AUTONOMOUS PUBLIC ORGANIZATION POLICY: A CASE STUDY FOR THE HEALTH SECTOR IN THAILAND

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Abstract. This paper describes factors affecting autonomous public organization (APO) policy agenda setting and policy formation through comparison of policy processes applied to one educational institute under the Ministry of Education and the other educational institute under the Ministry of Public Health in Thailand. This study employs mixed method including a qualitative approach through documentary research, in-depth interviews, and participant observation. Factors that facilitated the formulation of the APO policy were: (1) awareness of need; (2) clarity of strategies; (3) leadership, advocacy, and strategic partnerships; (4) clear organizational identity; (5) participatory approach to policy formulation, and (6) identification of a policy window. Factors that impeded the formulation of the APO policy were: (1) diverting political priorities; (2) ill-defined organizational identity; (3) fluctuating leadership direction; (4) inadequate participation of stakeholders; and (5) political instability. Although findings cannot be generalized, this case study does offer benchmarking for those in search of ways to enhance processes of policy formulation.

INTRODUCTION

Public Sector Reform (PSR) emerged within the context of the changing roles of the government and was facilitated by the financial crises in the late 1970s and 1980s (Schacter, 2000). In support of PSR, the World Bank (WB) and other major donors have attempted to bolster developing countries by introducing assistance plans. In order to achieve the goals of PSR, a number of approaches have been introduced in different countries. These included decentralization, Structural Adjustment Programs (SAPs), democratization, and liberalization among other initiatives. In Thailand, PSR has been ongoing for over two decades and is still in progress. Thailand’s last Constitution, the so-called ‘people constitution’ enacted in October 1997, created the supportive context for PSR and emphasized decentralization, equity in access to public services, and improving the level of community participation. An organic law to promote decentralization, the Plans and Steps for Decentralization Act was promulgated in 1999. Through the Constitution and the organic law, the Thai government formulated, promoted, and implemented the decentralization policy. At the same time, the master plan for PSR (1997-2001) was developed in June 1997 focusing on two main areas: (a) adjustment of the roles, responsibilities, and size
of the government sector; and (b) the development of a working system for the government sector (Nitigraipoth, 1999).

Initially, implementation of PSR in Thailand was delayed because of the 1997 economic crisis. However, because of the economic crisis, the Thai government entered into an agreement with the International Monetary Fund (IMF) and had agreed to some policies reform that included the further public sector reform. In addition, the WB provided support by offering a specific PSR loan to the Thai Government and by mobilizing partner agencies, including the United Nation Development Program (UNDP), the European Union (EU), the Asian Development Bank (ADB), the private sector, and civil society to support PSR (World Bank, 1999).

In addition to Thailand’s new Constitution and consistent with the PSR plan, the Autonomous Public Organization (APO) Act and the Plans and Steps for Decentralization Act were launched in 1999 as key components of PSR, facilitating more autonomy of new public agencies, and transferring authority and resources from central to local governments. As a result the Parliament approved, according to the proposal from the government the Public Sector Management Reform Plan in 1999, providing the Government’s vision for institutional change. This Reform Plan had three main objectives: (1) strengthening performance-based resource management and becoming more outcome-focused; (2) improving service efficiency by outsourcing, restructuring, or decentralizing government activities; and (3) strengthening government accountability (Wongkongkathep et al., 2003). Further, the reform plan consists of five main elements: (1) the adjustment of roles and responsibilities, (2) the reform of financial and budgetary systems, (3) review of the personnel management system, (4) adjustments in the legal system, and (5) changes in management paradigms, culture and values (Bureau of Policy and Strategy, 2002). The establishment of APOs was one significant result of this plan. Pioneers to translate policy into action emerged in two sectors: health and education.

Following ADB funding and the guidelines of the Public Organization Act in 1999, the Ministry of Public Health (MoPH), as a public organization and as the steward for the national health system, did not escape the movement for reform. To respond to reform policies, the MoPH created the decentralization plan and the operational plan for the management of Autonomous Public Organizations (Bureau of Policy, 2002). Several organizations within the MoPH prepared for an adjustment of their roles, responsibilities and organizational structure. A ministry hospital, the Ban Phaeo Hospital, was transformed into an Autonomous Hospital (public organization) in 2000, by the royal decree under the Public Organization Act of 1999.

The concept of an autonomous public organization (APO)

Because of rapid socio-economic changes, the previous responsibilities of the government sector became more complex, and new public roles have emerged. In order to deal with these changes, a more flexible organizational structure was needed. Therefore, a new type of public organization, the Autonomous Public Organization (APO), was launched. The characteristics of an APO can be described as follows (Nitigraipoth, 1999):

An APO is a public organization, but with its own juristic entity. The APOs are not considered as conventional government organizations or state enterprise. While functioning under the public sector and considered as a ‘public entity,’ they have their own ‘legal status’ and authority over many
aspects of their operations. APOs are outside of the usual government chain of command.

APOs are non-profit organizations, financially supported by the government. The main responsibilities of APOs are to provide those public services deemed to be government responsibilities, but which are not effectively carried out by the usual public bureaucratic structure. Therefore, the government provides financial support to APOs that can be used in a flexible way. In addition, APOs can also generate their own income, budgetary and financial systems, which are held accountable to the government.

**Specific authority and roles.** Because APOs are special organizations that have specific roles and responsibilities, APO functions are stated in the royal decrees that establish each APO.

**Independent management.** As new flexible organizations, APOs have their own authority and have the autonomy to establish rules and regulations in many areas, including personnel management, budgetary and financial systems, accounting systems, and evaluation systems.

**Government control.** APOs receive their funding from tax revenues, and as a result, they are under the control of and accountable to the government. The control system established to monitor and evaluate the APOs' performance is called a post-control.

**Pioneers to translate policy into action: education and health**

In March 1998, The King Mongkut’s University of Technology Thonburi (KMUTT) was the first public university transferred to the status of APO. KMUTT was selected for this study because its core responsibility is education, which is the same as the Praboromarajchanok Institute for Health Manpower Development (PBRI) under the MoPH.

The KMUTT was initially established as the Thonburi Technology Institute (TTI) in 1960 by the Department of Vocational Education, Ministry of Education. As a result of the enactment of the Technology Act in 1971, three technical institutes under the Department of Vocational Education, namely Thonburi Technical Institute (TTI), North Bangkok Technical Institute, and Nonthaburi Telecommunication Institute joined to establish one degree-granting institute under the name of King Mongkut’s Institute of Technology (KMIT). In 1998, the KMUTT Act was approved, and the TTI then became King Mongkut’s University of Technology Thonburi (KMUTT). KMUTT was the first among public universities in Thailand to receive full autonomy. The new act gives KMUTT total control over its budget, allows it to own and manage property, and grants authority to set up new faculties and departments, as well as introduce new academic programs.

By 2002, the MoPH initiated the process of adjusting roles, responsibilities, and modifying its organizational structure. PBRI, under the MoPH, was among those preparing for conversion to APO. PBRI operates under the supervision of the Office of Permanent Secretary in the MoPH. PBRI is responsible for public health personnel production, mainly for use by the MoPH, and development, as well as HRD research and development. There are 31 Nursing Colleges, 7 Colleges of Public Health, 1 College of Medical and Public Health Technology, and 1 College of Public Health Administration under the responsibility of PBRI. To conform with government reform policy, PBRI and the organizations under its supervision were required to adjust their roles, responsibilities, and organizational struc-
PBRI and its colleges were planned to be transformed into Autonomous Public Organizations.

The idea of transformation to an APO for PBRI was initiated in 1997, and in order to study the feasibility of being an APO, a working group was set up in 1997. According to the Public Organization Act 1999, the National Education Act 1999, and the Restructuring of Ministries and Departments Act 2002, PBRI was selected to be transformed to an APO. The draft Praboromarajchanok Institute Act that would establish PBRI as an APO was submitted to the cabinet for consideration in December 2002. After approval, it was further examined by the Council of State for legal details and later on submitted to the Parliament. While the Act was still under review by the parliament, the processes were underway for revising the PBRI organization, its human resource management functions, and a variety of regulations.

Rationale

The APO transformation process includes various steps, with the involvement of key personnel at each step. Understanding the policy process of transformation to APO and the involvement of actors in each stage is crucial for the success of this form of PSR. The interaction and the movement among the actors affect the outcomes of the policy process. This study explored these steps in the policy process of the transformation to APO of the PBRI and KMUTT.

PBRI, within the MoPH, was selected to study the process of transformation to APO, while KMUTT, successfully transferred to APO in 1998, under the Ministry of Education (MoE) was selected as a reference.

The main research question of this study is “What are the key factors that facilitate and impede the formulation of the Autonomous Public Organization Policy?” It also aims at understanding major issues in the policy process of transformation to an APO. Given the fact that PBRI did not arrive at the stage of being transformed into an APO yet, this study focused on the processes involved in agenda setting and policy formulation.

Walt and Gilson’s (1994) conceptual framework for policy analysis guided the design of this study (Fig 1). This conceptual framework offers a systematic way to explore the impact of various factors on the policy process. The main results on the analysis of the policy processes involved in the transformation of the PBRI and KMUTT into APOs as well as the conclusions and recommendations are described in this paper.

MATERIALS AND METHODS

A qualitative approach was used for this study through documentary research, participant observation, and in-depth interviews using content analysis and focusing on both national level and organizational level of the policy formulation process. PBRI and KMUTT were selected for this analysis based on their comparable roles in education.

Sampling of documentation included tertiary and secondary data sets dealing with government policy on public sector reform, guidelines, research publications, letters, reports, draft bills and acts and memos.

Participatory observation, supported by field notes and audio recording, was used in attending taskforce meetings at PBRI on the process of transformation to the APO policy. There were approximately 20-25 members at each meeting, the director and the deputy directors of PBRI, directors of Nursing Colleges and Colleges of Public Health, PBRI staff, as well as the representative of the Bureau of Policy and Planning, MoPH, the Office of the Civil Service Commission, and the Office of the Commission for Higher Education.
Both national and organizational resource persons were purposively selected for in-depth interviews, based on their representativeness for main constituencies, such as politicians, bureaucrats, public servants involved; and policy elite groups, such as policy advocates, professional experts, and academics. To improve sampling of participants, the snowball technique was also applied. An official introductory letter was used to request an in-depth interview. The interviews were conducted at interviewees’ offices and guided by a protocol. Note taking and audio recording facilitated data collection. Interviews were transcribed, follow-up calls, e-mails or complementary interviews were used if further clarification was needed. Interviewees’ feedback was used on transcriptions to ensure accuracy and validity.

Triangulation of both methods and data sources was applied to ensure reliability of analysis outcomes.

RESULTS

The documentary analysis included meeting reports of the parliament, senate, the joint parliament-senate committee, relevant meeting reports of the MoPH and PBRI; and official proceedings, records, and publications.

A total of 55 in-depth interviews were conducted. Out of the 15 national level interviews, 6 politicians, 5 bureaucrats, and 4 experts participated. Out of the 40 organizational level interviews, 18 bureaucrats and 22 civil servants participated.
### Table 1
Factors affecting the enactment of the autonomous public organization policy.

<table>
<thead>
<tr>
<th>Policy process</th>
<th>Context</th>
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<td>Agenda setting</td>
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<td>• Emerging APO concept • Higher Education Plan 1990-2004 • Perceived benefit clear</td>
<td>• Alignment among key actors • From leadership to organizational goal</td>
<td>• Advocacy driven • Policy window</td>
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<td>Policy formation</td>
<td>• Political resistance • Economic crisis '97 causes delay • Elections cause delay • Ruling party adopt political agenda</td>
<td>• PSR 1997-2001 • PSR clear consensus • APO no consensus • Perceived benefit not clear</td>
<td>• Trusted KMUTT executives • Support from Faculties mgt. • PM and MOU support</td>
<td>• Continuity in direction • Lobbying efforts • Broad and continuous involvement at KMUTT</td>
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<td>PBRI</td>
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<tr>
<td>Agenda setting</td>
<td>• Government limitations • Organizational identity conflict • Low public interest</td>
<td>• PSR clear consensus • APO no consensus • Perceived benefit not clear</td>
<td>• Divided opinions on the relevant home agency (MoPH vs MoE) • Support for APO from PBRI sub-entities</td>
<td>• Fluctuating directions • Evaluations as internal political strategy</td>
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<tr>
<td>Policy formulation</td>
<td>• Shift in priority agenda of ruling party • Government policy on “Community University” • Epidemics divert attention • Delay caused by political instability</td>
<td>• PSR 2003-2007</td>
<td>• Parliamentary sub-committee support • Low priority among MoPH executives • Fluctuating interest among PBRI executives • Divided opinions among PBRI institutes and staff</td>
<td>• Low political priority • Lobbying efforts by PBRI executives • Shifting back and forth parliament-senate • Absence of broad and continuous involvement at PBRI</td>
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Participatory observation, as member of the PBRI taskforce, took place during seven work meetings that took place from January to June 2006.

**Agenda setting**

**Context.** For KMUTT, realization of the limitations in the government due to its complexity and size, resulting in inflexible, in-
flated, and complicated systems, with a focus on regulations to control corruption, compliance with regulations, and utilization of budgets rather than attention for efficiency and effectiveness, therefore often unable to address societal change and particular organizational needs, promoted policy agenda setting. Government limitations actually created an impasse for KMUTT to realize its educational mandate and especially the vision adopted by KMUTT in achieving its mission. One high-level executive of KMUTT said

The government system has high limitation, inflexible, inflated, complicated system and is not relevant to the new government responsibilities.

As for PBRI, the same awareness about government limitations applied; however, conflict in organizational identity, that is, belonging to the MoPH with a public health and health care mandate rather than education, as well as reduced public interest at the time of agenda setting, clearly undermined the leverage required to place the PBRI-APO Act onto the policy agenda. Two directors of Nursing Colleges mentioned that

There is a limitation of being in a huge system and therefore it is necessary to have a new system that is related to the university responsibilities; and

There is no academic freedom of education management under MoPH. It does not have its own specific status.

Content. In terms of content, the APO was an existing and emerging, but relatively ill-defined concept. However, it was perceived to offer clear benefits for both the executives of the MoE and KMUTT; therefore, eagerly adopted for inclusion in the Higher Education Plan 1990-2004. One high-level executive of KMUTT said that

The idea of APO had been discussed among the experts only; nobody translated into action until it was written in the Higher Education Plan.

In contrast, for PBRI, although there was a clear consensus among key stakeholders on the need for PSR, there was no consensus among internal stakeholders on the usefulness of APO and its potential benefits. A staff member of PBRI said that

The executive level of MoPH and PBRI should not concern about the lost or gain. They should push for more support on that policy because with everything we have done, the people will receive all the benefit.

Actors. As for KMUTT there was alignment and mutual support among key actors. In addition to strong leadership within KMUTT, efforts went beyond the individual level, by adopting the transformation to an APO as an organizational strategy in fulfilling its mission and vision. A high-level executive of KMUTT mentioned that

As I remember, until the Act was approved, I had to explain about being an APO and the KMUTT Act to the 9 Ministers of University Affairs, and they all agreed with KMUTT to transfer to an APO.

Again in contrast with KMUTT, alignment among key actors within PBRI was absent. Opinions remained divided on the relevant home agency, that is, whether PBRI should remain under the MoPH or be transferred to the MoE. Although the majority of sub-entities under PBRI (ie, colleges and institutes) supported the proposed transformation to an APO, viewpoints showed a variety of interpretations. One instructor said that

PBRI has to adjusting roles and responsibilities and modifying its organizational structure, and the best way is
transformation to an APO; and PBRI should transfer to the APO that is useful to the instructors because they can promote themselves in the academic area.

**Process.** The policy process for KMUTT was clearly advocacy driven, where lobbying provided the leverage required in utilizing the policy window; whereas for PBRI, changing leadership was characterized by fluctuating directions, using evaluations as internal political strategy to delay and/or alter directions. A high-level executive of KMUTT explained:

The Permanent Secretary of the Ministry of University Affairs discussed the concept and reason for changing to the autonomous university with the representative from 16 universities, and they all agreed with his idea.

**Policy Formulation**

**Context.** At the time of the policy process for KMUTT, there was political resistance, the economic crisis of 1997, and elections; each causing delays. However, initial delays turned into facilitating events such as the World Bank and Asian Development Bank support for PSR and APO in response to the economical crisis, as well as the adoption of APO Act onto the political agenda of the ruling party post-election.

At the time of policy formulation for PBRI, the scene was entirely different. Election results created a shift in priorities of the ruling party, and universal health services coverage became the new government’s top priority; however, the new government policy on creating “Community Universities” (bringing local educational institutes under a common framework) offered a window for PBRI, but MoPH stakeholders remained divided over the prospect of transferring assets to the education sector. In addition, outbreaks of epidemics, such as avian influenza, diverted attention within the MoPH leadership, and political instability contributed to further delays in policy formulation at national level.

**Content.** For both organizations, at different times (KMUTT: PSR Plan 1997-2001 and PBRI: PSR Plan 2003-2007), PSR plans provided the required supportive framework to formulate an APO policy.

**Actors.** Important factors in policy formulation at the time of KMUTT were the widespread trust in KMUTT executives, the mutual support among the Prime Minister and executives of the Ministry of University Affairs, as well as the unanimous support for APO from KMUTT Faculty management teams. The staff of KMUTT said that:

The manager is the main person. We trust him. We have a good leader; and The main criteria of being APO is the determination of the team leader.

and

We have to deal with several problems and challenges, but we passed every step because of our leader.

For PBRI, although there was parliamentary sub-committee support, low priority among MoPH executives, fluctuating interest among PBRI executives, as well as divided opinions among PBRI institutes and staff created barriers in APO policy formulation. One politician said that:

The executive levels of MoPH have to have broadened mind and accept the new system. They should adjust their own working policy and support the changes.

The deputy director of PBRI stated that:

Most of the sub-committee of the parliament agreed with the PBRI Act. There is nobody who objected.

The directors of Nursing Colleges said that:

...
The former directors of PBRI supported the transformation to APO; and there were clearly implementations in the past, but at the present, the director of PBRI did not process anything; therefore, everything is unclear.

The staff of PBRI said that the support on transformation to APO from the permanent secretary of MoPH and the director of PBRI were not clear. It is a crucial obstacle. The director of PBRI is an obstacle. He showed that he disagreed. So, everything cannot be processed.

**Process.** In terms of the policy formulation process important factors in the case of KMUTT were continuity in leadership direction, ongoing lobbying efforts, and last but not least the broad and continuous involvement of staff at KMUTT. The executive level of KMUTT and staff agreed that the strength of KMUTT is the managers who have the high continuity of thought.

We trust our leader. He could lead us to the destination. The leader is very important, and we have followed the same strategic direction of being APO.

The situation in the case of PBRI provided a mixed picture characterized by a low political priority for APO at the national level, undermining the lobbying efforts by PBRI executives, and resulting in shifting the agenda back and forth between parliament and senate, further in contrast to KMUTT, there was the absence of broad and continuous involvement among PBRI staff. The staff of PBRI said that the preparation system of PBRI was not well organized. Staff members had different ideas about the transformation to APO and remaining in the old system. Therefore, the preparation of PBRI was not smooth.

**DISCUSSION**

This case study addressed the research question, “What are key factors that facilitate and impede the enactment of the Autonomous Public Organization Policy”? Factors affecting enactment of the APO policy in terms of agenda setting and policy formulation for both the KMUTT and PBRI can be summarized by factors of policy context, factors of policy content, actors in the policy process, and factors related to the processes involved (Table 1). A comparison of these various components between KMUTT and PBRI highlighted the following.

Key factors that facilitated enactment of the APO policy in this study were: (1) awareness on the limitations of government systems to address the need for efficiency and effectiveness; (2) the formulation of strategies to address these gaps; (3) enhancing political support through leadership, advocacy, and strategic partnerships; (4) a clear organizational identity in terms of mission and vision; (5) an inclusive and participatory approach to policy formulation; and (6) the identification of a policy window.

Key factors that impeded enactment of the APO policy in this study were: (1) a diverting political priorities; (2) absence of a well-defined organizational identity; (3) fluctuating leadership direction, (4) external and top-down approach to policy formulation; and (5) external factors such as political instability.

Blaikie and Soussan (2001) suggested that policies are general developments on existing legislation that incorporate lessons learned, perspectives, or priorities. Key policy milestones in this analysis comprised past policies, legislation, catalytic events, and
the APO project. Hewison (2008) indicated that accessing the primary policy documents could be a useful way of analyzing policy and engaging with the policy process.

International organizations important in the field of public sector reform such as IMF, WB, ADB, UNDP, EU and others have encouraged the creation of autonomous public organizations. However, one could question the reliability of the new regulatory orthodoxy coming from international organizations (Christensen and Laegreid, 2005). As in this study, international pressure and support, accelerated by the economical crisis in 1997, did place PSR and the formation of APO on the policy agenda in Thailand; however, it remained somehow controversial among various national stakeholder groups.

Policy process analysis works towards a systematic understanding of how the policy process functions in practice. In order to do this we applied the model of Walt and Gilson (1994) structured into a robust and dynamic analytical framework that relates to policy development and policy implementation. However, given the realities of policy practice during this study, we had to limit our exploration to policy development because of delays related to enactment of the PBRI Act. Nevertheless, it is of interest to note that our findings are broadly in line with the main factors influencing success and/or failure of reform processes (Chandarasorn, 1999).

It is acknowledged that our approach mainly focused on the political processes and involved stakeholders, used only qualitative methods to determine what processes and means were used, and explained the roles and influence of stakeholders within the policy process. Moreover, policy research teams that combine both insiders and outsiders may yield the most comprehensive understanding of the policy process (Walt et al, 2008). However, implementation of such a model is not easy. Policy analysis could be described as only emerging as a field within developing countries. To address this challenge, the principal investigator, an insider, was supported by an advisory team, the outsiders, at the stage of analysis.

The result of this study suggested that leadership is one component that can push policy successfully. Maddock (2009) also said that the leadership is a key to the public reform process as it is they who have to address social problems not just from the perspective of what to change but how to involve people in the process. Verschuere (2009) agreed that the involvement of the higher level of the organization is important in the policy process. Finally, although findings cannot be generalized, this case study does offer benchmarking for those in search of ways to enhance processes of policy formulation.

REFERENCES


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