

## การวิเคราะห์ความล้มเหลวเชิงนโยบาย:

### ศึกษากรณีนโยบายรับจำนำข้าว

#### Policy Failure:

#### A Case of Rice-Pledging Scheme in Thailand

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#### บทคัดย่อ

ความล้มเหลวของนโยบายรับจำนำข้าวเป็นสาเหตุสำคัญข้อหนึ่งที่ถูกล่าวถึงโดยคณะรัฐประหารในการรัฐประหารที่เกิดขึ้นใน พ.ศ. 2557 ข้ออ้างดังกล่าวซึ่งอ้างถึงการทุจริตและความสูญเสียทางเศรษฐกิจที่เกิดขึ้นจากการบริหารจัดการนโยบายรับจำนำข้าวแสดงให้เห็นถึงความสำคัญของการวิเคราะห์ความล้มเหลวของนโยบาย เพราะแม้ความล้มเหลวจะเกิดขึ้นในขอบเขตทางนโยบาย แต่ความล้มเหลวดังกล่าวก็ก่อให้เกิดผลกระทบต่อเสถียรภาพทางการเมืองของประเทศได้ในระยะยาว การศึกษานี้มีเป้าหมายที่จะวิเคราะห์ความล้มเหลวของนโยบายในสองมิติคือ มิติทางนโยบายและมิติทางการเมือง ในส่วนของมิติทางนโยบาย การวิเคราะห์จะแบ่งเป็นสามระดับประกอบด้วย ระดับกระบวนการ ระดับนโยบายและระดับการเมือง สำหรับมิติทางการเมือง การศึกษานี้จะให้ความสำคัญกับบทบาทของฝ่ายการเมืองตรงข้ามในการเลือกยกระดับประเด็นทางนโยบายมาเป็นประเด็นทางการเมือง จากการศึกษาวิจัย พบว่า ความล้มเหลวหลักของนโยบายรับจำนำข้าวเกิดจากการที่รัฐบาลไม่สามารถจัดการให้ผลลัพธ์ของนโยบายออกมาตามที่ตั้งเป้าไว้ ความผิดพลาดส่วนหนึ่งมาจากผลกระทบของโลกาภิวัตน์ที่ทำให้การระบายข้าวออกสู่ตลาดโลกไม่เป็นไปตามเป้าหมายในทางการเมือง บทบาทของพรรคประชาธิปัตย์ในการยกระดับประเด็นความผิดพลาดของการบริหารจัดการและแนวโน้มในการทุจริตของโครงการมีผลอย่างมากต่อการลดความชอบธรรมทางการเมืองของรัฐบาล อันนำไปสู่ข้อสรุปของการศึกษาว่า ความล้มเหลวในทางนโยบายอาจส่งผลต่อความล้มเหลวในทางการเมืองได้

**คำสำคัญ:** ความล้มเหลวเชิงนโยบาย โครงการรับจำนำข้าว การสร้างประเด็นทางการเมือง

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## Abstract

The failure of the rice-pledging scheme is one of the prominent causes of the coup d'état, alleged by the junta, in 2014. The claim from the junta that referred to the corruption and economic loss from the scheme shows how important the failure of the policy is, as it can significantly affect the stability of country's politics in the long run. This study aims to analyse the failure of the rice-pledging scheme in two dimensions: programme and politics. In terms of programme, the main failures of the rice-pledging scheme are analysed in three levels including process, programme and politics. For the dimension of politics, the study emphasised the role of the government's opposition in the blame game or 'selective politicization' as the important factor resulting in the failure of the policy. For the results of this study, the main failure of the scheme lies in the government's inability to deliver the policy's outcome as promised. This, in some parts, occurred from the impact of globalization that make it problematic for the government to manage the programme as planned. The selective politicization from the opposed political party also plays important roles in deligitimising the policy. The role of the Democrat Party in emphasising the mismanagement of the government and linking the policy to corruption's problems became the significant factor that decreased the government's legitimacy further. In short, the case of the rice-pledging shows how the failure from the policy could lead to the failure of politics.

**Keywords:** *Policy failure, the Rice-pledging scheme, Politicization*

## Introduction

In 2014, the severe political turbulence led to the twelfth coup d'état in Thailand's history. One of the main causes of the coup d'état, alleged by the junta, is the failure of the rice subsidy policy or "the rice-pledging scheme," implemented by the Pheu Thai government in 2011 (International Crisis Group 2014). The policy has been widely criticised in the two main aspects, concerning its populism appeal and economic inefficiency and ineffectiveness (Sawasdiapakdi. 2014). Regarding its populism appeal, the opponents of the Pheu Thai government claimed that the government intended to manipulate voters by using a short-term subsidy scheme to attract the rice farmers who are the main voters from rural areas (Laiprakobsup. 2014). However, what causes the most severe damage to the policy's reputation is the criticisms regarding its economic inefficiency and ineffectiveness, as it was argued that the pledging scheme was largely exceeded its budget around 260 billion baht (Asiamoney. 2013). Alongside the huge loss of the public expenditure, the government was also unable to process entire payment to the rice farmers, which in turn became the fuel to the political turmoil,

sparkling unpaid farmers to join the anti-government protestors (International Business. 2013; Peel. 2014a). Eventually, the government had to dissolve the parliament due to its loss of legitimacy, resulting from its inability to deliver the policy as promised (Head. 2014). Therefore, the rice-pledging scheme is one of the best illustrations for the policy's failure.

The rice-pledging scheme was implemented for the first time in the form of a provisional programme to reduce farmers' debt (Wongsatjachock. 2015). Following the Thai Ruk Thai Party's huge success in the 2001 election, the rice-pledging scheme was adopted as one of the major government's policies. The scheme in 2001, however, was changed in its regulation and contents, resulting in the guarantee of prices for paddy rice without referring to the movement of the market prices (Laiprakobsup. 2014). To follow the Thai Ruk Thai Party's success, the Pheu Thai Party, which the most of its members came from the former Thai Ruk Thai Party, adopted the rice-pledging scheme, contributing to its winning in the 2011 election. Unlike the former scheme, the scheme in 2011 set the guarantee prices at 50 per cent above the market price without limiting on the quantity of the stocks, in which the government aimed to improve Thai rice farmers' living standard by elevating rice prices (Permani and Vanzetti. 2014). Nonetheless, the programme faced serious criticisms from the Thailand Development Research Institute (TDRI), owing to its loopholes and poor planning in many processes (TDRI. 2014). After the criticisms from TDRI were published, the opposition Democrat Party investigated the programme and announced to the media that the programme could cost at least 260 billion baht based on the classified report from the audit committee (see Hammond. 2013). To decrease public tension, the government by the Minister of Commerce and Deputy Minister of Commerce held the press conference but they could not cite the specific numbers of the loss from the programme (Bangkok Post News. 2013). The inability of the government to show the clear data inflamed the criticisms from the public and clearly affected the government's legitimacy. At last, when the government could not sell the rice in the stock to the international market and secure the loans from the banks, the programme inevitably came to an end due to its insufficient funding for further operation (Peel. 2014a; Peel. 2014b).

This study aims to discuss why the rice-pledging scheme utterly failed, based on McConnell's approach, since the approach is comprehensive, containing the objective and subjective dimension of successes and failures of policies (McConnell. 2010). Then, it will examine how the scheme became the main political issues by utilising Brändström and Kuipers' approach or "selective politicization to trace how the oppositions politicized the weaknesses of the scheme (see Brändström and Kuipers. 2003).

## Conceptual frameworks

### 1. The evaluation of success and failure of policies

According to McConnell (2010), the success or the failure of policy can be analysed in three dimensions, concerning process, programmes, and politics. It is also possible to measure how much the policy succeeds in different dimensions by separating the spectrum from success to failure into five levels, descending from success, resilient, conflicted, precarious, and failure. As it has different levels of success and failure in the different processes of the scheme's formulation, this approach is useful for understanding the failure of the rice subsidy policy in Thailand.

### 2. The selective politicization and the rice-pledging scheme

Based on Brändström and Kuipers (2003), the politicization of failure or the blame game can affect negatively to the legitimacy of governments if it is able to depict the event as a violation of core public value, an operational incident or a symptom of endemic problems, and a 'mismanagement' of the crisis. The severity of the politicization, as Rochefort and Cobb (1999) stated, depends on the availability of information to stimulate negative emotion. The information, then, must be utilised by the powerful actors to connect the event and core value of the political system (Brändström and Kuipers. 2003). Although this study limited its analysis to the selective politicization, the study of the politics of the rice-pledging scheme can still be analysed further through the institutional arrangement (see Wongsatjachock. 2015) and the policy network of the scheme (see Suksong. 2015).

## Objectives

1. To explain why the rice-pledging scheme was failed and in what ways.
2. To understand the roles of the selective politicization in the blame game from the opposition of the rice-pledging scheme.
3. To conclude and suggest the lessons learned from the rice-pledging scheme.

## Methodology

A documentary research is the main methodology of this study. The main types of documents are journals and newspapers. The documents are categorised into two related topics: programme and politics.

## Results and Discussions

### 1. The main failures of the rice subsidy policy

In terms of process, the key concerns for this dimension for policymakers are to enact legislation and to get decisions in action by the means of executive powers (McConnell. 2010). In this dimension, the scheme is successful, as it can be enacted without amending any goal or instrument. Due to the strong coalition between The Pheu Thai Party and the rice farmers, there was not much opposition to the scheme's initiation (The Economist. 2011). However, the main factor, contributed to the process success of the scheme, is the numbers of the Pheu Thai Party's seats in the parliament. As Thailand has applied the UK Westminster model, which emphasises the strong power of the executive to its parliamentary system (Cairney. 2012), the majority Pheu Thai Party could dominate the legislation without much resistance. On the contrary, the scheme failed in terms of its programme, resulting in a snowball effect to politics. Concerning programme's dimension, McConnell (2010) explains that the success of programme should be measured by the achievement of objectives, desired outcomes, a target group, policy's criteria and policy's support. In the case of the rice subsidy programme, it was likely to achieve precarious success in the first year of operation. It could pay some farmers in the first round of payment, while it owed a sixth of approximately 3.7 billion baht to others who had to wait without knowing the specific date of payment (Chomchuen. 2014). This displays that the policy could achieve only the precarious success by attaining minor progress in its implementation, small outcomes, and small benefits to its target group.

After the implementation of the rice-pledging scheme, the programme moved down from precarious success to failure, when the government faced with severe funding crisis. Indeed, the source of this crisis came from the government's miscalculation of the Thai rice's market prices in the global market. At the beginning of the programme, the government expected that it would get the surplus from selling the pledging rice in the global market, as Thailand had been the main exporters of rice since the middle of 1800s (Forssell. 2009). However, a series of unexpected events occurred in the global market: first, India unloaded the great amount of basmati rice after a four-year ban on exports; second, Indonesia could grow more rice leading to the reduction of Thailand's imports; third, the private sector of the Philippines, committed to buy rice from Thailand, decided to buy lower prices' rice from Vietnam instead (Larson 2013; Manila Bulletin 2013; Russell 2013;). Furthermore, the scheme itself also had negative impact on the competitive advantage of Thai rice, as it set the guarantee prices at higher rate than the market prices, causing the rise in Thai rice's export prices (Chulaphan *et al.* 2012).

As the government could not sell the pledging rice as expected, it had to seek loans from Thai Banks (Thepgumpanat and Phoonphongphiphat. 2014). Nevertheless, the attempt of the government to get loan from Thai Banks, especially from Bank for Agriculture and Agricultural Cooperatives (BAAC), was not success because of the strongly negative reaction from the depositors and the employees of BAAC (Health Information Systems and Development Office. 2014). This reaction, in fact, resulted from the selective politicization from the opposition of the government.

## **2. The selective politicization and the rice-pledging scheme's failure**

In the case of Thailand's rice subsidy policy, the blame game is the main weapon of the oppositions of the Pheu Thai government. The powerful actors in the opposition groups of the government can be divided into two groups: The Democrat Party and the People's Democratic Reform Committee (PDRC), led by the former executive committee of the Democrat Party.

### **2.1 The role of the Democrat Party**

The Democrat Party is the main actor in the selective politicization, playing an active role to attack the rice-pledging scheme with an emphasis on the core-value. After the TDRI announced its criticism to the public, the Democrat Party suddenly grasped these criticisms as the means to attack the policy. The party was success in politicising the issue in June 2013, when it could attract the media attention by revealing a classified report from the audit committee (The Nation. 2013). This classified report displays the total loss incurred by the pledging scheme as high as 260 billion baht (Sawasdiapakdi. 2014). The use of the report can be regarded as the attack of the core-value, as it intends to show the statistical data in the way that directs the public attention into the programme, especially to link the programme with the problem of corruption in Thailand. To make the claim of corruption to the scheme, the Democrat Party's leader also argued in the censure debate, "those who benefit from the scheme are influential people who are close to the government, but the prime minister has done nothing about this" (DPA. 2012). This statement clearly illustrates how the opposition leader attempted to link the policy to the corruption.

After the government failed to cite the specific numbers of loss, the Democrat Party's leader, Abhisit Vejjajiva, pointed out further to the problem of 'the mismanagement' of the rice subsidy policy. He claimed by referring to the TDRI criticisms that the programme was not only attribute to the loss of 260 billion baht, but it also caused the loss in the operational and administrative costs around 40 billion baht (£826 million) from the failure of policy planning (The Nation. 2013).

To put the blame to the policy as endemic problem, the Democrat Party's leader regarded the policy as the path to undermine economic stability in Thailand. The opposition party's leader stated in the debate with the government that the policy would increase public debt to 60 per cent of GDP in 2018 (DPA. 2012). This claim can be identified as the attempt to put the scheme in the category of the long-term problem that requires the public attention to investigate the rice subsidy's failure.

## 2.2 The supporting roles of PDRC

The PDRC was led by the former executive of the Democrat Party. In this sense, it can be implied that PDRC has the strong relationship with the Democrat Party. The PDRC was set up under the aim to eliminate what the group called "Thaksin Regime," – named to call Thai politics under the influence of Thaksin Shinawatra, the former prime minister of Thailand (McCargo. 2014). The major demand of the PDRC was to call for the Pheu Thai government to resign for their attempt to introduce a controversial political amnesty bill, which was suspected from the opposition as an attempt to bring Thaksin back to Thailand (Head. 2014). After that, the group played the supporting role to the Democrat Party in the civil society realm to delegitimise the Pheu Thai Government and the pledging scheme.

The main role of PDRC is to utilise its mass support from the middle-class people to attack mainly on the core-values. The corruption is the main argument of the selective politicization by PDRC to attack the pledging scheme (Scoffin. 2015). For instance, Akanat Promphan, one of the main leaders in PDRC, criticised the rice-pledging scheme by relating the scheme's failure to the caretaker administration that tried to "playing up the event" (Lehmann. 2014). Not only did PDRC attack the scheme through argument, it also obstructed the implementation of the scheme by rallying its supporters to pressure BAAC to stop loaning to the government. This action from PDRC, in some ways, resulted in a rush to people and BAAC's employees to withdraw a large amount of money in the short period. The attempt from PDRC to hinder the loan was success, as the other Banks feared to involve with the scheme (Health Information Systems and Development Office. 2014).

## Conclusions

The failures of the scheme could provide the lessons that indicate why some policies fail severely as follow.

1. The policy can fail or achieve only partial success if it has no clear plan to get the resources, required to supply its programmes.

2. The policy could be failed from its underestimation of the volatility nature of the global market.

3. The successful achievement of the policy in process may be failed in programme's implementation.

The selective politicization is the means that can seriously damage the legitimacy of policies and policymakers.

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