	0.302984	0.458927	1.000000	
	0.0000	0.4273	0.0000	0.0000	0.0000	-----	
THB	0.914546	0.151753	0.737824	0.444127	0.516085	0.917237	1.000000
	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	-----

Table 2

Pair-Wise ASEAN+3 Floating Currencies Granger Causality Tests (p-values)

Ho: Column Currency Does Not Granger Cause:	Ho: Row Currency Does Not Granger Cause:						
	IDR	JPY	KRW	PHP	SGD	THB	BND
IDR		<i>0.30810</i>	<i>0.11510</i>	0.05960	0.00140	0.00060	0.01350
JPY	<i>0.16080</i>		0.05090	<i>0.20640</i>	<i>0.634400</i>	<i>0.78360</i>	0.00002
KRW	0.00070	0.00009		<i>0.15690</i>	0.00230	<i>0.13430</i>	0.00190
PHP	0.00020	<i>0.44320</i>	<i>0.82240</i>		0.09750	<i>0.92190</i>	<i>0.73460</i>
SGD	0.00000	0.00070	0.00030	0.07680		0.00020	0.00000
THB	0.00000	0.04700	0.00100	0.00002	0.01490		0.00050
BND	0.00000	<i>0.12950</i>	0.02530	0.00240	<i>0.34040</i>	0.00390	

Note. italicized p-values denote insignificant Wald statistics ($p > 0.10$)

Plotting the logarithmic first difference of the currencies over time, which is mathematically synonymous to their continuously compounded one holding period (weekly) returns, Figure 2 emerged. When these return series apparently exhibit mean reversion to zero level, one may get an impression that the exchange rates have unit root component – an indication of their individual random walk movements. Additionally, as observed in most asset price series, episodic flurry of activities during certain periods are also seen in the graphs of the return series. Most of these observed volatilities occurred during the height of the crisis periods in the early part of 1998 and in the later part of 2008. Such episodes are particularly strong for the international currencies Japanese Yen (JPY), Korean Won (KRW) and Singapore Dollar (SGD). This volatility patterns suggest the heteroscedastic nature of the return series commonly referred to as the ARCH effect, which was validated empirically in Table 4.

The Correlation matrix of returns featured in Table 3 shows that returns are pair-wise highly correlated across currencies with the same algebraic signs, that is, returns move in the same direction indicating a certain level of convergence. Only the returns of the currency pairs JPY-KRW appear to be statistically unrelated.

Results on the Lagrange Multiplier (LM) ARCH (14) tests demonstrate the extremely high statistical significance of the ARCH effect in all currencies with p-values equivalent to zero at seven significant digits. This observed manifestation may prove to be useful in the analysis of the martingale properties (informational efficiency) of the exchange rates. Other statistics presented in Table 4 quantitatively confirm most of our cursory observations on the graphs of returns (Figure 2). Mean reversion to zero level is confirmed as both mean and median returns in all currencies are almost zero. Excessive departure from normality is observed in all return series with all Jarque-Bera statistics depicting extreme significance ($p < 0.000001$). These features of the return distribution are consistent with the concept of the weak form market efficiency hypothesis, popularly known as the Random Walk Hypothesis (RWH) introduced by Samuelson (1965) and Fama (1965).

Figure 2. Line Graphs of the Continuously Compounded one-week Holding Period Returns of ASEAN+3 Floating Currencies

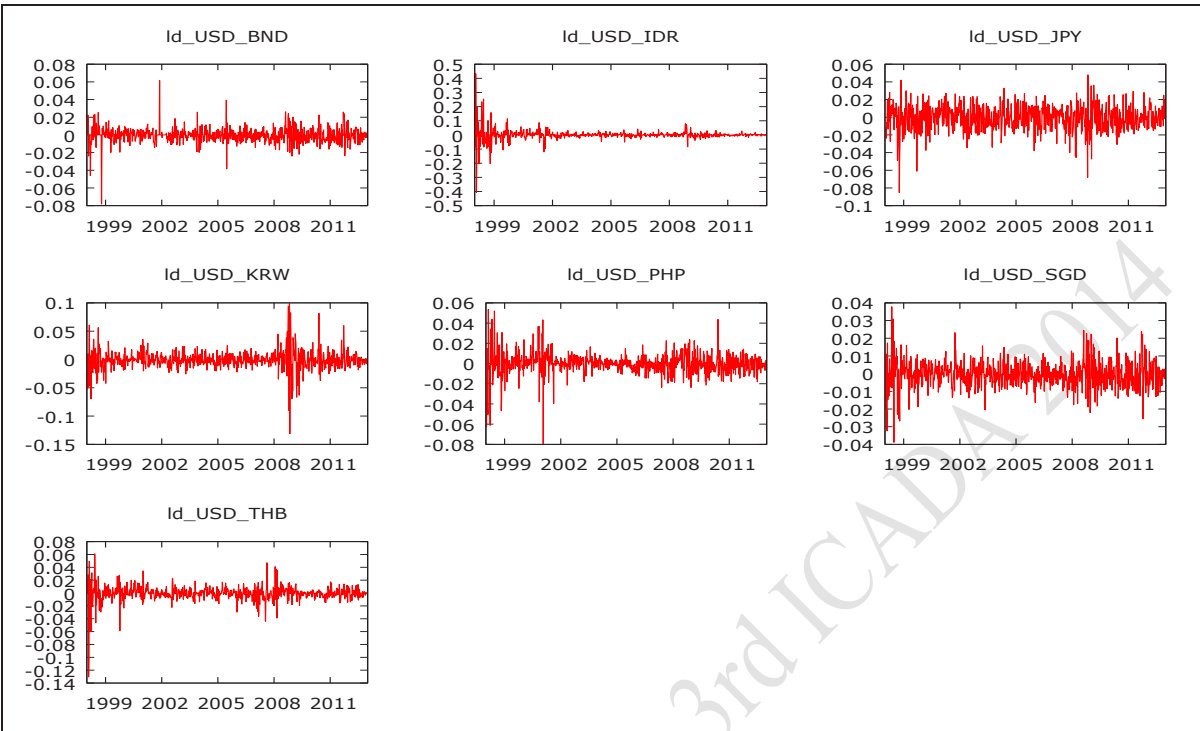


Table 3

Correlation Matrix of Returns of Floating ASEAN+3 Currencies

Correlation p-value	Weekly Returns Jan 7, 1998 - December 26, 2012						
	RETBND	RETIDR	RETJPY	RETKRW	RETPH P	RETSG D	RETHB
RETIDR	0.291229 0.0000	1.000000 -----					
RETJPY	0.212346 0.0000	0.079941 0.0255	1.000000 -----				
RETKRW	0.467262 0.0000	0.272368 0.0000	0.000452 0.9899	1.000000 -----			
RETPHP	0.310356 0.0000	0.297755 0.0000	0.074348 0.0378	0.431822 0.0000	1.000000 -----		
RETSGD	0.719863 0.0000	0.307851 0.0000	0.310358 0.0000	0.508267 0.0000	0.407619 0.0000	1.000000 -----	
RETHB	0.367369 0.0000	0.444911 0.0000	0.158535 0.0000	0.338614 0.0000	0.464052 0.0000	0.496675 0.0000	1.000000 -----

Table 4

Stylized Facts of Returns of ASEAN+3 Floating Weekly Exchange Rates Weekly, January 7, 1998 – December 26, 2012

	RETBND	RETIDR	RETJPY	RETKRW	RETPHP	RETSGD	RETHB
Mean	-0.000419	0.000208	-0.000572	-0.000654	-0.000124	-0.000480	-0.000704
Median	0.000000	0.000380	-0.000184	-0.001251	0.000000	-0.000687	-0.000589
Maximum	0.061738	0.433359	0.047869	0.098841	0.053584	0.037815	0.060954
Minimum	-0.078103	-0.407665	-0.085225	-0.131233	-0.079182	-0.038849	-0.130444
Std. Dev.	0.008554	0.037224	0.014072	0.016961	0.010942	0.007629	0.012098
Skewness	-0.446934	0.735091	-0.628701	-0.022800	-0.670309	0.016283	-2.433896
Kurtosis	16.89657	53.34149	5.690101	14.43224	12.15284	5.817923	30.07028
Jarque-Bera	6310.275	82539.57	286.9427	4253.133	2784.644	258.4377	24617.62
(p-value)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
ARCH(14)	754.681	594.358	749.991	354.637	748.416	139.413	114.452
(p-value)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Unit Root Properties of the Exchange Rate Series

Results of the application of the various panel unit root tests on the working sample are all revealed in Table 5. The top part of the table deals with the application of the tests on the level series, while the bottom portion presents the results of the different panel unit root tests on the first differenced series. Insignificant results on the level series confirm the presence of unit root component in the level or the untransformed exchange rate series, while significant results in the first differenced series validate the existence of a single unit root. Heavier consideration is often placed on the results of the Levin, Lin & Chu test (common unit process assumption for the cross section entities) as well as on Im, Pesaran and Shin test (individual unit root process assumption for each cross section entity) (Wu & Chen, 1999). The results are unmistakable – the floating ASEAN+3 currencies are non-stationary, each with a single unit root, which implies that their returns are characterized by the white noise process. Hence, the floating currencies of the expanded ASEAN region possess the necessary condition for EMH – the existence of the unit root component (Azad, 2009), thus paving the way for testing for the presence of uncorrelated increments of the exchange rate series – the sufficiency condition.

Table 5

Panel Unit Root Tests on ASEAN+3 Floating Currencies

Summary for First Differences			Cross-	
Method	Statistic	p-value**	sections	Observations
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t^*	-48.7553	0.0000	7	5407
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	-47.5649	0.0000	7	5407
ADF - Fisher Chi-square	855.851	0.0000	7	5407
PP - Fisher Chi-square	1206.87	0.0000	7	5460
** p-values for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.				

Variance Ratio Tests Results

To ascertain the presence of uncorrelated increments in each of the currencies, the variance ratio test, discussed in the Methodology section is employed. In this study, the robust version of the test is used since the stylized facts on the different currencies and their returns show the presence of an unknown form of heteroscedasticity in the exchange rate series. Empirical tests on this phenomenon using the available data confirm the significance of the ARCH effects in all series; hence, tests for the presence of uncorrelated increments in the individual currencies are assessed under the MDS null hypothesis. The procedure to test the MDS null proposed by Lo and McKinlay (1988) is applied together with the Chow-Denning (CD) multiple variance ratio procedure, the results of both tests are presented in Table 6.

Under the null hypothesis that each currency follow a Martingale Difference Sequence (MDS) – a version of the Random Walk Hypothesis (RWH) which is immune to the ill inferential effects of the Auto Regressive Conditional Heteroscedasticity (ARCH) whose presence is earlier established analytically, no evidence whatsoever are found to reject such hypothesis, across the board in all sampling intervals (q). Both the Lo-MacKinlay individual VR tests and the Chow-Denning multiple VR tests confirm the validity of the MDS null. With the established presence of the unit root component and the martingale properties in each of the floating currencies in the ASEAN+3 region, it is now safe to conclude that foreign exchange markets in the region are informationally efficient. This means that all exchange rates fully and instantaneously reflect all available and relevant information, such that adjustments are immediate in a manner that returns cannot be reliably predicted (Samuelson 1965, Fama 1965).

Summary for Level Variables				Cross-	
Method	Statistic	p-value**	sections	Observation s	
Null Hypothesis: Unit root (assumes common unit root process)					
Levin, Lin & Chu t*	2.09876	0.9821	7	5410	
Null Hypothesis: Unit root (assumes individual unit root process)					
Im, Pesaran and Shin W-stat	0.08445	0.5337	7	5410	
ADF - Fisher Chi-square	18.1263	0.2011	7	5410	
PP - Fisher Chi-square	50.6065	0.0000	7	5467	

Table 6

Individual and Joint Variance Ratio Tests of the Random Walk Properties of Floating ASEAN+3 Currencies

Ho: Brunei Dollar is a Martingale					Ho: Philippine Peso is a Martingale				
Period (q)	2	4	8	16	Period (q)	2	4	8	16
Var. Ratio	1.03431	1.06930	1.05025	0.91932	Var. Ratio	0.94933	0.98928	0.99972	1.09859
Std. Error	0.05630	0.09332	0.12909	0.18156	Std. Error	0.07284	0.12370	0.17900	0.24493
z-Statistic	0.60949	0.74268	0.38931	-0.44440	z-Statistic	-0.69562	-0.08667	0.00156	0.40253
p-value	0.54220	0.45770	0.69700	0.65680	p-value	0.48670	0.93090	0.99880	0.68730
Chow-Denning Joint Test					Chow-Denning Joint Test				
	Value	df	p-value			Value	df	p-value	
Max z (at period 4)*	0.742677	781	0.9135		Max z (at period 2)*	0.695624	781	0.9306	
Ho: Indonesian Rupiah is a Martingale					Ho: Singaporean Dollar is a Martingale				
Period (q)	2	4	8	16	Period (q)	2	4	8	16
Var. Ratio	1.04231	0.73262	0.81669	0.67957	Var. Ratio	1.06341	1.15784	1.13201	1.04190
Std. Error	0.15048	0.29914	0.41971	0.52281	Std. Error	0.04978	0.09744	0.15153	0.21477
z-Statistic	0.28116	-0.89384	-0.43675	-0.61289	z-Statistic	1.27377	1.61983	0.87122	0.19509
p-value	0.77860	0.37140	0.66230	0.53990	p-value	0.20270	0.10530	0.38360	0.84530
Chow-Denning Joint Test					Chow-Denning Joint Test				
	Value	df	p-value			Value	df	p-value	
Max z (at period 4)*	0.893835	781	0.8439		Max z (at period 4)*	1.619832	781	0.3591	
Ho: Japanese Yen is a Martingale					Ho: Thai Baht is a Martingale				
Period (q)	2	4	8	16	Period (q)	2	4	8	16
Var. Ratio	1.06775	1.10384	1.08881	1.18314	Var. Ratio	1.07335	1.12042	1.12216	0.97600
Std. Error	0.04915	0.08677	0.13487	0.19710	Std. Error	0.18648	0.30601	0.40315	0.49350
z-Statistic	1.37862	1.19666	0.65851	0.92917	z-Statistic	0.39335	0.39352	0.30301	-0.04863
p-value	0.16800	0.23140	0.51020	0.35280	p-value	0.69410	0.69390	0.76190	0.96120
Chow-Denning Joint Test					Chow-Denning Joint Test				
	Value	df	p-value			Value	df	p-value	
Max z (at period 2)*	1.378615	781	0.5209		Max z (at period 4)*	0.393515	781	0.9912	
Ho: Korean Won is a Martingale									
Period (q)	2	4	8	16					
Var. Ratio	0.99821	0.97413	0.97906	0.88953					
Std. Error	0.11070	0.20647	0.31278	0.41834					
z-Statistic	-0.01618	-0.12530	-0.06694	-0.26406					
p-value	0.98710	0.90030	0.94660	0.79170					
Chow-Denning Joint Test									
	Value	df	p-value						
Max z (at period 16)*	0.264058	781	0.9981						

Long Run Linkage of ASEAN+3 Currencies

The central research agenda of the study is to provide analytical evidence on the existence of steady state linkages among currencies of the expanded ASEAN region. To accomplish such task, the Johansen multivariate cointegration technique is employed in the study. The results of the two tests proposed by Johansen (1991) – the Trace test and the Maximum Eigenvalue test, as seen in Table 7 reveal the presence of at most four cointegrating equations linking the various currencies. This means that the amount of information available may allow us to extract at most four equilibrium relationships (equations) linking the seven currencies under investigation. Such preponderance of long run relationships is plausible due to the underlying structural relationships (economic theories) linking the different variables in the set (King, et. al., 1991). This outcome is not entirely unexpected in light of the results of the analysis of pair-wise correlations (Tables 1 and 3), and granger causality tests (Table 2) which put the level of the currencies' bilateral dependence at 90.48% and 85.72% respectively.

Table 7

Johansen Multivariate Cointegration Tests on ASEAN+3 Floating Currencies

Unrestricted Cointegration Rank Test (Trace)				
Hypothesized		Trace	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	p-value.**
None *	0.112318	230.1860	125.6154	0.0000
At most 1 *	0.069722	138.0892	95.75366	0.0000
At most 2 *	0.041235	82.22315	69.81889	0.0037
At most 3 *	0.031072	49.67233	47.85613	0.0334
At most 4	0.024109	25.27278	29.79707	0.1519
At most 5	0.008050	6.408295	15.49471	0.6473
At most 6	0.000208	0.160639	3.841466	0.6886
Trace test indicates 4 cointegrating equations at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				
Unrestricted Cointegration Rank Test (Maximum Eigenvalue)				
Hypothesized		Max-Eigen	0.05	
No. of CE(s)	Eigenvalue	Statistic	Critical Value	p-value.**
None *	0.112318	92.09680	46.23142	0.0000
At most 1 *	0.069722	55.86604	40.07757	0.0004
At most 2	0.041235	32.55082	33.87687	0.0713
At most 3	0.031072	24.39955	27.58434	0.1214
At most 4	0.024109	18.86448	21.13162	0.1008
At most 5	0.008050	6.247656	14.26460	0.5817
At most 6	0.000208	0.160639	3.841466	0.6886
Max-eigenvalue test indicates 2 cointegrating equations at the 0.001 level				
* denotes rejection of the hypothesis at the 0.001 level				

CONCLUDING REMARKS

The study represents an attempt to analytically evaluate the extent with which the expanded ASEAN grouping, euphemistically labeled as ASEAN+3 region has attained long run currency linkages – an important requisite for an eventual currency union and monetary integration. The study used high frequency inter-bank call rates (nominal exchange rate vis-à-vis the US Dollar) data on seven floating currencies of the region with sufficient historical time series covering the period 1998 to 2012 (weekly: January 7, 1998 to December 26, 2012; average of bid and ask rates on Wednesdays). The goal is to establish through state-of-the-art econometric procedures three crucial outcomes: (1) bilateral dependence of currency pairs (2) informational efficiency of the participating currencies, and (3) long-run multilateral linkages of the currencies. When these outcomes are adequately established, as this study has demonstrated using cutting-edge econometric procedures, the state of the current knowledge on the readiness of the region for currency union and eventual monetary integration will be enhanced.

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APPENDIX A

ASEAN+3 Countries, Local Currency and Exchange Rate Regime

Country	Local Currency		Exchange Rate Regime ²
Brunei	BND	Brunei Dollar	Managed Float
Cambodia	KHR	Cambodian Riel	Managed Float
China	CNY	Chinese Yuan Renminbi	Fixed Peg Arrangement (against a single currency)
Indonesia	IDR	Indonesian Rupiah	Managed Float
Japan	JPY	Japanese Yen	Independently Floating
Laos	LAK	Laos Kip	Managed Float
Malaysia	MYR	Malaysian Ringgit	Fixed Peg Arrangement (against a single currency)
Myanmar	MMK	Myanmar Kyat	Managed Float
Philippines	PHP	Philippine Peso	Independently Floating
Singapore	SGD	Singapore Dollar	Managed Float
South Korea	KRW	South Korean Won	Independently Floating
Thailand	THB	Thai Baht	Managed Float
Vietnam	VND	Vietnamese Dong	Fixed Peg Arrangement

²Source. International Monetary Fund – Classification of Exchange Rate Arrangements

**STRUCTURAL BARRIERS IN PROGRESS OF ACADEMIC WORLD:
CONCERNS RELATED TO MARGINALIZED SECTIONS**

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ABSTRACT

The professional seclusion based on gender has become conspicuous as a problem with the mainstream trend of progress towards gender equity of women's capabilities. It portrays marginalization, discrimination and inequality experienced by women, especially belonging to minority sections. It vanquishes the goal of women's social and economic status over the past few years in developing world. The overriding discourses claimed that women's priority must be families which affect their professional lives. There is a strong interaction amongst various factors which leads to differences in academic output of women, thus, the present study would focus on different aspects related to social and psychological barriers faced by women in the developing world. The study is empirical in nature and employs a qualitative method to identify the factors accountable for the aforesaid issue. It focuses on marginalization, hereafter researcher would contribute in the area of inclusive education.

KEY WORDS: Gender, Education, Discrimination, Marginalization

GENDER DISCRIMINATION AND HIGHER EDUCATION

In the contemporary age, higher education in India has seen a huge escalation, especially in the establishment of higher education institute and student enrolment ratio challenging various repressed factors at different levels of higher education. The state introduced various programs to endorse higher education for marginalized sections of the society. It is an acknowledged fact that higher education is crucial for economic and social growth of any country. It is also needed that access to higher education should be open to every native of the state, including all the marginalized sections of the society for the overall human development. The issue of attaining gender equality in India is mainly considered a social-cultural problem, frequently gets identified as solely an economic problem, related to merely quantitative restrictions. It is also a qualitative dimension which influences the different facets of working patterns in any sector. The recognized parameters of human development demands equal access and opportunity to all, including marginalized sections. Gender Discrimination is one such massive issue which can be considered an agreed hurdle for the development of the country. The biological aspects of maleness or femaleness cannot be understood as distinct from the social processes and practices that give meaning to these characteristics. It is thus impossible to neatly separate the realm of sex from that of gender when trying to explain any aspect of social life.

The distinct socialization process can be regarded by noting the interactions in childhood where children imitate behaviors they see which would suggest that those interfaces with their same-sex parent or other role model that they tend to emulate. Peers are more important bases of gender socialization and role of parents and influence exerted by them in socialization process is of little influence with regards to gender. Schools are also impactful sources of gender socialization as interaction with teachers reveals their expectations towards male and female students and relations with peers of both sexes encourage individuals to learn gender-related skills and self-concepts (Anderson, 2000). Thus gender differences learned through diverse socialization which begin at home and such differential treatment even though it might be unconsciously done forms the basis for an understanding of gender identity for children. With little or no knowledge of biological differences in males and females, they have these different constructs of gender in society to be indicative of the existence of two categorically distinct groups.

Gender disparity in education is an age old phenomenon. Traditionally, girls have been at a disadvantage in most parts of the globe and they continue to be so even today (Jha & Kelleher, 2006). Many studies reveal that modern educated women are neither happy nor contented. A modern view education as an instrument for women's equality and development. According to Jha & Kelleher (2006), there are two aspects in women's education, individual and social. Generally, females who start working in organizations do often face gender stereotype problems. Like men, women also desire for professional growth, work passionately for their goals, but cannot avoid few unwanted circumstances like marriage and motherhood.

There are few other factors like glass ceiling effects that halt their progress. One of the objectives, here, is to explore the various factors related to discrimination at work place. There appears to be an insistent practice of inquiring women's career assurance founded on the belief that women's commitment to their family threatens their work promise. The customary view that women will always put family before career and the inferred belief that this is not true for men is not only a discriminating issue in the recruitment process, but also it distresses women negatively at other stages in their career progression.

RESEARCH METHODOLOGY

Research Design

The study attempts to understand the nature of the dual burden faced by women and the factors answerable in women's professional development. The study also tries to understand the aspects responsible for glass ceiling effects. The study was dealt in a qualitative approach, a lot of information was gathered on specific aspects of the women's life; systematic analysis was done based on narratives obtained through interviews.

Data Collection

The study used interviews as a tool for data collection. Female faculties were used as sample from one of the universities of Andhra Pradesh through purposive sampling technique. Qualitative method was given the priority as it helped to explore the social psychological barriers when one face the discrimination at work place, that too at various levels. Questions were asked from varied domain, ranging from personal to professional concerns which influence the performance at job place.

RESULTS

After the analysis of the narratives, researcher figured out that dissimilar types of roles assigned to boys and girls at home, and different kind of rearing are blamable for the discerning. There is a strong interaction amongst various factors which leads to differences in academic output of women, thus, the present study would focus on different aspects related to social and psychological barriers faced by women in the developing world. The mindset of the society with the stereotypical assumptions of the society, the unjustified belief associated with the marriage of the girl child demands the radical transformation, so that the achievement of inclusive education is achieved leading to change in the psyche of individuals. Specific variances in biases may lessen stereotype-based judgments and behavior, and prejudice towards women are unique. When stereotype based expectations are low, the comparison of an individual to the stereotype of the group to which one belongs often results in counter-stereotypical appraisals of the individuals, i.e. women are at times judged more favorably than similar men. An unexpected case is found out that a woman has exceeded low stereotype-based performance expectation, such as gender-based evaluation has a hidden meaning which can be responsible for undesirable experience for women at work place. When women sometimes receive preference than others and they perform better than the male colleagues, they are marginalized as high-performing females. Inspiration and constant encouragement are imperative for better performance at work place for women. If the notion of prevention is better than cure, is considered then preventing gender typing will be more effective than providing encouragement later to make up for the stereotypes that have been rooted into the brains of the fairer sex. Perhaps it will also help to clear the ambiguity and whether women are inherently disinterested in higher education or whether they are conforming consciously or unconsciously to what the society expects from them. It is the agreed notion that gender differences in these parameters decrease as societies lessen their gender norms. This noticeably suggests that socialization does have something to do with gender differences in interest and self-efficacy. It would also, therefore, be relevant to check how impactful encouragement in alleviating these differences is.

Gender roles form a system of social practices that creates and maintains gender distinctions which lead to unequal relations based on these gender distinctions (Wharton, 2002). While nature makes us biologically male or female, society makes us socially feminine or masculine. It is gender and society which determines the appearances, attitudes, behavioral roles, responsibility rights, access and control over resources etc. Stereotype content is derived from perceptions of the extent that members of a particular group are perceived as threatening and in competition with the in-group, according to Fiske (2002). The crossing of competence and warmth results in four cases of prejudice. Groups are perceived as warm and competent, warm, but incompetent, not warm, but competent and neither warm nor competent, in this typology woman fall into the two ambivalent groups. Within the ambivalent sexism framework (Glick & Fiske, 2002), benevolent sexism treats women as warm but incompetent. Alternatively, women who are viewed as not warm, but respected, subject to hostile sexism. These women are respected for their high status and in turn perceived as competent, but disliked for lack of human qualities. In other words, different kinds of prejudice turn against these different types of women: hostility is directed toward nontraditional women and paternalistic benevolence toward traditional women (Glick, Diebold, Bailey-Werner, & Zhu, 1997).

The results of the interviews reveal that females have a greater emotional feelings than males, which help them to handle relationships efficiently in work domain i.e. getting and giving emotional support to the partner at the same time social beliefs and societal norms restricts males to express their problems resulting in stress which results into decline in academic/professional performance. Women bear a relatively complicated cognitive framework, they tend to consider multiple points-of-view while making their decisions which results in their in-depth thinking. This result can also be explained by this fact.

Women are more emotionally attached to family and nation which weighs more for them than taking up a job abroad. Cognitive framework and preferences have a remarkable effect on decision making. Boserup (1970) argued that women were marginalized in the modernization process and practices of growth, development, and development policy threatened to actually make women worse off. Researchers noticed varied differences in decision making patterns among female faculty members. The main reasons were found as improbability, anxiety, social burden, time constraints, beliefs, motivation etc. Chanana (2004) focuses on the access and participation of women students in higher education in India in the pre and post economic liberalization phase, women gained access to higher education gradually during the first four decades after independence, it could be possible as higher education was fully state funded and highly subsidized. Socio-cultural and economic factors acted as barriers to their ability to access higher education. The pressures for change emanating from globalization came when the higher education system was unable to meet the rising social demand for professional education. It is argued that the researchers join as faculty members when they are in their early thirties, a time when women are either married or have to be married soon. They need a break to raise a family and after the break cannot compete with men in research and professional experience. Again, more women than men are holding junior faculty positions, (Bal, 2004).

Major issue driving this trend could be the societal norms, men are supposed to support the family in the Indian milieu. The fact indirectly impacts the judgmental capacity of an individual and drives him to choose an option where he can earn more irrespective of his interest. It can be categorized as a belief bias which has a chief role in individual choices. Evans, Barston, & Pollard, (1983) gave a theory on cognitive biases which included belief bias that males and females also differed on the parameters on which they would choose their jobs.

DISCUSSION AND CONCLUSION

A gender neutral image will be beneficial for both the sexes in work domain, as it will improve the overall performance without restricting individuals on the basis of their gender identity. Analysis performed on the responses supported the existence of a perceivable organizational barrier which hinder the rise of women professionals to senior administration and top level positions. Different standards of performance evaluation for men and women employees, lack of opportunities for mid-career function shifts, lack of mentorship programs and beneficial training sessions for women are the major factors responsible for this unseen barrier.

Reviewing the administration policies, discovering employees' perceptions about organizational culture and employees' career expectations, identifying the best practices of development of women can be instrumental in eliminating the unseen barrier which

prevents women from rising to top positions. Implementing retention strategies for women, initiating leadership training programs for women, monitoring recruitment strategies for female employees and improving the departmental ambience to promote the integration of female faculty would also prove to be effective in ensuring a significant representation of women professionals in top-level positions in the long run.

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**ARE YOU READY FOR SELF-GOVERNMENT?
COMPARATIVE ANALYSIS OF LOCAL PUBLIC HEALTH MANAGEMENT CAPACITY
IN NORTHEASTERN THAILAND**

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ABSTRACT

Since the late 1990s, Thailand has been experimenting with decentralization, but achieved limited progress. Thai local authorities show different levels of management capacity, especially in the public health area. Drawing on extensive research on community development and decentralization, this paper distinguishes among three dimensions of local public health management capacity: organizational capacity, fiscal capacity, and community capacity. Although the public health functions are not fully devolved to local governments, several localities in Northeast Thailand—the country’s poorest region—have been actively involved in health matters. Based on this study, these “good practice” localities demonstrate higher organizational and community capacities than the neighboring jurisdictions. Regarding fiscal capacity, the “good practice” localities could collect less own-source revenue, but are more committed to providing budgetary support for public health. The conclusion discusses capacity-building measures that must be in place to empower local governments in the developing countries.

KEYWORDS: Decentralization, public health, local government capacity

INTRODUCTION

This paper is an attempt to examine local government capacity in fulfilling decentralized public health functions. Based on research works in community development and decentralization reform, emphasis is placed on three dimensions of capacity: organizational capacity, fiscal capacity, and community capacity. In this paper, these capacity dimensions are used in a comparative analysis of four local administrative organizations in Northeast Thailand—a region burdened by economic poverty and political activism. By virtue of their proximity to citizens, these local authorities are expected to deliver public health services that match citizen preferences. In decentralizing countries, emerging participatory channels open up opportunities for citizens to work closely with their local officials to promote healthy lifestyle (Elder, 2000; Laverack, 2006; Gilchrist, 2007).

In the 1990s, the centralized administrative systems in many countries proved themselves incapable of dealing with the exigencies of modern society and globalizing economy. Political and administrative decentralization has captured the post-Cold War *Zeitgeist* that favors democracy and citizen participation. A large number of developed and developing countries initiated large-scale reforms that featured the transfer of essential administrative responsibilities to local authorities. In Southeast Asia, Thailand ratified the 1997 constitution that dedicated an entire clause to the principle of local self-government. However, as was the case in all developing countries, translation of the constitutional principles into practice was problematic. Incentives to expedite the decentralization reform were miniscule since the interior ministry that was put in charge of implementing the decentralization reform was the very one that would be most negatively affected by the reform. As a result, everything concerning the country’s administrative and territorial structures remains largely centralized (Sudhipongpracha, 2013).

This persistent administrative centralization is evident in the central government’s retention of the public health functions (Taarak, 2010a). Since the national decentralization reform officially began, 10 out of 34 disease prevention and health promotion functions have been devolved to the local level. Also, only 0.40% of all primary healthcare facilities in the country

have been completely transferred to the local jurisdictions. In Thailand's rural and impoverished areas, these primary healthcare facilities serve several important roles, ranging from preventing and treating common illnesses and injuries to promoting healthy lifestyle through health education programs. However, the public at large and mass media often cast doubts over local government capacity, naming corruption and declining health service quality as the potentially negative effects of decentralization (Srisuchart, Tangtipongsakhul, & Arunruangsawasdi, 2013).

Nevertheless, the term "capacity" remains elusive, especially in the public health sector (LaFond, Brown, & Macintyre, 2002). Apart from an ability to improve the quality and efficiency of public health services, it is important that local government organizations can maintain these improvements in the long run, independent of external intervention (Brown, LaFond, & Macintyre, 2001). Yet, even though a common approach among development planners and public health reformers is to build local capacity, the public health literature offers limited discussion of how to measure capacity and what capacity-building programs are designed to improve (Brown et al., 2001; Nunn, 2007).

This paper begins with an analysis of existing literature on local government capacity in delivering public health services. Three dimensions of local government capacity are presented, deriving from past empirical and theoretical works. This section ends with a framework for examining local government capacity in executing the decentralized public health functions. The second section discusses the research design and methods, as well as the variables used to examine four local administrative organizations in Northeast Thailand. Subsequently, in the third section, the conceptual framework is used to analyze the four local governments' capacity in the public health domain. The paper culminates in some reflections on the meaning of the major findings for the debate on decentralization.

LITERATURE REVIEW

Adequate local government capacity for public service management is vital to the success and pace of decentralization reform. Not only can local government capacity be used to determine what administrative functions should be devolved to local government authorities, the concept—if appropriately defined and researched—can provide the central government and donor agencies with guidance on how to prepare local governments of varying capacity levels for public service responsibilities (LaFond, 1995). A review of existing literature on public health and local government reveals three crucial dimensions of local public health capacity: (1) organizational capacity, (2) fiscal capacity, and (3) community capacity (Homsy & Warner, 2011). The three dimensions complement each other and are necessary to ensure the quality of decentralized public health services (Gillies, 1998). This section is devoted to a discussion of the theoretical and empirical works on these two facets of local capacity.

In general terms, capacity denotes the ability of a person or an organization to "carry out stated objectives" (Brown et al., 2001, p.5). The main objective of public health decentralization is to improve the efficiency and equity of services. In this context, efficiency is defined as allocative efficiency whereby local jurisdictions are expected to be more responsive to people's needs than higher levels of government (Jha et al., 1998). Equity means "the absence of systematic and potentially remediable differences in one or more aspects of health across population groups defined socially, geographically, or demographically" (Macinko & Starfield, 2002, p. 2). Both efficiency and equity are difficult

to achieve, even for the national government agencies. However, as decentralization proceeds in many countries, local authorities are expected to deliver public services that are both efficient and equitable. Local organizational capacity needs to be harnessed to realize the objective of decentralization.

Local Organizational Capacity

Research works on public health decentralization in Thailand identify several components of local organizational capacity. The first component is technical expertise defined by the presence of professional public managers in local government organizations (Homsy & Warner, 2011). However, this definition of technical expertise does not fit the Thai local government context. In the United States and Canada, professional associations and tertiary education institutions actively offer a variety of activities to enhance the degree of professionalism among local officials (Svara, 2009). On the contrary, public professionalization efforts in the developing countries suffer from overemphasis on technical skills without inculcating in government officials the public service ethics and democratic values.

Additionally, in many formerly centralized states, such as Thailand, local government personnel system continues to operate under the shadow of draconian national bureaucratic regulations. Unlike in the Western hemisphere where citizens are allowed to vote in a referendum to choose the form of local government, the mayor-council form of government was bequeathed to all local administrative organizations in Thailand –regardless of their population size and legal status. In this mayor-council system, popularly elected mayors sit atop the administrative hierarchy of municipal government and hold ultimate political authority over policy formulation and implementation (Sudhipongpracha, 2011). The success and sustainability of public health decentralization programs in Thailand hinges upon these high-echelon elected officials' understanding and knowledge of public health management (Techaatik & Nakham, 2009).

Nonetheless, the mayors' technical knowledge alone does not suffice to guarantee local government efficiency and effectiveness in handling complex public health issues (Uphaypkin, Intaralawan, & Iamngam 2004). Certain health-related functions, such as inoculation, medical diagnosis, and many types of curative care, require advanced medicinal knowledge and resources that extend beyond local government capacity. As local officials are inevitably at the front line of the government's pandemic responses, the local leaders must orchestrate collaborative relationships with higher levels of government to mobilize all available resources and personnel to contain pandemic outbreaks. Even in the absence of a pandemic, public health issues by their nature transcend geographic and jurisdictional boundaries. Today's local leaders cannot afford to stand comfortably aloof from their adjacent communities in formulating and executing public health programs (Srisasalux, Vichathai, & Kaewvichian, 2009; Van den Dool, Van Hulst, & Schaap, 2010).

Apart from the local leaders' technical expertise and collaborative mindset, an effective local public health system also requires a department-level municipal government office specifically designed for public health management (Wongthanavasut & Sudhipongpracha, 2013). Since not all municipalities in Thailand have municipal health department, the local authorities with a well-established health agency are better off than those without in safeguarding their local health programs against a sudden change in political leadership

(Taearak, 2010a; 2010b). Moreover, the presence of a municipal health department strengthens the resilience and continuity of municipal health services by ensuring funding and staffing adequacy (Leethongdee, 2011).

Local Fiscal Capacity

Fiscal capacity refers to a measure of a local jurisdiction's ability to finance public services (Hyman, 2014). Indeed, sufficient fiscal resources enable local governments to undertake tasks of public service provision and make headway on decentralization (Kurata & Ikemoto, 2012). In their analysis of local fiscal disparity in Georgia, Boex and Martinez-Vazquez (2007) provide a menu of several local fiscal capacity measures, including poverty level and average per capita personal income. On the contrary, due to the American local governments' heavy reliance on property tax revenues, assessed property valuation per capita is a commonly used measure of local fiscal capacity in the United States (Yilmaz et al., 2006).

However, the assessed property values do not serve as a basis for municipal taxation in Thailand (Krueathep, 2007). Devas (2008) suggests that in countries where property tax is not the main local revenue source, gross regional domestic product (GRDP) or regional income per capita can be used as a proxy for local fiscal capacity. Yet, the use of GRDP and regional income per capita can be equally problematic, as the provincial economic data may not proffer an accurate reflection of each local community's tax base (Patamasiriwat, 2012).

Local governments' own-source revenue still remains a vital indicator of local fiscal capacity (Boex & Martinez-Vasquez, 2007). Yet, this indicator has to take into account other local characteristics (Wongthanavasut & Sudhipongpracha, 2013). As Wongpredee and Sudhipongpracha (2014) note, each jurisdiction's population size must be taken into consideration to expose its true revenue collection effort and capacity. Then, based on the two scholars' concept, local own-source revenue must be analyzed as local own-source revenue per capita. In addition to the local authority's revenue collection effort, other public finance scholars emphasize local discretion in making budget choices. To measure this local budget discretion, each local government's own-source revenue must be expressed as the percentage of total revenues (Weiss, 2007).

In the decentralized public health context, an indicator commonly used in assessing local fiscal capacity in Thailand is the local authority's budget commitment to health-related activities (e.g., Techaatik & Nakham, 2009; Tosanguan, Pitayarangsarit, & Sumalee, 2010; Wongkongkhathep, 2011; Wungrath, 2011). To measure this expenditure aspect of fiscal capacity, the amount of funds allocated by municipal government for local health programs is calculated as the percentage of each municipality's total annual expenditure. The rationale behind the use of this indicator is that even though a municipality is fully capable of collecting its own-source revenue, it may not make substantial contributions towards development of efficient and equitable public health services (Sudhipongpracha, 2013).

Community Capacity

The development literature abounds with definitions of community capacity. From the decentralization perspective, community capacity denotes active involvement of citizens, local authorities, civic groups, and private entities in community planning and decision making (Glickman & Servon, 1997). Other definitions related to local economic development

emphasize the existence of resources and problem-solving skills among individual community members prior to program implementation (Poister & Streib, 2005; Walzer & Sudhipongpracha, 2012). For public health scholars and practitioners, capacity has become coterminous with the empowerment concept since the 1980s when the “New Public Health movement” reached its zenith (Jones, 2001). Inspired by this movement, capacity is defined as the community members’ ability to ‘work together to increase control over events that determine their lives and health’ (Laverack, 2006, p.113). Based on this definition, other experts suggest that community capacity encompasses individual and community assets that are conducive to participatory governance (Laverack & Wallerstein, 2001).

Based on these diverse strains of literature, community capacity in this study refers to the synergistic interaction of human and social capital which can be mobilized to disentangle collective problems and improve the general public welfare within a given community (Checkoway, 1995; Laverack, 2006). Specifically, this definition requires a thorough analysis of the informal interaction among individual community members and organizations, as well as organized efforts by community leaders and local government institutions (Chaskin & Garg, 1997).

In past empirical works on Thailand’s public health system, several indicators were employed to measure community capacity. In his analysis of Thai local governments’ preparedness for devolution, Wattana (2004) stresses the importance of formal and informal cooperative ventures between civic groups and public agencies within a given community. Two years after subdistrict administrative organizations (SAOs) were formally established in Thailand, Prasitiratasindhu and Chuwonglersa (1997) conducted a performance assessment of the SAOs in Khon Kaen province and found that an important indicator of an SAO’s administrative capacity is its ability to work with ordinary residents to address complex public issues.

In sum, this literature review showcases the multi-dimensionality of local public health capacity—defined in this research as the local jurisdictions’ assets and abilities to achieve the decentralization reform objectives. In this section, the capacity concept is disaggregated into *organizational*, *fiscal*, and *community* dimensions. Amid Thailand’s ongoing political and administrative reform process, local government units are at the frontline of public service provision, particularly in the preventive and promotional aspects of public health. Thus, an understanding of the local public health capacity is central to the reform efforts that seek to downsize the national government and empower local communities.

RESEARCH METHODOLOGY

Research Design and Case Selection

A comparative case study is used to examine the level of public health management capacity in four local jurisdictions in Thailand’s northeastern region—the country’s most impoverished region. As Kirby and Kaneda (2005) note, living in economically disadvantaged communities reduces the chances of gaining access to health services, especially preventive healthcare. The living conditions and health problems in Northeast Thailand are consonant with Kirby and Kaneda’s argument. One-third of the northeastern region’s population is infected with cholangiocarcinoma, a type of liver cancer caused by consuming uncooked marine animals (Sithithaworn et al., 1994).

Comparative case studies can strengthen the theory-practice linkage that is vital to many disciplines, such as public administration (Leland & Thurmaier, 2010). However, in compliance with the public health research protocol (Vallgarda & Koch, 2008), the four communities' actual names are omitted and replaced with tropical fruit name (Table 1). In this research, two local jurisdictions in which the local governments have taken an active role in health-related matters despite their limited authority are referred to as the "good practice" localities. Since the decentralization reform officially began in 1997, Durian city in Udonrthani province has garnered many 'good governance' and 'excellence in public service' awards organized by government agencies and academic institutions in Thailand and abroad. In the same province, Mongosteen city boasts a similarly impressive record of awards from government and educational institutions, such as the 'good governance and public management' awards from the Department of Local Administration between 2006 and 2008. Additionally, for the past several years, both Durian and Mongosteen cities have consistently been honored by Thailand's Office of the Royal Development Projects as model communities for sustainable development and quality-of-life enhancement.

Table 1

Comparative Case Study Research Design

	Name of Locality	Province	Area (km ²)	Population (2012)	Population Density (per km ²)
Good Practice Group Active Local Government	Durian	Udonrthani	47.70	138,136	2,895
	Rambutan	Udonrthani	59	13,520	229
Comparison Group Inactive Local Government	Coconut	Nongbua Lumphu	39.50	51,338	1,299
	Palm	Nongbua Lumphu	81	5,560	68

The good practice localities are compared against two jurisdictions with the inactive local governments (i.e., a comparison group) from a neighboring province—Nongbua Lumphu. Residents in both provinces hold the same party affiliation (i.e., Pheu Thai Party) and share common ethnic and linguistic characteristics. Despite a wide range of population density among the chosen jurisdictions in this study, past research works on American urban politics (e.g., Lyons, Lowery, & DeHoog, 1992) and Thai politics (e.g., Albritton & Bureekul, 2002; Thananithichot, 2012) point out that population density does not have as much influence on citizens' political awareness as previously believed. In fact, the degree of political efficacy is not markedly different between Thai citizens in the densely populated urban areas and those in the sparsely populated rural areas (Thananithichot, 2012).

Variables of Interest

In this study, the primary variable of interest is the local jurisdictions' public health management capacity which consists of three distinct dimensions as previously identified and conceptualized in the literature review section. Drawn from past empirical and theoretical works in diverse fields, operational definitions for each dimension of local public health capacity appear in Table 2.

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Table 2

Variables of Interest, Operational Definitions, and Data Collection Methods

Dimension of Local Public Health Capacity	Operational Definition	Data Collection Method	Key Informant	Total Number of Key Informants
Local Organizational Capacity	▪ The mayors' understanding and attitudes towards public health	In-depth interview	Local officials from each community (Mayor, Municipal administrator, Health department director)	12
	▪ Existence of a public health agency within the local government structure	Document research	-	-
	▪ Percentage of municipal public health personnel in each local government	Document research	-	-
Local Fiscal Capacity	▪ Local own-source revenue per capita	Document research	-	-
	▪ Local own-source revenue as a percentage of total revenues	Document research	-	-
	▪ Amount of local government budget allocations for health-related activities	Document research	-	-

Table 2 (continued)

Community Capacity	<ul style="list-style-type: none"> ▪ Level of participation in community health activities, such as physical exercise groups in a community 	Focus Group Interview	8-10 people per community	35
	<ul style="list-style-type: none"> ▪ Local residents' attitudes towards participation in a community's health promotion activities and health management board meetings 	Focus Group Interview	8-10 people per community	35

Data Collection

Data collection methods employed in this research include document research, in-depth interviews, and focus group discussions (Table 2). Documents, such as local government budgets, annual performance reports, and local development plans, are analyzed to reveal each jurisdiction's fiscal capacity and certain aspects of organizational capacity. From November 2012 and January 2013, local government officials, including the mayors, municipal administrators, and city health personnel, were interviewed to obtain information on their organizational capacity and political leadership. The research team also conducted focus group discussions with community leaders and members from each of the four jurisdictions to gauge their understanding and attitudes towards public health, interpersonal relations, as well as their relationships with government agencies.

RESULTS

Health decentralization reform initiatives in Thailand have been slowly put into action. The national government control on the public health functions remains intact. Also, the general public continues to cast doubts over the quality and efficiency of local public service. Thus, a crucial question for the next steps of decentralization reform in Thailand is how to strengthen local government capacity before devolving substantial administrative responsibilities to a local level. This section presents an in-depth analysis of the local jurisdictions in Northeast Thailand that have managed to offer public health services despite their budget and administrative constraints. To accurately explain each of the three aspects of "local health management capacity," the two "good practice" localities are compared against the neighboring communities that have similar ethnic, linguistic, and political attributes.

Local Organizational Capacity

Two interrelated issues must be analyzed to expose the organizational dimension of local public health capacity. First, the mayors' understanding and attitudes towards public health reflect the quality of their political leadership in running local government. Second, a local jurisdiction's organizational capacity is determined by whether it has an agency and staff with specific responsibility for public health management.

Based on the findings from in-depth interviews, mayors from the four jurisdictions show markedly different levels of public health knowledge. Municipal administrators and health department directors in this study were asked to assess their mayors' understanding and attitudes towards public health. On a scale of one to ten with ten being the most positive, the Rambutan (10 points) and Durian mayors (8 points) possess more public health knowledge than the Coconut (6.5 points) and Palm mayors (5 points). As the Rambutan City health department director opined, "in meetings or during press conferences, the mayor speaks so eloquently and with sufficient depth of knowledge about public health." When asked why his city administration has invested so much in public health, the Durian mayor responded:

"I strongly believe that health means the overall quality of life. A healthy person is a happy person. That is why my city administration has concentrated a lot of efforts and resources in health matters because I want Starfish city to be a happy community."

The Rambutan mayor made a similar statement during an interview, emphasizing that good health, including physical and mental health, is essential to sustainable community development.

On the contrary, mayors from the Coconut and Palm cities expressed less enthusiasm about local public health. They held the view that public health functions should belong to the public health ministry because of the advanced clinical and medical knowledge involved. The Coconut mayor in particular pointed out that his city government has already been given too many responsibilities: "if we must take over more public health functions, our city would definitely be in deep financial trouble." Similarly, the Palm city mayor stated that: "The public health ministry can provide better health services than us. Of course, we can work with them. But I don't think my city government is now ready for any more health functions."

Apart from their mayors' public health knowledge, each of the "good practice" localities has a well-equipped public health workforce. In an attempt to provide healthcare services for a growing urban population, Durian municipality has both medical and public health departments. All municipal healthcare centers in Durian city are managed and supervised by the medical department, while the public health department is responsible for disease prevention and health promotion activities. Also, in terms of personnel, Durian city health officials make up 25% of the municipal government workforce. In a similar vein, the Rambutan city—albeit its small budget and organizational size—has made substantial investment in its city health department which is charged with overseeing a city health center and other health-related activities, such as preventive and promotional healthcare. The Rambutan city health officials account for almost 13% of all city government employees.

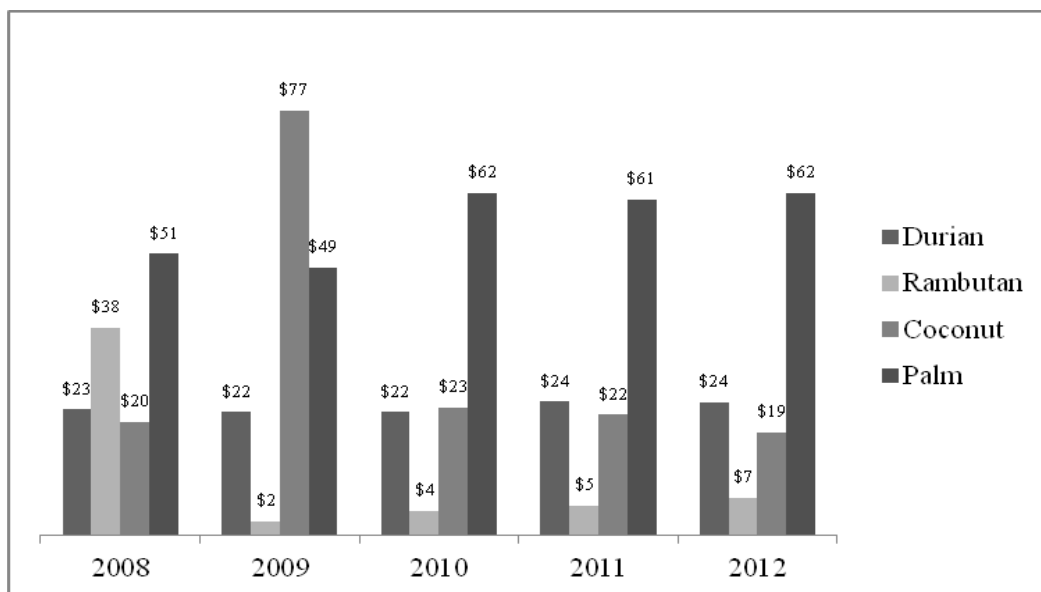
On the other hand, the Coconut and Palm municipalities did not demonstrate as much commitment to public health as the “good practice” localities. Despite the presence of a municipal public health department, there is a limited range of public health services in Coconut city. A lack of locally run health centers drives the Coconut city residents to travel to other areas for healthcare services. Also, unlike the size of municipal public health workforce in Durian city, only 15% of the Coconut municipal government personnel are public health officials. The state of public health services in Palm city is equally problematic. Palm residents must rely on the central and regional agencies for health services because their municipality does not have an agency specifically assigned for health administration. Neither does it have public health personnel on its municipal government payroll.

Local Fiscal Capacity

Apart from organizational capacity, local authorities require adequate resources to finance their public health operations. Drawn upon the past literature, three aspects of local fiscal capacity include local revenue collected per capita, local revenue as a percentage of total revenues, and local budget allocations for health-related programs. The first two aspects help evaluate local governments’ effort to ensure financial self-reliance and sustainability, whereas the amount of funding allocations for local health services illustrates the local governments’ commitment to public health.

However, the two “good practice” localities, especially the Rambutan city, appeared to have difficulty with revenue mobilization. Starting in 2009, the Rambutan city government experienced a sharp decline in own-source revenue per capita (Figure1). This declining pattern stood in sharp contrast to a consistent and growing revenue stream in Palm city which is also a sparsely populated rural community. On the other hand, the densely populated areas—Durian and Coconut cities—did not significantly differ from each other in their per capita own-source revenue between 2008 and 2012. Only in 2009 did the Coconut city government’s own-source revenue per capita clearly exceed the amount of revenue collected by the Durian city government.

Figure 1. Per Capita Own-Source Revenue Collected between 2008 and 2012 by Four Jurisdictions



The above analysis suggests that the localities with active local government involvement in public health might not be as financially self-reliant and sustainable as the comparison communities. Rambutan city in particular experienced a serious problem with revenue collection. When each jurisdiction’s own-source revenue is calculated as a percentage of its total revenue, this study finds that own-source revenue did not make substantial contributions to the Rambutan city’s coffers between 2008 and 2012 (Figure 2).

Apart from Rambutan city, one of the comparison communities—Coconut city—faced an even worse revenue situation. Since 2008, a dramatic decrease in own-source revenue has pressured the Coconut city government to depend on other financing sources, such as the national government grant. Nonetheless, contrary to past empirical works on fiscal decentralization, another comparison city—the Palm city government which has been inactive in community health management—enjoyed the strongest fiscal autonomy from 2008 to 2012. During the five-year period, Palm city’s financial self-reliance was even higher than that of Durian city—a “good practice” locality from a heavily populous urban area.

Despite much empirical and theoretical support, own-source revenue data alone do not accurately depict the fiscal dimension of local public health capacity. Since decentralization began, local revenue collection has always been an important challenge facing many Thai local authorities regardless of their organizational structure, population size, and local economic conditions (Wongpredee & Sudhipongpracha, 2014). Besides, there is no guarantee that a local government with high fiscal autonomy would earmark substantial funds for public health services. Thus, apart from local own-source revenue stream, it is necessary to consider how much each of the four jurisdictions spent on public health programs.

Figure 2. Own-Source Revenue as a Percentage of Total Revenue Collected by Four Jurisdictions between 2008 and 2012

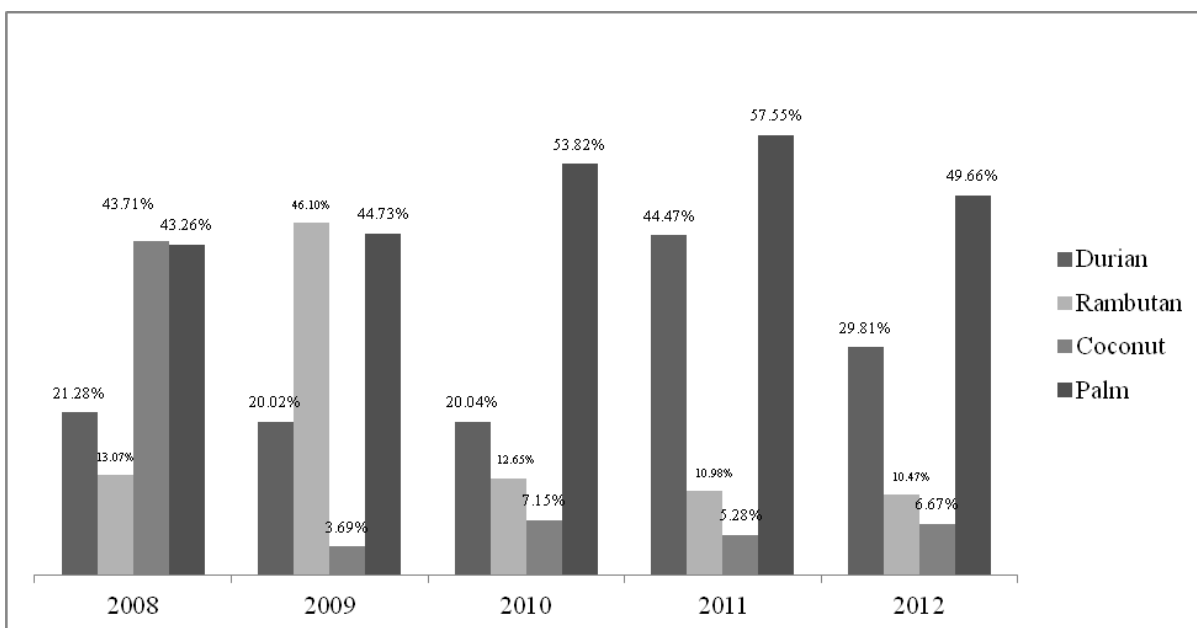
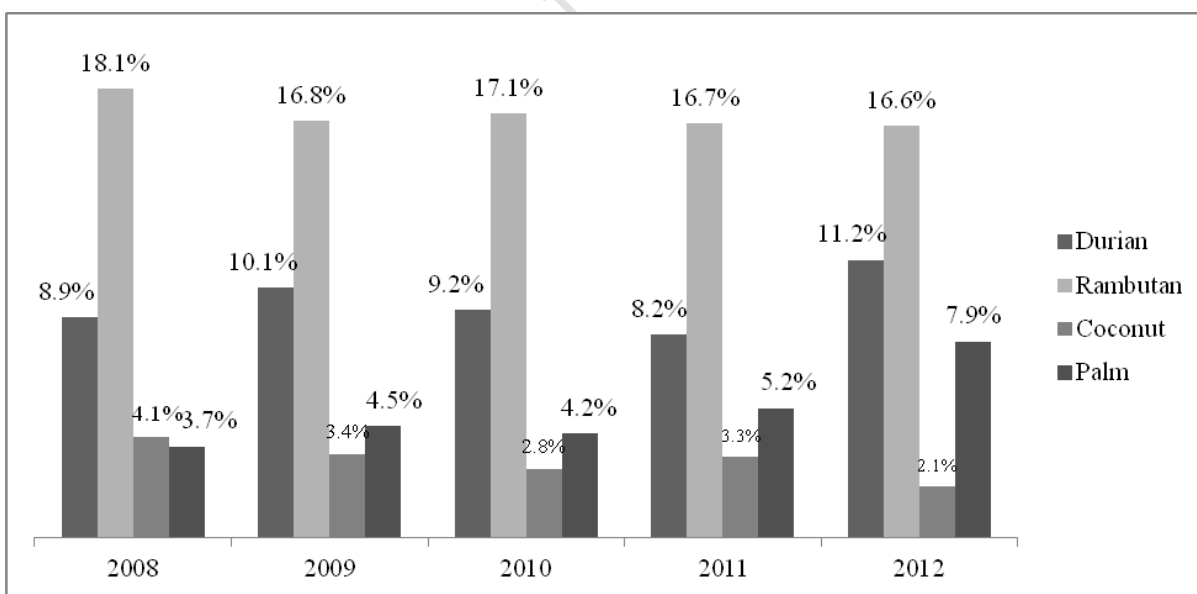


Figure 3. Local Budget Allocations for Public Health Programs as a Percentage of Total Budget Allocations (2008-2012)



Between 2008 and 2012, the Durian and Rambutan city governments allocated more resources to public health programs than the Coconut and Palm city authorities (Figure 3). As previously discussed, Rambutan city had the smallest amount of per capita own-source revenue, compared to the other three cities. Yet, calculated as a percentage of each year’s overall budget, the amount of resources that the Rambutan city government dedicated to

public health was larger than in other localities. Equally well-known for its municipal health programs, the Durian city government also set aside a substantial portion of its annual budget for public health—second only to the Rambutan city government.

Community Capacity

In this study, community capacity is defined as the formal and informal relationships among individual community members, local government agencies, and civil society groups. These formal and informal networks within a given community serve as an important catalyst for community development and decentralization reform. Based on past research works about decentralized governance in Thailand, the success of public health decentralization hinges on a solid working relationship between local government authorities and their citizens.

The Durian city residents have a tendency to form a variety of physical wellness groups (Table 3). Despite the absence of formal management hierarchy, the Durian wellness groups continue to expand their membership and have succeeded in soliciting financial and/or in-kind assistance from the Durian city government. Similarly, residents in the Rambutan community are inclined to get into physical wellness groups sponsored by the city health department. Not only do the informal physical wellness groups help to promote healthy lifestyle habits in both communities, they also demonstrate a high degree of social capital among the city dwellers.

In addition to the informal wellness groups, citizens in the Durian and Rambutan cities are also involved in local government affairs. In a focus group interview, all Durian city residents (100%) stressed the importance of attending the community health board meetings. According to a senior citizen, a large number of Durian citizens willingly serve on each precinct's health management board and actively engage in making important decisions. However, the Rambutan city residents showed a lesser degree of enthusiasm about getting involved in their city government's decision-making process. During the focus group interview, four out of nine residents (44.44%) reported that they do not actively participate in the local government affairs because they must tend to their cattle and rice paddies. However, almost every Rambutan resident in the interview (88.89%) stated that they monitor the mayor's policy initiatives, program implementation, and budget allocation on an *ad hoc* basis. They also contended that the Rambutan community has not seen any political conflicts for many years. One of the Rambutan youth leaders stated:

Most people here are farmers and don't have the luxury of time to get regularly involved in local government affairs. But, they do check how local officials work from time to time. Fortunately, we in Abalone never run into conflict. Our disagreements can always be solved through informal interpersonal dialogues.

In contrast with the good practice localities, levels of interpersonal relations and social activism are comparatively low in the Coconut and Palm communities. These two comparison communities have no dynamic social groups or popular involvement in local government affairs. During a focus group interview with the Coconut residents, a village health volunteer argued that the absence of social activism and citizen engagement in the city is caused by the citizens' inadequate education:

For instance, it is always a challenge to convince people of the importance of immunization. Even when they are sick, they don't come to see the medical personnel, and the neighbors don't even bother to let municipal government officials know about an outbreak of infectious diseases in their neighborhoods.

Table 3

Number and type of informal physical wellness groups

	Community	Number and Type of informal physical wellness groups in each community	
		No.	Type
Good Practice Group Active Local Government	Durian	35	Aerobic dance, Chinese martial arts, yoga, bicycling, soccer, sepak takraw (Southeast Asian traditional sport), basketball, badminton
	Rambutan	10	Aerobic dance, bicycling, soccer, sepak takraw
Comparison Group Inactive Local Government	Coconut	2	Aerobic dance, soccer
	Palm	-	-

While interpersonal dialogues were instrumental in resolving community conflicts in the Rambutan city, the Coconut residents did not show much interest in collective actions. During a focus group interview, seven out of eight Coconut community members (87.50%) voiced their opinion that conflicts over the city government budget occur on a regular basis. Although these conflicts never become violent, the Coconut city residents, particularly the youth leaders and village heads, clearly demonstrated their displeasure against one another, especially when they were asked to comment on disease prevention activities.

DISCUSSION AND CONCLUSION

The constitutionally sanctioned decentralization reform in Thailand has prompted the national government agencies to devolve administrative functions to a local level. Today, the national government still exercises considerable influence over essential public services. The general public also cast doubts over local government capacity, as well as the merits of decentralization (Bhargava & Bolongaita, 2004). However, because local governance provides an essential foundation for liberal democracy, capacity-building measures for the local government authorities and their constituent communities are an indispensable next step for the administrative reform efforts designed to enhance democracy and public service quality.

Yet, despite its appeal for community development efforts, the capacity concept suffers from elusive operational definitions. Granted, certain public health functions (e.g., health promotion and disease prevention) should be devolved to the level of government closest to the citizens. What aspect of local government capacity must be nurtured becomes an important question for the countries that are pursuing health decentralization. Drawn upon

diverse scholarly works on decentralization, public health, and community development, the conceptual framework in this paper identifies three aspects of local public health capacity: organizational capacity, fiscal capacity, and community capacity. Four jurisdictions in Thailand's northeastern region are compared to examine these three dimensions of local government capacity.

Two of these four communities—the Durian and Rambutan cities—have won a number of awards for good governance, service quality, and active citizen engagement. Regardless of the budget and administrative constraints, the cities governments in these good practice localities have managed to put together a set of public health programs that improve both the quality of life and democratic governance. Based on the research findings, the good practice city governments demonstrate strong organizational structure and fiscal commitment to health services, affirming findings from earlier studies in Thailand (Taarak, 2010a; 2010b) and in other decentralizing countries (Bossert, 1998; Gilson, Kilma, & Tanner, 2006). Their well-informed political leaders have a firm grasp and positive attitudes towards public health. An organizational structure and personnel designated for public health programs are readily available. Importantly, the strength of informal ties among the Durian and Rambutan residents has given rise to a number of physical wellness clubs and lively participatory politics.

The Coconut and Palm communities are different from the good practice localities in terms of their organizational and fiscal capacities. Their mayors expressed less enthusiasm about assuming more public health responsibilities. Also, apart from the inadequacy (and even the absence) of a department-level health office and health personnel, the residents in the two comparisons demonstrate weak social ties and interpersonal communication.

However, the fiscal dimension of local government capacity cannot effectively distinguish among the good practice and comparison communities. Particularly problematic are the indicators that calculate the amount of local own-source revenue both on a per capita basis and as a percentage of total local government revenue. However, this problem is understandable. Similar to local governments in other countries, local administrative organizations in Thailand are at the bottom of the fiscal food chain (Gianakis & McCue, 1999). A confluence of factors, including the local taxation structure determined by the national government, has a strong impact on the city governments' financial health and is beyond their control (Patamasiriwat, 2011; 2012).

Thus, based on this study, government reformers in Thailand and elsewhere must reconsider the use of fiscal indicators in their decentralization reform initiatives. Instead of pressuring the local authorities to collect more taxes, an intergovernmental grant system can be designed to provide an incentive for local governments to take up a more active role in the public health domain. For instance, a general-purpose grant can provide a substantial amount of financial resources for a local government organization to spend on personnel and basic health services. Furthermore, the quality of political leadership, organizational commitment, and strong interpersonal ties among local residents are three key factors contributing to effective local public health. These political, organizational, and social assets at the local level must be nurtured, particularly for countries with a long tradition of centralized public administration.

As Thailand and other developing nations are moving forward with their decentralization reforms, more in-depth research is necessary for an understanding of local capacity in managing other public service areas, such as education and environmental preservation.

Besides, what is missing from this study is a longitudinal analysis of the socio-political dynamics in each “good practice” locality. Information on how the local leaders and ordinary citizens have been working together to strengthen their community capacity can furnish even more policy recommendations for Thailand’s ongoing local government reform.

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**CULTURAL RESOURCE MANAGEMENT:
ALTERNATIVES FOR SA MORAKOT ARCHAEOLOGICAL SITE,
PRACHIN BURI PROVINCE OF THAILAND**

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ABSTRACT

Nowadays, many archaeological sites in Thailand are well-preserved and utilized under the suitable management plans, but some sites have not yet had a proper plan for cultural resource management. This research aims to (1) study the cultural landscape of Sa Morakot Archaeological Site located at Si Mahosot district, Prachin Buri Province and its contexts in terms of authenticity and integrity, (2) identify the visitor expectations of managing Sa Morakot Archeological Site, and (3) propose the alternatives for cultural resource management of Sa Morakot. The study was a combination of quantitative and qualitative research. The samples were 441 visitors and stakeholders of Sa Morakot Archaeological Site. The survey respondents were selected by convenience sampling. For a qualitative study, the in-depth interviews were undertaken with 3 groups of people: (1) the persons relevant to conservation and management of Sa Morakot Archaeological Site, (2) the executives of provincial administration and local government, and (3) the representatives of local communities. The research findings showed that visitors gave a high score for the authenticity of the site ($\mu = 4.32$), as well as its variety of activities ($\mu = 3.99$). Also, the survey respondents were satisfied with the quantity and the quality of the facilities within the site. Furthermore, the survey indicated that visitors ranked 3 alternatives of the site management as follows: The first was to develop Sa Morakot Archaeological Site to be a hub of activities. The second was to revamp Sa Morakot Archaeological Site to be a modern and all-inclusive learning center. The last was to develop Sa Morakot Archaeological Site to be a place for recreation. The in-depth interviews revealed that key management problems of Sa Morakot Archaeological Site were (1) too conservative policy, (2) weak cooperation among parties, (3) less local involvement, (4) poor public relations, and (5) limited and discontinuous budget.

KEY WORDS: Cultural Resource Management, Cultural Landscape, Archeological Site, Si Mahosot, Prachin Buri.

INTRODUCTION

The cultural landscape of Si Mahosot ancient town showed the evidences that Si Mahosot was once the important Port City in this area and there was such a management of natural resources as the water resources. Also, there were several of archaeological sites and artifacts under Hinduism of both Shaivism and Vaishnavism found inside the town. In the same period, in the area of Sa Morakot Archaeological Site, which was located around 2.5 – 3.0 kilometers towards the South-East direction of Si Mahosot ancient town, there was found the evidences of Theravada Buddhism such as a pair of Lord Buddha's Footprints and the Inscription of Noen Sa Bua. This made us realize that Buddhism was prevalent outside the city of Si Mahosot since the 11th Century B.E. (Dvaravati period) onwards.

Until the 17th-18th Century B.E., the Khmer civilization influenced and introduced the Mahayana Buddhism to this area as shown by the construction of religious building such as the Chapel of Hospital Shrine and hospital (Arokayasala) covered the area of Buddha's footprints. These archaeological remains portrayed the development of Si Mahosot ancient town and Sa Morakot including the communities inside and outside the city from the correlation of the synchronically architectural style and the livings in peace of the people from different beliefs. Nevertheless, after the vanishing of Khmer civilization, Mahosot ancient town and Sa Morakot were left for centuries until the immigration of Thai-Puan communities during the 24th – 25th Century B.E.

Nowadays, Sa Morakot Archaeological Site is utilized for creating both its spiritual value and social value. In fact, the local cultural office has annually arranged the religious event, namely, Makhaturami Sri Prachin in the area of Sa Morakot Archaeological Site since 1986. However, the current conditions of Sa Morakot and its contexts such as the buildings and facilities revealed that they were lack of a proper management, causing them not toned and disunited, insufficient and improper for uses, and not associated with its story, its value, and the involvement of the communities around.

During the opening of ASEAN community in 2015, there are opportunities for many countries in this region to connect their economic, social, and culture with each other by cooperating in trading, investment, and tourism in order to leverage the quality of life of people in South East Asia. One of several efforts to build the linkages is to construct the infrastructures and logistic systems among many countries in South East Asia. With the policy to develop Southern Economic Corridor, Prachin Buri province is arrayed in the area of economic development. Therefore, it is possible that the roads that link Thailand, Cambodia, and Vietnam can connect the tourism in these regions which were once influenced by Khmer civilization through Arokayasala on the trading and religious routes.

With the problems and opportunities mentioned above, this research aimed to study the alternatives for Sa Morakot Archaeological site by exploring the expectations of visitors, analyzing and grouping them, and proposing the alternatives for management to prepare for carrying the current visitors and the potentials after the fabrication of road system. With regards to the conservations of values of cultural resource, the community involvement, and the benefit to the communities, the alternatives founded could be the references of related offices for initiating the implementation plans and deploying as guidelines for managing Sa Morakot Archaeological site accordingly.

LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

Concept of Cultural Resource Management

Cultural Resource Management (CRM) is defined as the integrated science or interdisciplinary science which brings the concepts from many fields and applies them in order to study or to manage the cultural resource. CRM is the process involved with many stakeholders which can be divided roughly to 2 groups, the insider and the outsider such as academics and tourists.

Some Thai academics said that CRM involves with the research, the conservation and preservation, the education, the interpretation, and the legislation of all cultural resource. While other academic defines CRM as the procedure or the set of actions engaging with tangible cultural resource such as archaeological sites, artifacts and intangible cultural resource such as local wisdom and artistic cultures. From these definitions, it can be concluded that “cultural resource management” is the process of utilizing the management skills and applying them for conserving while enjoying these cultural resource valuably and continually.

The procedures of cultural resource management are about,

1. Do a list or an inventory of cultural resource.
2. Make an assessment of cultural resource to define or to evaluate their significance and set the priority of this cultural resource.
3. Identify the effects and the conflicts in the cultural resource management.
4. Coordinate and discuss with the local communities and other parties.
5. Develop the program or plan to conserve the cultural resource, to access to them, and to interpret them to the public.

By conclusion, the process of cultural resource management is comprised of significance assessment, prepare the management plan, and set the lists of management activities, implement them, and prioritize the significance of cultural resource as per the assessment.

Concept of Cultural Landscape Management

Definition and procedures

The United Nations Educational, Scientific and Cultural Organization (UNESCO) defines in the Operation Guidelines for the Implementation of the World Heritage Convention 2005 that *“Cultural Landscapes are cultural properties and represent the “combined works of nature and of man”. They are illustrative of the evolution of human society and settlement overtime, under the influence of the physical constraints and/or opportunities presented by their natural environment and of successive social, economic and cultural forces, both external and internal”*.

UNESCO categorizes the cultural landscapes as follows,

1. **“Designed Landscapes”** are the cultural landscapes which are intentionally designed and created by humans i.e., gardens or parks.
2. **“Evolved Landscapes”** are the results from an initial social, economic, administrative, and/or religious beliefs such as the areas presented the trace of the ancient landscapes and landscapes shown the continuous evolution.
3. **“Associative Landscape”** is justified by virtue of the powerful religious, artistic or cultural associations of the natural element rather than material cultural evidence, which may be insignificant or even absent.

From the concept, definition, and the categories of cultural landscapes as mentioned above, it can be said that cultural landscapes are those where humans interact with natures. These result to the development of societies or of communities. The procedures of cultural landscapes management are about,

1. Collect the general information of the landscapes: from the primary sources such as surveying, interviewing, taking photos and from the secondary sources such as satellite photos/maps, the use of the out-of-dated photographs, and so on.
2. Make the understanding of information of the landscapes: review all information such as ethnics, history, human settlement, religious and beliefs, rites and rituals, even the livings.
3. Gather the “Values” of the landscapes and contexts to analyze their “Significances”.
4. Set the clear objectives and goals to manage the cultural landscapes.
5. Prepare a plan for cultural landscape management by analyzing the utilizations or activities needed in the area.
6. Start the project by the representatives or administrative team of the communities proposing the plan to the communities. The objectives for cultural landscape management should be primarily concerned about the benefits of local communities.

Authenticity and integrity

Authenticity and Integrity are the main criteria to evaluate both the cultural resource and cultural landscapes to be listed as the world heritage as defined by UNESCO in the World Heritage Landscapes. Since 2005, the cultural resource proposed to be tentative list of world heritage must satisfy the conditions of integrity which includes of the wholeness and intactness of the natural and/or cultural heritage, the continuity of customary and social use, and the examination of the conditions of integrity of cultural resource. For the examining of cultural landscapes, it is required to assess the extent to which the properties:

- a) include all elements necessary to express the outstanding values of cultural resource and for the cultural landscapes, one must consider the interaction and dynamic activities which are maintained.
- b) are of adequate size to ensure the complete representation of the features and processes which convey the property’s significance.
- c) suffer from adverse effects of development and/or neglect.

The authenticity can be considered by 4 attributes such as material and substance, form and design, workmanship, and location and setting. For the integrity which is the criteria to justify the risk factors of deterioration, there are 2 attributes to be concerned as follows,

- a) Wholeness: the degree of completion conditions of the original cultural resource
- b) Intactness: the degree of change of the cultural resource

Value and significance of cultural resource

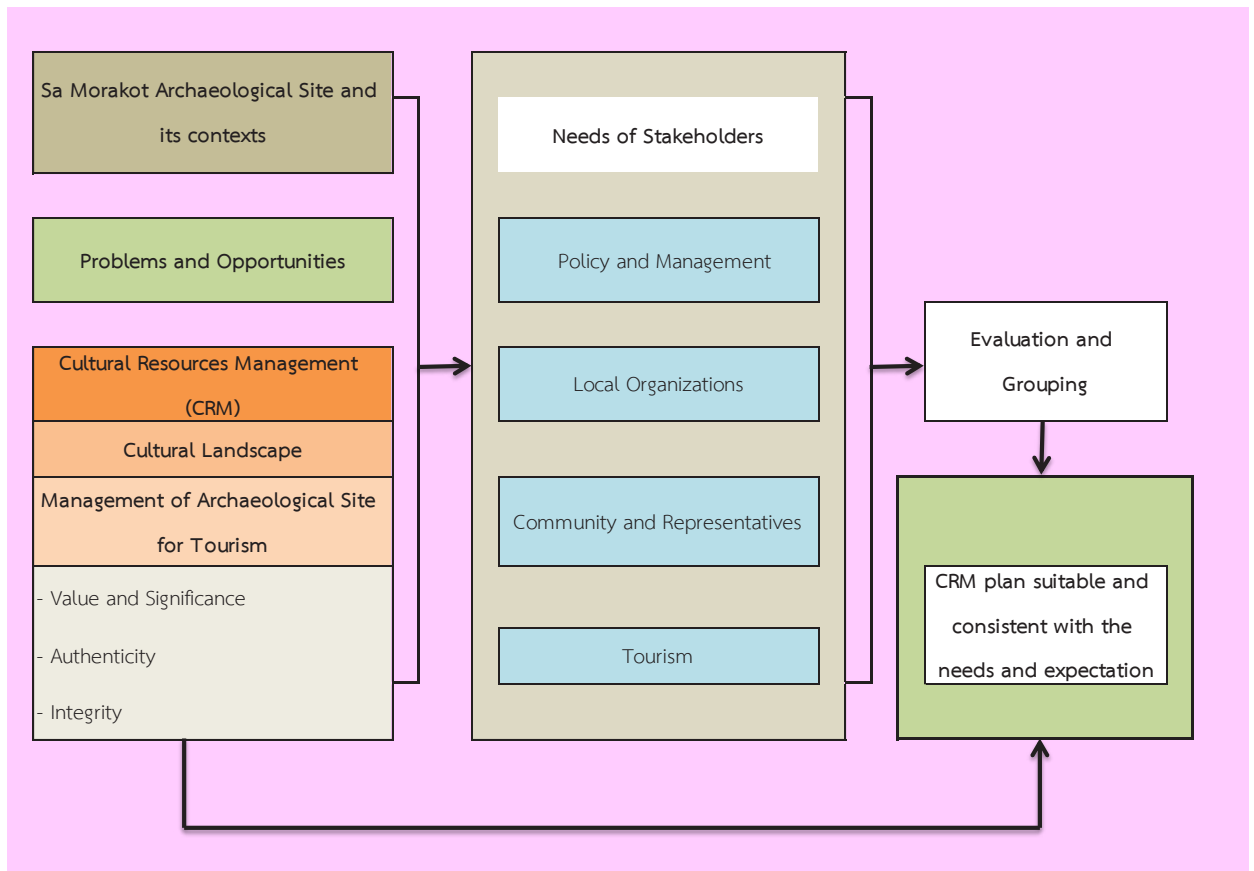
The United Nations Educational, Scientific and Cultural Organization (UNESCO), International Council on Monuments and Sites (ICOMOS), and International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) jointly propose the criteria of cultural resource which will be listed as the World Heritage by setting 2 groups of values of cultural resource, namely, 1) Cultural Value and 2) Contemporary Socio-Economic Value. Similar to the criteria shown earlier, the Burra Charter 1999, the Australia ICOMOS Charter for Places of Cultural Significance) outlines the value of cultural resource as aesthetic value, historic value, scientific value or research value, and social value.

Some academics such as Lipe, described the value and the meaning of cultural resource by stating that cultural resource management related to “things” which were constructed in the past, were the remaining from the past, or were still usable in the present. The important issue was that the made of these cultural resource was done by humans and related to the contexts in that society. These cultural resource were conveyed from one generation to another. Human-beings might cause the change of cultural contexts which were ordinarily or naturally existed, resulting in the affect to the connections from the past, the present, and to the future. He termed 4 values of cultural resource as Associative/Symbolic Value, Informative Value, Aesthetic Value, and Economic Value.

Significance assessment is the fundamental process about a decision making of cultural resource management. It enables the cultural resource manager to understand how importance of cultural resource does. Finally, he/she can prepare the plans to manage the cultural resource respectively. Hence, it can be said that the significance assessment is the process aiming at the efficient and rapid outcome since it help manager review the essences of cultural resource and thus, can set and prioritize the management plans accordingly.

The Burra Charter 1999, the Australia ICOMOS Charter for Places of Cultural Significance, delineated that the significance assessment was the beginning process of cultural resource management. The sequence of understanding significance were,

1. Identify place and associations.
2. Gather and record information about the place sufficient to understand significance i.e., document, oral, or physical evidence.
3. Assess significance.
4. Prepare a statement of significance.

Figure1. Conceptual Framework

METHODOLOGY

This research scoped the area of Sa Morakot Archaeological Site as the major area for study. The contexts in the radius of 2.5 kilometers from the local administrative government of Si Mahosot district such as Si Mahosot ancient town was the minor area for study about the association between them.

The study was a combination of quantitative and qualitative research. The sample for this research was the visitors to Sa Morakot Archaeological Site or the stakeholders related to the management of Sa Morakot Archaeological Site, which were composed of 441 people. They were divided into 2 groups: (1) 430 visitors of Sa Morakot Archaeological Site selected by convenience sampling to answer the questionnaires, and (2) 11 representatives who involved with the management of Sa Morakot Archaeological Site selected by purposive sampling to answer the in-depth interview. These representatives were categorized to be 3 sub-groups of people: (1) the persons relevant to conservation and management of Sa Morakot Archaeological Site, (2) the executives of provincial administration and local government, and (3) the representatives of local communities.

RESULTS

From the study and the assessment of cultural landscapes of Sa Morakot Archaeological Site and its contexts such as Si Mahosot ancient town, it is realized that Sa Morakot and its context presented the high score of Authenticity while they are weakened in the conditions of integrity. This is because of the lack of wholeness and intactness of the site and contexts and no presenting their association, thus becoming the deflection of interpretation to the visitors. Moreover, the current surroundings of Sa Morakot Archaeological Site did not show the proper cultural resource management because the working among the stakeholders is not based on integration and coordination. This also reduced the values of cultural resource of Sa Morakot unintentionally.

Furthermore, by doing the field survey, it was clear that there were such improper activities nearby the areas of Si Mahosot ancient town and Sa Morakot Archaeological Site as the soil digging. Not only had these activities caused the undesirable scenery to the visitors, but possibly affected the archaeological sites and the ancient town such as the severe and precipitous devastation of soil as well. The remaining of archaeological sites and artifacts were also affected by the shaking from soil digging and soil delivering activities to other areas many times a day. Additionally, the soil digging activities unconsciously destroyed the potential archaeological and historical, undiscovered evidences.

The results of 430 questionnaires showed that visitors gave a high score for the authenticity of the site ($\mu = 4.32$), as well as its variety of activities ($\mu = 3.99$). Although the survey respondents were satisfied with the quantity and the quality of the facilities within the site, some arrangement issues i.e., the quantity and the variety of the souvenir shops were still required a management in terms of both numbers and assortments, including with the quality of lavatory was also required the appropriate organizing in terms of sanitary.

About the alternatives as guidelines for managing Sa Morakot Archaeological Site, the survey indicated that visitors ranked 3 alternatives of the site management as follows. The first was to develop Sa Morakot Archaeological Site to be a hub of activities such as the other Buddhism activities besides the Makhaborami Sri Prachin or tracing the Arokayasala in the Eastern and Northeastern regions of Thailand. The second was to revamp Sa Morakot Archaeological Site to be a modern and all-inclusive learning center by upgrading the current building (Si Mahosot building) adjacent to Sa Morakot to be the interesting, learning place. Also, the leaflets or brochures should be redesigned and reprinted to attract the readers including the applying of the state-of-technology for interpretation such as QR Code.

The critical issue found was that most respondents did not give the significance for the relocation of the National Museum of Prachin Buri from the current position, which was located in Amphua Muang Prachin Buri to the new position, which was nearby the entrance of Sa Morakot Archaeological Site even though there were efforts from many parties to make this happen. The reason was that this would cause the depletion of the government budget and the unsatisfied consequence unless the suitable management provided. The last was to develop Sa Morakot Archaeological Site to be a place for recreation such as the setting the area for exercising, the arrangement of some zone to offer the service of health and holistic healthcare.

The in-depth interviews with the related parties and stakeholders revealed that the key management problems of Sa Morakot Archaeological Site were (1) the policy of Fine Arts Department which concentrated mainly on the conservation rather than motivated the local community to jointly look after the cultural resource, (2) the work among government offices and local administrative offices was quite weak and lack of integration, (3) the involvement of local people who felt binding with or protecting the local cultural resource because of no sense of belonging and co-ownership with the Fine Arts Department, (4) the public relation activities communicated between Fine Arts Department and other parties and local communities were momentarily, causing the inadequate information and comprehension about the value of cultural resource. The following outcome was the refusal of the plans or policies even though they are beneficial in the long term but unable to make an implementation, and (5) the limited and discontinuous budget directly affecting to the work of the office which had a major role and responsibility such as the 5th subsidiary unit of Fine Arts Department, Prachin Buri. Thereby, this office was incapable of organizing the plan continuously although in facts, it had already proposed the drafted plan for conservation and development of Sri Mahosot since 2010.

CONCLUSION

The research findings illustrated 3 alternatives as guidelines for managing Sa Morakot Archaeological site of which they are ranked from the highest score to the least one. The main concern was about the requirement to form the understandings of local communities around Si Mahosot ancient town and Sa Morakot Archaeological site and to educate them about the conservation of cultural landscapes which means not only the spot at the archaeological site, but the entire boundary of Si Mahosot ancient town and Sa Morakot as well. This would enable the linkage of associative values of the cultural resource.

With the cooperation from all stakeholders, the implementation plans should be continuous and based on the concept of cultural landscapes which focused on authenticity and integrity. However, these action plans should not affect to the daily lives and careers of the local people, except that those businesses would cause the changes and the negative impacts to cultural landscapes of Si Mahosot ancient town and Sa Morakot explicitly.

In order to understand all cultural landscapes in this area profoundly, the further study should cover the completed cultural contexts of Si Mahosot district including the evidences of ancient communities in Si Mahosot ancient town, Sa Morakot, and the current Thai-Puan villages in order to firmly associate information of the entire cultural landscapes. This comprehensive understanding would lead to the efficient management of Si Mahosot, which does not only promote the conservative activities, but encourage the proper management to benefit the current locals and society sufficiently together with still maintaining and conveying this valuable cultural resource to the next generation.

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**INTEGRATED TOURISM MANAGEMENT:
THE WAY FORWARD IN GLOBALIZING WORLD**

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ABSTRACT

Tourism is not only business activities that generate revenue to business units but also a tool to balance advantages of development and conservation of natural and cultural resources. Tourism Management is a critical issue that needs to be discussed particularly in the context of globalizing world. This research paper, therefore, attempts to shed light on tourism management in the context in order to the mutual balance advantages of development and conservation natural and cultural resources. The objectives of this paper are (1) to explore the issues in tourism management in the context of globalization, (2) to analyze the current situations related to tourism development in Thailand, and (3) to recommend integrated tourism management regimes for Thailand. The research is designed by employing a set of qualitative research techniques including focused group discussion and in-depth interview; together with observation and critical review of related literatures. Then, the gathering information during 2013 to 2014 is evaluated, assessed, and critical analyzed to recommend integrated management regimes for Thai tourism. The paper illustrates diachronic change of globalization; follow by, the four levels of tourism management, which is business unit, industry, economic development, and system. Concepts of sustainability are clarified, and then 12 current situations related to tourism development in Thailand are addressed. Integrated tourism management is recommended as the ways forward for Thai tourism. It is a management regime to ensure the sustainability of natural and cultural resources; while generate economic, social, environmental, cultural, political, legal, technological and human-capital benefits through tourism activities. It is both interdisciplinary and trans-disciplinary approaches of management.

KEY WORDS: Tourism management, tourism development, sustainable tourism

INTRODUCTION

This research paper is an augmentation of the research project, *Creative Community-based Tourism: An Integrated Tourism Management Approach in Thailand* (Suttipisan, 2014). It is an effort to generate body of knowledge particularly for Graduate School of Tourism Management or GSTM, National Institute of Development Administration or NIDA. The research was conducted by employing qualitative research techniques together with knowledge and experiences from academic services, trainings, and consultancies. This paper, therefore, is an outcome of the mentioned collective process. It is better to note at the beginning that 'tourism' in this research paper is in the strong sense as a discipline, rather than the weak sense as a traveling. The former sense requires understandings of theoretical definitions, concepts and paradigms as a common ground. In this sense; 'tourism' can be discussed, analyzed, synthesized, criticized, and researched as it rooted upon rationale, logic and academic platform. The latter sense, 'tourism' is common definitions and general understandings through public perspectives. It is usually claimed from experiences and judgments as being a tourist, which are more arbitrary and frail.

Tourism management is now developed rapidly in terms of both concept and method. The management is a fruitful extension of tourism studies; which are to apply in different disciplines such as history, psychology, geography, business administration, etc. This makes tourism management have to employ body of knowledge of various disciplines; as well as to understand and to verify the knowledge within several contexts particularly in environmental, socio-cultural, and economic. Tourism management is not only multidisciplinary nor

interdisciplinary, but also transdisciplinary. It is more subjective and complicated rather than general management. It is crucial that tourism management is required holistic view from different perspectives and contexts to ensure the mutual outcomes and benefits among tourism stakeholders.

Globalization is one of the contexts involving tourism management. It is not only a process that link the world together through advanced information, telecommunication, and transportation technologies; but also, a dynamic space that merge physical world together with imaginary world. In other words: globalization is simultaneously movement of people, culture, information, time and space. It makes change in human perceptions of environment, culture, society, and economy. Its empirical results are migration, changing population, social network, transnational investment, multinational business, and so forth. Moreover, globalization allows people make different sense of their identity, society, culture, and also their world. It creates a discursive relationship of 'global - local', which is one of the significant contexts in tourism management.

As discussed above, tourism management and globalization become central of this research paper in order to shed light on integrated tourism management. The objectives of this research paper are (1) to explore the issues in tourism management in the context of globalization, (2) to analyze the current situations related to tourism development in Thailand, and (3) to recommend integrated tourism management regimes for Thailand.

This research was designed by employing a set of qualitative research techniques. It started with critical review and observation in order to understand the issue of tourism management in the context of globalization. Then, the tourism development situations in Thailand have been analyzed from the gathering information through in-depth interviews during 2013 to 2014. Finally, the ways forwards for Thai tourism management have been discussed and recommended from the focused group discussion of tourism researchers, experts, and practitioners.

The research paper starts with issues in tourism management in the context of globalization. It follows by an analysis the current situations related to tourism development in Thailand. Finally, it is a recommendation in integrated management regimes as the ways forwards for Thai tourism.

Tourism Management in the Context of Globalization

This section is the issues in tourism management in the context of globalization. It starts with diachronic change of globalization; and then, follows by four levels of focuses in tourism management. Finally, it depicts the concept of sustainability; which is the goal of tourism management.

For tourism studies, globalization is not a new context. The process of integrating the world together has started since our ancient forebears' exploration for settlement or searching for new territories. It followed by other forms including pilgrimage, religious propagation, kingdom expansion, trade, colonization, westernization, and so froths. Friedman (2006) classified globalization into three phases; which he termed as "version 1.0, version 2.0, and version 3.0" consecutively. Friedman's globalization version 1.0 started from Christopher Columbus's journey to discover the western lands in 1492 until 1800. Trade was the major process to link the old and the new world. Imperialism and Christianization were the key motivations to drive the process (Nanda & Warms, 2007, p. 439). For Friedman, this version of globalization had changed the perception of the 'flat' world become 'round'. Then, globalization version 2.0 started from 1800 to 2000; which was divided into two periods. The first period, industrial revolution together with initiation of Joint Stock Company was the key element that unify geographical world through transportation and investment (Nanda & Warms, 2007, p. 443). The second period; innovation of personal computer, mobile phone, satellite, fiber optics, and World Wide Web were the drivers for 'connecting people' together as if they were in the same place. Searching for more raw materials, labors, and markets were the motivations of investors and traders through transnational corporation with advanced telecommunication technologies. Friedman (Friedman, 2006) depicted that the globalization 2.0 make the world 'flatter' than the previous version. Since 2000, Friedman's globalization version 3.0 has offered, in his word, 'flat world platform' to everyone as if being in the same time and place (Friedman, 2006). Interface of World Wide Web, internet and browser has challenged 'East-West' and 'elites-grassroots' dualism with 'global-local' discourse. After Friedman's versions, the global-local discourse in 2014 is not only limited in cyber world by using tablet, smartphone, and social media; but also in physical world through tourism that focused in this paper.

Tourism is not only traveling of people over space; but also other forms of mobility including goods, information, services, and financial transactions that accompanied with the traveling. This makes tourism management become complex and influx, muddle and slippery. In contemporary globalizing context, tourism management can be focused in four levels; which are business unit, industry, economic development, and system. The four levels of tourism management are discussed consecutively:

Business Unit

In this level, tourism is products and/or services of a business. Tourist is the customer or the consumer of the business. Tourism, as business unit, is essentially a commercial activity; which ranges from small shops and SMEs to large organization and transnational corporations. It is dominated by business entrepreneurs. Tourism management is to sell what tourist want or need, and to meet tourist satisfaction. Economic benefit is central motivation of the business. So, marketing strategies are managerial tools to make maximum profit. Revenue is the significant indicator for the tourism management.

Industry

As industry level, tourism becomes a number of tourism business units with the similar products and/or services; therefore, are in competition with each other. It involves large-scale or mass tourism; therefore number of tourist is the goal of tourism management together with tourism revenue. Tourism industry causes high impact on environment, culture, society and economy of destination. It is dominated by the private sector. Tourism management in this level focuses in well-being of the tourist and wealth of the industry. It considers tourism revenue as export income like in export industry.

Economic Development

In economic development level, tourism is an economic mediator between demand and supply. It also creates volumes of foreign currency flows, multiplier effects, investments, employments and urbanization into economic system. Tourism development is mostly understood that identical to economic development. Tourism management in this level can be applied in two directions, demand-push and supply-press. The former is that tourism management to satisfy what tourist want or need, and to focus in well-being of tourism industry. The latter is that tourism management in the way that people living in destination prefer, and that focusing in well-being of host community. Direction of tourism management depends on government policy. Revenue leakage, the money leaves the tourism economy through transnational corporation, is a major negative impact for tourism management.

System

This is the level that tourism becomes a multidisciplinary and a transdisciplinary field of enquiry. Dynamic character of a system makes tourism be connoted differently across disciplines. Tourism management at the level needs holistic perspectives together with knowledge from various disciplines. It is power relations among tourism stakeholders with different motivations and tactics. Environmental and socio-cultural benefits are equivalent to, or even more important than, economic benefits. Values and social meaning are considered more than prices. At this level, tourism management is never in competitive manner; but cooperative mutually, more engage and complement to others. Sustainability in all dimensions is the indicator of the tourism management.

Understanding of these four levels of tourism management is crucial for selecting management regimes. Different tourism stakeholder has to consider the levels differently according to its mission, goal, duty, role and rights. There are not clear and specific boundaries among these levels. Together with power relations; tourism management always deals with motivations, tactics, and benefits of stakeholders. In many cases, tourism management leads into real conflicts among stakeholders, as well as disadvantages of host community. In order to ensure the success of tourism management, the key element is to consider that environmental, cultural, social and economic sustainability as the goal of tourism management. In other words, tourism management is not for tourism sustainability. Tourism, as well as tourism activity, is merely an indirect indicator of the sustainability. However, each level of tourism management must lead into environmental, cultural, social and economic sustainability.

Sustainability is a concept involves all discipline including tourism. It seems that the concept has changed through time since Sustainable Development addressed in 1992 Earth Summit. In this paper, the concept is depicted through its discursive analysis from three perspectives; which are sustainable development, sustainable conservation, and sustainable consumption and production.

Sustainability, in the perspective of sustainable development, stems from the Brundtland Report; also known as *Our Common Future* (World Commission on Environment and Development, 1987). The report became the common ground of the 1992 Earth Summit and the adoption of Agenda 21, the Rio Declaration. It also led into the United Nations Commission on Sustainable Development, or CSD. The concept of sustainable development focuses in critical issues of environment and development. It emphasizes in existing needs and future needs, together with direction of needs and limitation of needs. The concept derived into sustainable tourism, a form of traveling that activities are lower than carrying capacity or CC, the irreversible change, of the destination. In this perspective, tourism is considered as a tool of development and economic expansion; which has to be used in the limit to ensure the environmental sustainability of destination, particularly natural resources. Advanced research to identify carrying capacity, pragmatic monitoring process, and effective legal controls are complicated matters. Therefore, tourism management through this perspective is appropriate for controlled area, such as national park, conservation zone, and protected area.

Sustainability, in the perspective of sustainable conservation, derives from cultural and heritage studies. It involves memory and nostalgia, as well as values embedded in tangible entity and intangible quality. It is not about historical facts, but values from the facts (Nora, 2007). The key concepts of sustainable conservation are that preservation is not conservation, and that cultural resources must be conserved as natural resources. Notably, cultures and cultural practices change over time and space, even at the different rate, but they all do change. Therefore, any attempts to freeze or preserve the change destroy the sustainability. For sustainable conservation, authenticity and integrity are central considerations. The former is values from diachronic changes, and the latter is values from synchronic changes. Similar to carrying capacity in sustainable development; limit of acceptable change or LAC, the maximum change can be accepted by host society, is an index of sustainability for tourism management. Reduce – Reuse – Recycle is applied to tourism components in order to conserve both natural and cultural resources. The difficulties are that LAC is more subjective than scientific-based CC, and that the management involves public realm. Tourism management through this perspective is suitable for purposive tourism activity, small community in rural area, local culture and local practices being attractions, and destination that tourism not the main economic activity.

Sustainability, in the perspective of sustainable consumption and production, roots upon *Marrakech Process*, launched in 2003 by United Nations Environment Programme or UNEP. The process was to integrate economic development and environmental conservation together through bottom-up and multi-stakeholders strategic approach (UNEP, 2011). According to the process, the *10-Years Framework of Programmes on Sustainable Consumption and Production Patterns* or 10YFP has been the action to enhance international cooperation for moving forward to sustainable consumption and production. Capacity building and, facilities in technical and financial assistance particularly for developing countries are central to the 10YFP. Later, the framework resulted into the adoption of *The Future We Want* as the common vision in United Nations Conference on Sustainable Development; which took place

in Rio de Janeiro, Brazil on 20-22 June 2012 (United Nations, 2012). The UN Conference is also known as Rio+20; which is not only to celebrate 20 years of sustainable development since 1992 Earth Summit, but also to indicate the paradigm shift in sustainability.

For sustainable consumption and production perspective; people are at the center of sustainability; as well as their active participation, voice of concerns, and benefits. Alliance of people and organizations, with enhanced capacity building and active engagement, is fundamental for the sustainability. Holistic and integrated approaches are significant to balance of environmental, socio-cultural, and economic dimensions of sustainability. Harmony between humanity and nature, together with health and integrity of ecosystem, is the highest concern of the sustainable perspective. Tourism, in sustainable consumption and production, is not only considered as a tool for economic development; but also a tool for developing sustainability. If tourism is well designed and managed, it can make a significant contribution to the three dimensions of sustainability. Tourism management through this perspective can be applied to all scale, from global to local. As mentioned, people and their alliance are the key factors. Power relations and inequality among them become the major challenge for tourism management.

As discussed in this section, the four levels of tourism management and the three perspective of sustainability are the issues for tourism management in the context of globalization. Thailand, as a global tourism destination, is facing a dilemma that tourism generates economic benefits; and simultaneously causes environmental and cultural degradation. Impacts of tourism on Thailand's natural and cultural resources are identified in the following section.

The Current Situations Related to Tourism Development in Thailand

This section is an analysis of the situations related to tourism development in Thailand. The information gathered during 2013 to 2014. It focuses on major tourism destinations around the country. Result of the analysis is in the followings:

- 1) Tourism becomes the main source of income, which replace agriculture and local fishery. This causes permanent changes in cultural landscape and socio-geography in some area. Phuket and Samui, the famous destinations in the South, are the excellent examples. Local community sold their rubber tree farm and coconut farm to hotel and resort developers, and then became labors in tourism business. Changing cultural landscape and socio-geography disengage local culture form its natural environment.
- 2) Number of tourists and tourism revenue are the only two indicators for monitoring and measuring tourism management. Increasing numbers of tourists every year do not directly represent the success of tourism management. Tourism revenue, moreover, is not the profit from tourism as the real cost of tourism still unknown.
- 3) Leakage of tourism revenue through transnational corporations is remarkable in many areas. A number of hotels and other accommodations managed by international chain, as well as foreigner-owned business in tourism, clearly indicate the leakage. Majority of economic benefits and values, also, are not retained in the tourism destinations.
- 4) Natural and cultural resources are used for wealth of investors or entrepreneurs, not for wealth of people and community at the tourism destination.

- 5) Cultural resources and property are utilized as tourism activity and product without creative and design process. So, the resources and the property cannot be developed to intellectual property that differentiate the tourism product from others and make more margins.
- 6) Tourism development focuses in infrastructure and real estate. Transportations, accommodations, theme park, leisure and recreation areas, outlets and shopping venues are noticeable in many areas particularly in main tourism clusters.
- 7) Tourism planning and policy emphasizes in demand push and marketing-oriented approaches, without well preparation and capacity building on supply side. This makes tourism become threat and disadvantage to local people and community in destinations.
- 8) Natural and cultural resources are employed to generate tourism revenue without identifying CC or LAC, and specific measures for different resources. Overuses of the resources cause irreversible changes in tourism attractions. New attractions and destinations are opened for tourism prior CC or LAC study, and laying down measures.
- 9) Tourism management through area-based tourism clusters lead into power relations among communities within the cluster. The management is a marketing-oriented from supporting agents, not from agreement within the communities.
- 10) Waste and pollution from tourism and its related managements are not considered separately from local waste and pollution. The managements are hidden costs in tourism management, and are put into local responsibility.
- 11) No full participation from people and community at destination, out-of-date legal frameworks, and role-missing of tourism-supporting agents are complications for tourism management. The participations are usually in hearing and following tourism projects initiated and controlled by supporting agents. In some cases, human rights and cultural rights of people and community at destination are compromised.
- 12) International standard and criteria become a benchmark of tourism management. There are some destination that the standard and criteria compromised authenticity and integrity of tourism resources.

These 12 current situations related to tourism development in Thailand can become critical. The situations may lead into non-sustainability according to Rio+20. The ways forwards for Thai tourism through integrated tourism management is addressed in the next section.

Integrated Tourism Management: the ways forwards for Thai Tourism

This section is recommendations for tourism management approach in Thailand. Integrated Tourism Management or ITM is the approach, which aims to the sustainable consumption and production perspective of sustainability. The recommendations are in the followings.

- 1) All tourism stakeholders should agree together that:
 - 1.1) Tourism is a common cultural activity of contemporary people, from every different culture, and perhaps future generations;
 - 1.2) Tourism is a global stage for local people and community to represent their local identity and culture to the globalizing world;

- 1.3) Tourism is not only the tool for development, but the tool for conservation and the tool for balancing consumption and production; and
- 1.4) Tourism is, also, a tool to promote uniqueness on diversity, in order to understand the human differences and to promote peace.
- 2) All tourism stakeholders should understand the three perspectives of sustainability; which are sustainable development, sustainable conservation, and sustainable consumption and production.
- 3) All tourism stakeholders should recognize the interaction between human and nature through culture, which is the result of Cultural Landscape or Socio-geography. The interaction is the common character of tourism resources and values in Thailand.
- 4) All tourism stakeholders should consider tourism management from holistic and integrated view. The tourism management should be in the way that compliment to all tourism stakeholders, not that compete to each other.
- 5) Tourism management should give more weight onto supply approach of tourism. Full participation from people and community should be carried out from planning, decision making, implementing, assessing, monitoring and profit sharing.
- 6) Tourism management should respect human rights and cultural rights of people and community at destination, which they can manage tourism in the way they want and in the direction they want to be.
- 7) Tourism management should integrate all of following levels into action:
 - 7.1) International level, Thailand should join tourism network such as Global Partnerships for Sustainable Tourism to cooperate with other countries rather than to compete with them.
 - 7.2) National level, cross-sectional tourism management and interaction among ministries and stakeholders are the addition to the current top-down and bottom-up management approaches.
 - 7.3) Provincial level, synergy among stakeholders is to support and enhance, not substitute for local people and community in tourism management.
 - 7.4) Local level, capacity building and development are important for local people and community to 'think global but act local' in tourism management.
 - 7.5) Individual level, it should realize as a tourist while being host, and realize as host while being a tourist.

The integrated tourism management recommended above is only a small scale research. The issues in integrated tourism management are dynamic and complex. Discussion and argument are needed for better understandings and extending knowledge in tourism management. It is better to note here that integrated tourism management is more case-specific than one-size-fit-all. Extensive research, therefore, is necessary for each case prior set up an integrated management regime.

CONCLUSION

For Thailand, the current situations in tourism development deviate from the concept of sustainable consumption and production. The recommendation of integrated tourism management is for all tourism stakeholders to cooperate with each other for ensuring the sustainability of Thailand's resources. Please note that tourism is not to replace previous business and industry, but to compliment both of them.

For the final words, integrated tourism management is not general management. It is above one single decision but it is a public decision. It is not a model of the success outcome but it is a model of process to bring the success outcome. It is not only interdisciplinary but also transdisciplinary. It is highly involved with power relations and inequality. The efficient monitoring process is significant for the long term management.

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**THE REVISION OF COMPULSORY AUTOMOBILE INSURANCE IN THAILAND
CASE STUDY: THE INCREASE OF PROTECTION OF INSURANCE POLICY
FROM THE THIRD CLASS VOLUNTARY AUTOMOBILE INSURANCE
TO MOTOR VEHICLE ACCIDENT VICTIMS ACT B.E. 2535 (1992)**

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ABSTRACT

This research aims to study the concepts and evolution of compulsory automobile insurance in Thailand and developed countries to revise and develop compulsory automobile insurance of Thailand because "Compulsory Automobile Insurance" is used as a measure to compensate loss of lives and damage of victim's properties resulting from car accident. It has been proved effective by most developed countries to solve a problem of car accident. The findings showed that "Motor Vehicle Accident Victims Act B.E. 2535 (1992) of Thailand" is used as a compulsory motor insurance which has legislative intent to relieve and remedy any damages from car accident to victims. According to this research, "Motor Vehicle Accident Victims Act B.E.2535 (1992)" of Thailand poses the following problems: the problem of compulsory automobile insurance which does not cover the amount of actual damages to victims; the problem of compulsory automobile insurance does not cover the property of the third parties and the owners and drivers' refusal to insure compulsory automobile insurance to their cars. In the final analysis, this research recommends the development and revision of the "Motor Vehicle Accident Victims Act B.E.2535(1992) of Thailand" by increasing the protection of insurance policy from "Third Class Voluntary Automobile Insurance" to this Act because this is the effective way of solving the problem in practice. Accordingly, the law enforcement officers have to punish the offenders against this Act with the maximum punishment under the law.

KEY WORDS: Compulsory Automobile Insurance,
Motor Vehicle Accident Victims Act B.E. 2535 (1992), Car Accident

AN ANALYSIS OF THE PROTECTION MOTOR VEHICLE VICTIMS ACT B.E.2535

The Protection Motor Vehicle Victims Act B.E.2535 consists of 47 sections, which are divided into 4 chapters. The first chapter, starting from section 7 – 19, covers insurance against loss. The second chapter, from section 20 – 32, concludes preliminary compensation. The third chapter, from section 33 – 36, states victim compensation fund. The last chapter, from section 37 – 46, covers penalties provisions, whereas section 47 provides transitional provision. The Protection Motor Vehicle Victims Act B.E.2535 has continually been revised so that it is in accordance with the current conditions of vehicle and road usage. The main concept of this Act is that the owner of a vehicle that is registered and used in Thailand must obtain an insurance against loss for a victim from an insurance company which has been granted a license to undertake the insurance on motor vehicle (The Protection Motor Vehicle Victims Act 1992 (B.E.2535) Section 7). However, in the case that the vehicle is registered in a foreign country and temporarily used in Thailand, an insurance against victim's injuries must also be obtained (The Protection Motor Vehicle Victims Act 1992 (B.E.2535) Section 9), if it does not meet with exemption stated in the Section 8. Any vehicle owner who fails to comply with this act shall be liable to a fine up to 10,000 Thai Baht (The Protection Motor Vehicle Victims Act 1992 (B.E.2535) Section 37).

According to the section 11, no person shall use a motor vehicle which is not arranged for the insurance in accordance with Section 7 or Section 9; any motor vehicle owner who fails to comply with this section shall be liable to a fine up to 10,000 Thai Baht (The Protection Motor Vehicle Victims Act 1992 (B.E.2535) Section 39). The Protection Motor Vehicle Victims Act B.E.2535 has provided a protection to motor vehicle accident victims regarding an amount of a claim that the victim is entitled to. The amount of claim is set by

the Ministerial Regulations imposed upon depending on classification by kind, type and size of motor vehicle B.E. 2554. It states that the motor vehicle owner must provide an insurance against loss for the motor vehicle accident victim. The compensation for each loss is as follows;

1. The maximum sum insured of 5,000,000 Thai Baht for commercial or personal passenger vehicles of less than 7 seats, including the driver.
2. The maximum sum insured of 10,000,000 Thai Baht for Commercial or personal passenger vehicles of over 7 seats.

In addition, this Ministerial Regulation has set the sum insured against loss caused to the victim as follows,

- 1) Actual reimbursement up to 50,000 Baht per person for the bodily injury or health harm in any case apart from 2)
- 2) 200,000 Baht per each person for the following bodily injury or health harm:
 - A) Loss of sight
 - B) Loss of hearing
 - C) Mute or loss of ability to speak or cutting of tongue
 - D) Loss of genital organs or reproduction ability
 - E) Loss of arms, legs, hands, feet or fingers
 - F) Loss of other organs
 - G) Permanent mental illness
 - H) Permanent disabilities

In case of the victims loses their lives, the Ministerial Regulations imposes that the total sum of 200,000 Baht must be paid for each victim. Similarly, a sum of 200,000 Baht must be paid to the victim, who has suffered from serious injury leading to physical handicap according to clause 3 (2) or death in later stage according to clause 3 (3). Furthermore, an additional contribution in the case that the victim is hospitalised is required, with compensation of 200 Baht per day for up to 20 days.

Nevertheless, the cabinet committee has approved the proposal from the Ministry of Commerce to increase preliminary compensation for the motor vehicle victim from the Protection Motor Vehicle Victims Act B.E. 2535 on 23rd December B.E. 2556. The proposal has amended the Ministerial Regulation regarding the preliminary compensation, particularly for the amount of preliminary compensation. To expand, the preliminary compensation fund has increased to 30,000 Baht from 15,000 Baht per person. The maximum liability protection fund is extended to 65,000 Baht from 50,000 Baht per person. The change is made in order to adjust to current economic and social conditions, without increasing the premium.

Despite the Protection for Motor Vehicle Victims Act B.E.2535 being developed continuously, it can be found from many comparative studies of compulsory motor insurance in the foreign countries that the protection can be improved and developed to provide more efficient coverage. From this study, the issues found from the protection can be classified into 3 cases.

The Problem of Compulsory Automobile Insurance Which Does Not Cover the Amount of Actual Damages to Victims

This study reveals that the sum insured and other compensations do not cover the actual loss of accident. The sum insured is too small when comparing to the fatality of motor vehicle accidents or the current cost of living. The result of comparative studies of compulsory motor insurance in foreign country like the United Kingdom show that the sum insured in Thailand is significantly lower; for example, section 154 (4)a of Road Traffic Act, 1988 of the United Kingdom, states the minimum requirement of third party liability insurance should cover liability in respect of the life and body injuries with no limit of compensation that completely protects the motor vehicle victims and the owner of motor vehicles from civil liability as well.

As legal protection does not cover actual damage, the victims intend to gain more compensation; the victim must file a lawsuit to pursue this matter in Court. This would cause many complications because civil proceedings according to the Code of Civil Procedure of Thailand require the litigant to follow complicated procedures, and it is incomprehensible for persons outside the legal profession to understand this litigation. Additionally, omitting or violating these procedures may impact the lawsuit. In general, the victims may hire an attorney to represent themselves in the Civil Court. Nevertheless, it is a burden of a victim to carry out the expense of appointing an attorney, which may be very high relative to their wealth. Although the Council of Attorney or government offices provide a volunteer attorney or other legal assistance, it may not meet with the demand from the public due to the assistance being shared for many cases and not specified only for motor vehicle accident cases.

The Problem of Compulsory Automobile Insurance Does Not Cover the Property of the Third Parties

Considering the intention of legislating these Acts, the protection is emphasised upon the victim, so excludes the compensation for the property of the person that the owner of vehicle infringes upon. It is the controversial fact since accidents occurred on roads cause life, body, and property damages to the litigant and third party persons including government properties in addition. On the grounds that there is no regulation in the Protection for Motor Vehicle Victims Acts B.E.2535 declaring a minimum requirement of Compulsory Motor Insurance in Thailand; the claims arising from motor vehicle accident from the victims or third party persons shall be executed in the Civil Court which consume a lot of time and expenditure to complete the case. Generally speaking, the compulsory automobile insurance in developed country like the United Kingdom that the protection of Compulsory Motor Insurance covers the third party person's property. In accordance with the previous chapter in this study, in section 145 (4)(b) of Road Traffic Acts 1988 of the United Kingdom, it declares the minimum requirement of Compulsory Motor Insurance that "third party property shall be included in the policy that the protection covers liability of not less than 1,000,000 GBP (around 53,500,000 THB)" (Road Traffic Act 1988, Article 145 (4)(b)). The amount of protection is rather high to mitigate liability of the owner of motor vehicle, and the victim, whose property is damaged, will have assurance or confirmation that he will be repaid the required compensation as the law declares. This will relieve workload of related government agents to process the case effectively.

Problems of Avoiding the Purchase Compulsory Motor Vehicle Insurance According to the Protection for Motor Vehicle Victim Acts B.E. 2535

At present, according to the fact that on 3rd September, 2013, Director General of the Department of Land Transportation of Thailand revealed that about 33,000,000 motor vehicles registered with the Department, classified into 32,000,000 motor vehicles of Motor Vehicle Law showed 28.46% were in arrears of motor vehicle tax; and about 1,000,000 motor vehicles of Land Transportation Law showed 12.34% were in arrears payable for tax. Portions in arrears are as follows; personal car/truck, commercial truck, and bus (ThaiRath Online, 2013). This situation reflects that avoidance of paying motor vehicle tax has an important issue. Due to the fact that if the owner of motor vehicle does not pay for the tax, it could imply that they may not purchase compulsory motor vehicle in accordance with the Acts; as the two components relates to each other. Consequently, it is of concern that the motor vehicles with non-compulsory insurance, under the Protection for Motor vehicle Victims Acts B.E. 2535, are used on public roads and are involved in accidents. It then becomes the responsibility of the Victim Compensation Fund to support compensation for any damages, and it is liability that the fund has to revoke the compensation and additional amount of money paid to the victims in case that the preliminary compensation is already paid according to Section 35 of the Acts. In some cases where the perpetrator cannot be verified, the Victim Compensation Fund shall be liable to pay the compensation. Any vehicle owner or driver who fails to comply with this act shall be liable to a fine up to 10,000 Thai Baht (The Protection Motor Vehicle Victims Act 1992 (B.E.2535) Section 37 and 39). It can be seen that the problems arising from lack of law enforcement, when comparing to developed country, for example, the United Kingdom, legislate that driving a motor vehicle on public roads with no compulsory motor insurance is illegal and shall be liable to penalty, and the police officer can fine the driver at 300 GBP (around 15,000 THB) and issue 6 license penalty points. In case that the driver is taken to court, the driver who has no compulsory motor insurance could be liable to a 5,000 GBP fine (around 250,000 THB), and the Court may remove the perpetrators driving license. Moreover, the police officer has the authorisation to hold or in some cases “scrap” the motor vehicle driven without the compulsory motor vehicle insurance. The owner of a motor vehicle has a responsibility to purchase compulsory motor insurance even if the vehicle is not using public roads according to continuous insurance enforcement. The penalty of offending this enforcement is 100 GBP (around 5,000 THB), and the police officer has authorised power to lock the wheels of the vehicles or hold the vehicles as evidence exhibits or destroy the vehicles. In the case that the owner of the vehicle is subject to a lawsuit in the Civil Court, the owner may be penalised the maximum fine of 1,000 GBP (around 50,000 THB), and if the owner of the motor vehicle does not desire to use his own vehicle, he shall request Statutory Off Road Notification (SORN) to be out of liability (Vehicle insurance, 2013).

RECOMMENDATION FOR MODIFICATION OF THE PROTECTION FOR MOTOR VEHICLE VICTIMS ACTS B.E. 2535

According to the study, the researcher concludes that if the Protection for Motor Vehicle Victims Acts B.E.2535 is aligned to the protection of the Third Class Voluntary Automobile Insurance and combines the two regulations to the new compulsory motor insurance; the protection derived from the two combinations will be enhanced and cover the motor vehicle accident victims more completely. The new compulsory motor vehicle will be elevated to the standard found in developed countries, and will relieve excessive responsibility and liability

of the owner of motor vehicle regarding premium of compulsory motor vehicle. The researcher has made the following recommendations to alleviate the problems of the Protection for Motor Vehicle Victims Acts B.E.2535;

Recommendation on the Problem of Compulsory Automobile Insurance Which Does Not Cover the Amount of Actual Damages to Victims

In this case, the problem of inadequate total sum insured that does not cover actual damage in Thailand is caused by the limited premium of compulsory motor insurance; for example, at present, motorcycles for personal use, with engine size of from less than 75 cc and more than 150 cc are required to pay annual constant premium excluding tax of 150-600 THB, motor vehicle not exceeding 7 persons or passengers are required to pay annual constant premium excluding tax of 600 THB. The rate of annual premium payment as mentioned cannot elevate protection to cover actual damage according to current situation. If the protection of sum insured is averagely divided into daily perspective, the above mention cases will be as follows; the motorcycle for personal use with engine size less than 75 cc to more than 150 cc requires constant premium excluding tax of 0.41-1.64 THB a day; the motor vehicle not exceeding 7 persons or passengers requires only a constant premium of 1.46 THB a day. According to the research by the Thailand Development Research Institute (TDRI) of the impacts and compensation arising from public transportation accidents, the recommendation of the Senate Standing Committee on Public Health B.E. 2550 is to enlarge coverage of the Protection for Motor Vehicle Victims Acts to be aligned with current situation by having bodily protection of 50,000 THB and death and disablement of 250,000 THB. This recommendation was made 6 years ago; therefore, the coverage protection of the Motor Vehicle Victims in 2014 should be higher than the amounts mentioned above. Nowadays, the real compensation should not lower than 165,000 THB for the bodily injury and 300,000 THB in case of death and disablement (calculated by combining the coverage protection under Motor Vehicle Victims Act B.E.2535 with the minimum coverage protection regarding the Third Class Voluntary Automobile Insurance).

According to the study, the researcher recommends to combine the coverage protection regarding the Protection for Motor Vehicle Victims Act B.E.2535 and the coverage protection regarding the Third Class Voluntary Automobile Insurance in order to establish the combination of the two protections. The new coverage protection can provide appropriate protection. In case that any life, bodily damages such as injury, disablement or death occurred, the compensation will be additionally added up in line with the recommendation of the Senate Standing Committee on Public Health B.E.2550. Furthermore, some insurance companies provide additional protection regarding endorsement that covers personal accident or medical compensation to the drivers and passengers of the liable party. The policy of the Third Class Voluntary Automobile Insurance is not only protecting the third party, but it also covering the victims in the liable party as well. Besides, in case that the criminal offence belongs to the driver, every policy of the Third Class Voluntary Automobile Insurance provides coverage protection regarding endorsement that covers the bail of the driver. This is to help the driver in a way when criminal offence is liable to the driver, and it can reduce social problems in some degree.

Still, there is a concern that the recommendation may cause the driver to be responsible for increasing the premium of the compulsory motor insurance. However, the study insists that the premium payment after combining the premium of The Protection for Motor Vehicle

Victims Acts B.E.2535 and the coverage protection of the Third Class Voluntary Automobile Insurance for both motorcycle and personal car, the premium per day costs not more than 10 THB that is a very small amount comparing to the premium of motor compulsory insurance in developed countries. In addition to the recommendation mentioned above, it is necessary to build up new awareness that driving is not only the right of the owner of the vehicle or the driver; it is also the liability and responsibility to the society as well. Although it may cause the owner of the motor vehicle to pay extra premium of motor insurance, this would build up awareness of liability and responsibility to society as with other developed countries via compulsory motor vehicle insurance. According to economies of scale, when there are many motor vehicles complying with the new regulation, it is possible that the insurance companies and the Office of Insurance Commission (OIC) to launch new regulation to reduce premium amount, whilst maintaining the same level of coverage protection.

Recommendation on the Problem of Compulsory Automobile Insurance Does Not Cover the Property of the Third Parties

According to the study, a major problem of the Protection of Motor Vehicle Victims Acts B.E.2535 is the Acts emphasises on only protection of body and life of the victim, and it does not focus on protection of the property of the third party victim. Contrary to the fact that when the motor vehicle is occurred, damage to property is inevitable; when the law does not state the compensation to be paid to the victim or the third party, in case that the victim requires to claim for these damages, they have to file a lawsuit in the Civil Court. The consequential problems of proceeding are as mentioned above; long period of filing a lawsuit, expenses of proceeding the case and loss of opportunity to employ the property. The impacts are not only fallen to the victims, but also the families of the victims as well.

The driver at fault will also be impact because they are completely liable on the ground of infringement to the victim's property. In the case of severe accidents and when the motor vehicle has no motor voluntary insurance of which the protection coverage covers the third party's property to relieve liability and responsibility, and the final judgment declares that the driver shall be liable for the overall damages arising from the accident, the driver shall be under legal execution and potentially encounter bankruptcy. The resulting impact will also be transferred to the families of the drivers, and it may cause social problems on a larger scale.

In developed country, such as the United Kingdom realises these problems and the enforcement of laws related to the compulsory motor vehicle is declared to provide protection to the property of the third party person. Moreover, the study by the Thailand Development Research Institute (TDRI) of the impacts of motor insurance and compensation arising from public transportation accidents reveals the that all members of European Union (E.U.) are required to have the compulsory motor insurance that provide coverage for damage of third party's property with a minimum insurance value of 1,000,000 EUR (around 40,000,000 THB). In comparing Thailand's sum insured of the compulsory motor insurance and European Union's (E.U.), the protection sum insured of Thailand's bodily damage is very small in comparison and offers no protection coverage of property damage. The European Union allows the country states to determine the minimum sum insured by themselves, but the sum insured shall be more than the regulations of "Fifth Motor Insurance Directive 2005/14EC" of the European Union; for example, the Netherlands specifies the minimum sum insured of 5,000,000 EUR for personal car and 10,000,000 EUR for public bus (the regulations of Fifth Motor Insurance Directive 2005/14EC). To ensure that Thailand's

compulsory motor insurance can provide protection coverage to the motor vehicle victim efficiently and not to cause complication to related parties, the researcher suggests that the protection of compulsory motor vehicle insurance, according to the Protection for Motor Vehicle Victims Acts B.E.2535, should be combined to the protection of the Third Class Voluntary Automobile Insurance because the protection of the Third Class Voluntary Automobile Insurance additionally provides protection coverage to third party property. According to the study, it is found that most of insurance companies declare liability of protection coverage for property damage of third party of 200,000 THB for motorcycle, 600,000 – 1,500,000 THB for personal car. Even this is a small amount comparing to the protection coverage of the United Kingdom of which the minimum rate is 1,000,000 GBP (around 50,000,000 THB) (Road Traffic Act 1988. Article 145 (4)(b)) or 1,000,000 EUR (around 40,000,000 THB) of European Union. This is suitable for Thailand's society as attitude and perception of insurance is low comparing to developed countries. The protection according to the policy of the Third Class Voluntary Automobile Insurance in Thailand is liable for damage of third party's property, which can cover normal cases where the damage is not severe and can be mitigated at a certain level. In the case of severe damage that the driver of the insured motor vehicle needs to liable for property damage to the third party's property and the protection coverage is considered worthy comparing between the extra premium and the provided protection coverage.

Concerns relating to the additional insurance premium to achieve more complete coverage are explained in the previous topic, in conclusion that the extra cost is worthwhile for the added protection. Especially, the extra coverage gained to protect third party person's property that is a part of their social responsibility; this has been long adopted in developed countries. When the number of insured motor vehicle increases to a certain level, insurance companies and the Office of Insurance Commission (OIC.) could launch regulations to reduce insurance premium, but still provide the same protection coverage.

Recommendation on Avoidance of Purchasing Compulsory Motor Insurance According to the Protection for Motor Vehicle Victims Acts B.E.2535

Statistics from Department of Land Transportation of Thailand reveals the number of motor vehicle in arrears of motor vehicle tax, and this could be implied that avoidance of paying motor vehicle tax is prevalent. Not paying this tax, it can be assumed that the owner has also not purchased compulsory motor vehicle insurance as well. This is due to being closely linked; in the case that the owner of motor vehicle purchases the compulsory motor vehicle insurance, but does not pay for the motor vehicle tax, he cannot use the public roads legally. As a matter of fact, there are many motor vehicles, whose registrations are not renewed in time, using public roads. In practical, there is no rigorous enforcement of the law; therefore, the offenders are not afraid of the penalty. When the accidents occurs to the motor vehicle without compulsory motor vehicle insurance, the liability to take care of the victims will be indirectly fallen upon Victims Compensation Funds and/or other funds; for example, Social Securities Fund or National Health Security Fund. In addition, this action is considered selfishness and showing disregard for social impacts arising from the manner. Many studies conducted in developed countries agree on rigorous enforcement, resolute punishment and intense penalty to prevent others seeing as a role model, and to ensure that the offenders are afraid of committing such a selfish act and showing this lack of social responsibility as mentioned above. For this problem, the researcher suggests that it is necessary to have rigorous scrutinising and law enforcement. The fine owners of motor vehicle and/or the

drivers are charged from avoiding purchasing compulsory motor vehicle insurance in Thailand is much less than in foreign countries; although the punishment of section 37 and 39 of the Acts still high rate (a fine up to 10,000 THB) when comparing with the minimum wage of 300 THB per day. If the maximum fine, according to the Acts, is applied, the total amount of fine is higher than the monthly revenue. Therefore, the fine is actually considered rather high for Thailand. To prevent and suppress the offenders who avoid purchasing compulsory motor vehicle insurance, the researcher emphasises on the law enforcement of the police officers. The police officer must be strict in examining and enforcing the law seriously and rigorously with no discrimination; the result of these proactive actions may cause the drivers to obediently comply with the laws. Furthermore, when the Court declares his discretion on the liability of the offenders, who repeatedly avoid to purchase compulsory motor vehicle insurance, according to the Protection for Motor Vehicle Victims Acts B.E. 2535, the Court should apply the highest fine rate to penalise the offender in order to prevent them to re offend, as done by other developed countries. The reason behind the judgment is that the actions are considered not only illicit, but also selfish and showing a lack of social responsibility. For this current situation, a campaign building social consciousness amongst Thai's drivers together with rigorous law enforcement would alleviate the issue of non compliance.

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**LEGAL PROBLEMS ON THE PROTECTION OF UNDERWATER CULTURAL HERITAGE
IN THE THAILAND MARITIME ZONES**

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ABSTRACT

This research aims to investigate how the Ancient Monuments Act, B.E. 2504 can be fully enforced regarding the protection of underwater cultural heritage because this provision is not yet available in Thailand. Also, Thailand is still not a state member of the 2001 UNESCO Convention on Protection of Underwater Cultural Heritage. This comparative legal study obtained the data regarding practices and Acts about underwater cultural heritage available from legal documents in Western and ASEAN countries such as the U.S., U.K., Australia, Malaysia, Cambodia and Philippine and then constructed a model for constituting and enforcing this law fully in Thailand. The newly constructed model consists of the following components: (1) right to exercise in preventing and protecting underwater cultural heritage in various marine areas, (2) legal protection on underwater cultural heritage, and (3) additional chapter and sui-generis provision comply with spirit and principles of the Convention.

KEY WORDS: Underwater cultural heritage, 2001 UNESCO convention, sui-generis provision, the ancient monuments act, B.E. 2504

BACKGROUND AND RATIONALE

Thailand has several underwater cultural heritage sites. (The Department of Fine Arts, the Office of Archeology, 1988) According to Section 24 of the Act on Ancient Monuments, Antiques, Objects of Art and National Museums, B.E.2504 (1961) as last amended by the Act on Ancient Monuments, Antiques, Objects of Art and National Museums (No.2), B.E.2535, “antiques or objects of art buried in, concealed or abandoned within the Kingdom or the Exclusive Economic Zone by circumstance which no one can claim the ownership of . . . shall be State property”. That the Act grants Thailand rights and jurisdictions over exclusive economic zone is beyond the scope stipulated by articles 149 and 303 of the 1982 United Nations Convention on the Law of the Seas.

In addition, today UNESCO is campaigning for countries to become states parties of the 2001 convention on the protection of underwater cultural heritage, which allows states parties to protect underwater cultural heritage within their own maritime zones, including exclusive economic zone and the continental shelf, only in the case of mutual obligations. As a result, this has inevitably hindered Thailand’s efforts to safeguard underwater cultural heritage in its own maritime zones. To make matters worse, Thailand is not currently a state party of the UNESCO 2001 convention. Therefore, Thailand should study the said impact, become a state party of the UNESCO 2001 convention, and amend its national laws so that they comply with international agreements.

DISCUSSION

Illegal excavations of underwater archeological finds and objects of art in Thai maritime zones have caused both tangible and intangible loss to the country. Having been robbed of its cultural heritage, Thailand has also lost valuable links to a historical legacy which has been passed down through generations. The principal organization tasked with protecting and conserving Thailand’s underwater cultural heritage is the Underwater Archeology Working Group, under the Office of Archeology, the Department of Fine Arts, the Ministry of Culture. Empowered by the Act on Ancient Monuments (No.2), B.E.2535, the group has its

jurisdiction over internal waters, territorial sea, contiguous zone and exclusive economic zone. (Vatcharangkul, 2006, 75)

Present-Day Legal Circumstances concerning Thailand's Underwater Cultural Heritage

Illegal excavations usually take place at the seabed and of the seabed and its subsoil in various areas. Research has found that the B.E. 2504 Act only stipulates the cultural assets found in the Kingdom of Thailand, its maritime zones and Exclusive Economic Zone belong to the State. However, the Act has no provision prohibiting illegal excavations of these assets. The question remains whether or not, in practice, responsible officials can rely on other laws in order to stop these illicit activities in Thailand's maritime zones. These laws include the Petroleum Act B.E. 2516, Mineral Act B.E. 2510, Fishery Act B.E. 2490, Telegraph and Telephone Act B.E. 2477, the Enhancement and Conservation of the National Environmental Quality Act B.E.2535, the Act on Navigation in Thai Waters B.E. 2456, and the Customs Act B.E. 2496. Studies have found that because these acts are not directly intended to safeguard cultural heritage, their role as backup measures to stem the breach of the B.E. 2504 Act remains very limited.

Studies have also found that there are two Acts that empower officials to protect Thailand's underwater cultural heritage: the Act on Authorizing Naval Officers for the Suppression of Some Offences Committed at Sea B.E. 2490 and the Act on Enhancing Police Power for the Prevention and Suppression of Offences in Waters B.E. 2496. Specifically, the two acts empower them to search vessels or other vehicles suspected of involvement in offences committed in Territorial Sea, and Contiguous Zone and Exclusive Economic Zone. (Thai Navy, 2011)

International Law for the Protection of Underwater Cultural Heritage in Maritime Zones

International laws pertaining to the protection of underwater cultural heritage have been found to be in line with the 1972 Convention for the Protection of World Cultural and National Heritage, 1970 Convention on the Means of Prohibiting and Preventing Illicit Import, Export and Transfer of Ownership of Cultural Property, and especially the 1982 United Nations Convention on the Law of the Sea, which forms the basis of the 2001 Convention on the Protection of Underwater Cultural Heritage.

The 1982 United Nations convention on the law of the sea

Law of the sea convention provides few specifications pertaining to the exercise of coastal State power to protect underwater cultural heritage. In fact, the Convention only authorizes the exercise of state jurisdiction in two areas, Contiguous Zone and the Area, and stipulates that the management of archeological and historical finds is for the benefit of humanity only. (Vadi, 2009, 863-865) No provision is in place concerning coastal state jurisdiction over objects found in Exclusive Economic Zone and the Continental Shelf. (Rue, 2002, 397-400)

The 1972 convention for the protection of world cultural and national heritage.

World heritage convention has almost no provision directly pertaining to the protection of underwater cultural heritage. It is essentially an agreement on, among other things, the process of becoming a world heritage site, assistance and funding. (UNESCO World Heritage Centre, 2005A, 3) However, if there is evidence that a coastal state that is a state party of the Convention exercises its competence in the exploration, excavation, conservation, and management of underwater cultural heritage such as historic structures, sculptures or paintings that have archeological value or any property thereof, and written records, caves on islands, traces that bear historical, artistic and scientific significance for humanity, it is in the power of the state to propose that any of these historic sites and items be registered as world heritage, thereby entitling the state to receive international funding under the obligations of the Convention. (UNESCO World Heritage Centre, 2005B, 3)

The 1970 convention on the means of prohibiting and preventing illicit import, export and transfer of ownership of cultural property

The preventing illicit import and export convention plays an important role in the protection of underwater cultural heritage by outlawing excavations which are commercially oriented. (UNESCO, 2014) The fact that this convention contains specific provisions that control commerce makes it a viable option for preventing illegal trade in cultural assets which is in line with the enforcement of the 2001 Convention. In other words, a state party can also refer to the 1970 Convention in efforts to prevent trafficking in archeological finds and art objects. Despite not having any direct provision governing underwater cultural heritage, the 1970 Convention is another accessory measure viable for protecting maritime cultural assets.

The 2001 convention on the protection of underwater cultural heritage

Under the Convention, states parties, which are coastal states, flag states, coordinating states or ordinary states parties, vary in their rights, authority and duties, their exercise of competence, in particular, within their marine territories:

Coastal states' inland water, internal water and territorial sea. Under the convention, competence over underwater cultural heritage shall be exercised in the following manners: (1) coastal states have full authority in passing and enforcing laws, and in punishing those who violate these laws, (2) while flag states and ordinary states parties shall have no rights to excavate underwater cultural heritage sites. (3) However, for coordinating states, the Convention does not stipulate their rights or duties within their internal water, archipelagic water or territorial sea. (Rue, 2002, 410-411)

Coastal states' contiguous zones. Under the Convention, coastal states shall exercise their competence over underwater cultural heritage in the following manners: (1) they are empowered to directly enforce laws and regulations on illegal excavations of cultural assets in contiguous zones on the condition that these laws and regulations are in compliance with the Convention on the Protection of Underwater Cultural Heritage, but there is no provision with regard to coastal states' duty over cultural assets in contiguous zone. (2) Other states parties in their capacity as flag-state owners are required to comply with the laws and regulations imposed by coastal states. However, the Convention does not stipulate the rights or functions

of coordinating states over coastal states' handling of underwater cultural heritage within their contiguous zones. (Rue, 2002, 412)

Exclusive economic zone and continental shelf. These sea territories are not under the sovereignty of coastal states, whose sovereign rights are confined to exploiting the natural resources, whether living or non-living, of the waters superjacent to the seabed and of the seabed and its subsoil. (Tirawat, 2004, 34-35; Saisoonthorn, 2007, 287) Under the Convention, all states parties have mutual responsibility for protecting underwater cultural heritage found within their Exclusive Economic Zone and Continental Shelf. Specifically, it is stipulated that:

Coastal states are specifically empowered to impose laws and regulations prohibiting other states parties from engaging in activities directly related to underwater cultural heritage within their Exclusive Economic Zone and Continental Shelf that border on violating coastal states' sovereign rights over exploitation of natural resources. However, the Convention requires coastal states impose laws and regulations that when its national, or a vessel flying its flag, discovers or intends to engage in activities directed at underwater cultural heritage located in its exclusive economic zone or on its continental shelf, the national or the master of the vessel shall report such discovery or activity to it. (Rue, 2002, 413-414)

Flag states shall have competence over the vessels that bear their national flags which discovers or intends to engage in activities directed at underwater cultural heritage within another coastal state's exclusive economic zone or continental shelf. Flag states impose laws and regulations that the national or the master of the vessel report what they see or are doing to them and to coastal states having sovereign rights over said territories. (Rue, 2002, 416; Advisory Committee on Issues of Public International Law, 2011, 4)

Coordinating states, under the convention, each state party shall cooperate and consult with other states parties in its role as a coordinating state except in the event of having made known that it has no desire to do so. The Convention stipulates that all states parties and coordinating states may take all practicable measures to prevent any immediate danger to the underwater cultural heritage, whether arising from human activities or any other cause, including looting. (Rue, 2002, 417; Varmer, 2014, 263)

The area. Coastal states cannot exercise any competence over the site to protect underwater heritage because the site is not within any state jurisdiction. Under the 2001 Convention, that responsibility shall be the mutual duty of all states parties. (Rue, 2002, 421; Varmer, 2014, 262) Flag states shall only have the right to give consent for any activity directly related to states owning vessels or aircraft within the site. Flag states are tasked with passing a domestic law requiring their nationals or their vessels to report to them any discovery or intention to engage in activities directed at underwater cultural heritage within the site, and flag states shall then relay the discoveries or activities to the UNESCO Director General and Secretary-General of the International Seabed Authority. Such an obligation under the Convention has shown that the Convention is a useful accessory enabling and empowering states parties—coastal states, flag states, coordinating states and others - to mutually protect underwater heritage successfully and efficiently.

Foreign Laws and Regulations Regarding the Protection of Underwater Heritage in Maritime Zones

In comparing Thai laws and regulations with those of foreign states, this study has chosen countries from different parts of the globe: the United Kingdom for the European continent, the United States for the Americas, and Australia for the Australian continent. As for Asia, the countries selected are Cambodia, the Philippines, and Malaysia, all member states of ASEAN.

The comparative study has found that the United Kingdom, the United States and Australia are not members of the 2001 convention. Under British and US domestic laws, protection is limited to their territorial sea (Wessex Archaeology, 2005, 6; Office of Coast Survey, 2012; Vadi, 2009, 263-273; Varmer, 2014, 264-273), whereas Australia extends protection as far as the continental shelf. (Australian Government, Department of the Environment, 2009, 7) The study has also found that Moroccan domestic laws extend to exclusive economic zones, (Kosiyarak, 1995, 58) while in China, they reach as far as the high sea. (State Council of the People's Republic of China, 1989) Furthermore, it has been found that Australian domestic laws contain specific regulations and methods of protection.

In Asia, it has been found that, Cambodia, which has only recently become a state party of the convention, (UNESCO, 2012; Kamsan, 2011) does not have domestic laws that specifically address the protection of underwater cultural heritage. Interestingly, Malaysia and the Philippines, though not states parties, have laws that contain specific provisions regarding the protection of underwater cultural heritage making them suitable models for Thailand to follow when amending its own laws. While the Philippines has separate laws for the protection of underwater cultural heritage, Malaysian domestic law on the protection of national cultural heritage contains a provision regarding the protection of underwater cultural heritage.

The researchers are particularly interested in the Malaysian model. We think that the amendment of Thailand's Act on Ancient Monuments (No.2), B.E.2535 should lead to the existence of a new chapter on the protection of underwater cultural heritage using specific means. One advantage of this model is that all the regulations concerning the protection of cultural assets will come under one single category of the same law, which facilitates enforcement. The Malaysian law also details clear and concise practices and discretely specifies who and what an official should do.

Impact of Thailand's Joining as a State Party of the Convention

A close study of the provisions in the convention reveals several positive impacts on Thailand, such as the acknowledgement of its assertion of rights over contiguous zones. On the other hand, being a state party means that Thailand will be obligated to report any discoveries of underwater cultural heritage and to seek prior approval for any activities related to underwater cultural heritage.

One drawback of joining the convention concerns the matter of assertion of rights over underwater cultural heritage in Thailand's exclusive economic zone and continental shelf. The state party will compromise its right to assert authority over these zones. However, what really matters is whether or not the underwater cultural heritage in these zones is abundant and has a verifiable link to the country, especially a cultural, historical or archaeological link.

Therefore, if the answer to these questions is “yes,” then Thailand should not seek a state party in the convention. The ratification of the convention means that other countries may have a stake in the management of the site and that Thailand will no longer be able to assert competence over the site as it does at present. Instead of freedom to assert its rights over underwater cultural heritage to the largest extent possible, as other foreign states do, Thailand will see its own power curbed and its existing database disclosed to other countries. In contrast, Thailand can opt to delay ratification of the convention until new state practices emerge or after the convention has been amended to incorporate new regulations enabling states parties to assert rights over continental shelf and exclusive economic zone.

However, if underwater cultural heritage is determined to be scant, Thailand will benefit from membership such as attendance at training programs. Although seeking to become a state party in the convention may have some adverse impact on the country (as coastal states are deprived of their state jurisdiction over exclusive economic zone or no reservations may be made to this convention), the researchers believe that Thailand will gain more than lose by becoming a state party of the convention. The country will likely enjoy cooperation from international organizations or from other states parties in their asserted efforts to protect and conserve the common heritage of mankind.

RECOMMENDATIONS

Below are the researcher’s four suggested solutions gleaned from past studies:

Suggestions on Reforming Substantive Laws Aimed at Enhancing the Protection of the Country’s Cultural and Historical Interests

The Act on Ancient Monuments, Antiques, Objects of Art and National Museums, B.E.2504 (1961) as last amended by the Act on Ancient Monuments, Antiques, Objects of Art and National Museums (No.2), B.E.2535 should be amended. Apart from adding a new chapter on underwater cultural heritage, the Act should include the following: (1) a definition of underwater cultural heritage, (2) a provision on claims of ownership over underwater cultural heritage, (3) a provision on prohibiting exploration and excavation of underwater heritage sites, (4) a provision on specifying the protected sites and registered underwater archeology sites of historic significance, (5) a requirement to report discovery of or activity directed at an underwater cultural heritage site, (6) a provision on regulations prohibiting all activities within a registered underwater archeology site and protected site, (7) the scope of competence of law enforcement officers, (8) the scope of competence of sequestering assets obtained and used in a crime, (9) the scope of competence in launching an investigation, and filing lawsuits about crimes committed within Thailand, Thai water, Exclusive Economic Zone, and Continental Shelf, and (10) the scope of punishment.

A sui generis law, complying with the legal obligations in the United Nations convention on the law of the Sea 1982, should be promulgated in exclusive economic zones and continental shelf

Thailand should adopt a sui generis law authorizing the country’s assertion of its integrity over Exclusive Economic Zone and Continental Shelf, and requiring all scientific excavations of underwater cultural heritage in these areas to obtain prior permission from authorities according to the Act on Ancient Monuments, Antiques, Objects of Art and National

Museums, B.E.2504 (1961) as last amended by the Act on Ancient Monuments, Antiques, Objects of Art and National Museums (No.2), B.E.2535,

Suggestions on strengthening law enforcement

In order to ensure that regulations conform to the law, the government sector needs to promote understanding of the principles of certain specific laws. Emphasis should be placed on the importance of underwater archeology and funding for marine patrols to crack down on sea crimes on the whole with respect to fishery, narcotics, immigration, and customs. In addition, to enable actual implementation of the law and to protect the country's maritime interests, a manual for maritime operations should be drawn up and a central organization set up to oversee enforcement.

Proposed policy

- Set up a working committee comprising people of all sectors to draft and amend the Act on Ancient Monuments, Antiques, Objects of Art and National Museums, B.E.2504 (1961) as last amended by the Act on Ancient Monuments, Antiques, Objects of Art and National Museums (No.2), B.E.2535.
- Gather findings from research conducted at all levels concerning the issue, analyze them and submit an analysis to the working committee which will study the pros and cons of joining as a state party of the 2001 Convention on the Protection of Underwater Cultural Heritage.
- Organize a public hearing on the provisions of the 2504 B.E. Act to be amended.
- Ratify the country's state party membership of the 2001 Convention on the Protection of Underwater Cultural Heritage.
- Ensure that working staff receive training organized to enhance their knowledge of how to protect underwater cultural heritage, and that a manual be in place for them.
- Allocate funds for sea patrols.
- Work up a plan to produce and develop personnel able to protect cultural heritage systematically and continuously.
- Raise public awareness and participation in accordance with Section 66 of the Constitution of Thailand on the promotion of the Protection of Local and National Culture and Art.

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**THE ROAD TO REGIONAL ECONOMIC BLOC:
A COMPARISON BETWEEN THE EUROPEAN UNION (EU)
AND ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN)**

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ABSTRACT

This analytical piece examines the cases of the Association of Southeast Asian Nations (ASEAN) and the European Union (EU) in their journey towards regional integration. International and regional relations issues and events will be used to illustrate the experiences of both regional blocs. Through the use of relevant information from scholars and critiques on regional integration, insights and lessons can be drawn to be able to compare the case of ASEAN and the EU. It can be observed that despite variations in the context of the ASEAN and EU, there can critical insights and lessons that can be drawn to fortify the road of ASEAN towards the creation of a regional bloc. Through critical analysis, it can be observed that political and economic stability among member countries are the fundamental elements to achieve integration. The European Union has created governing rules and policies on currency, trade, international human relations and single government. On one hand, the Association of Southeast Asian Nations is confronted with the challenges of economic imbalance and still working on policies and rules to achieve integration.

KEY WORDS: European Union, Association of Southeast Asian Nations, International and Regional Relations, Regional Integration

INTRODUCTION

To facilitate greater economic, political and social relations among countries in the Southeast Asian region, integration is inevitable. At the same time, containing the wide spread of communism in Southeast Asia countries after the cold war era that resulted into the attempts of creating a regional bloc is also very critical. However, these goals have been slow or unsuccessful because of the heterogeneity in the use of power and government structure in those Southeast Asian countries. Disputes also arise with other regional countries in Southeast Asia that contributed in hampering the pursuit to integration.

The rise of the Association of Southeast Asian Nation (ASEAN) can be illustrated as follows. With great perseverance, the road to regional integration in Southeast Asia made its way on 1961 (ASEAN, 2010). After initial cooperation, three countries namely the Philippines, Malaysia and Thailand founded what is known as MAPHILINDO. However, this achievement was not sustained. But the failure of these organization did not hinder the fact that the Southeast Asian countries wanting to have their own economic and political regional bloc. On August 08, 1967 during the cold war era, the five countries from Southeast Asia form an organization called the Association of Southeast Asian Nations (ASEAN). Its founding members are Philippines, Malaysia, Indonesia, Thailand and Singapore. Brunei joined ASEAN on 1984, Vietnam, Laos, Myanmar and Cambodia joined ASEAN on 1995, 1997 and 1999 accordingly, since then ASEAN have a total of ten members (ASEAN, 2010). The aim of the organization is to accelerate economic growth, social progress and cultural development in the region.

ASEAN has its own unique way of achieving its goals. This approach is dubbed as the 'ASEAN way' that highlights six fundamental principles of the organization (ASEAN, 2010). These include:

- A. Mutual respect for the independence, sovereignty, equality, territorial integrity, and national identity of all nations;
- B. The right of every State to lead its national existence free from external interference, subversion or coercion;
- C. Non-interference in internal affairs;
- D. Settlement of differences or disputes in a peaceful manner;
- E. Renunciation of the threat or use of force;
- F. Effective regional cooperation.

The 'ASEAN way' is much diverse in nature since its component states practices different kinds of government structure. For instance Thailand employs a government that is structured in a monarchical system. The Philippines allows the presidential form of government. While on the other hand, Vietnam is following the principles of socialism in the arrangement of its government. Having known that the exercise of power in most Southeast Asian countries vary, the ASEAN way as an approach has become helpful since it is based on informality, consensus building and non-confrontational bargaining styles, in contrasts with the adversarial posturing, majority vote and other legalistic decision-making procedures in Western multilateral organizations.

On the 9th ASEAN Summit in 2003, ASEAN leaders agreed upon the establishment of ASEAN Community and this agreement has been put into paper on the 12th ASEAN Summit in 2007, signed the Cebu Declaration on the Acceleration of the Establishment on ASEAN Community by 2015 (ASEAN, 2010). The ASEAN Community is composed of the three pillars, namely the ASEAN Political-Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community.

The first step of ASEAN economic integration would be the signing of ASEAN Free Trade Agreement or AFTA on January 28, 1992 in Singapore. AFTA is aimed to "intensify cooperation among the members of ASEAN to increase their international competitiveness and integration with the world" (Tan, 2014). The primary goals of AFTA is to attract more foreign direct investments to ASEAN and to increase the competitiveness of ASEAN in the world market as a production base, through elimination of tariffs with its member states. The major step for economic integration is for the ASEAN to create an economic community. By the year 2015, the ASEAN Economic Community pillar of ASEAN will be implemented. At this stage, there will be a free flow of goods, financial capital, services that will take place within the ASEAN member states. The idea of economic integration between the ASEAN members came from the economic integration of the European Union which led to the prosperous European Union regional economic bloc.

In comparison, the case of the European Union must also be understood. The European Union (EU) is one of those who pioneered regional political and economic integration. Signing the Treaty of Paris in 1951 at Paris, France, EU's predecessor; the European Coal and Steel Community (ECSC) and the European Economic Community (EEC); was established by the inner six or their founding members namely, Belgium, France, West Germany, Italy,

Luxembourg and after the World War II (European Union, 2010). The main goal is to promote economic cooperation between the six members. The idea is for countries to trade with one another and become economically interdependent to minimize conflict with another. As years passed, the ECSC and EEC evolved into European Union having twenty seven member states and achieving the status of supra-national cooperation. It is then considered as one of the power holders in regional economic and political matters in the world, alongside with the United States of America.

EU has their own government structure just like any other states that compose of executive, legislative and judicial branch. The EU have five major institutions which is the main administrative and decision making on behalf of all their citizens, these are: The European Commission, The Council of Ministers, The European Parliament, The Court of justice and the Court of Auditors. The official judicial system of EU is called the Court of Justice of the European Union that is divided into three: the Court of Justice, the General Court, and the European Union Civil Service Tribunal (EU, 2010). These courts interpret and apply the treaties and the law of the EU. The legislative branch of EU is divided into two: Council of the EU, which is the upper house and the European Parliament which represent the lower house. Just like any other legislative body of a state, the legislature of EU scrutinizes amends or creates law for the region. As a one political and economic entity EU's, greatest achievement is the single market of EU, removing the tariffs barriers and free movement of goods, persons, services and capital within its member state. The introduction and implementation of one monetary unit within the European Union occur on January 1999 with its seventeen member states, and on 2002, the fully circulation of euro notes and coins began.

In this analytical paper, the cases of the Association of Southeast Asian Nations and the European Union shall be examined with the end goal of looking at the future of the former in its quest for a regional integration. It can be observed that despite variations in the context of the ASEAN and EU, there can critical insights and lessons that can be drawn to fortify the road of ASEAN towards the creation of a regional bloc.

CONCEPTUAL AND THOERETICAL DYNAMICS

European Union is the biggest economic and political bloc in the world. It is established after the World War II on 1952 by the Treaty of Paris. Today, the European Union is composed of twenty seven member states that has its own political and economic system (EU, 2010). The primordial goal of the organization is to foster economic cooperation between member states with the idea that countries that interact through trade with one another become economically interdependent and so more likely to avoid conflict. True enough, this goal was achieved that even led to the creation of one currency in the 1st day of January 1999 (EU, 2010). The economic and political achievement of EU serves as a guide for the ASEAN member countries to flourish the region's economy. ASEAN, on one hand, is the economic and political organization of the Southeast Asian countries, composed of Malaysia, Indonesia, Philippines, Thailand, Singapore, Laos, Cambodia, Myanmar, Brunei, and Viet Nam, established on 1967 (ASEAN, 2010). Like the European Union, ASEAN was formed for economic, social and cultural development in South East Asia.

The two regional organizations have always been compared with one another because both have the same goals carry-out within their region. According to Prof. Ludo Cuyvers (2000),

the author of *Contrasting the European Union and ASEAN Integration and Solidarity* pointed that EU has built and developed institutional structures and mechanism for solidarity as compared to ASEAN. The Association of Southeast Asian Nations is considered by several scholars to be at the process of constructing institutions, policies and mechanisms with the end goal of achieving a regional integration. Cuyvers (2000) also mentioned that EU's regional policy targets are well defined. As a consequence, policies are being implemented at the expectation of each member countries. This is exemplified with one illustration in the European Structural Fund proving to be more effective in reducing the gap among the EU members. In contrast with EU's supranational approach towards the regional disparity, ASEAN approach is 'sub-regional co-operation'. In this kind of approach, Prof. Cuyvers (2000) also said that it will be able to enhance economic relations among member countries in the ASEAN. The difference is that, even though ASEAN is a one organization, the goal is to have cooperation with its members because member state respects each other's sovereign. He (Cuyvers, 2000) also defines the four types of regional economic integration and these are:

- A. The lowest level of economic integration is reached when countries agree on the creation of a free trade area (FTA). In an FTA import tariffs on each other's products are removed, but the member countries retain their own systems of tariff duties on products from non-member countries;
- B. The second level of economic integration is a customs union, in which case free trade applies to each other's products, but also a common external tariff system is adopted with respect to non-members. In addition, the group is acting as one body in all matters relating to international trade agreements with non-members;
- C. A third level consists of a common market, which is one important step further than the customs union. Among the members of a common market there is free trade and they have a common external tariff system, but also all barriers to factor movements (labor and capital) are removed;
- D. The highest level of regional economic integration is reached when an economic union is established, which has the characteristics of a common market, but also brings about the unification of economic institutions and the co-ordination of economic policies throughout the member countries.

European Union has already achieved the highest level of regional economic integration; they have their own economic policies and common market that are being followed by their member. The best example would be their one monetary unit or what we called the EURO. Having one currency proves that the European Union is successful with their goal of having a one regional economic bloc. On the other hand with, ASEAN is still in the process of building their owned regional economic integration. ASEAN is currently in the lowest level of economic integration which is having a free trade agreement and hopefully ASEAN will evolve as a regional economic bloc by 2015.

Former ASEAN Secretary General Ong Keng Yong (2007) said that "We are not looking to take the EU model lock stock and barrel. We simply cannot. The very nature of ASEAN as an intergovernmental organization differs from that of the EU. However, we are looking for good ideas and best practices, and the European Union certainly has plenty of these." ASEAN wants to build their community with rules-based organization, wherein Member States will

have a framework to operate efficiently under a rules-based environment and decisions and agreements will become legally binding. Through this ASEAN believes that it is more effective for the region as ASEAN steps up the pace of regional integration and community building.

ASEAN and the European Union were both built after the cold world war. ASEAN was built in order to keep peace and security in Southeast Asia and to stop the wide spread of communism in the region. While the European Union was build after World War II to prevent more wars and because of the apparent Soviet threat provided further force for the Western European countries to come together. In an article written by Yeo lay Hwee (2009), entitled *The Everlasting Love for Comparison: Reflections on EU's and ASEAN's Integration*, presents the similarities and differences of the two regional bloc. He said that “both ASEAN and the EU have seemed to hit a snag in their region-building processes as they confront new global challenges. While ASEAN is trying to redesign its institutional framework and mechanisms more in line with the EU’s institution-building processes, EU is facing increasing skepticism towards further institutionalization and integration.” With the present events happening such that the European Union model is being challenge by the economic turmoil of its some member state. One notable example is the case of Greece and Spain. The ASEAN, in one hand, is preparing for the setting up of its economic community by 2015. This is following the path of the European Union economic community, having a single market based, and free flow of goods, services and investments. In this case, to what extent can the ASEAN withstand the challenges that confront EU in today’s contemporary period?

ANALYSIS BETWEEN EUROPEAN UNION AND ASEAN

Both regional blocs were formed after the major wars in the world, World War II and Cold War. Its major objective is to have regional stability, peace, economic and political integration. The European Union is the forerunner of regional bloc activities with the primary goal of achieving supra-national cooperation. In one hand, the ASEAN is still aiming and at the process of attaining the supra-national regional bloc but may take a different way. In the paper of Director Yeo lay Hwee (2009), *Everlasting Love for Comparison: Reflections on EU's and ASEAN's Integration*, he made a comparison with the ASEAN and EU by saying that “The founding fathers of the European Community had a clear vision of what they wanted to achieve - an ever closer union among the European people. This ambitious political goal is to be achieved through a step-by-step approach built on functional cooperation and economic integration. In contrast, ASEAN was built on the need to restrain any interference from external powers amidst the Vietnam War and restraints on neighboring states from interfering into each other’s domestic affairs. Likewise, other issues and challenges have confronted the ASEAN as a regional bloc. In many of these problems, cooperation is identified to be either missing or not fully employed by the member states. Thus, it makes the ASEAN and EU different in terms of the road being journeyed.

The structure of both regional blocs is different with each other. EU member came in to consensus to have a government system that oversees the peace and order of the region and the implementation of its treaties and law. While ASEAN does not have a government body, to make sure that treaties and law are implemented with its member and the implementation depends on the government of each member state. This is because of ASEAN main principle “non-interference in internal affairs and respect on sovereignty of nations” (ASEAN, 2010).

The European Union focuses on integration and renouncing some of its sovereignty for regional bloc integration, while ASEAN focuses on cooperation between sovereign states.

As a political entity, all of the EU members are under democratic rule, which is much easier to have unified policies. While ASEAN members have different government structure, which is very difficult to have unified policies since each government is sensitive when it comes to sovereignty because almost of the members of ASEAN except Thailand, had been colonized by the western countries. After forty one years, in the 13th ASEAN Summit on November 2007, ASEAN Charter was adopted (ASEAN, 2010).

Economic stability is typically known to be the economic conditions where financial fluctuations rarely happens, consistent economic indicators and increasing economic outputs (Kerkmeester, 1999). In terms of economic stability, the European Union has shown greater economic consistency while the ASEAN is building its economic prowess. Despite this conditions, certain issues and cases have been identified that continuously confronting these two regional blocs. Countries like the United Kingdom, Germany and France are part of EU are mostly considered powerful countries in the world in relation to economic activities. Member countries of the EU were categorized as first or second economically powerful nations which greatly contributed in the integration process. It implies that the utilization of single currency does not drastically affect the economic activities of each member countries. Moreover, EU countries can easily level the economic playing field since economic indicators may show homogeneity.

The case of EU has been far in comparison with ASEAN where member countries still belongs to the 3rd world or developing country category. To illustrate, Singapore has been branded as one of the Asian Tigers, the only stable economy in the ASEAN regional bloc. On one hand, Thailand, Philippines, Malaysia, and Indonesia are still dubbed as emerging economies of ASEAN. However, there are instances where one country in the region has been economic developing. As an example, Viet Nam even surpasses the economy of the Philippines is an indication that economic integration within ASEAN will be difficult. ASEAN has been characterized to have different implementation periods of ASEAN Free Trade Agreement for its late comer members thus requiring them to sign agreements in order to be a member of ASEAN at the later part. The heterogeneity in economic environments in most ASEAN countries is one stumbling bloc towards the achievement of regional integration.

To further elaborate the experience of the European Union, it can be observed that the presence of a de jure government to govern the integration among member nations lead to the establishment of structural funds. This is critical in ensuring the monetary and economic stability of the regional bloc. Cuyvers (2002) has identified these structural funds in building union of states in mostly European countries, to wit:

- A. The European Regional Development Fund (ERDF) contributes mainly to assisting the regions whose development is lagging behind and those undergoing economic conversion or experiencing structural difficulties;
- B. The European Social Fund (ESF) mainly provides assistance under the European Employment Strategy;

- C. The European Agricultural Guidance and Guarantee Fund (EAGGF) Guidance Section helps in both the development and the structural adjustment of rural areas whose development is lagging behind, by improving the efficiency of their structures for the production, processing and marketing of agricultural and forest products;
- D. The Financial Instrument for Fisheries Guidance (FIFG) provides finance for the fisheries sector.

The main objective of these structures funds is to promote development and structural adjustment with its developing member countries, contributes to economic and social conversion of regions in structural difficulties, and lastly to gather all the measures for human resource development outside the regions as cited in the Council Regulation (EC) No 1260/1999 of 21 June 1999 that lays down the general provisions on Structural Funds.

For ASEAN, the major integration development is structured as sub-regional cooperation. According to Prof. Cuyvers (2002) the region's aim is to narrow the gaps in the levels of developing member states and reducing poverty and socio-economic disparities in the region. He stated that the "ASEAN supports the implementation and further development of growth areas and these areas are the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), the Indonesia-Malaysia-Singapore Growth Triangle (IMS-GT), the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT), and the inter-state areas along the West-East Corridor (WEC) of the Mekong Basin in Vietnam, Laos, Cambodia and Northeastern Thailand within the ASEAN Mekong Basin Development Cooperation scheme." However, these development programs are heavily supported by the Asian Development Bank (ADB). ADB is not the institutional bank of ASEAN, unlike with European Investment Bank, but a development bank created for the Asia members of United Nations. In this scenario, there are two lingering conservative observations. First, financial support from ADB cannot be equated with a structural fund that the EU has. The very nature of ADB is to act as a bank. Hence, there will be interests and related activities similar to a bank. Second, the presence of ADB in the ASEAN region may not fully satisfy the financial requirements of the region. This is attributed to the imbalance in economic environments.

The goal of the Maastricht Treaty signed on February 7, 1992, is to create a 'One Market, One Currency' that has been fully implemented since January 2002. Hence, Euro was held as the common currency for all transactions of the European Union. Currently, all member states of the European Union are using the Euro as their main monetary unit, except for Britain, Denmark and Sweden. The advantage of having one monetary unit is a guarantee of monetary stability for the Member States and improvement of the export sector to name a few. In the research paper of Olga Bondare (2011), under the publishing of Riga Graduate School of Law, entitled, *Joining the European Monetary Union: Institutional considerations and economic impact on new Member States*, she said that "becoming one of the two leading world currencies, the euro possessed a stable position despite the global financial crisis". The share of the euro in the stock of International debt securities at the end of 2008 amounted to 32.2% versus 31.1% in 2007; the upswing was also visible for cross-border loans: to 22.2% against 20.7% respectively; and cross-border deposits: 22.4% in the fourth quarter of 2008 against 20.5% in the fourth quarter of 2007" (Bondare, 2011; EU, 2010) This just shows the stability of euro, since it was fully implemented on 2002, even global financial crises occur.

In contrast, Britain did not adapt the EU's single currency system. Britain argued that having a single monetary system like the Euro may not be sustainable in the long run. The case of Ireland who departed from the Sterling Currency of the United Kingdom is a good example. This is attributed to the common caveat in currency theory that a single use monetary resource may not automatically yield benefits among member countries. The economic activity of a particularly country is at the forefront of dictating the value of any currency. Hence, the lack of exchange rates removes a very effective mechanism for adjusting imbalances between countries that can arise from differential shocks to their economies.

The one thing that ASEAN want achieved is become a Regional Economic Community just like EU. To achieve this goal they made ASEAN Economic Blue Print which identifies the characteristics and elements of the ASEAN Economic Community or AEC with clear implementation targets and timelines for the various economic integration measures within ASEAN (ASEAN, 2010), the four main objectives of AEC are:

- A. Single market and production base;
- B. Competitive economic region;
- C. Region of equitable economic development;
- D. Region fully integrated into the global economy.

The AEC Blueprint will be implemented on 2015 in order to achieve the 2020 Vision of ASEAN which is to “transform ASEAN into a stable, prosperous, and highly competitive region with equitable economic development, and reduced poverty and socio-economic disparities” (ASEAN, 2010). For sixty two years, the European Union had grown into a supra-national state and withstanding every obstacle that they encounter. The recent economic failure in EU, concerning the PIIGS or GIIPS countries include Portugal, Italy, Ireland, Greece and Spain including Greece already had a massive bailout because of their sovereign debt. The Carnegie Endowment for International Peace published an article entitled “*Paradigm Lost - the Euro in Crisis*” on 2010, stating that “the sequence of events that led to the secular loss of competitiveness is depressingly similar among the GIIPS countries” to include:

- A. The adoption of the euro was accompanied by a large fall in interest rates and a surge in confidence as institutions and incomes expected to converge to those of Europe's northern core economies;
- B. Domestic demand surged, bidding up the price of non-tradable relative to tradable and of wages relative to productivity;
- C. Growth accelerated, driven by domestic services, construction, and an expanding government, while exports stagnated as a share of GDP, and imports and the current account deficit soared amid abundant foreign capital;
- D. The result was that indebtedness—public, private, or both—surged.

If EU surpass this economic failures it will be one of the guide of ASEAN when it becomes a regional economic community having a one monetary unit. ASEAN has been looking to EU as their guide to regional economic community and for forty five years, ASEAN is ready to face the challenge of regional economic community.

CONCLUSION AND POINTS TO PONDER

ASEAN as a regional economic community is possible as long as proper policies and implementation of treaties are followed. On 2015, the AEC or ASEAN Economic Community pillar of ASEAN Community, will take into effect. Its blueprint provides the main objective of AEC, so ASEAN can be a regional economic community like the European Union.

The advantage of EU as a regional economic bloc is from the start of their organization, they already what is their goal. In terms of geography, EU members are side by side with each other, unlike with ASEAN members, which are divided by oceans and seas. Travelling among EU member states or even exchange of goods has been seamless in EU because political and economic impediments have been eradicated. This is different when the situation of ASEAN is discussed. In terms of security, EU has their owned security forces to maintain peace within the member state. One major advantage of EU is that their member states are the first and second world countries, meaning countries that are more economically stable.

In the case of the ASEAN, only Singapore has the stable economy and other countries are still developing their economy. There have been issues that confront ASEAN integration. One of those issues is on the achievement of regional economic community in Southeast Asia is when each member states have territorial dispute with one another. To name issues at hand that includes territorial dispute are the claim on Sparty's Island by Viet Nam, Malaysia, Philippines and Brunei, the claimed of Philippines to Sabah, Cambodia and Thailand border dispute among others. For the first time in forty five years ASEAN did not issue a Joint Communique after the 45th ASEAN Ministerial Meeting in Phnom Phenh, due to the issue of Code of Conduct on the South China Sea.

In order to fully implement the AEC Blueprint, ASEAN political system should be stronger. It is possible that ASEAN will achieve its goals but it will be very difficult when each state is sensitive about surrendering some of its sovereignty and the gap of the economy of the member state is very ample. If the European Union is to serve as the guide of ASEAN to achieve regional political and economic bloc, then ASEAN should learn from the economic and political experiences of EU. It is also important to formulate certain precautions in the creation of governing policies and rules so that ASEAN can resolve problems with ease with the aim achieving the desired goals despite differences among countries.

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**THE SOCIAL AND ECONOMIC IMPACTS OF DIESEL, LPG,
AND NGV SUBSIDY REFORMS IN THAILAND**

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ABSTRACT

Diesel, LPG, and NGV are major fuels in Thailand that are greatly subsidized by various measures in order to cap the ex-refinery or retail prices for domestic consumption. In 2012, diesel consumption largely benefits from the exemptions of excise taxes and VAT by the amount of 114,774 Million Baht (1.4% of GDP); LPG consumption benefits from market support prices by the amount of 67,967 Million Baht (0.83% of GDP); and NGV consumption benefits from retail price cap by the amount of 22,186 Million Baht (0.27% of GDP). A removal of these fuel subsidies in order to improve the economic efficiency of fuel consumption can impact the whole economy. This paper analyzes the social and economic effects of diesel, LPG, and NGV subsidies removal. The Leontief price model is applied with the social accounting matrix (SAM) of Thailand. A removal of these fuel subsidies is found to have slightly negative effects on the economy.

KEY WORDS: Diesel, LPG, NGV, Fuel Subsidy, Subsidy Reform, Thailand, SAM, Leontief Model

INTRODUCTION

The main objective of this paper is to investigate the social and economic impacts of fuel subsidy reforms in Thailand by using the SAM methodology and the 2007 SAM for Thailand (EPPO, 2010) as a main database. The direct effects of the removal of fuel subsidies are on prices of the reformed fuels, while the indirect effects are on prices of products and services that use those fuels as intermediate inputs, as well as prices of all other linked products and services. The direct and indirect effects eventually change the costs of inputs, products, and services. The cost effects are the primary causes of the impacts on production and consumption. Therefore, *the Leontief price model* or *the "cost-push" assumption*, where *quantities are fixed* but *prices change*, (Miller and Blair, 2009: pp 45) is suitable for the 2007 SAM for Thailand.

The general effects of the removal of fuel subsidies are investigated through changes in sectoral prices, social welfare, and macroeconomic indicators. The first effects that should be examined are the sectoral price changes. The sectoral price changes subsequently affect social welfare. The first approach to analyze the social welfare effects is through changes in household consumption under fixed incomes and constant savings. In other words, under fixed household incomes and constant savings constraints, how households adjust their consumption as a result of sectoral price changes? The second approach to analyze the social welfare effects is through changes in household incomes under fixed household consumption and constant savings constraints. That is, how much compensation for sectoral price changes is required for households to maintain their fixed consumption and savings? The effects of the removal of fuel subsidies on macroeconomic indicators are analyzed through various price indices (prices throughout the economy) as well as real GDP, real government consumption, real investment, real exports, and the distributional impacts on real household consumption.

This paper is organized into three main sections. The first section describes the methodology including the models, database, simulations, and assumptions. The second section describes the simulation results along with relevant discussions. The last section concludes the paper. All relevant tables are presented in the appendix.

METHODOLOGY

The Leontief Price Model

The fundamental effects of the fuel subsidy removals are on fuel prices and prices of other related products and services, therefore the main simulations follow *the Leontief price model*. The important assumption is “*cost-push*” where *quantities are fixed* but *prices change* (Miller and Blair, 2009: pp 45). The Leontief price model assumes that the price in a particular sector depends on the domestic input coefficients (Leontief technical coefficients), the prices of intermediate inputs, the value-added (wages, operating surpluses, indirect taxes, and subsidies) per unit of output, and the value of intermediate imports per unit of output (Valadkhani and Mitchell, 2002: pp 124).

According to Miller and Blair (2009: pp 41-54) and Valadkhani and Mitchell (2002: pp 122-132), for n sectors and k exogenous (fuel) sectors, the expected sectoral price effects can be measured by the following equation:

$$P_E = (I - A_{EE}^t)^{-1} \cdot A_{XE}^t \cdot P_X + (I - A_{EE}^t)^{-1} \cdot (V_E + M_E) \quad (1)$$

Where,

P_E Column vector of prices in the endogenous sectors: $(n - k) \times 1$

P_X Column vector of prices in the exogenous (fuel) sectors: $k \times 1$

A_{EE} Square matrix of the Leontief domestic direct coefficients of the endogenous sectors, i.e., the input requirements from $(n - k)$ endogenous sectors for the production of one unit output in each $(n - k)$ endogenous sector: $(n - k) \times (n - k)$

A_{XE} Input requirements from k exogenous (fuel) sectors for the production of one unit output in each $(n - k)$ endogenous sector: $k \times (n - k)$

A_{EE}^t Transpose of A_{EE} : $(n - k) \times (n - k)$

A_{XE}^t Transpose of A_{XE} : $(n - k) \times k$

V_E Column vector of the ratio of value-added to output in the endogenous sectors: $(n - k) \times 1$

M_E Column vector of the ratio of imported inputs to output in the endogenous sectors: $(n - k) \times 1$

I Identity matrix: $(n - k) \times (n - k)$

n Number of sectors

k Number of exogenous (fuel) sectors

SAM (2007) for Thailand

The main database used in this paper is the 2007 SAM for Thailand (EPPO, 2010). Fortunately, the 2007 SAM for Thailand disaggregates diesel as a separate sector. Thus, it facilitates the impact analysis of the removal of diesel subsidies. Unfortunately, it does not disaggregate LPG and NGV as separate sectors. Therefore, the impact analysis of the removal of LPG and NGV subsidies is not straightforward, and it requires the inferences of the results of the most related sectors, i.e., natural gas (raw) and natural gas (separated). Because natural gas is the major source of LPG and NGV, we can make some implications of the impacts of the removal of natural gas subsidies for LPG and NGV.

The Price Index

The overall impacts of sectoral price changes on the aggregate price indices throughout the economy such as the consumer price index (CPI), the GDP implicit price deflator, the government price index, the investment price index, and the export price index, can be determined by the following equations, respectively.

$$C_h = c_{ih}^t \cdot P_i \quad (2)$$

$$V = v_i^t \cdot P_i \quad (3)$$

$$G = g_i^t \cdot P_i \quad (4)$$

$$I = i_i^t \cdot P_i \quad (5)$$

$$X = x_i^t \cdot P_i \quad (6)$$

Where,

P_i Change in sectoral prices: $(n \times 1)$

C_h Change in the consumer price index (CPI) for household h category: $(h \times 1)$

V Change in the GDP implicit price deflator: (1×1)

G Change in the government price index: (1×1)

I Change in the investment price index: (1×1)

X Change in the export price index: (1×1)

c_{ih} Share of each sector in the total household consumption: $(n \times h)$

v_i Share of each sector in GDP or the total value-added: $(n \times 1)$

g_i Share of each sector in the total government consumption: $(n \times 1)$

i_i Share of each sector in the total investment: $(n \times 1)$

x_i Share of each sector in the total exports: $(n \times 1)$

c_{ih}^t Transpose of c_{ih} : $(h \times n)$

v_i^t Transpose of v_i : $(1 \times n)$

g_i^t Transpose of g_i : $(1 \times n)$

i_i^t Transpose of i_i : $(1 \times n)$

x_i^t Transpose of x_i : $(1 \times n)$

Initial Fuel Subsidies

The quantities of fuel consumption from Energy Statistics, Energy Forecast and Information Technology Center, Energy Policy and Planning Office (EPPO) are used to calibrate *the equivalent fuel consumption quantities in 2007*. Similarly, the values of fuel subsidies from ADB Consolidated Inventories (Thailand) (January, 2014) are used to calibrate *the equivalent fuel subsidies in 2007*. Both the equivalent fuel consumption quantities and the equivalent fuel subsidies in 2007 are used together with *the domestic fuel values* obtained from the 2007 SAM (EPPO, 2010) to calibrate *the equivalent fuel price changes* and *the relative fuel prices*, P_x , compared to the business as usual (BAU). Table 1 summarizes the procedure for calibrating the equivalent fuel price changes and the relative fuel prices, P_x , with respect to BAU (no subsidy reform), 100%, 50%, and 20% diesel and natural gas (raw and separated) subsidies removal.

Simulations

Scenarios

Two subsidy removal assumptions below are studied in this paper. The equivalent fuel price changes and the relative fuel prices, P_x , for the four scenarios are calibrated as shown in Table 1.

- a) **BAU** Business as usual, i.e., no subsidy reform
- b) **BIG BANG** Full subsidy removal, i.e., 100% subsidy removal of diesel and natural gas

Price effects

The main purpose of the price simulation is to measure the effects of fuel subsidy removals on sectoral prices. The simulations follow the *Leontief price model* assumption of “*cost-push*” where *quantities are fixed* but *prices change*. This is because the fundamental effects of fuel subsidy removals are on fuel prices and prices of other related products and services. Hence, the main simulations are the shock on these fuel prices due to various subsidy removals mentioned earlier.

Firstly, the expected price effects under BAU scenario, i.e., no subsidy reform, are measured by substituting the relative fuel prices $P_x = \mathbf{1}$ in equation (1). The BAU simulation represents

a situation of *no deviation* in the fuel prices from their baseline value. In this scenario, the solution of equation (1) must generate a column vector of $\mathbf{P_E} = \mathbf{1}$. This simulation is also used as a cross-check for the correctness of the model as well.

Secondly, the expected price effects under **BIG BANG** are measured by substituting the relative fuel prices $\mathbf{P_x}$ from Table 1 in equation (1). The difference between the solutions of $\mathbf{P_E}$ under **BIG BANG** and the solutions of $\mathbf{P_E} = \mathbf{1}$ under **BAU** scenario is the sectoral price effects of fuel price changes due to different subsidy removals as shown as percentage sectoral price changes in Table 2.

Social welfare effects

a) Changes in consumption under fixed household incomes and savings

Given fixed household incomes and constant savings constraints, the social welfare effects are examined through the adjustment of household consumption as sectoral price changes as below:

$$\mathbf{u}_h = c_{ih}^t \frac{Q_{i1}}{Q_{i0}} = c_{ih}^t \frac{P_{i0}}{P_{i1}} \quad (7)$$

b) Compensation requirement under fixed household consumption and savings

Given fixed household consumption and constant savings constraints, the social welfare effects are examined through the required compensation that is necessary for households to maintain their consumption as sectoral price changes as below:

$$\Delta INC_h = c_{ih}^t (P_{i1} - P_{i0}) Q_{i0} \quad (8)$$

Macroeconomic effects

The effects of the removal of fuel subsidies on key macroeconomic indicators are analyzed through following estimations:

- a) The estimation of the consumer price index (CPI), the GDP implicit price deflator, the government price index, the investment price index, and the export price index, follow the equations (2) – (6), respectively.
- b) Real GDP is estimated by dividing GDP or value added under **BAU** by the GDP implicit price deflator of **BIG BANG**.
- c) Real government consumption is estimated by dividing government consumption under **BAU** by the government price index of **BIG BANG**.
- d) Real investment is estimated by dividing investment under **BAU** by the investment price index of **BIG BANG**.
- e) Real export is estimated by dividing exports under **BAU** by the export price index of **BIG BANG**.
- f) Real household consumption is estimated by dividing household consumption under **BAU** by the consumer price index (CPI) of **BIG BANG**.

SIMULATION RESULTS

Sectoral Price Effects

The sectoral price effects of fuel price changes due to different subsidy removals are shown as relative sectoral prices, P_E , and percentage sectoral price changes in Table 2. According to SAM assumptions, prices of diesel and natural gas rise *across-the-board* for all sectors and all demands, and everyone faces the same price increases. As a result, the magnitude of the price effects depends mainly on the intensity of the use of diesel or natural gas as inputs for production. Specifically, sectors that use diesel or natural gas very intensively as inputs in their production will be among the most affected sectors. Moreover, by forward linkage effects, the downstream sectors that use outputs of the sectors that use diesel or natural gas very intensively will also be among the most affected sectors as well. Importantly, these downstream sectors that are indirectly affected by prices can be severely impacted as well. Table 3 shows the intensity of the use of diesel and natural gas as inputs for production.

Electricity (non-renewable) sector uses both natural gas (raw) and natural gas (separated) together for about 66% of its total inputs. Since electricity (non-renewable) is a major input for several downstream productions such as ice, hotel, water works and supply, spinning, weaving and bleaching, and textiles, these downstream sectors are also indirectly affected by the forward linkage effects. Likewise, basic chemicals sector uses both natural gas (raw) and natural gas (separated) together for about 12% of its total inputs. Since basic chemicals is an important input for various sectors like cement and non-metallic products and plastic products, these downstream sectors are also indirectly affected by the forward linkage effects. Therefore, it is necessary to present the intensity of the use of electricity (non-renewable) and basic chemicals as production inputs in Table 3 along with the intensity of the use of diesel and natural gas as well.

The top 10 price increases for each scenario are summarized in Table 4 associated with the intensity of the use of diesel, natural gas, electricity, and basic chemicals as inputs for their production. (Note that diesel, natural gas (raw), and natural gas (separated) are intentionally excluded from the top 10 lists). For every scenario, the most affected sector is Bxx (diesel-bio mix) as 84% of its inputs are from diesel. The second most affected sector is electricity (non-renewable) because the most intensive inputs of electricity (non-renewable) are mainly from natural gas (raw and separated). The next most affected group is land transport and water transport because 16%-17% of its inputs are from diesel and 2% from natural gas. The latter proportion is mainly for land transport which can be thought of as an approximate proxy for the NGV implication.

The next most affected group includes sectors that use electricity intensively, i.e., ice, hotel, and water works and supply. Basic chemicals industry is affected as it uses intensively both natural gas and its own chemical products as its major production inputs. Condensate is also in the top 10 lists because 7% of its inputs are from diesel and 5% from natural gas (raw). The remaining affected sector is cement and non-metallic products which uses electricity and diesel intensively as well.

Social Welfare Effects

Changes in consumption under fixed household incomes and savings

The social welfare effect for each household class can be measured as percentage changes in consumption as shown in Table 5. For the whole household classes, the aggregate consumption decreases by 1.67% under **BIG BANG**. The upper income classes (HH6-HH10) reduce their consumption by larger than the average reduction. On the other hand, the lower income classes (HH1-HH5) reduce their consumption by smaller than the average reduction. Indeed, everyone faces the same prices for a given product; therefore the size of the social welfare effects for this approach mainly depends on the share of that product in the consumption basket. Households that have a larger share generally are more affected than those have a smaller share. Non-agricultural households decrease their consumption by just a little bit larger than the average reduction. Agricultural households decrease their consumption by 1.60% under **BIG BANG** which is just a little bit smaller than the average reduction. This is because non-agricultural households spend a larger share than agricultural households on several products (almost 30 products) that are affected by the sectoral price effects, particularly, motor vehicles and repairing, other manufacturing products, air transport, leather products, textile products, land transport, diesel, other services, wholesale trade, education service, banking and insurance, computer, equipments, and parts, hotels, entertainment and recreation, and health service.

Compensation requirement under fixed household consumption and savings

Everyone faces the same prices for a given product, therefore the size of the social welfare effects or the compensation for this approach generally depends on the share of that product in the consumption basket and the initial expenditure. For a given initial expenditure, households that have a larger share of the products that are mostly affected by the sectoral price effects require more compensation than those that have a smaller share of the same products. This aspect is generally summarized by the consumer price index (CPI) of each household because the CPI is just the sum of sectoral price changes weighted by a share of each product in the consumption basket. For a given CPI, households that have the bigger initial expenditure on consumption require more compensation than those that have the smaller initial expenditure. From Table 6, the consumption basket for the whole households under **BIG BANG** is 1.78% more expensive than **BAU**. As a result, the whole consumption expenditure increases from 4,401 Billion Baht (**BAU**) to 4,479 Billion Baht. This means that the compensation requirement for the whole households is 78 Billion Baht (see Table 7).

As expected, the CPI of each household is higher by more or less. Households HH7-HH10 and non-agricultural households all face the higher CPI than the average, while the remaining households (HH1-HH6 and agricultural households) face the lower CPI than the average. The underlying reasons for the pattern of the effects on the CPI are explained by the share of the products in the consumption expenditure of each household class. This is the same explanation as mentioned earlier.

The pattern of the effects on the household expenditure depends slightly on the CPI, but considerably on the initial expenditure. As shown in Table 11, under **BIG BANG**, the pattern of the effects on the household expenditure follows the pattern of the initial expenditure, i.e., the household expenditure increases as household income rises, and the non-agricultural

household expenditure is more than the agricultural household expenditure. The compensation for each household thus follows the same pattern (see Table 12), i.e., to keep household consumption constant, the compensation increases as household income rises, and the compensation for non-agricultural households is more than agricultural households.

Macroeconomic Indicator Effects

Under **BIG BANG**, the GDP implicit price deflator increases by about 2.12%, the government price index by 1.33%, the investment price index by 1.14%, the export price index by 1.71%, and the overall consumer price index (CPI) by 1.78%. Changes in macroeconomic indicators are summarized in Table 8. Real GDP decreases by 175.87 Billion Baht (2.08%), real government consumption by 14.40 Billion Baht (1.32%), real investment by 28.25 Billion Baht (1.12%), real export decreases by 102.06 Billion Baht (1.68%), and real household consumption by 76.93 Billion Baht (1.75%). In sum, according to the level changes, a reduction in real GDP is mostly from a reduction in exports and household consumptions, and slightly from a reduction in investment and government consumption. According to the percentage changes, household consumption decreases by more proportion than exports, government consumption, and investment, respectively.

Implications of the Simulation Results for Diesel, LPG and NGV

According to the 2007 SAM for Thailand, natural gas is used by almost 60 sectors (from total 79 sectors), especially, electricity (non-renewable), basic chemicals, construction, land transport, restaurants, ceramic and glass products, chemical products, other manufacturing products, air transport, hotels, electrical machinery and apparatus, cement and non-metallic products, iron, steel products, motor vehicles and repairing, fabricated metal products, diesel, health service, industrial machinery, silo and other related transport, processing and preserving of foods, computer, equipments, and parts, sugar and molasses, other foods, other transportation equipment and scientific, and aviation fuel and kerosene, etc. Nevertheless, only some of the above sectors use natural gas in the form of LPG and NGV, for example, land transport, restaurants, hotels, some crops, some processing foods, and some manufacturing. Therefore, the removal of LPG and NGV subsidies affects only some sectors. According to the Energy Statistics, Energy Forecast and Information Technology Center, Energy Policy and Planning Office (EPPO) (Table 3.2: Consumption Share of Natural Gas by Sector), in 2012, NGV consumption is only 6.1% of the total natural gas consumption, and GSP (gas separated) consumption is only 21.1% of the total natural gas consumption. Approximately, about 16% of GSP is formed as LPG byproduct. Therefore, LPG consumption is only about 3.4% ($21.1\% \times 16\%$) of the total natural gas consumption. Nevertheless, in fact, the unit rate of subsidies on LPG and NGV are different from the unit rate of subsidies on natural gas. According to ADB Consolidated Inventories (Thailand) (January, 2014) and following the same calibration of the equivalent subsidies shown in Table 1, the equivalent LPG subsidies in 2007 are estimated to be 62,635 Million Baht, and the equivalent NGV subsidies in 2007 are estimated to be 20,447 Million Baht. From Table 1, the equivalent natural gas (raw and separated) subsidies in 2007 are 85,190 Million Baht. Thus, LPG subsidies are about 0.74 times natural gas subsidies, and NGV subsidies are about 0.24 times natural gas subsidies.

Thus, for a rather rough approximation, the equivalent effect of LPG is about 2.52% ($3.4\% \times 0.74$) of the effect of natural gas, and the equivalent effect of NGV is about 1.46% ($6.1\% \times 0.24$) of the effect of natural gas. In sum, the combined equivalent effects of LPG and NGV is about 3.98% ($2.52\% + 1.46\%$) of the effect of natural gas. Note from the prior simulation results that, on the average, the effects of the removal of diesel subsidies are about 40% of the total effects, and the effects of the removal of natural gas subsidies are about 60% of the total effects. These three estimated parameters: the diesel effects (40%), the natural gas effects (60%), and the combined LPG and NGV effects (3.98%) are then used to roughly estimate the effects of the removal of diesel, LPG, and NGV subsidies from the associated simulation results of the removal of diesel and natural gas subsidies.

CONCLUSIONS

This paper explores the social and economic impacts of the fuel subsidy reforms in Thailand by using the economy-wide approach: the SAM methodology on the 2007 SAM for Thailand. Firstly, it simulates the removal of subsidies of diesel and natural gas. It investigates the simulation results of the removal of diesel and natural gas subsidies on the sectoral prices effects, the social welfare effects, and the macroeconomic effects. Finally, the paper makes an approximate inference of the simulation results of the removal of diesel and natural gas subsidies.

Lastly, the overall analysis bases on the SAM methods, i.e., the Leontief price model and the Leontief quantity model. The former assumes only price changes, while the latter assumes only quantity changes. This is a weak point of the model that does not take into account the feedback effects between prices and quantities. Moreover, the model does not capture the economic behavior of producers and households when they make their production and consumption decisions. For example, the model does not consider how producers allocate their inputs across productions; it does not consider how consumers substitute their consumptions across goods and services; it assumes resource abundance for all production sectors, etc. A computable general equilibrium (CGE) model can solve the weaknesses of the SAM methods and better improve the impact analysis.

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Table 1

Equivalent fuel subsidies and fuel price changes due to subsidy removals in 2007

	Diesel	Natural gas (raw)	Natural gas (separated)	Subsidy savings
a. Equivalent fuel consumption quantities in 2007	(1000 Litre) 18,952,490	(1000 ccf) 13,052,400	(1000 ccf) 3,222,209	
b. Equivalent fuel subsidies in 2007	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)
▪ Initial subsidy, BAU	105,777	21,751	63,439	
▪ 100% subsidy removal	105,777	21,751	63,439	190,967
c. Equivalent fuel price changes, (b)/(a)	(Baht/litre)	(Baht/1000 ccf)	(Baht/1000 ccf)	
▪ 0% subsidy removal,	0	0	0	
▪ 100% subsidy removal	5.5812	1,666	19,688	
d. Domestic fuel values from SAM (2007)	(Million Baht) 622,519	(Million Baht) 129,750	(Million Baht) 404,306	
e. Initial subsidized fuel prices, (d)/(a)	(Baht/litre) 32.85	(Baht/1000 ccf) 9,941	(Baht/1000 ccf) 125,475	
f. Fuel prices, (c) + (e)	(Baht/litre)	(Baht/1000 ccf)	(Baht/1000 ccf)	
▪ 0% subsidy removal	32.85	9,941	125,475	
▪ 100% subsidy removal	38.43	11,607	145,163	
g. Relative fuel prices, P_x , (f)/(e)	(No unit)	(No unit)	(No unit)	
▪ 0% subsidy removal,	1	1	1	
▪ 100% subsidy removal	1.1699	1.1676	1.1569	

Table 2

Percentage sectoral prices under BIGBANG compared to BAU

No	Sectors	Percentage changes	No	Sectors	Percentage changes
001	CPaddy	0.4619	041	CTobacco	0.1022
002	CMaize	0.3441	042	CSpinBleach	2.0150
003	CCassava	0.2702	043	CTextile	1.4664
004	CSugarCane	0.7024	044	CLeather	0.9301
005	CPalmNuts	0.8655	045	CSawMillWood	1.0480
006	COthCrops	0.4962	046	CPaperPrint	0.7907
007	CLivestocks	0.6156	047	CBasicChem	2.8281
008	CFisheries	1.9536	048	CChemProduct	1.0644
009	CCoalLignite	0.9188	049	CRubberProd	1.0737
010	CCrudeOil	0.3687	050	CPlasticProd	1.7349
011	CNatGasRaw	16.7638	051	CCeramicGlas	2.0584
012	CCondensate	2.3348	052	CNonMetal	2.0890
013	CPreGasoline	1.2348	053	CIronSteel	0.5804
014	CRegGasoline	0.4902	054	CFabMetal	0.5326
015	CExxGasohol	0.6884	055	CIndMachine	0.5208
016	CJetKerosene	0.2621	056	CElecMachApp	0.4577
017	CDiesel	16.9918	057	CComputePart	0.5658
018	CBxDieselBio	14.3094	058	CCircuits	0.1680
019	CFuelOil	0.1761	059	CMotorVehRep	0.7476
020	CElecNonRene	11.2638	060	COthTransEqu	0.3077
021	CElecRenew	1.0202	061	COthManuProd	0.8003
022	CNatGasSep	15.6908	062	CWaterWorks	2.5088
023	CEthanol	0.9992	063	CWholesale	0.8025
024	CBioDiesel	1.3333	064	CRetail	0.7805
025	CCharcoal	0.2324	065	CLandTrans	3.9137
026	CFuelWaste	0.4914	066	CWaterTrans	3.7921
027	CForestry	0.1962	067	CAirTrans	0.8089
028	CMetalOre	0.3282	068	CSiloOthTran	1.2275
029	CNonMetalOre	1.2602	069	CCommunicate	0.7143
030	CMeat	0.7054	070	CConstruct	1.6837
031	CCrudePalm	1.1366	071	CRestaurant	1.5014
032	CPalmOilFood	1.2092	072	CHotel	2.9658
033	CAniVegOil	0.7672	073	CBankInsure	0.5191
034	CProcessFood	0.9923	074	CEstateServ	0.8070
035	CRiceGrainMl	1.0367	075	CPublicServ	0.0936
036	CSugarMolass	1.0733	076	CEducateServ	1.0590
037	CIce	5.2324	077	CHealthServ	1.1584
038	CMsg	1.6820	078	CEntertain	1.0800
039	COthFood	0.9787	079	COthService	1.0650
040	CBeverage	0.6967	041	CTobacco	0.1022

Table 3

Intensity of the use of diesel, natural gas, electricity, and basic chemicals as inputs, (%)

		Diesel	Natural gas (raw)	Natural gas (separated)	Electricity	Basic chemicals
001	CPaddy	1.595			0.019	
002	CMaize	0.611			0.004	
003	CCassava	0.259				
004	CSugarCane	1.688				
005	CPalmNuts	3.244				
006	COthCrops	1.394		0.022	0.191	0.948
007	CLivestocks	0.666		0.004	0.924	0.002
008	CFisheries	7.590		0.055	0.459	1.641
009	CCoalLignite	3.804			0.334	0.005
010	CCrudeOil	1.726			0.139	0.011
011	CNatGasRaw	1.775	2.198		0.143	0.011
012	CCondensate	7.207	4.745		0.581	0.045
013	CPreGasoline	0.143		0.152	0.172	0.996
014	CRegGasoline	0.143		0.093	0.172	0.062
015	CExxGasohol				0.024	
016	CJetKerosene			0.137	0.253	
017	CDiesel	0.143		0.099	0.172	
018	CBxDieselBio	83.744			0.190	
019	CFuelOil			0.093	0.172	
020	CElecNonRene	0.529	28.905	36.823	3.738	
021	CElecRenew	0.406		0.037	7.365	
022	CNatGasSep	0.023	57.322	4.282	0.592	0.310
023	CEthanol	0.693		0.051	0.689	9.351
024	CBioDiesel	0.389		0.135	1.272	2.488
025	CCharcoal	0.205				
026	CFuelWaste	0.061		0.009	0.603	0.053
027	CForestry	0.289			0.097	
028	CMetalOre	0.408		0.002	0.167	0.664
029	CNonMetalOre	2.901		0.002	2.979	1.584
030	CMeat	0.436		0.004	1.054	0.153
031	CCrudePalm	0.272		0.097	0.889	1.792
032	CPalmOilFood	0.383		0.137	1.254	2.528
033	CAniVegOil	0.281		0.024	1.790	1.823
034	CProcessFood	0.567		0.076	1.683	0.516
035	CRiceGrainMl	0.268		0.004	3.884	0.094
036	CSugarMolass	0.838		0.274	2.098	1.536
037	CIce	0.433			41.390	4.700
038	CMsg	2.486		0.180	2.727	9.803
039	COthFood	0.740		0.114	1.490	0.193
040	CBeverage	0.758		0.007	0.723	3.403

Table 3 (continued)

		Diesel	Natural gas (raw)	Natural gas (separated)	Electricity	Basic chemicals
041	CTobacco	0.023			0.264	0.078
042	CSpinBleach	0.480		0.034	10.131	11.058
043	CTextile	0.388			3.909	1.090
044	CLeather	0.222		0.016	0.693	7.930
045	CSawMillWood	0.361		0.030	3.257	0.858
046	CPaperPrint	0.299		0.038	1.758	2.640
047	CBasicChem	1.566		10.546	1.677	19.881
048	CChemProduct	0.670		0.481	1.161	14.704
049	CRubberProd	0.925		0.004	2.299	3.961
050	CPlasticProd	0.592		0.048	5.439	28.126
051	CCeramicGlas	3.022		2.536	4.455	2.469
052	CNonMetal	2.079		0.574	8.583	0.188
053	CIronSteel	0.752		0.093	2.261	0.006
054	CFabMetal	0.553		0.183	0.980	0.317
055	CIndMachine	0.755		0.079	1.272	0.209
056	CElecMachApp	0.219		0.076	0.921	0.199
057	CComputePart	0.099		0.026	0.975	0.235
058	CCircuits	0.025		0.015	0.331	0.117
059	CMotorVehRep	0.342		0.058	1.715	0.507
060	COthTransEqu	0.278		0.052	0.684	0.276
061	COthManuProd	0.150		0.357	1.116	1.365
062	CWaterWorks	0.285			20.337	
063	CWholesale	0.849		0.003	2.610	
064	CRetail	0.288		0.007	4.358	
065	CLandTrans	16.405		2.046	0.352	
066	CWaterTrans	17.184		0.003	0.234	
067	CAirTrans	0.591		0.729	1.211	
068	CSiloOthTran	1.967		0.182	2.031	
069	CCommunicate	0.481			3.380	
070	CConstruct	0.654		2.159	0.754	0.003
071	CRestaurant	0.773		0.727	4.473	
072	CHotel	0.510		0.797	20.763	
073	CBankInsure	0.315		-	1.909	
074	CEstateServ	0.853		0.001	2.758	0.000
075	CPublicServ	0.283			0.229	0.001
076	CEducateServ	2.192			3.738	
077	CHealthServ	0.471		0.266	5.281	0.003
078	CEntertain	0.582		0.044	4.088	0.000
079	COthService	1.050		0.005	4.260	0.071

Table 4

The top 10 price increases (%) along with important input intensity (%) under BIG BANG

No.	Sector	Price changes (%)	Intensity (%)				
			Diesel	Natural gas (raw)	Natural gas (separated)	Electricity	Basic chemicals
018	Bxx (Diesel-Bio mix)	14.309	83.744			0.190	
020	Electricity (Non-renew)	11.264	0.529	28.905	36.823	3.738	
037	Ice	5.232	0.433			41.390	4.700
065	Land transport	3.914	16.405		2.046	0.352	
066	Water transport	3.792	17.184		0.003	0.234	
072	Hotels	2.966	0.510		0.797	20.763	
047	Basic chemicals	2.828	1.566		10.546	1.677	19.881
062	Water works and supply	2.509	0.285			20.337	
012	Condensate	2.335	7.207	4.745		0.581	0.045
052	Cement and non-metallic products	2.089	2.079		0.574	8.583	0.188

Table 5

Percentage changes in consumption due to diesel and natural gas subsidies removal under BIG BANG

	BIG BANG
All households	-1.67
HH1	-1.35
HH2	-1.38
HH3	-1.45
HH4	-1.54
HH5	-1.60
HH6	-1.67
HH7	-1.83
HH8	-1.81
HH9	-1.80
HH10	-1.67
HH_AG	-1.60
HH_NAG	-1.68

Table 6

Consumer price index (CPI) and household expenditure due to diesel and natural gas subsidies removal, holding fixed consumption under BIG BANG

	CPI (%)		Household expenditure (Billion Baht)	
	BAU	BIG BANG	BAU	BIG BANG
All households	0	1.779	4,401	4,479
HH1	0	1.415	159	161
HH2	0	1.454	210	213
HH3	0	1.528	239	243
HH4	0	1.631	280	285
HH5	0	1.693	384	390
HH6	0	1.767	404	412
HH7	0	1.954	448	457
HH8	0	1.940	493	503
HH9	0	1.934	620	632
HH10	0	1.788	1,164	1,184
HH_AG	0	1.702	545	555
HH_NAG	0	1.790	3,855	3,924

Table 7

Social welfare effects (compensation requirement) due to diesel and natural gas subsidies removal, holding fixed consumption under BIG BANG

	Compensation (Billion Baht)	
	BA U	BIG BANG
Household	0	78.27
HH1	0	2.25
HH2	0	3.05
HH3	0	3.65
HH4	0	4.57
HH5	0	6.50
HH6	0	7.14
HH7	0	8.76
HH8	0	9.57
HH9	0	11.99
HH10	0	20.80
HH_AG	0	9.28
HH_NA	0	68.99
G		

Table 8

Macroeconomic indicators due to diesel and natural gas subsidies removal under BIG BANG

	Change in macroeconom ic indicators (Billion Baht)		Change in macroeconom ic indicators (Percentage)	
	BA U	BIG BANG	BA U	BIG BANG
Real GDP	0	-175.87	0	-2.08
Real government consumption	0	-14.40	0	-1.32
Real investment	0	-28.25	0	-1.12
Real export	0	-102.06	0	-1.68
Real household consumption	0	-76.93	0	-1.75
HH1	0	-2.22	0	-1.40
HH2	0	-3.01	0	-1.43
HH3	0	-3.60	0	-1.51
HH4	0	-4.49	0	-1.60
HH5	0	-6.39	0	-1.66
HH6	0	-7.01	0	-1.74
HH7	0	-8.59	0	-1.92
HH8	0	-9.38	0	-1.90
HH9	0	-11.76	0	-1.90
HH10	0	-20.45	0	-1.76
HH_AG	0	-9.12	0	-1.67
HH_NAG	0	-67.79	0	-1.76

**REVISITING THE ISSUE OF POVERTY AND PRIMARY SCHOOL EDUCATION
OF THE INDIGENOUS PEOPLE IN POS SINDERUT, PAHANG, MALAYSIA**

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ABSTRACT

Since the 1970's, the Malaysian Government has focused in eradicating the incidence of poverty of the nation. The result shows that Malaysia has successfully reduced the incidence of poverty from 49.3 percent in 1970 to 3.8 percent in 2009. However, the majority of the indigenous communities in Peninsular Malaysia are still living under the category of poverty. Thus, formal education is one of the essential elements for the Orang Asli (indigenous people) to stay out of the poverty circle. However, the children of Orang Asli are lagging behind in terms of academic performance and recording a relatively high dropout rate compared with the overall academic performance throughout the nation. In order to increase the level of literacy and decrease the dropout rate of the Orang Asli children, several methods and policies have been implemented such as providing allowances, transportation and accommodation to the students. This paper addresses the issues and challenges in the aspect of teaching and learning at Sekolah Kebangsaan Sinderut, the only primary school in the Orang Asli settlement of more than 2800 population, Pos Sinderut, Pahang, Malaysia. Data were collected through observations and in-depth interviews with the headmaster, teachers, parents and students from eight villages out of 19 villages in Pos Sinderut, from the year of 2011 to 2013. The main issues and challenges in providing primary education in the school of Orang Asli are the conflict between teachers and parents, teaching and learning process, the impact of amenities and infrastructure on teaching and learning, and the role of parents in their children's education. The paper concludes with several suggestions to address the issue of providing formal education to the Orang Asli students.

KEY WORDS: Education, indigenous people, poverty

THE BACKGROUND OF POS SINDERUT

Pos Sinderut is located in the Mukim of Ulu Jelai and consists of 19 villages with a population of 2846. The journey from Kuala Lipis town to the entrance of Pos Sinderut through tar-selaed road is around 1 hour and 20 minutes by car. Then it takes another 2 hours to travel on the 35 km unpaved road to reach the school.

All of the villagers in Pos Sinderut are of Semai tribe. The majority of them are Christians and some are Muslims and Animists. Unlike the urban folks, most of them do not have a permanent job with monthly income. Therefore, in order to sustain their life, they do farming, fishing, hunting and collecting forest products such as rattan, bamboo and traditional herbs, namely, *Kacip Fatimah* and *Tongkat Ali*, for their own consumption and for sale. In addition, the villagers in Pos Sinderut plant rubber trees, fruits such as banana, durian, coconut, mango and rambutan, and rear goats and chicken as well. Most of the mentioned produces are for their own consumptions except rubber, traditional herbs, goats and chicken, and some of the jungle produce which are sold to the middleman to earn income for their living.

Generally, the houses in Pos Sinderut are made of bamboo. However, some of the villagers stay in full brick houses, funded by the Malaysian government through PPRT (*Projek Perumahan Rakyat Termiskin*), 'Housing Project for The Poor'. There are also villagers who stay in half brick and half bamboo houses funded by Christianity NGO groups (see Figure 1). A majority of the houses do not have electricity supply and only a small number of houses have access to electricity during the night by using personal generators. Moreover, there is no running water in the area and the villagers' main sources of the water come from the

mountain (gravity water), rain fall and river for their daily use. This includes drinking, cooking and showering.

In terms of education, The Ministry of Education Malaysia and JAKOA (The Welfare Department of Indigenous People) have provided a pre-school and a primary school in Pos Sinderut. According to the JAKOA Annual Report (2010), the education department of JAKOA has allocated RM263,000 to the Pahang state in 2010 for education development. The primary school provides education to children from ages 5 to 12 as well as their parents as the school offers classes for the adults who are interested to acquire basic reading, writing and calculating skills.

Figure 1. The Half Brick and Half Bamboo House in Pos Sinderut



The school in Pos Sinderut has 34 teachers and 606 registered students in 2011. This includes a total of 150 students who live in the school hostel. Due to the limited capacity of the hostel, it only could accept students who live far from the school. Meanwhile, those who are staying nearby can walk or use the transportation provided by JAKOA to commute from their home to school and vice versa. As stated in the JAKOA Annual Report (2010), RM2.7 million has been allocated to provide transportation to the Orang Asli children in Pahang to commute between home and school in 2010.

ORANG ASLI AND EDUCATION

Outsiders tend to view the Orang Asli community as stupid, unconfident, incapable of making decisions on their own, depending on others to do everything for them and lazy (Chupil & Joseph, 2003). Moreover, due to poor education performance, they remain one of the poorest in the country (Nadchatram, 2007). It means that without education, Orang Asli will remain trapped in the cycle of poverty. However, because of the outsiders' inaccurate perception on the Orang Asli community, they do not anticipate the real problems and challenges which the community is facing. For example, the lack of basic necessity as other kids have electricity to do their revision during the day and night, and other luxuries such as educational toys, study and reading materials, educational programmes on television and educated parents who have

direct influence in their learning process and academic performance. Aligned with Kenyathulla (2013) study, indigenous family spent less in private tutoring as compared to other ethnic groups in Malaysia mainly due to the low level of income and literacy of the head of the household.

The way the Orang Asli kids learn is different than urban kids as they learn through the indigenous language, arts, rituals, folklore and taboos which do not have a fixed syllabus and timetable of learning (Karubi, Goy & Wong, 2013). Thus, the teaching method, which follows a rigid curriculum in the national school system, practised by the teachers has placed the Orang Asli students in an inauspicious position (Nicholas, 2010). When the children enter Primary 1 with all the mentioned eccentric components, they take a relatively longer time than the ordinary students to catch up. Furthermore, a majority of the Orang Asli children do not have the chance to attend kindergarten before entering Primary 1 and this drawback is reflected in the slow learning process of speaking, reading and writing. After examining the same issue, Abdull et al. (2011) stated that a majority of the Orang Asli students have problems reading Bahasa Malaysia. They measured the students' ability by looking at the 3M (Membaca, Menulis, Mengira) which means reading, writing and calculating. Eventually, they discovered that a majority of the students achieved another set of 3M (Main, Makan, Menyanyi) which is playing, eating and singing. In order to increase the awareness of how important education is, JAKOA has launched a five-year strategic plan with the intention of reducing the dropout rate among the Orang Asli students between 2011 to 2015 (Shabli, 2011).

Warren, Baturo and Cooper (2010) did a study on indigenous students in the rural Queensland and concluded that teachers should take into consideration the remote background of the indigenous students. The approach of teaching the urban students is different from teaching the rural indigenous students. Therefore, contextualisation is one of the key components in teaching indigenous students with low social and economic background. Similar to Warren's study, Yen (2009) investigates on the incidence of minority students fail in the Taiwan public school system and discovers that the indigenous students could not catch up the syllabus due to the irrelevance of the curriculum to the students' personal lives.

On the academic performance of the Orang Asli students, Johari (2002) affirmed that children who come from the upper and middle class family adapt themselves relatively faster in school compared to those who come from the lower class like the Orang Asli family. The advantages of children in the upper and middle class are availability of educated parents and accessibility to educational toys which could assist them in enhancing the learning process whereas the Orang Asli children do not enjoy any of those.

Johari and Nazri (2007) believed that the distance between school and home, and the experience of the teachers have a significant impact in the Orang Asli students' academic performance. When the school is far from the homes of the Orang Asli children, enrolment and attendance decreases. Although in their case study, the authority provides a van to transport the students from home to school and vice versa, the departure time from home as early as 5.30 a.m. is questionable as the children have to bathe with the cold river catchment water and the parents have to make breakfast for the children at such early hours of the morning.

For the purpose of tailoring the syllabus to the learning style of the Orang Asli students, the Ministry of Education Malaysia and the United Nations Children's Fund (UNICEF) have a plan to incorporate the Orang Asli folklores and legends into the teaching and learning aids (Nadchatram, 2007). The intention of the programme is to introduce story-telling techniques in the classroom of Orang Asli students with the aim of encouraging reading habits and improving their writing skills. In addition, Chupil and Joseph (2003) used songs as one of the media to educate the Orang Asli children and adults by incorporating the issues of land problem, gender and children education in to the lyrics. Other than that, Ghazali et al. (n.d) examined the application of drama technique in teaching Bahasa Malaysia in selected primary schools of Orang Asli and discovered that this technique is effective for teaching and learning them.

A study done by Simmons and Alexander (1978) proved that high quality teachers and more expensive facilities do not increase academic achievement in the poorest countries particularly in the primary school level. However, Johari and Nazri (2007) suggested that experienced teachers and basic facilities are important in improving the academic performance of the Orang Asli students.

DATA COLLECTION

A case study was conducted at the Orang Asli settlement in Pos Sinderut, Kuala Lipis, Pahang to identify the issues and challenges of providing primary education to the Orang Asli in Malaysia. The data were collected primarily using qualitative method and purposive sampling method has been used to identify participants in this study.

Individual in-depth interviews and focus group meetings were conducted with the school teachers, villagers, parents and students. In brief, five focus group meetings were conducted in five Orang Asli villages, namely, *Kampung Kuala Sinderut*, *Kampung Hulu Sinderut*, *Kampung Regang*, *Kampung Saweh* and *Kampung Labu*. In-depth interviews were conducted with four school teachers in the school area and with eight Orang Asli parents in their houses. The main purpose of the methods was to understand the history and basic information of the school, issues and challenges in teaching and learning as well as to identify solutions to overcome those challenges.

THE CHALLENGES IN TEACHING THE ORANG ASLI STUDENTS

Through the study, the researchers uncovered two different issues concerning the local community and the teachers. The core issue that was actively discussed by the Orang Asli community is the teaching quality and the treatment from the teachers. The second focal issue discussed by the teachers is the learning attitude and academic performance of the students.

Most of the Orang Asli children do not have the privilege to attend kindergarten before entering Primary 1. It does not only mean that they are not prepared for the formal education; they are also not prepared to speak the national language, *Bahasa Malaysia*, as their mother tongue is *Bahasa Semai*. One of the teachers told the authors that the main factor which slows down the students learning process is the language barrier. Teaching the Year 1 students is very difficult when they are unable to speak *Bahasa Malaysia*. Comparatively, students who had the opportunity to attend kindergarten show faster learning process and perform relatively better than those who did not attend kindergarten. Maybe due to the miscommunication

between teachers and students, in terms of instructions in classroom, such as “no talking in class” and “do not leave the classroom without permission”, some students have complained that they had always been punished by their teachers.

In the case of Malaysia, students generally have their own text books and exercise books so that they can study in school and do revision at home. However, it is not the case in SK Sinderut as students are not allowed to bring home text books and exercise books. According to the teachers, the Orang Asli students are not capable of taking care of the books and reading materials. If the students are allowed to bring those items home, it probably would be torn off and become incomplete when they return the items to school the next day. Therefore, there is no homework and no revision for the students to do after school. In that context, it has severely affected the learning process on what they should learn according to the national syllabus.

POVERTY, AMENITIES, INFRASTRUCTURE AND EDUCATION

Electricity has a momentous impact on the students’ academic performance. As mentioned earlier, students are not allowed to bring home text books and exercise books after school hours. Even if the students are allowed to do so, the hot temperature during the day and the darkness during the night limit their ability to study without the provision of electricity. However, some parents did share their dilemma of electricity with the author. In one hand, they wish to have electricity supply, but in another hand, they know that they are unable to pay the utility bill due to their low and inconsistent income as in average, each interviewee earns less than RM250 (approximately USD69) per month.

In contrast, students who stay in the school hostel have relatively better academic performance than those who stay at home. The school hostel has access to electricity, which is available during the night and students have an opportunity to attend a one and a half hour of revision class with three teaching staff. At present, there are 50 students for each staff. With that, one of the teachers affirmed that the learning process for the students is faster and the academic performance is better. With the limited capacity of the school hostel, which can only accommodate 150 students, the majority of the students do not have the opportunity to stay in the hostel. Instead, they commute between home and school.

Commuting to school daily is also a problem to all of the Orang Asli students especially to those who are staying far away from the school. This is more pressing when their parents do not own any mode of transport. The expected duration to commute from school to the farthest village is about two hours by four-wheel drive along the earth road and it is not an all weather accessible road. Several four-wheel drives are provided by JAKOA (The Orang Asli Welfare Department) to transport the students from home to school and vice versa, from Monday to Friday. Most of the four-wheel drives are five-seater and due to the limited capacity of the vehicle, a majority of the students have to stand at the rear part of the vehicle (Figure 2).

Figure 2. Students Standing at the Rear Part of the Vehicle

In addition, the physical infrastructure of the school also undermines the effort of teaching and learning. The teachers argued that the number of classrooms available in the school is not sufficient to accommodate all of the students. As a result, a partition has been installed to divide a classroom into two. Consequently, the physical size of the classroom becomes smaller and students are having difficulties to concentrate due to the distraction from adjoining classroom.

THE ROLE OF PARENTS IN CHILDREN'S EDUCATIONAL PERFORMANCE

Parents, educated or otherwise, have a direct impact on their children academic performance. Through observation, children are not learning what they should learn on the syllabus after school hours. They have the tendency to play in the river and around the village with friends. Through the interviews with the parents, most of them recognised the significance of formal education for their children but they are incapable of assisting as most of them had never attended school. Therefore, they put the blame on the teachers when their children did not progress in the learning process.

In most cases, the one who complained about the teachers is the student. When they failed to show progress in learning, fingers would be pointed towards the teachers and the reason would be "*cikgu tak ajar*" (teacher did not teach). As pointed out by one of the villagers, children like to use this as an excuse when it comes to anything that they do not know. In addition, the parents usually choose to believe them. However, some villagers who attended school in their early age had given a concrete example in questioning the teachers' ability to teach such as the ability of the kids to write their own names. According to them, they can write their names after attending year 1 in primary school but some of the kids in the village are unable to do so even in their year 3 of primary school.

Nonetheless, absence from school is also one of the factors which slow down the process of learning. While conducting interviews at their houses, the authors had saw that several kids

were at home when they were supposed to be in school. After questioning the parents, the authors were told that these children are having a fever. Thus, they did not go to school for the one whole week. However, from the authors' observation, the kids were healthy and running around the village with their friends. Based on this, authors assumed that the children were lying to their parents for the purpose of playing truant.

CONCLUSION

It is a big challenge to provide primary school education to the Orang Asli community in Pos Sinderut, Pahang in these areas: the teaching and learning process, facilities and infrastructure, and the relationship between parents and children in their academic performances.

In the aspect of teaching and learning, teachers have to find an effective way to teach the Orang Asli students in terms of speaking, writing and listening in *Bahasa Malaysia* as the majority of them are not prepared for formal education. The present practice leaves the students with much idle time, which is not spent on formal education. To a certain extent, it has disrupted the process of teaching and learning by leaving the students without educational or reading material after school hours. To tackle the problem, teachers need to come up with creative ways of enhancing the learning process and motivate them to learn without the aid of textbooks.

The next issue is the lack of basic facilities and infrastructure which undermines the process of teaching and learning in the case study area. Without electricity, children do not feel comfortable at home during the mid day and night as there is no power supply for the fan and lights. In this condition, even if there are reading materials provided to the students, it is a big challenge for the children to do the revision as instructed by their teachers either in the day or night.

The third issue identified in this research is linked to the role of parents in their children's educational performance. In general, the Orang Asli parents realised the importance of formal education to their children's life. However, they are unable to do much about it as the majority of them do not have a formal education background. Therefore, parents expect the teachers to take full responsibility of the learning of their children. When their children are unable to acquire the knowledge which taught by the teachers, the popular excuse given is "*cikgu tak ajar*" (teachers did not teach) and parents choose to believe them. This is one of the reasons why almost all parents in the interviews are not satisfied with the teaching method of the teachers in school.

To sum up, the role of a teacher is very important in increasing the effectiveness of teaching and learning in formal education with the Orang Asli students as most of the students did not attend pre-school before entering year 1 of primary school. Other than that, the basic infrastructure, namely, the number of classrooms and capacity of hostel also need to be improved and provided by the related authority so that it can support and enhance the teaching and learning process of the Orang Asli students.

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**SOLID WASTE MANAGEMENT AMONG COMMUNITY
IN THE CITY OF KUCHING NORTH, SARAWAK:
A CASE STUDY OF KAMPUNG PINANG JAWA AND TAMAN FITRAH**

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ABSTRACT

Solid waste management is a major challenge for Malaysia in becoming a fully developed nation by 2020. This paper aims to investigate the solid waste management among the community in the city of Kuching North, Sarawak. The main focus of the research is to measure the knowledge, attitudes and community practices in solid waste management, to identify factors influencing household waste management and to examine the role of the local authority in enhancing the community sustainable capacity in solid waste management. The results indicated that the level of knowledge, attitudes and practices of solid waste management among the community was moderate. The availability and accessibility to recycling facilities were important factors that promote solid waste management practices among the community. Co-operation between local authority and sustainable community together with structural support are necessary for the effectiveness of the solid waste management where local authority plays important role as a promoter and educator to ensure the sustainability of the city.

KEY WORDS: Solid waste management, environment management, sustainable communities, sustainable cities

INTRODUCTION

Solid waste disposal and management has received less attention not only from the policy maker and academics but also from the community. Waste disposal and management was not an issue before the era of globalization when there were no population booming and technological advancement. Nevertheless, with the increasing of population together with technological advancement, the disposal and management began to create a serious problem especially to human mankind where improper handling and disposal of solid waste can cause morbidity and mortality in some areas (Medina 2010). In urban areas like Kuching city, the issues and problems of solid waste management need immediate attention not only from the policy maker but also the community. However, most of the households are struggling to manage their waste because households generate waste every day (Momoh & Oladebeye 2010; Jha et al. 2011). The amounts of waste generated by the household keep on increasing due to economical factor and also seasonal factor. In Malaysia, the amount of waste will increase double the original amount during the festive season such as Hari Raya or during Chinese New Year (Agamuthu et al. 2007).

The method of disposing solid waste in the city include curbside pickup by the local authority or private contractors, illegal dumping sites and burning of wastes on open area. The increasing amount of waste caused the waste disposal and management become incompetent in which the cost of handling will rise where Medina (2010) mentioned that collecting, transporting and disposing solid waste represent a large expenditure in most developing countries. Nevertheless, the assumption of waste management is the responsibility of the local authority led the community to ignore that it is actually the community responsibility to reduce the amount of waste generated. It has been proven that to reach a sustainable environment, participation of the community must be encouraged and promoted (Momoh & Oladebeye 2010). Many programs related to solid waste management has been initiated to educate and facilitate the community to become environmental friendly community. However, some of the community were not involved with the program and let the local authority to take the responsibility to manage the waste. Knowledge and attitude plays an important role to encourage community to involve in solid waste management practice.

The main focus of this paper is to measure the knowledge, attitudes and community practices in solid waste management apart from examining the relationship between some selected variables and solid waste management practices. The paper also focuses on identifying factors influencing community waste management. The gist of this study is to educate and encourage the community of Kuching North city to reduce their solid waste generation and also as an eye opener for other stakeholders to come out with an initiative to reduce the generation of waste. The focus of this study will be on household where the household is the one of the main contributor of waste generation in urban area (Jha, et al. 2011). Waste generation can be identified as a process in which materials are no longer be used whether it is thrown away or gathered for disposal (Momoh & Oladebeye 2010). Solid waste from a certain community consists of a mixture of wastes which include food waste, paper, plastics, aluminums, garden waste and so on. According to Oyaide (2007 cited in Momoh & Oladebeye 2010), solid waste generation depends on factor such as standard of living, nutritional habit and commercial activities.

BACKGROUND OF STUDY AREA

Kuching city attract people from all over Sarawak because of what it can offer for the people to have a better lifestyle. However, the concentration of population in urban area will cause pressure to the environment and this can be seen on the occurrence of environmental problems such as urban warming, pollution, congestion and loss of biodiversity due to the changes in urban land-use (Abdul Hadi et al. 2010; Imura 2010; Inoguchi et al. 1999). The increasing amount of waste is the main issue in the urban area. As we can see from Figure 1, food waste has the highest percentage (33%) on the waste composition followed by paper (19%) and plastics (16%).

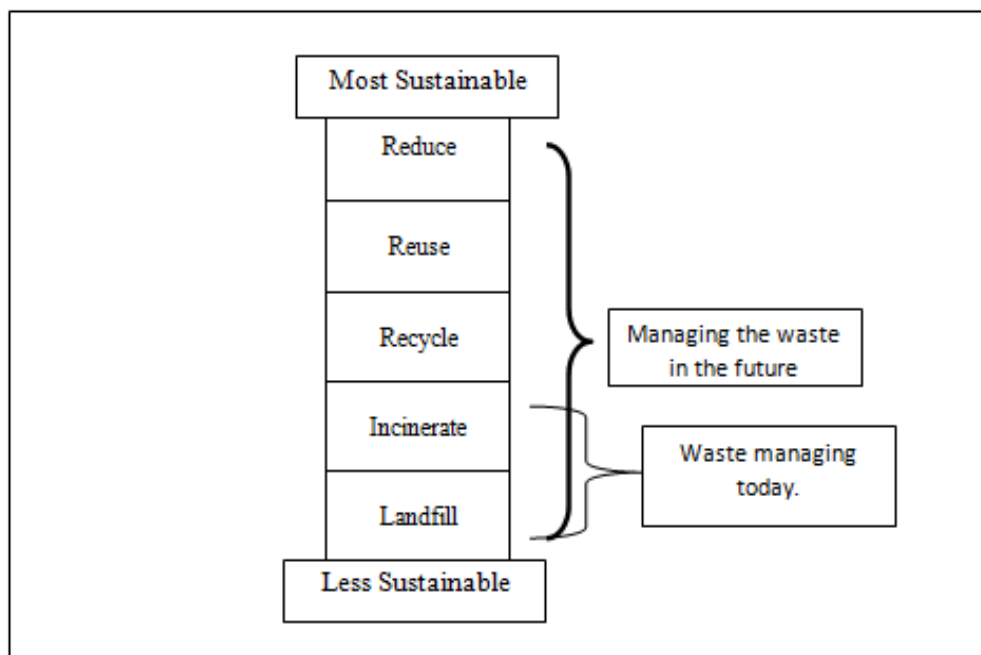
Due to the increasing amount of the waste, solid waste management becomes less efficient where the cost of managing it keep on increasing starting from collecting the waste to transporting the waste to landfill. Nowadays, the community prefers to dump all the waste to the landfill and some of the community pays less attention in solid waste management (Hasnah et al, 2012; Zaini 2005). In northern part of Kuching, Trienekens is a contractor who in charge in collecting the waste in residential area. Due to this, the community tends to assume that they do not need to manage the waste as they will only put the waste in a bin and wait to be collected. Lack of knowledge and awareness cause the improper handling and disposal of waste among community in the urban area (Seow, 2009; Saechao, 2007; Ashworth, 1992).

Waste management became a growing problem where human used to bury it or simply dump it into the ocean or a landfill. Until today, 25 percent of waste ends up in the ocean even though it is illegal (Szaky 2014). The scenario is almost the same in Malaysia where most of the wastes were dump at the landfill. Most of the landfill in Malaysia is in a critical condition because of the increasing amount of waste. Barr (2012) stated that the waste problem can be resolved only when policies are implemented which are based on the factors influence community intention and behavior.

The links between household knowledge, attitude and practices are complex and very much interrelated. Community should be exposed to the effective solid waste management as early as in pre-school to ensure they understand and aware that good solid waste management practices can help to save the environment (De Feo & De Gisi, 2010; Begum et al, 2009). As

we can see from the solid waste management hierarchy, the first three steps is actually the 3R concept (reduce, reuse recycle) that have been promoted all around the world. Appendix A shows the solid waste management hierarchy that should be followed in order to reduce the amount of waste being dumped in landfill (Hamidi, 2007; Hasnah et al, 2012). In order to reduce the amount of waste in landfill, the public should be aware of the most sustainable way in managing their waste. Before the dumping te waste to the landfill or incinerator, the public should apply the 3R concepts (Reduce, Reuse, Recycle) in managing household waste. Nowadays, we can see that most of the public dump their waste and wait to be collected by local authority. This will cause the amount of waste increase and not only that, local authority or appointed company to collect the waste have to bear to increasing cost in handling the waste (Hasnah et al, 2012; Zaini, 2005).

Figure 1. Solid Waste Management Hierarchy.



METHODOLOGY

Study Area

Kuching is the capital city of Sarawak and was conferred a city status on 1st August 1998 making it the second largest Malaysian's city after Kuala Lumpur. The city was divided into two administrative areas namely the north and south. The north part of Kuching is administrated by The City of North Commission or Dewan Bandaraya Kuching Utara (DBKU) whereas the southern part of Kuching administrated by The Councils of Kuching South also known as Majlis Bandaraya Kuching Selatan. Padawan Municipal Council in charge of the rural area in Sarawak particularly rural area in Kuching. The study has been done in Kampung Pinang Jawa and Taman Fitrah which is under the jurisdiction of DBKU. Both area of study is situated in the north part of Kuching (Petra Jaya) and it takes on 20 minutes driving to reach to the main city. Kampung Pinang Jawa is actually a combination of two village namely Kampung Pinang and Kampung Jawa and this village still maintained their traditional residential. The community here works as a government servant, private sectors as well as self-employed. 80 percent of the population are Malays while 20 percent are from other ethnicity such as Chinese, Indian and local Bumiputera. As for Taman Fitrah the residential areas is more organized with double storey residential type. The total number of houses in both area of study is 298.

Data Collection and Data Analysis

The study used both qualitative and quantitative method and a systematic sampling in choosing the sample of respondents. Questionnaire and interview question has been used for the purpose study. The questionnaire is divided into five sections; (i) socio demographic profile (ii) knowledge towards waste management, (iii) attitude towards waste management (iv) practices towards waste management and (v) factors influencing behavior towards waste management. The research uses Likert scale to measure knowledge, attitude and practices towards waste management. The usage of Likert Scale shows the intensity differences between each statement based on the scale provided by the researcher (Babbie 2011). In order to identify the practices of household waste management, a field study has taken in Taman Fitrah and Kampung Pinang Jawa. In this study, the researcher uses questionnaire survey, observation and also in-depth interviews to collect the data. As for sampling, researcher uses simple random sampling to obtain 102 respondents. The interviews were conducted in Malay language so that the interviewees feel comfortable in giving feedback. The researcher also states criteria in choosing the respondents where the respondents should age between 18 to 60 years old and the head of household. House wife or person who does the house work can be the respondent if the head of household is not available. The researcher used Statistical Package for Social Science (SPSS) for analyzing the data since some of the data were quantitative data.

FINDINGS

Socio-Demographic Profile

Table 1 shows the distribution of sociodemographic information in Kampung Pinang Jawa and Taman Fitrah. Majority respondents' (47.1 %) were male and while 52.9 % were female respondents. Regarding age, respondents' age were ranged from 22 to 56 years old. Majority of respondents (29.4%) were in the age group from 29 to 35 years old and only a few of the respondents' (6.9%) were in the age group from 50-56 years old. As for marital status, 59.8% respondents' are married and 40.2% are still single. For academic qualification, majority respondents' hold a diploma (35.3%) followed by degree (23.5%), Malaysian Certificate of Education (21.6%) and Malaysian Higher School Certificate (13.7%). The levels of economic status are based on monthly income. The respondents' monthly income ranged from RM 850 to RM 4012. As most of the respondents were working in a government sector as well as private sector and self- employed, it explained the range of the monthly income. 30.4 % respondents earned RM 1904 to RM 2430 while 22.5% earned RM 1377 to RM 1903. Only a few respondents (5.9%) earned RM 3485 to RM 4012.

Table 1

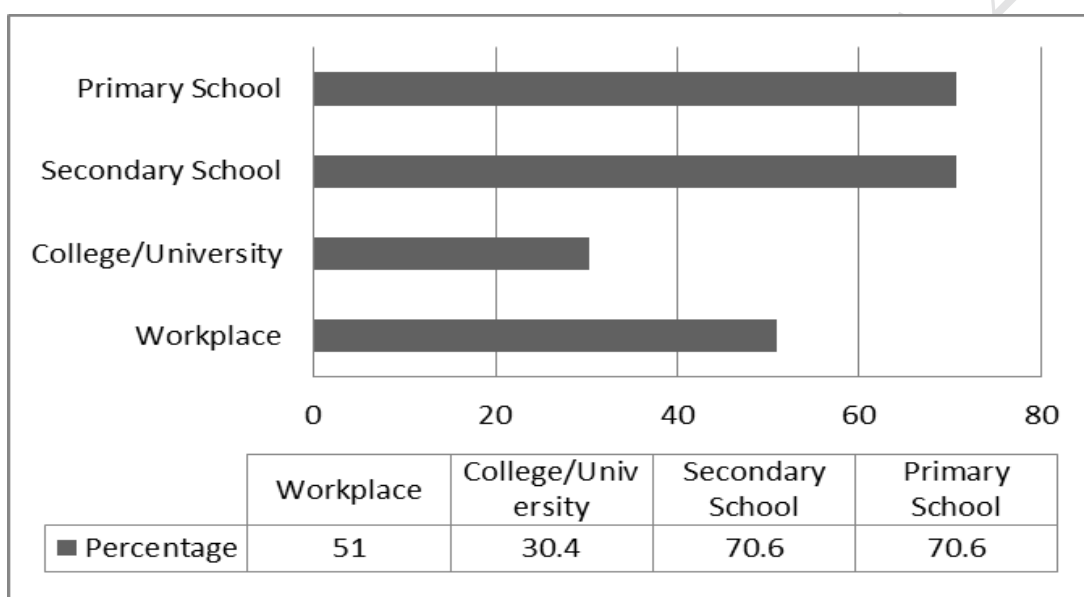
Socio-demographic Profile

Socio demography profile	Frequency and percentage	Socio demography profile	Frequency and percentage
Sex		Academic qualification	
Male	48 (47.1%)	Malaysian Certificate of Education	22 (21.6%)
Female	54 (52.9%)	Malaysian Higher School Certificate	14 (13.7%)
		Diploma	36 (35.3%)
		Degree	24 (23.5%)
		Others	6 (5.9%)
Age group		Monthly Income (RM)	
22-28	28 (27.5%)	RM 850-RM 1376	16 (15.7%)
29-35	30 (29.4%)	RM 1377-RM 1903	23 (22.5%)
36-42	16 (15.7%)	RM 1904-RM 2430	31 (30.4%)
43-49	21 (20.5%)	RM 2431-RM 2957	9 (8.8%)
50-56	7 (6.9%)	RM 2958-RM 3484	17 (16.7%)
		RM 3485-RM 4012	6 (5.9%)
Marital status		Family size	
Single	41 (40.2%)	1-3 persons	22 (21.6%)
Married	61 (59.8%)	4-6 persons	76 (74.5%)
		7-9 persons	4 (3.9%)

Knowledge towards solid waste management

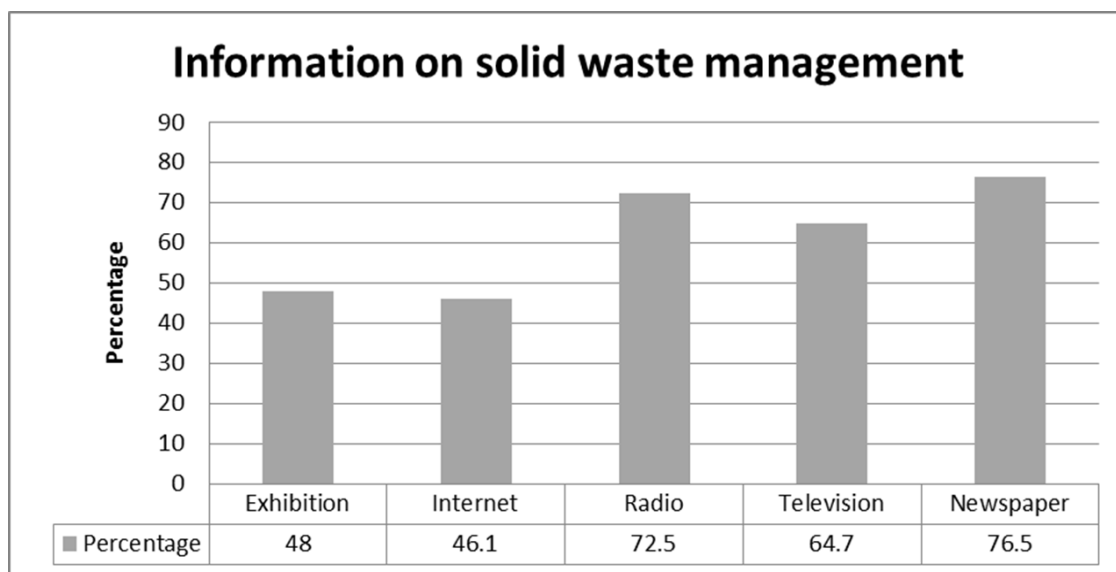
Knowledge is important because it is a fundamental to understand the issue of household waste management. Knowledge is often used as a guide to understand behavior (Barr et al. 2001; Tilikidou, 2007). The respondents’ knowledge was assessed based on the score, set by the researcher. Questions were asked on how the respondents get the information on solid waste management. Figure 2 shows early educations are important in exposing community to solid waste management. Majority respondents (70.6%) get to know about the solid waste management from their school during primary school and high school. Besides that, the respondents also gained information on solid waste management from workplace (51%) where most of the government offices practice 5S system to ensure the workplace is organize.

Figure 2. Medium for Getting Information on Waste Management



Sources of information are also important as community need to get information regarding solid waste management. As shown in Figure 3, respondents get the information on solid waste management by reading newspaper (76.5%) followed by the radio (72.5%) and television (64.7%). Some of the program on the radio and television do provide information on solid waste management. Living with the technology does not mean that respondent fully utilize the technology in finding the information on waste management. 46.1% of respondents use the Internet to find information on waste management. The Internet can be useful as the community can learn from various countries on managing the waste.

Figure 3. Source of information



Questions were also asked to explore the respondent's knowledge on solid waste management. The researcher asked 10 questions to explore the knowledge of the respondents'. Table 2 reveals the frequency and percentage of respondents' who answer correctly, incorrectly and uncertainly about knowledge towards waste management. Among this question it is surprise to see that most respondents could not answer correctly for Item 6 because respondents assumed that burning is the best way to dispose waste. Apart from that, Item 8 also shows that respondents could not answer correctly where the thought that burning waste has no effect to the environment.

Table 2

Knowledge towards Waste Management

Statement	Frequency (Percentage %)		
	Incorrect	Not sure	Correct
1. The usages of natural resources create waste.	10 (9.8%)	20 (19.6%)	72 (70.6%)
2. Increase in consumption will increase will increase the amount of waste as well.	10 (9.8%)	32 (32.4%)	60 (58.8%)
3. Increasing in waste will cause the waste management inefficient.	11 (10.8%)	33 (32.4%)	58 (56.9%)
4. Newspapers and other related product can be processed into a new product.	7 (6.4%)	12 (11.8%)	83 (81.4%)
5. Waste segregation can help to reduce the amount of waste in landfill.	12 (11.8%)	47 (46.1%)	43 (42.2%)
6. Burning is the best way to dispose waste.	11 (10.8%)	30 (29.4%)	61 (59.8%)
7. Plastics cannot be degraded naturally.	8 (10.8%)	26 (25.5%)	68 (66.7%)
8. Any kind of waste can be disposed by burning without any effect to the environment.	6 (5.9%)	39 (29.4%)	57 (55.9%)
9. Leftover food can be used as fertilizer.	9 (8.8%)	30 (29.4%)	63 (61.8%)
10. Re-using plastic containers /bottles can help to reduce the amount of waste generated.	5 (4.9%)	31 (30.4%)	66 (64.7%)

The level of knowledge is divided into three categories: high, medium and low. For high level, respondents must get a score above 16, while a moderate level, the score is between 12 to 16 and the low level of respondents who score less than 12. In order to summarize the knowledge of the respondents, level of knowledge of the community in Kampung Pinang Jawa and Taman Fitrah was shown in Table 3. Results shows that 47.1 % respondents had moderate knowledge on solid waste management whereas 43.1% had high knowledge. Only 9.8% respondents had low knowledge about solid waste management. Even though the percentage of the respondents with moderate and high knowledge on household waste management is quite high, it is important to increase the level of knowledge as well as awareness through capacity building programs organized by the local authorities as mentioned by Saechao (2007) knowledge and mental capacity can help the person to become more responsible.

Table 3

Level of Knowledge

Level of Knowledge	Frequency	Percentage (%)
High (Score more than 16)	10	43.1
Moderate (Score between 12-16)	48	47.1
Low (Score less than 12)	44	9.8%

Attitude towards Waste Management

The attitude is also important determinant of practicing solid waste management. Respondents were asked about their opinion whether they are agreed or disagreed with the statement regarding the attitude towards solid waste management. Table 4 shows the frequency and percentage of respondents' attitude towards household management. Most of the respondents' (56.9%) care about the household waste management where they practice the reuse and recycle concept at home. However, 58.8% respondents agreed that waste is worthless and it is one of the environmental problems that need to be solved. Most of the respondents (52.9%) aware about re-using old plastic bags can help to reduce waste. Respondents also show positive attitude where 55% of them aware about the need to wrap the leftover food before disposing it.

Attitude is also seen among the factors that affect a person's intention to act (Barr, 2007). Therefore, this study examined the level of attitudes towards household waste management practices which respondents evaluated based on three categories; positive attitude, negative attitude and bad attitude. A positive attitude is determined for a score above 40, while moderate attitude score between 30 to 40 and bad attitude score less than 30.

Table 4

Attitude towards household waste management

Statement	Frequency (Percentage %)				
	Strongly disagree	Disagree	Not sure	Agree	Strongly agree
1. Waste is worthless and one of the environmental problem that need to be solved.	0 (0.0%)	7 (6.9%)	21 (20.6%)	60 (58.8%)	14 (13.7%)
2. Waste management needs a collective effort.	0 (0.0%)	10 (9.8%)	8 (7.8%)	53 (52.5%)	31 (30.4%)
3. Local authority and international organization are responsible for the waste management.	21 (20.6%)	42 (41.2%)	13 (12.7%)	20 (19.6%)	6 (5.9%)
4. Practice of household waste management is a waste of time.	3 (2.9%)	36 (35.35%)	18 (17.6%)	35 (34.3%)	10 (9.8%)
5. I care about household waste management especially in re-using and recycling certain waste.	0 (0.0%)	15 (14.7%)	21 (20.6%)	58 (56.9%)	8 (7.8%)
6. Early waste segregation helps to reduce the amount of waste generated.	1 (1%)	18 (8.8%)	29 (28.4%)	47 (46.1%)	7 (6.9%)
7. Re-suing old plastic bags for shopping is good for reducing waste.	0 (0.0%)	9 (8.8%)	30 (29.4%)	54 (52.9%)	9 (8.8%)
8. Neither using the old plastic bottles/container is not necessary.	6 (5.9%)	25 (24.5%)	16 (15.7%)	34 (33.3%)	21 (20.6%)
9. Leftover food need to be wrapped before disposing it.	0 (0.0%)	2 (2.0%)	8 (7.8%)	57 (55.9%)	35 (34.3%)
10. The usage of environmental friendly product is good and easier to dispose.	0 (0.0%)	0 (0.0%)	34 (33.3%)	46 (45.1%)	22 (21.6%)

To summarize the level of attitude towards household waste management, the distribution of attitude towards household waste management was shown in Table 5. Finding shows that most of the respondents have moderate knowledge of household solid waste management and only 13.7% respondents' score with good level of attitude towards household waste management. Only 6.9% respondents has bad attitude towards solid waste management. As majority of respondents attitude are moderate, it is important to change the attitude from being moderate to have a good attitude towards household waste management. From attitude we can predict the person behavior as Begum et al. (2009) found in her research that there are many factors contribute to the changes of behavior. The research aims to examine the attitude and behavior of local contractor in Malaysia towards waste management on construction industry. They found that contractor attitude is influenced by various factors and most of it influence by environmental factors such as frequency of solid waste collection, participation in training programs and disposal method practiced. Positive attitude towards household waste management should be nurtured at young age to create awareness and shared the responsibility in managing the waste.

Table 5

Level of Attitude towards Waste Management

Level of Attitude	Frequency	Percentage (%)
Good (Score more than 40)	7	13.7
Moderate (Score between 30-40)	81	79.4
Bad (Score less than 30)	14	6.9

Practices towards Household Waste Management

The details on the practices towards waste management were shown in Table 6 below where 10 statements were provided in the questionnaire. The finding shows that the respondents do practice the solid waste management at home. Majority of the respondents (61.8%) provide enough rubbish bins at home and to avoid generating more waste, most respondents (60.8%) plan on what they need to buy. Apart from that, 62.7% respondents do advise their own family members regarding on how to manage the waste at home. However, some of the respondents (36.3%) did not practice waste segregation at earlier stage of household waste management. Waste segregation is important in waste management as it helps to reduce the amount of waste generated. When doing the segregation, some of the items can be reuse or recycle. Szaky (2014) mentioned that circular solution which involve re-using and recycling used item can helps to avoid unnecessary consumption as well as preventing the creation of useless output. There are three elements is circular solutions i.e: reusing, upcycling and recycling. In Malaysia, recycling has been introduced since 1992 and since then, the recycling campaign is still going on until today.

Table 6

Practice towards Waste Management

Statement	Frequency (Percentage %)		
	Never	Sometimes	Always
1. I plan on what I need to buy to avoid more waste generation.	5 (4.9%)	62 (60.8%)	35 (34.3%)
2. I bring my own basket or shopping bag when I do my grocery shopping.	42 (41.2%)	51 (50%)	9 (8.8%)
3. I provide enough rubbish bins for my house.	32 (31.4%)	63 (61.8%)	7 (6.9%)
4. I segregate the waste before I dispose it.	17 (16.7%)	5 (5.0%)	34 (33.3%)
5. I reuse plastic bottles/containers for storage purpose.	9 (8.8%)	49 (48%)	44 (43.1%)
6. I collect old newspapers/magazines/ books and send it to recycling center.	35 (34.3%)	56 (54.9%)	11 (10.8%)
7. I dispose the waste without segregate it.	9 (8.8%)	56 (54.9%)	37 (36.3%)
8. I wrap leftover food tightly before disposing it.	4 (3.90%)	43 (42.2%)	55 (53.9%)
9. During the festive season, I collect the can for recycling purpose.	26 (25.5%)	47 (46.1%)	29 (28.4%)
10. I advise my family members on how to manage waste at home.	14 (13.7%)	64 (62.7%)	24 (23.5%)

As for the level of practices towards household waste management, researcher divided the level into three sections namely good practice, moderate practice and bad practice towards household waste management. The distribution of practice towards household waste management was shown in Table 7 below. Most of the respondents score between 18 and 24 and majority of them practice moderately (89.2%), 6.9% having good practice and 3.9% had bad practice on household waste management.

Table 7

Level of Practice towards Waste Management

Level of Practice	Frequency	Percentage (%)
Good (Score more than 24)	7	6.9
Moderate (Score between 18-24)	91	89.2
Bad (Score less than 18)	4	3.9

Household waste management practices in this study was based on three aspects; waste reduction, reuse and recycling. In Malaysia the practice of recycling is quite low but it is not limited to the household but also being practice by government's office as well as the private sector (Chua et al. 2011) as an effort to reduce the amount of paper waste generated. Household practices towards waste management are influenced by many factors such as the environmental factor. Research done by Aini et al. (2010) shows that recycling is influenced by environmental factors where the availability of recycling facilities and easily access by the user serve as the catalyst for local participation in recycling activity. Looking at the scenario of recycling or level of practices towards waste management in Malaysia, local authorities should develop capacity building program that will enhance the knowledge and provide training for community to practice household waste management efficiently.

In this study, 66.7% (as shown in Table 8) respondents agree that accessibility to the waste management services is important because the facilities provided will encourage the respondents to practice household waste management. Apart from that, 56.9% of respondents agreed that they being influence by their neighbors who practice the household waste management. The local authorities organized a recycling activity every weekend to encourage the community in Kampung Pinang Jawa and Taman Fitrah recycles the newspaper, aluminums and glass. Based from observation, the local authority in Kampung Pinang Jawa and Taman Fitrah provide collection centre for recycling program which was held every month. The collection centre is for the community to keep the recycle materials before being picking up by the vendors. Psychological factor is also important where respondents are aware and feels that it is their responsibility (47.2%) to reduce the amount of waste generated as it is part of the household waste management. Being concern on the issue of waste management will internally motivate community to practice waste management at home (Derksen & Gartrell 1993; Schultz et al. 1996).

Table 8

Factors Influencing the Practice of Household Waste Management

Statement	Frequency (Percentage %)		
	Disagree	Not Sure	Agree
1. Concern about preserving the nature therefore I reduce the usage of natural.	14 (19.4%)	25 (34.7%)	33 (45.8%)
2. It is my responsibility to ensure the amount of waste can be reduced.	15 (20.8%)	23 (31.9%)	34 (47.2%)
3. Waste management practice helps me to save money.	12 (16.7%)	27 (37.5%)	33 (45.8%)
4. Influence by neighbor.	6 (8.3%)	25 (34.7%)	41 (56.9%)
5. Accessibility to waste management services.	4 (5.6%)	20 (27.8%)	48 (66.7%)

Role of Local Authority

Local authority plays an important role in making sure that the area of their jurisdiction is clean, safe and sustainable. Their effort can be used as a catalyst for sustainable development. The role of local authority is not only subject to the provision of infrastructure but also include enforcing policies and legislation. Becoming the agent of change, local authority also plays important role in providing education and encourage people to actively involved in the program organized by the local authority. The City of Kuching North Commission or Dewan Bandaraya Kuching Utara (DBKU) has their own mission and vision to make Kuching a liveable city. DBKU mission is to enhance the quality of life by giving a conducive environment, citizen engagement and best in class service delivery. Hence, DBKU has involved in various campaign to promote household waste management. DBKU also has been actively involved in recycling campaign and Taman Fitrah has been selected among other residential area to part of the campaign. As mentioned by Martin et al. (in Omran et al. 2009) local authorities should be able to provide enough infrastructures and education on waste management especially recycling. This will encourage the people to practice waste management at home and in hope that will reduce the amount of waste generated.

Darby and Obara (2004) stated that the existence of recycling centre is one of the factor that encourage recycling among the public. It is difficult for the public to send their recycle material if there is not enough recycling centre. Apart from that, Momoh and Odebayo (2010) emphasized that the existence of recycling centre can be seen as the factor that encourage people to practice waste management efficiently. It becomes the local authority responsibility to ensure they provide enough infrastructures for recycling. Not only that, the organization itself should create awareness among the public on the importance of household waste management.

The programs were done at most residential areas in Kuching. For instance, DBKU will organize buy back campaign where the community in Kampung Pinang Jawa and Taman Fitrah will sell old newspapers, old books and magazine to DBKU. As for the recycling campaign, the organizer will promote it in school to create awareness among young children where they organize recycling competition such as re-invent using recycle materials. Apart from that, DBKU also took the initiative to promote home composting system also known as EM Bokashi where they intend to educate the public on alternative way to discard food waste.

CONCLUSION

The success of household waste management relies upon the co-operation between local authority and sustainable community together with structural support from other organization as well. This study found some empirical support for the importance of involving the community group in a waste management program. Getting the community to involved in such a program is quite difficult sometimes due to the internal factor such as attitude. Folz (1991) stated that leadership by local official to organize meeting with the community and also to consult volunteer organization about waste management is a good strategy to manage the problem of public participation. The community should be involved together and given them a chance to express their views or voicing out the problems related to waste management. Finally, the availability and accessibility to recycling facilities were important factors that promote solid waste management practices among the community.

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