THE EFFECTIVENESS OF PROVINCIAL CLUSTER ADMINISTRATION

IN THAILAND

By

Charoon Ponghan

THESIS

Submitted to
KDI School of Public Policy and Management
in partial fulfillment of requirements
for the degree of

MASTER OF PUBLIC POLICY AND MANAGEMENT

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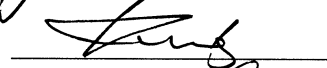for the degree of

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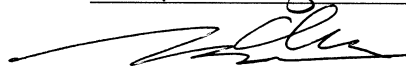MASTER OF PUBLIC POLICY AND MANAGEMENT

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ABSTRACT

**THE EFFECTIVENESS OF PROVINCIAL CLUSTER ADMINISTRATION
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Provincial cluster administration in Thailand is an endeavor of Thai government to promote regional development. It was initiated in 2003 as a strategic boundary by means of grouping seventy five provinces into eighteen provincial clusters based on physical proximity and shared common potential. Throughout the recent development, policy instruments, driving mechanism; the Office of Strategy Management, and other administrative resources have been equipped with the provincial clusters so as to enhance their competence and achieve the ultimate goals. From the study, there is considerable perception that the provincial cluster holds high potential to promote regional development. Nevertheless, the existing administration has encountered numerous problems seriously undermining its overall effectiveness. By taking the current situation of provincial cluster administration and regions administration in France and England into consideration, cross-functional policy integration from central to provincial cluster and to local level and provision of legal empowerment to the Office of Strategy Management are the prerequisite for enhancing its effectiveness.

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This thesis would not have been accomplished without kind assistance of many people. First and foremost, I owe my heartfelt gratitude to Professor Jin Park whose guidance, encouragement, and kindness from the preliminary to the final stage enabled me to develop my focus of interest and finally complete the research. I am also indebted to many of my colleagues who strongly supported me in process of investigating document data and conducting survey, and in-depth interviews. Last but not least, I offer my regard and blessing to all of those who provided me the help in any respect throughout the study.

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ABBREVIATIONS

DATAR - Délégation à l'Aménagement du Territoire et à l'Action Régionale or

      Inter-ministerial Delegation for Territorial Planning and Regional Attractiveness

DIACT – Délégation Interministérielle à l'Aménagement et à la Compétitivité des Territoires or

      Inter-ministerial Delegation for Regional Development and Competitiveness

GOs - Government Offices

OSM – Office of Strategy Management

RCU – Regional Coordination Unit

SGARs-General Secretariats for Regional Affairs

CHAPTER ONE: INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

Regional administration is one of the major three pillars of Thailand's governmental structure apart from central and local administration[1]. Based on deconcentralization principle, Thailand's regional authorities composing of province, district, sub-district and village are entrusted with delegated power from the central government to undertake specific transferred functions throughout the nation. They, as a representative of the government, also facilitate and oversee the translation of government policies into practice by aligning their missions with local actors.

Amid five tiers of regional governance, province plays a key role in functioning regional administration. Under the lead of appointed Governor, province posses the most characteristic attribute as a linkage between national or governmental layer and local level. In other words, it is an intermediate sphere where top-down push and bottom-up demand tunes up for the policy equilibrium. If it efficiently functions, province is possibly capable of integrating the national development agenda and government policy along with local demands and location development potential. Based on this rationale, province will therefore minimize the administrative burden of central government as problems can be effectively and timely handled. Moreover, the

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[1] Thailand's governmental structure is divided into three pillars. Central administration composed of Ministry, Department, and other state authorities holding a status as Ministries. Regional administration refers to Province, District, Sub-district and Village. And local administration consists of Provincial Administration Organization, Municipality, Subdistrict Administration Organization, and two special areas; Bangkok Metropolitan Administration and Pattaya City.

government can lift up people's demands and maximize overall development potential in provinces across the country.

However, the persistent problem of inter-organizational power relation between central and regional administration has long undermined the capacity of province and overall regional administration. Strong centralization of Thai government in the past has drawn fragmentation of power in provincial administration. Instead of delegating some extent of power and functions to the governor, many central authorities directly perform their functions via their established local units over which they still hold full command and control power especially budgeting. Simultaneously, those agencies are to account for their parent organizations which possess determinant power over their performance evaluation. Consequently, the governors who are appointed by the government and supposed to take a lead in provincial administration have virtually fragmented power. It was commonly found in many cases that what the governor can to do is just employing their coordination skill, not command or decision-making power with an organization in charge to overcome encountered problems. Furthermore, a relative lack of consolidating power has led to compartmentalized national policies at regional level. The province thus has long been developed in uncoordinated fashion. Overall, the situation mentioned has both deprived the Governor's capability of unifying regional development as well as deprive the province of developing in their optimized way.

The 20th century has witnessed a dramatic change of Thailand's provincial administration. The ultimate thrust is to strengthen regional administration competence in implementing the government policies and alleviating central government's mission at regional and local level (OPDC.2004-3). Under the Thaksin administration, province has gained momentum in the public sector reform. The initiative of the Integrative Provincial Administration, so called the CEO

Governor was firstly introduced in 2001. According to this notion, the governors take a role of the province's Chief of Executive Officer assisting the Prime Minister, the country's CEO, in government administration. They are entrusted with much more power, resources, and administrative tools of managing the province such as CEO Governor budget, more delegated command and control power over other central agencies in the province (The Office of Permanent Secretary for Interior. 2009-3). Initially, this provincial CEO model was piloted in five provinces before fully enforcing to all seventy five provinces in 2003.

Along with an endeavor to enhance the performance of provincial administration, the provincial cluster has started the new history of regional governance when it was initiated in November 17, 2003. Provincial cluster can be perceived a serious major policy instrument of regional administration or even territorial management with more active perspective in Thailand. As the CEO Governor in provincial administration has demonstrated an endeavor to systematize its administration in the extent of enough delegated power based on the deconcentralization principle. Provincial cluster, as a group of provinces, is set to advance province's capital to achieve more desirable impact of development and investment. Since the phenomenon of regional governance development especially newly emerged provincial cluster administration has been the central of government reform agenda, the question of its effectiveness has stood out. This paper is conducted for the main purpose of mirroring this state-of-the-arts form of territorial administration. So the background of interest in the study of the effectiveness of provincial cluster administration detailing for example, questions of study, hypothesis, and research framework were firstly elaborated in the first part. The second part of paper documents the review of key concepts underlying the provincial cluster administration. Specific focus is given to the ground and implications of the cluster concept which differently evolved by time and

policy contexts. The Office of Strategy Management is another relevant notion explained in the same chapter. In addition, in order to acquire reliable and well-rounded study answers, research methodology is designed based on document study, survey questionnaire, and interview elaborated in the third part. The following part highlights a finding of the effectiveness of provincial cluster in Thailand which is a heart of this paper. The perception towards its achievement covering organized structure of power, administrative resources and system, and development outcome is revealed according to relevant stakeholders. Simultaneously, since the phenomenon of territorial administration arrangement has also existed in other countries, two similar case studies from England and France' regions are studied to provide insights into the territorial management and lessons learned for Thailand. Then those findings are discussed, and analyzed based upon the designed framework of study in the following part. The final part culminates with conclusion and policy recommendations aggregated from both Thailand's context and foreign case studies' good practices for its further development. Hopefully, the study can make an academic contribution by demonstrating an extensive use of cluster concept in territorial administration. Regarding to policy arena, it is also hoped to build more understanding about the background and status quo of provincial cluster administration in Thailand. Furthermore, if taking the finding into account, the convincing implications that Thailand's provincial cluster administration needs both cross-functional policy integration from central to provincial cluster and to local level as well as legal empowerment for the Office of Strategy Management have to be undertaken by relevant policymakers so that the ultimate goals of provincial cluster administration can be accomplished.

1.2 PROBLEM STATEMENT

The emergence of provincial cluster administration in Thailand since 2003 is perceived as the latest move of Thailand's regional administration. It is a part of the continuous endeavor of regional administration reform after the implementation of CEO Governor provincial administration in 1st October the same year. The current change of regional administration has observed the expansion of administrative scope of province. Meanwhile the CEO Governor is mainly centered to the empowerment of governor by means of equipping him with more consolidated power and systematic administrative instruments such as command and control power, budgeting, and strategy-based execution. Provincial cluster administration is another active step forwards to foster the optimization of province's potential under the newly-created strategic boundary, administrative structure and driving mechanism.

Under the provincial cluster administration, potential regional administration is what the government attempts to lift up. The creation of provincial cluster, which can be called a dramatically progressive policy instrument of territorial management, is aimed to bring about more responsive and systematized regional administration. It is to create a sphere where government policies are suitably aligned with locational advantage and local demands. Especially, in the stream of decentralization, the extent of effectiveness in provincial cluster as a regional body can help strengthen the development capability of overall regional administration. In addition, provincial cluster can constructively lead to a rearrangement of governmental structure. It is crucial to have a clarification of authority among government agencies in each level as well as that of power relation between regional and local governments. In this sense, collaborative relationship between regional and local authorities can be established.

With above reasons, provincial cluster policy has attracted more importance with time. A variety of policy instruments has been escalatingly put in place to enhance the working capacity of provincial cluster for years. The provincial clusters were equipped with budgeting power in 2007 The number of clusters was also adjusted from nineteen to eighteen clusters in the same year so as to enhance more compatible potential of each group. In addition, the driving mechanism of provincial cluster so called the Office of Strategy Management was created to be specifically in charge of provincial cluster execution.

Therefore, in the meantime of development, the examination of those measures regarding provincial administration cannot be overlooked. The extent of provincial cluster administration's achievement is thus necessary to be evaluated. In respect of policy, a main question central to whether provincial cluster a right direction for Thailand's regional administration has to be acknowledged. Then, the designed system as well as continuously poured budget and other administrative resources can be proved how functional and value-for-money it is. The evaluation provides the perspective of weakness needed to be solved so right policy implications can come up with. Simultaneously, in terms of academic prospect, since the implication of cluster concept to territorial administration is still scarce in the area of public policy, a finding about the provincial cluster administration in Thailand will also make the ultimate contribution to relevant academic theories.

1.3 PURPOSE OF THE STUDY

1) To examine and evaluate stakeholders' perception towards the effectiveness of the provincial cluster administration in Thailand.

2) To explore a similar foreign administrative model that can be applicable to the provincial cluster administration in Thailand.

3) To provide policy recommendations for further development of the provincial cluster administration in Thailand.

1.4 RESEARCH QUESTIONS

1) How effective is the administration of the provincial cluster in Thailand?

2) What are the underlying constraints of the provincial cluster administration?

3) How can similar administrative models in foreign countries be a lesson learned for enhancing the effectiveness of provincial administration?

4) What are appropriate policy instruments for further development of provincial cluster administration?

1.5 HYPOTHESIS

The provincial cluster administration in Thailand is significantly constrained by poorly organized power relation among central, regional, and local government as well as inadequacy of the Office of Strategy Management's legal empowerment. Without cross-functional policy integration from central to provincial cluster and to local level as well as legalization of the OSM, the effectiveness of provincial cluster administration in Thailand cannot be achieved as expected.

1.6 FRAMEWORK OF STUDY
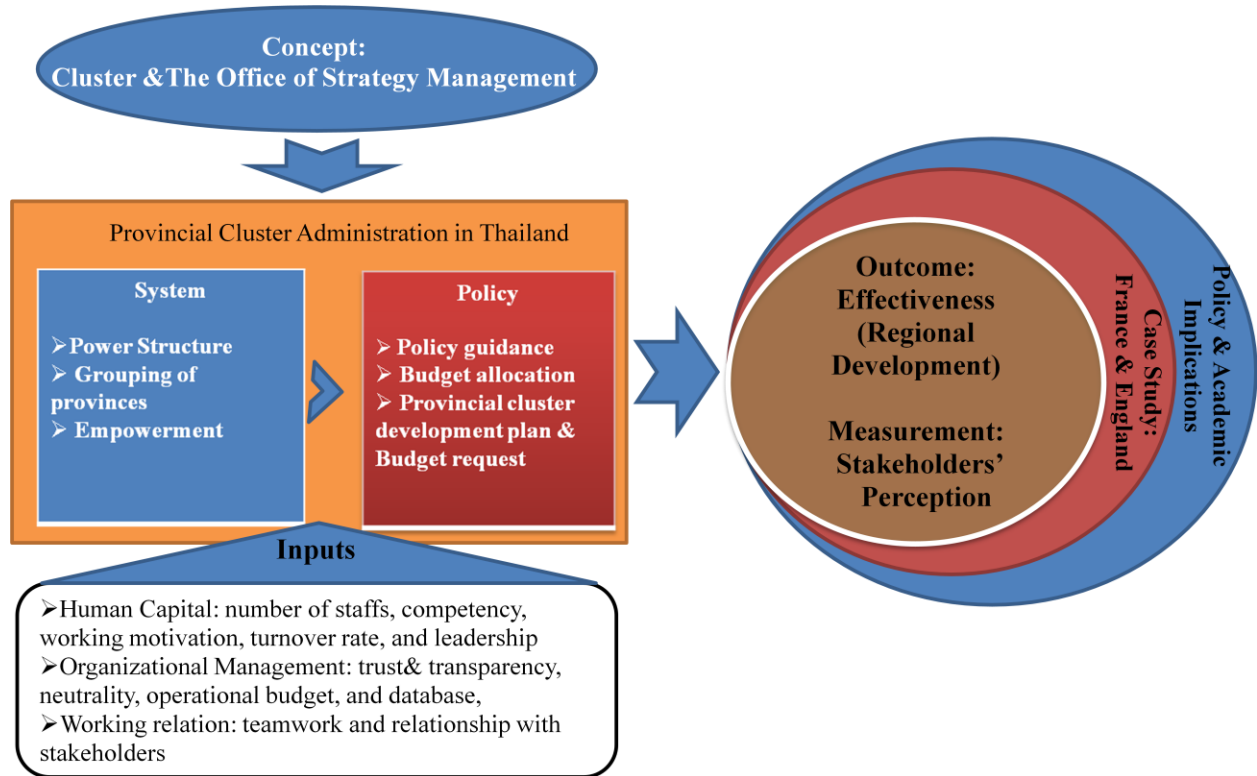
In the study of the Effectiveness of Provincial Cluster Administration in Thailand, a framework of study demonstrated an overview of analytical framework is figured out. Prior to an analysis of provincial cluster administration, theoretical concepts underlying the administration are studied. These include two notions of cluster and Office of Strategy Management. Afterwards, the effectiveness of provincial cluster administration is justified through a study of two interrelated factors so called variables and dependent factor. The composition of provincial cluster administration; system, policy, and inputs, is defined as variables. The first section regards an organized method to enable the function of provincial cluster in this context. There are three elements composing the referred system; power structure (hierarchy of command ranging from the committee at national to provincial cluster and to provincial level), grouping of provinces

(how Thailand's seventy five provinces are grouped into eighteen provincial clusters), and empowerment (the OSM's legal capability for working). In the second part, policy means a particular government guideline officially agreed and/or announced by the government. There are three elements to be considered; policy guidance (specified government's criteria and priority for budget allocation to provincial clusters), budget allocation (yearly national budget given to each provincial cluster for implementing its development strategy), provincial cluster development plan (four-year development strategy and yearly action plan of provincial cluster detailing development programs within cluster), and budget request (process of proposing budget demand made by provincial cluster to the government). The last one refers to inputs which are the driving factors of the system in achieving the government policy. They consist of human capital (number, competency, working motivation, turnover rate of staff working in the OSM and leadership of the head of provincial cluster administration committee), organizational management (trust and transparency of provincial cluster administration committee, neutrality of the OSM, and operational budget and database employed by the OSM), and working relation (teamwork and relationship between the provincial administration committee and stakeholders).

These three variables constitute Thailand provincial cluster administration and are determinants of an outcome of the administration defined as effectiveness. It should be noted that the effectiveness of provincial cluster administration, as a dependent factor, refers to an enhancement of regional development potential. However, since empirical evidences to justify whether provincial cluster administration is effective are limited due to unavailability of numerical data. Therefore, this research examines the effectiveness of provincial cluster administration based on stakeholders' perception measured by survey and in-depth interview (methodology elaborated in Chapter Three). Other than Thailand's experience of provincial cluster which is the main part of

the research, the case study of France and England are included so that their similar form of administration can be learned. Finally, an integrated finding of the effectiveness of provincial cluster administration and common practices learned from the case studies results in the policy implications suggested according to Thailand's.

CHAPTER TWO: LITERATURE REVIEW

To conduct literature review is rendered as a vital step for building a strong foundation in any areas of study. Likewise, sound understanding of provincial cluster administration in Thailand needs a well-rounded study of concerning literature as a prerequisite. This chapter is composed of two sections of study; theoretical concepts and relevant research. The theoretical study explores two key concepts underlying the provincial cluster; cluster and the Office of Strategy Management. Those background knowledge and commonly adopted implications are clarified. Then, the understanding of cluster is linked to explain the provincial cluster in a specific context of Thailand's territorial administration. Besides, the relevant research regarding provincial cluster in Thailand is studied in order to investigate existing academic knowledge and perspectives towards the provincial cluster administration.

2.1 CLUSTER

Conceptual background

Cluster is not a new phenomenon. The economic concentration in a specific location has empirically been observed in the earlier time up to present. Therefore, the concept of cluster has an evolving background. Theoretically, the origin and evolution of cluster can be traced back in

the 19th century. Von Thünen made a primary contribution to the present comprehension of cluster in the work of *The Isolated State* in 1826. Under the assumption that there existed a self-sufficient 'isolated state' in one central city in the pre-industrialization period, he described reasons why the agglomeration of agricultural production and land use occurred in such place. He concluded that travel time and transportation costs are the determinants of the agglomeration of particular economic activities in a specific area (Anderson et al. 2004-14).

In the late 19th, Alfred Marshall enunciated one of the most significant economic concepts which later the notion of clustering and other economic concepts were built upon. According to him, the development of interrelated companies and industries so called 'industrial district' brought about the advantage from a consequence of specialized workforce, specialized inputs, and knowledge spillovers, then interchange of those three factors enabled the cluster constituents gain advantages from positive externalities which resulted in economic efficiency occurred in that 'agglomeration economies' (Gert-Jan Hospers and Sjoerd Beugelsdijk 2002, 385). This 'Marshalian externalities' further on became an influential and worthwhile framework of cluster study so far.

Subsequent framework of cluster in the 20th century lay in a connection between geographic co-location and economics of scale (Anderson et al. 2004-14). For instance, Weber (1909) described that producers' decision on firms' location is influenced by the minimization of production and delivery costs. Haris (1954) and Pred (1966) explained firm location with good markets and suppliers accessibility help improve condition for other constituents in that area. In 1979, an Italian researcher Becattini applied Marshall's concept of 'industrial districts' for regional policy and territorial development published in his article "From industrial sectors to industrial districts" (Europe INNOVA, 2008). His emphasis on the significance of location-based

economic development with the idea of external economies has changed the approach to industrial policy.

However, the cluster concept was most popularized by the notion of Porter's Competitive Advantage of Nations (1990). "[His notion] was the real novelty, or rather, a rejuvenation of old knowledge that has first been enunciated by the renowned economist Alfred Marshall in the late 19th" (Solvell, 2008, 13). Porter manifested in his so called the 'diamond model' (Appendix A) that there are four determinants; factor conditions, demand conditions, related and supporting industries, and firms strategy, structure, and rivalry on which the achievement of nation's competitive advantage relies. Specifically, cluster is mentioned in the factor of related and supporting industries. He highlighted that the co-location of economic activities within cluster is the consequence of firms' endeavor to leverage their competitive advantage. Cluster plays a vital role as "… a vehicle for maintaining diversity and overcoming the inward focus, inertia, inflexibility, and accommodation among rivals that slows or blocks competitive upgrading and new entry." (Porter, 1990, 87) Therefore, benefits, for example, from multiple competitors, information flow, knowledge spillover, and innovation can be optimized by those clustered firms. In addition, the significance of clustering is more explicitly stressed in his more recent work, Cluster and the New Economics of Competition (1998). According to Porter, the contribution of cluster towards competitiveness lie in three different attributes. First, firms can be more productive if joining in a cluster. Clusters offer better alternatives for firms in access needed resources and tools such as inputs, technology, information, and customers. Second, clusters equip firms with capabilities to innovate. Innovation is spurred by close relationship, mutual learning as well as peer pressure for example. Third, clusters provide fertile soil for business start- up. Established institutions and relationship within cluster help lower risks of entry.

The influence of Porter towards cluster has sparked the interest in clustering. Although the cluster concept are differently translated into numerous policy initiatives, or even if few adoption based on his approach is currently found, his contribution towards cluster analysis is conceived a vital starting point for the further cluster studies and policies.

Definition

There is no unified definition of cluster. As this notion has been used in various fields such as economics, statistics, and music (Peneder, 1997), its definition varies according to purpose and surrounding context of its use. The definition of cluster used in legal basis, for instance, has to be defined strictly as a clear framework of application such as in the State Aid rules is needed. (EU INNOVA, 2008). However, the use of cluster is in general more prevalent in economics. It was usually defined in order to build people's better understanding about the engine of competitiveness and growth. The definitions of cluster in this term were heterogeneously interpreted by various scholars and organizations. One of the most prominent and influential definitions of cluster belongs to Porter. According to his Clusters and The New Economics of Competition (1998), cluster refers to "geographic concentrations of interconnected companies and institutions in a particular field by commonalities and complementarities".

Additionally, there are other definitions of cluster in different scope of focus given by numerous scholars and organizations. The United Nations Industrial Development Organization (UNIDO, 2000) defines cluster as "sector and geographical concentrations of enterprise that produce and sell a range of related and complementary products and, thus, face common challenge and opportunities". With similar logic but given more focus on actors' interaction, cluster in the meaning of Anderson et al. (2004) is "a process of firms and other actors co-locating within concentrated geographical area, cooperating around a certain functional niche, and establishing

close linkage and working alliances to improve their collective competitiveness" Other definitions of cluster is that of DTI (1998) which defined cluster as "a concentration of competing, collaborating and interdependent companies and institutions which are connected by a system of market and non-market links". In the same perspective, cluster means "networks of strongly interdependent firms which are linked to each other both by a value-chain as well as by interactive learning processes" (Gilsing, 2000).

In conclusion, the concept of cluster can be conceptualized as a concentration of enterprises and/or organizations bound with complementary activities where occurred formal and informal interaction generates mutual attributes to each entity and promotes the overall economic development.

From various perspectives towards cluster mentioned above, the characteristics of cluster can be broadly figured out in four aspects. First, most cluster shared a common element of geographical concentration where one or more sectors coexisted. When companies or institutions are geographically co-located, the utilization of hard and soft capital such as natural resources capital, labor, and social capital respectively will be optimized (Anderson et al. 2004-19). However, it should be noted that cluster spatial boundaries are variable and not necessarily confine to political boundary (EU INNOVA, 2008). Its coverage of area can spread by the force of economic drive. Second, as a result of geographic proximity, clusters' specialization is constituted. As a result, cluster entities can reap benefits from economies of scope and scales. It should be noted that specialization in this sense is interpreted in a broader scope than only one core activity. A cluster may transcend a single sector boundary, or develop along value-added chain so a variety of sectors, branched, and industries are included (Anderson et al., 2004-22). However, complementary specialization is still determined the successful clustering. Third, a

cluster is dynamic by nature. A cluster is diversified with multiple actors interacting through their interconnected activities. There are four main typologies of actors in a cluster, namely, firms, government agencies, educational and research institution and financial sector. Then as there are many actors engaging in a cluster, inner dynamics, for example from newcomers, is achieved. Furthermore, at global scale, cluster actors will encounter more challenges and changes. Therefore, cluster actors have to be adaptive and responsive to surrounding environment in order to survive. Lastly, formal and informal relation exists in a cluster. Cluster constituents' capability relies on their "relationships not memberships" (EU INNOVA, 2008-9). Therefore, both formal and informal relation will enhance cluster's strength and capability. Formally, professional relation, on the one hand, can lead to competition which triggers improvement among companies. On the other hand, cooperation from undertaking complementary activities as well as trust resulted from repeated interrelationship can be generated. Additionally, informal relation resulted from "cafeteria effect" (Anderson et al., 2004-22) such as personal contact and gathering session help promote an exchange and a sharing of information, know-how, and technical knowledge. Under the informal circumstances, trust among actors in a cluster will be strengthened.

The potential roles of cluster engender a variety of benefit. The principal advantage which can be examined is productivity. Clustering can promote productivity as firms are able to efficiently access to suppliers, knowledge, skills, and technology with lower transaction cost and production cost. Second, cluster optimized regional specificities. The advantages of local environment enable firms utilize such attributes as productive assets for their economic activities. Furthermore, one of the key critical benefits of clustering is to spur innovation. The circulation and spillover of knowledge, personal interaction, and competition atmospheres, for example, are crucial to innovation development. It, consequently, brings about incremental improvement

which is a basis of "both technical (product and process improvements) and non-technical (business model improvement) innovation" (Solvell, 2008-19). Last but not least, cluster provides business-friendly environment to the start-ups. The tendency of newly set-up businesses is likely to be higher in cluster. Being co-located among suppliers and buyers, start-ups can get advantages from the location full of various business opportunities.

Enthusiasm for cluster has been apparently heightened in the academia and policy arena. In connection with academia, academic literatures on cluster have been growing as a result of a keen interest in promising economic potential of cluster; industrial development and technical innovation (United Nations Industrial Development Organization. 2004-v). A number of conferences and policy studies have been devoted to the topic of cluster. With respect to policy actions, cluster concept especially that of Porter has been popular among policy makers during the 1990s. A variation of interest to cluster has been demonstrated in numerous public policies abounding many economies for example the United States of America, Japan, and European Unions countries. No matter developed or developing countries, they have individually adopted cluster approach as part of their economic strategies.

Noticeably, a scope of cluster approach has been widened from being just a pure economic policy, though undeniably significant, aiming at competitiveness or innovation. Since cluster is helpful to solve the problem of policy cascading by means of coordinating policy and reducing complexity, the extensive use of this multipurpose concept has underlain numerous observed public measures which interrelated to other field of study and public policy.

For instance, cluster concept is applied to deal with poverty problem according to the study of Industrial Clusters and Poverty Reduction by the United Nations Industrial Development Organizations (UNIDO). Based on a rationale that agglomeration economy can generate benefits

in terms of reducing costs and enhancing performance of manufacturers and employees, cluster initiative in the form of industrial cluster is thus originated and introduced in a "pro-poor agenda". The study argued that cluster has potential in tackling poverty by means of raising employment and income especially for those who are marginalized and illiterate; assisting impoverished manufacturers to utilize their limited resources; giving an opportunity for poor communities to act collectively to enhance their well-being; and promoting more social and development goals (United Nations Industrial Development Organization. 2004-v).

Besides, cluster is devoted to a more specific aspect such as cultural management so called culture cluster. An example is Montreal metropolitan region in Quebec, Canada (Metropolitan of Montreal, 2005). The referred concept is "an attempt to understand the relationships surrounding the production of cultural goods and services in the Montreal metropolitan region, the strengths and weaknesses of the cluster, as well as its development factors" (Metropolitan of Montreal, 2005-7). Since Montreal has been called Quebec's main cultural hub where "[there are] artists and authors found throughout the province as well as cultural organizations and companies, and venues and events that nurture Montreal's cultural activity and are in turn nurtured by it" (Metropolitan of Montreal, 2005-10), culture cluster aims to optimize both tangible and intangible asset which belong to Montreal in a well-managed manner.

With the realization of cultural power in economic development and its own cultural particularities, Montreal's culture cluster[2] is an initiative to provide quality and desirable environment so as to attract talented people, improve innovative capacity of firms and institutions, and promote financial and human investment. Their ultimate goals of culture cluster

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[2] Montreal's culture cluster is divided into six sectors; 1) Cinema, audiovisuals and multimedia; 2) Visual arts, media arts, crafts, design and architecture; 3) Recording industry and package acts; 4) Theater and circus arts; 5) Books and literature; and 6) Heritage and museology

are not only for economic growth but also social development, people's well-being upgrading as well as region image promotion on an international stage.

As the cluster concept made the great imprint of policy initiatives as demonstrated. The multi-faceted application of cluster avails Thailand of adopting it suiting to her characteristic administrative context. The embracement of cluster concept in the public administration witnessed a new architecture of Thailand's territorial administration. Subscribing to Porter's notion, Thai government expects that an aggregation of interrelated activities in geographically proximate area will foster competitiveness and growth. As a consequence of grouping provinces with some specific criteria, thus was born a Thailand's provincial cluster administration as another implication that the concept of cluster underlies.

2.2 THE OFFICE OF STRATEGY MANAGEMENT

The Office of Strategy Management is another academic concept underlying Thailand's provincial cluster administration. It was adopted as a driving mechanism of provincial cluster in Thailand in 2007. Conceptually, the Office of Strategy Management (OSM) was introduced by Robert S. Kaplan and David P. Norton in the article "The Office of Strategy Management" published in Harvard Business Review in 2005. According to their 15-year research on the Balance Scorecard of best practice companies, since a failure in strategy execution is commonly found in many organizations due to the fragmentation of administrative management, a new corporate-level unit so called the Office of Strategy Management should be established. The Office of Strategy Management is specifically responsible for strategy management as its name indicated especially cross-functional integration and coordination.

"The OSM is also like an orchestra leader. It does not create the strategic 'music' being played, but it keeps the diverse organizational players-executive team, business units,

regional units, support units (finance, human resources, information technology), theme team, departments, and ultimately employees-aligned with each other." (Kaplan and Norton, 2008, 2)

The roles of the Office of Strategy Management can be classified into three groups (Appendix B). Each group all composes of three main roles. The first is core processes comprising scorecard management, organization alignment, and strategy reviews. The second regards desirable processes. Those are strategic planning, strategy communication, and initiative management. Lastly, integrative processes are composed of planning/budgeting, workforce alignment, and best practice sharing. According to Robert S. Kaplan and David P. Norton (2005), the OSM should be administered directly under the CEO (Appendix C). It can hold an equal status as other major functions such as finance, IT, and human resources or be under the strategic planning of finance department but is still overseen by the CEO. In terms of workforce, the officers working in the OSM can be called 'Strategy Management Officer (SMO)' who is designated to be in charge of translating organizational strategy into practice. Six to full-time employees eight is suggested adequate to perform all OSM's tasks (Appendix D).

The application of the OSM can be found both in private and public organizations. The case of Chryler Group (Kaplan and Norton, 2005) demonstrated the successful practice of the OSM in a private company. After introducing the Balance Scorecard by Dieter Zetsche, a new CEO appointed during the company's financial deficit in 2001, the strategy group spearheaded by Bill Russo, vice president of business strategy, initiated new ground of strategy execution and later was born the Chryler's Office of Strategy Management. They spanned all strategy activities into one functional unit such as deliver training and consulting Chryler's about corporate strategy

cascading and alignment, communicate strategy thorough the company, set and follow-up agenda, and report to the executive meeting. This change in strategy execution enabled Chryler become profitable in 2004. Meanwhile, the experience of the U.S Army is interesting for public sector's implementation. Similar to Chryler, the U.S Army's introduction of the Balanced Scorecard in performance management led to the start-up of an office of strategy management. As a central team at the Pentagon headquarters, they are in charge of performance system development, scorecard cascading, training and consulting support, and strategy communication. Taking on more than the common roles in custody of scorecard and providing consultation, the Army project team, once ad hoc, became a critical functional unit of the organization's structure.

2.3 RELEVANT RESEARCH

At present, Thailand's provincial cluster administration is little explored in the academic research. The understanding of provincial cluster administration is still confined to a small group of interested academics or government organizations in charge. However, one study is worthwhile as a basis of conducting this research. A Report on Value-for-Money Assessment of the Office of Strategy Management (OSM) in Thailand's Provincial Cluster Administration is the most recent relevant study about provincial cluster existed. It is conducted in 2009 by Nakarin Mektrairat[3] for proposing to the Office of Permanent Secretary for Interior, Thailand. In his report, Nakarin (2009) examined the Office Strategy Management in three aspects; 1) the value-for-money of the OSM, 2) the preparedness and working performance of the OSM officers, and 3) the administrative efficiency of the OSM. Employing both qualitative and quantitative methods in the study, he found out that the overall working performance of the OSM is evaluated value-for-money. According to his report, the OSM play a key role in provincial cluster

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[3] PhD, an associated professor in Faculty of Political Science, Thammasart University, Thailand

administration. The OSM is value-for-money in the area of mission, working area, and administrative resources management. However, there are still rooms for development in the area of administrative system, human resource management, and budgeting.

The referred report which mainly determined value-for-money of the OSM based on target groups' satisfaction provided one key side of the Office of Strategy Management. Yet a broad picture of overall provincial cluster in Thailand is still needed to be fulfilled. Therefore, this research will be a step forward from the prior study in three main points. First, the unmentioned concept of cluster which underlies provincial cluster administration is illustrated. The link between theories to policy is needed to be understood. Second, the scope of study spans all relevant power structures, not only organizational level, in order to investigate the structure of power relation from national to local level, so the overall understanding about provincial cluster administration can be built. Lastly, the foreign case studies of similar form of administration are not only studied but possible applications are extracted for Thailand's applications.

CHAPTER THREE: RESEARCH METHOD

Research methodology is a vehicle leading to a discovery of the study. Equipped with well-organized and systematic tools, an investigation of the research will be accurate and creditable. This chapter explains a rationale of research design, sample selection and methodologies employed in this study. Additionally, an explanation of data interpretation is included in the analysis part. Limitation of the study is also described at the end of this chapter.

3.1 RESEARCH DESIGN

The research is designed to achieve best the objectives of study. Each methodology, quantitative and qualitative, is selected according to a typology of data needed for the study. With regard to provincial cluster administration in Thailand and case study of similar form of administration in foreign countries, document study is employed to provide descriptive information. So background understanding and implications of this kind of administration in different contexts can be learned. In addition, both qualitative and quantitative methods are used in examining the effectiveness of provincial cluster administration in Thailand. Each of them is selected based on each targeted sample.

Since quantitative method is appropriate for acquiring data from numerous samples and for exploring an overall tendency or status of the phenomena, survey questionnaire is thus employed to find out the perception about the effectiveness of provincial cluster administration from the Director of Bureau of Provincial Administration and Development and officers, the Head of the Office of Strategy Management and officers, and the Head of Provincial Office. However, other perspectives from neutral academics specializing in provincial cluster administration towards its effectiveness are also significant to build a comprehensive study. Then in-depth interview is applied for this targeted group. This kind of qualitative method is expected to fulfill the study with more comprehensive and credible perspective.

3.2 SAMPLE SELECTION

Samples in the study are divided into two main groups according to two different methodologies. The first group of samples targets stakeholders who are directly engaged in provincial cluster administration. By means of conducting survey questionnaire, there are three sub-groups of sample whose opinions towards provincial cluster administration can lead to significant findings

as follows;

1) Thirteen government officers from the Office of Permanent Secretary for Interior are sampled. They consist of the Director of Bureau of Provincial Administration and Development and twelve officers in charge of provincial clusters administration. Since they are, by law, an organization in charge of implementing the notion of provincial cluster administration and play a role in supporting, developing, and monitoring, for example, the overall provincial cluster administration, their point of view about its effectiveness from central government will be represented.

2) Thirty six government officers from the Office of Strategy Management comprising of the head of the Office of Strategy Management, who is the head of Provincial Office in the OSM province, and one government official in eighteen provincial clusters are sampled in the second group. With hands-on working experience, they will be able to reflect a practical picture of the provincial cluster.

3) Other than eighteen heads of Provincial Office in the OSM provinces in the second group, the rest of fifty seven heads of Provincial Office working in the province member of cluster are sampled. Since they are a party of the provincial cluster committee and at the same time are directly in charge of provincial administration, they will be able to see in what extent the provincial cluster function and bring about benefit to overall regional administration in comparison with the pre-provincial cluster administration. Having this group as a sample, the findings can be interpreted with more comprehensive view.

The second group of sample is academics who possess insight into provincial cluster administration. They are specifically selected by considering their neutral point of view to be interviewed for in-depth perspective towards the effectiveness of provincial cluster

administration. Neutrality of academics is assumed by their position, and organization. Specifically, selected academics are expected to provide opinion independent to the Office of Permanent Secretary for Interior and the Office of Public Sector Development Commission since both of them are the government organizations in charge of translating the notion of provincial cluster into practice.

3.3 DATA COLLECTION

Having established the purpose of the study to examine the effectiveness of provincial cluster administration and explore possible solution for its further development, data collection used in the study are composed of qualitative and quantitative methods as follows.

1) Document study

Since the provincial cluster administration in Thailand is newly in effect as a form of territorial administration in Thailand and is not much familiar even with Thai people, data acquired by qualitative study is necessary to lay a foundation of comprehensive understanding. Its sources encompass handbooks, articles, relevant laws and regulations, and minute-meeting report as well as seminar and lecture documents. Additionally, the study of foreign experience which shares similar concept, structure, or objective with provincial cluster administration will be mainly investigated through books, annual report, and articles.

2) Questionnaire survey

To justify the effectiveness of provincial cluster administration in Thailand with reliable, empirical and up-to-date evidences, survey questionnaire is conducted to acquire data from relevant stakeholders. Method of questionnaire distribution is differentiated according to their workplaces. The director of Provincial Administration Promotion and Development Bureau and officers who work in Bangkok, the capital city of Thailand, are directly given the questionnaire.

Meanwhile, the questionnaire for the rest two groups; the head of the provincial governor office where the OSM is located and the OSM officers, and the head of the provincial governor office in other provinces within the cluster are distributed by fax and email which are more suitably practical to people who work in other provinces throughout seventy five provinces in Thailand.

3) Interview

Perception of neutral academics is collected by interview. Open-ended questions, in the same issue to survey questionnaire, are asked in order to acquire in-depth perspective about the provincial cluster administration.

3.4 DATA ANALYSIS

Collected data is analyzed according to its typology. The qualitative data gathered from document study is analyzed and synthesized to come up with background knowledge about Thailand's provincial cluster administration as well as lessons learned and implications from England and France's administration. Meanwhile, the analysis of the effectiveness of provincial cluster administration in Thailand will be conducted by using data collected from survey questionnaire and interview. The quantitative data referred to the questionnaire respondents is analyzed by mean of using descriptive statistics to demonstrate tendency of perception lying in each surveyed groups. The result, from each targeted groups, will be interpreted by considering their motivation, position, and creditability, for example in order to find out the most possible reasonable and reliable point of view. Regarding to interview, the perspective about provincial cluster administration acquired from neutral academics is concluded to find out mutual consensus. Lastly, the data from survey questionnaire and interview are then analyzed and compared. A final conclusion about the effectiveness of provincial cluster in Thailand derived from key issued agreed by two groups.

3.5 LIMITATION OF STUDY

The study is conducted with the realization of neutrality and reliability of the finding in order to produce a sound analysis and policy implications. So, quantitative and qualitative methods are both employed. However, the survey finding received from conducting survey questionnaire can partly be arguable. Since, number of respondents from the office of province is, though more than a half of all samples, rather small. Then, a sound interpretation of survey result from the referred group is inherently constrained. Therefore, the survey result would have been more representative if more respondents had been collected in further research.

CHAPTER FOUR: FINDINGS

This chapter is organized in two sections. First, a finding of Thailand's provincial cluster administration is elaborated for example, its background, characteristics, and driving mechanism; the Office of Strategy Management. This data is collected by means of document study. Then, a finding about the effectiveness of provincial cluster administration from targeted groups' survey and interview is presented. In addition, since foreign experience of similar territorial administration are worthwhile to learn, the second section entails a result of investigating two case studies relevant to provincial cluster administration from England and France.

4.1 PROVINCIAL CLUSTER ADMINISTRATION IN THAILAND

Provincial cluster is a new form of territorial administration in Thailand. Based on Michael E. Porter's concept of cluster, Thai government has initiated the provincial cluster administration in

2003 (The Office of Permanent Secretary for Interior. 2009-3). Provincial cluster is an aggregated area formed by bundling together proximate provinces with similar characteristics. From all together seventy five provinces, eighteen provincial clusters are designed as a strategically administrative boundary, not a new statutory tier, above province (Appendix E). The notion behind this administration is straightforward. Provincial cluster administration has based mainly upon an assumption that common problems and development potential has laid in geographical proximity. In addition, there is in some sense a need that policies are to be implemented in an area which is larger than a province but smaller than a whole nation. Therefore, province in a clustered form is expected to assure more promising outcomes of development in terms of competitiveness, economic growth, and people's well-being than solely working in isolation as before.

4.1.1 Background

Provincial cluster administration, as a part of regional administration, has shared an evolving background along with provincial administration reform. The main shift of both forms of territorial management has started in 2003 under the Thaksin administration. It was the year that the integrative provincial administration based on the CEO-governor concept was in effect nationwide and the provincial cluster initiative was first approved by the cabinet. Specifically provincial cluster, after the approval of establishing provincial clusters on July 22, 2003, the first list of nineteen provincial clusters from seventy five provinces was announced four months afterwards. However, comparing to the so called CEO-governor administration, the government did not lay much stress on the provincial cluster administration at that time. Being more problematic, provincial administration was perceived a priority to be systemized. There are three instruments created by the government to strengthen the governor's competence; 1) a formation

of Provincial Administrative Committee, as a provincial cabinet, comprising of central government's representative working the province and headed by the governor, 2) an emphasis on strategy based-administration through the provincial development plan which demonstrates province's development position, vision, and development project, 3) an empowerment of governor's leadership such as a provision of CEO budget for provincial strategy management (Cabinet Resolutions 12 November 2003, 2003). Meanwhile, functional system for provincial cluster was not particularly established yet.

The breakthrough of provincial cluster administration was resulted from legal transformation since 2007, four years after its initiation. The 18th constitution of the Kingdom of Thailand enacted on August 24, 2007 laid a firm foundation for both provincial and provincial cluster administration. Its article 75 has entrusted them with budgeting power which never before mentioned in any laws. In pursuit of that change, the Act of Government Administration 2001 was revised accordingly in its 7th amendment of 2007. Specifically, there are two articles in the act dealt with the provincial and provincial cluster administration. According to its article 52 section 2, provinces and provincial clusters are designated by the National Budget Act as a budget-allocated unit[4] which their own power of budget request is equipped. The role of province towards territorial development in accordance with national and local agenda was emphasized in its article 53/1 and 53/2. Furthermore, the administration of province and provincial cluster were more systematically and formally structured when the Royal Degree of Provincial and Provincial Cluster Integrative Administration was enacted in 2008. It specifically clarifies the principle, mandate, role and mechanism necessary to the provincial and provincial cluster administration. It should be noted that the Act and Royal Degree mentioned above apparently reflected strategic

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[4] According to National Budget Act, government agency as a budget-allocated unit is capable of making budget request.

wills towards the development of provincial and provincial cluster administration. There are two key concepts, development and governance model, inherent in those newly-enacted laws as demonstrated in the diagram below. In terms of development model, provincial and provincial cluster administration will adhere to the area- based approach. Local agenda will be the focus of development in order to reduce regional disparities and promote social equity. Simultaneously regional competitiveness will be strengthened by means of promoting potential position of the province. In respect of governance model, collaboration and joined-up government are to be strengthened. It aims to enhance the policy alignment both vertical and horizontal perspective.

Figure: Core concept of the legal changes in the administration of province and provincial cluster
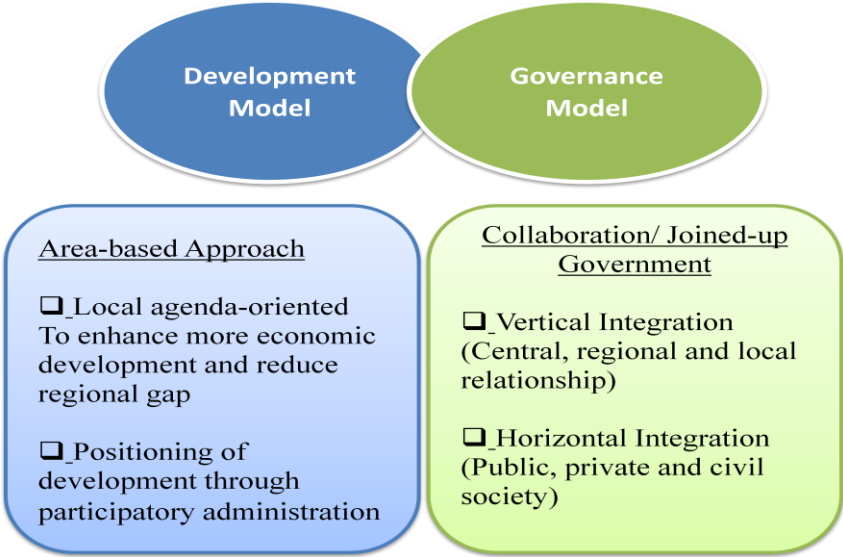
Source: Bureau of Provincial Administration and Development (2009)

The change in legal setting further resulted in the redesign of provincial cluster administration. Right after the 7th amendment of the Act of Government Administration was enacted in 2007, the Surayuth government approved three recommendations about provincial cluster administration

proposed by the Public Sector Development Commission on 15th January 2008. Those, which have been in effect so far, are the revision of grouping provincial cluster from nineteen to eighteen clusters, the establishment of the Office of Strategy Management to be the operation hub of provincial cluster, and the designation of province in each cluster where the Office of Strategy Management (OSM) is located. According to the recent changes, it has been explicit that provincial cluster undeniably became another hopeful drive of regional governance on which Thai government has put much more importance.

4.1.2 Characteristics of provincial cluster in Thailand

Like many countries, Thai government has adopted the notion of cluster according to her different own context. Nonetheless, the cluster concept still lies in Thailand provincial cluster administration. Its characteristics can be figured out in four dimensions. First, the provincial clusters are designated based on geographical proximity. It is assumed that a pool of endogenous potential such as natural resources and historical and cultural capital is shared and can be mutually optimized in proximate provinces. In addition, their common problems can be solved more efficiently in a scale of provincial cluster. Second, boundary of each provincial cluster is designated according to existing provinces border. Theoretically, cluster is not necessary to confine to a political frontier since market force usually driving behind cluster is much powerful beyond border. But in Thai case, since provincial clusters are created by law and need political support, their boundaries therefore have to be specific and static. Noticeably, provincial cluster administration and regionalization are highly correlated in this sense. Being built upon the aggregated provincial territory, provincial cluster is thus region-like designed. Referred to four typologies of international forms of regional government[5], Thailand's provincial cluster falls into

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[5] There are four typologies of international forms of regional government; Wide-ranging powers, Advanced powers

the classification of regional government with no powers or so called "regionalizing without creating a regional level" (Department of the Environment, Transport, and the Regions, 2000-33). It has no elected parliament or tax power and is given all financial support from the government. Third, geographical advantage is potential capital of provincial cluster development. All provincial clusters have positioned their strategic status and have drawn their development plan upon locational attributes. For example, the Thailand's Southern Gulp Provincial Cluster; Chumporn, Surathani, Nakornsrithammarat, and Pattalung provinces where is Thailand's most fertile agricultural area for planting rubber trees has positioned itself as a global hub of rubber production for export or the Andaman Provincial Cluster which covers five provinces; Phuket, Phangnga, Ranong, Trang, and Krabi sit on the Andaman coast in southern Thailand has drawn its development position in international hub of marine tourism. Lastly, the activities undertaken within provincial cluster is wider than economic dimension. Although the economic growth is definitely held importance, the provincial clusters, as a strategically administrative boundary, span their issues to people's well-being, cultural renewal, and environmental sustainability.

4.1.3 Driving mechanism in Provincial Cluster Administration

Since the provincial cluster and provincial administration are interrelated in terms of administrative structure, legal basis, and management system, their administrative mechanisms are thus correlatively designed. There are two levels of mechanism; policy and operation, in driving these administrations.

(political regionalization), Limited powers (regional decentralization), and No powers (regionalizing without regional level). (Wiehler & Stumm (1995); Stoker *et al.* (1996); Council of Europe (1998); Department of the Environment, Transport, and the Regions London (2000))

1) Policy Level

The policy towards provincial cluster administration is collectively decided according to committee-based approach. It is mobilized through three levels of committee; national, provincial cluster, and province, working with different hierarchical mandate.

Figure: The Committee-based Mechanism of Provincial Cluster Administration

Source: The Office of Public Sector Development Commission

First, the Policy Committee of Provincial and Provincial Cluster Integrative Administration ranked the highest committee among three levels. This national committee is chaired by the Prime Minister and the Secretary-General of the Public Sector Development Commission serves as Secretariat. Its main responsibilities involve policy and decision making such as provision of policy framework, approval of provincial cluster development plan and budget allocation.

Second, as the national committee is in charge of overseeing the overall provincial cluster

nationwide, the Committee of Provincial Cluster Integrative Administration put more specific focus on directing the development on each provincial cluster. This committee takes a lead in mobilizing the development of the cluster by taking national policy and regional competency into account so that the sound development plan can be formulated and budget request can further be reasonably made to achieve the provincial cluster's vision. This committee is chaired by the governor in the OSM province. Meanwhile, the rest of governors in the cluster all serve the vice chairmen. The secretariat of the committee is the vice provincial governor of the OSM province.

Lastly, each province is run by the Committee of Provincial Integrative Administration chaired by the governor. This committee mainly focuses on provincial development problem-solving by means of setting area-based agendas and implementing them together with other stakeholders. Simultaneously, as a member of provincial cluster, the committee has to recognize and respond to the mutual strategy of the cluster.

2) **Operational Level: The Office of Strategy Management**

Although the initiative of provincial cluster began in 2003, it was not until in 2007 that the driving mechanism was introduced. Inspired by the idea of Robert S. Kaplan and David P. Norton, the Office of Public Sector Development Commission proposed the cabinet to establish the Office of Strategy Management (OSM) as a driving unit of the provincial cluster administration and later got approval on 17th December 2007. Afterwards, the Office of Permanent Secretary for Interior, an organization in charge of provincial cluster administration, translated the idea into practice. At present, there are altogether eighteen Offices of Strategy Management attached to eighteen provincial clusters (Appendix E). Each of them is located in the selected province so called the OSM province within each cluster.

2.1) **Organizational** *Management*

By structure, the Office of Strategy Management is established to work supporting the Committee of Provincial Cluster Integrative Administration. Working under the support from the Office of Permanent Secretary for Interior, the OSM is also oversaw and given policy consultation by the Public Sector Development Commission. The head of the OSM is served by the head of Provincial Office. The functions of the OSM are divided into three areas; 1) general management such as human resources management, document, finance, and public relations, 2) strategy development such as plan formulation, budget request, and database management, and 3) monitoring and evaluation especially provincial cluster development plan and budgeting.

Figure: Structure of the Office of Strategy Management.

Source: Bureau of Provincial Administration and Development (2009)

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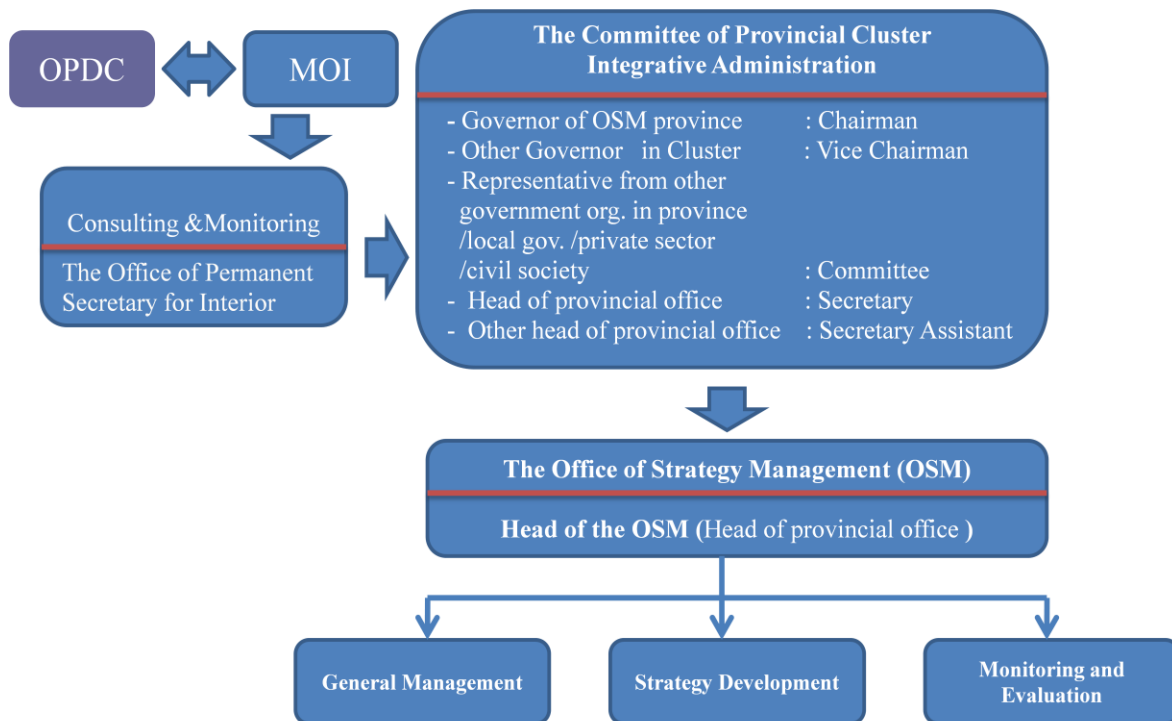
Equipped with mandate of a secretary office for the provincial cluster committee, the OSM's responsibilities are mainly about strategy administration both in terms of academic and operational support. Its scopes of work range from facilitating provincial cluster development plan formulation such as providing the study and analysis about provincial cluster and holding conferences and public forum for provincial cluster development approval, coordinating with provincial governments within the cluster and relevant Ministries in the matter of the integration of provincial cluster development plan and action plan, managing provincial cluster's database system, and conducting budget request to the government. Besides, although the provincial cluster projects are implemented by delegated provincial office within the cluster, the OSM is still responsible for action plan monitoring, reporting and evaluation.

The OSM takes three key roles in the provincial cluster administration. First, it is a think tank which is capable of, for example, providing policy consultation and recommendation to the provincial cluster committee and promoting knowledge management in the organization. Second, as the provincial cluster is set up to fulfill the missing link between national and local policy, the OSM plays a role of policy linkage facilitator. The OSM is expected to facilitate the synergy of central agencies in implementing government regional policies so that government policy can be aligned with regional agenda. Horizontally, the OSM also fosters coordination among provincial and local governments within cluster in order to produce the integrated development strategy of the provincial cluster. Lastly, the Office of Strategy Management fosters participatory process of policy making in the cluster such as provincial cluster's strategy communication, knowledge management, and public consultation about the provincial cluster's development plan.

4.1.4 Relationship among central, regional and local government

Relationship between provincial cluster and other governmental entities in central and local government, or even province is built upon these following channels. First, provincial cluster development plan is a main instrument which connects provincial cluster with the government, provinces, and local organizations together. Since the provincial clusters are given all budget and administrative resources from the government, they have to adopt the government's policy guidance in the provincial cluster development plan. As a consequence, the committee in the other two levels below; provincial cluster, and province, has to put an emphasis on policy cascading and alignment with the government's guidance. The interaction between the government, provincial cluster, province, and local actors can be obviously illustrated through the policy process of provincial cluster as follows.

Figure: Relationship between Central, Provincial Cluster, and Provincial Policy built upon the Provincial Cluster Development Plan Process.
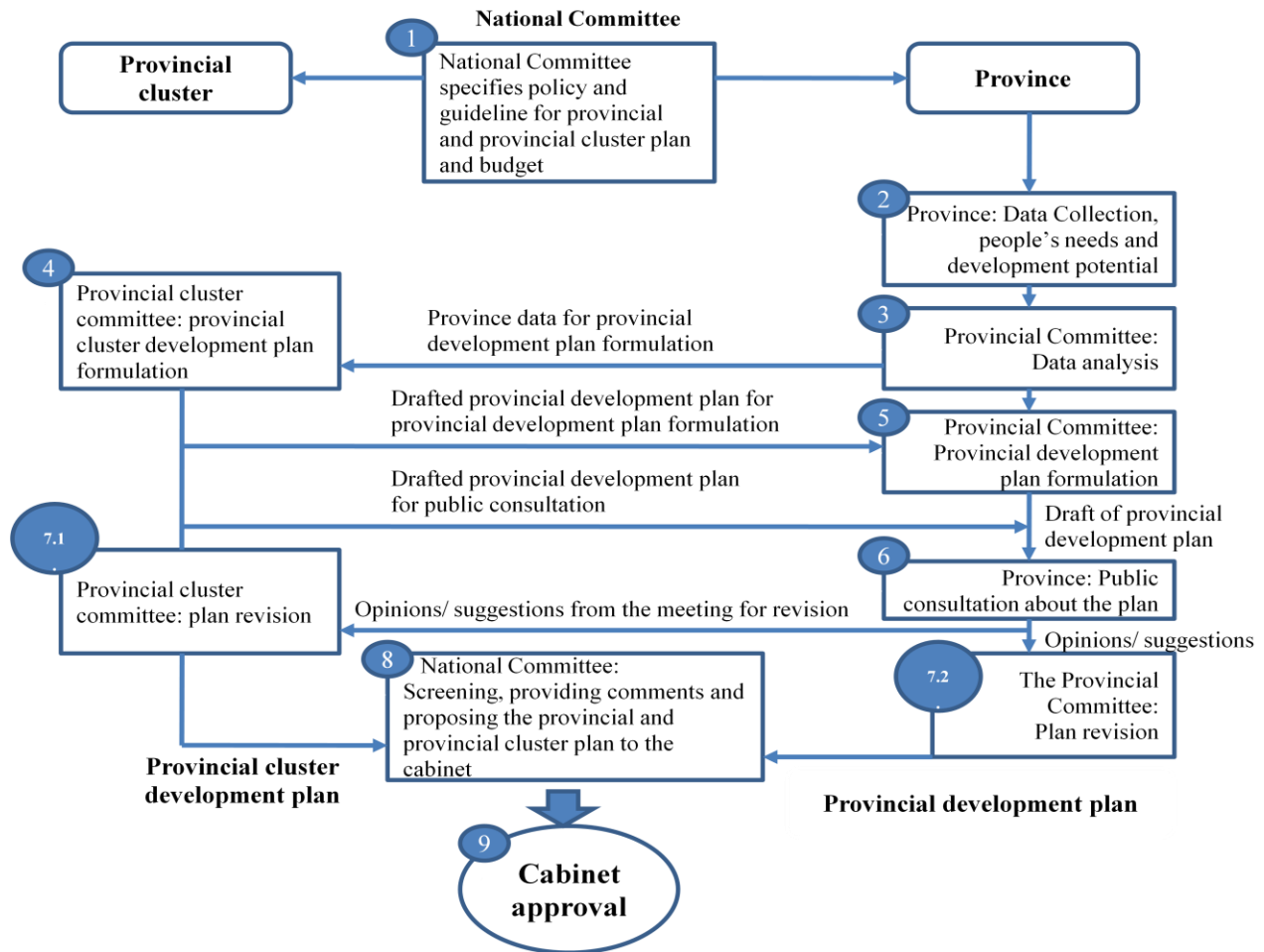
Source: Bureau of Provincial Administration Promotion and Development (2009)

Specifically local government, their relationship was also enhanced via legal and administrative measures. Legally, the Act of State Administration 1992 (7th amendment, 2007) specified in section 53/1 clause 4 that the local government development plan must accord with the provincial development plan. Therefore, local organizations are obliged to abide by provincial cluster development plan as an aggregated development framework of province. In terms of

administration, local governments are also engaged to the provincial cluster administration by participating in the committee both national, provincial cluster and provincial level. For example, the Committee of Provincial Cluster Integrative Administration includes three representatives from local organization consisting of the Chief Executive of Provincial Administration Organization from each province, one selected Mayor and Chief Executive of Subdistrict Administration Organization from each province. Furthermore, provincial clusters are associated with the government through performance management composing of reporting and monitoring system. The reporting system that provincial cluster has to undertake is composed of three channels; 1) the Progress Report on 4-year development plan, annual action plan and budgeting management submitted to the Policy Committee of Provincial Cluster Integrative Administration every 6 months, 2) the Annual Report detailing the provincial cluster's working performance, budget spending, and problems to the cabinet through the national committee, and 3) the Report of Problems Investigation to the inspector of the Prime Minister Office or Ministry of Interior so that appropriate solutions can be come up with or be further proposed to the national committee. Provincial cluster administration has also to abide by three channels of the monitoring and evaluation systems; 1) the inspection mechanisms by the inspector of the Prime Minister Office and that of Ministry of Interior, 2) the evaluation on performance agreement by the Office of Public Sector Development Commission, and 3) the monitoring mechanism by the committee of public sector audit and evaluation.

4.1.5 Finding results

According to data collected by survey questionnaire and in-depth interview, a finding about the effectiveness is demonstrated as follows. The first part regards the result of stakeholders' perception which is explained by group. Then opinions towards provincial cluster from the

perspective of academic are elaborated in the last part.

Survey Results

With respect to the survey results, there are three groups of relevant actors in provincial cluster administration; 1) the Director of Bureau of Provincial Administration and Development and twelve officers in charge from the Office of Permanent Secretary for Interior, hereafter the OPSI group, 2) the Head of the OSM and one officer from the OSM in eighteen provincial clusters, hereafter the OSM group, and 3) the Head of the Office of Province in non-OSM province (hereafter the OP group). Numbers and ratio of respondents are demonstrated as follows.

Table: Numbers and ration of survey questionnaire respondents divided by groups

Sample	All	Answered	Ratio
1. Office of Permanent Secretary for Interior (OPSI)	13	10	77%
2. Office of Strategy Management (OSM)	36	24	67%
3. Provincial Government: Office of Province (OP)	57	30	53%
Total	106	64	60%

Finding from the survey questionnaire is composed of five topics with each sub-question orderly explained according to the survey questions (Appendix F). The raw result demonstrated in five levels of perception according to the questionnaire ranging from: Strongly Agree, Agree, Disagree, Strongly disagree, and Do not know (Appendix G) are aggregated into three main

groups; Agree, Disagree, and Do not know[6]. So the analysis of each group's perception can be more distinguishable.

I. The Policy Committee of Provincial Cluster Integrative Administration

Table: Perception towards the Policy Committee of Provincial Cluster Integrative Administration

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
1) Provincial cluster administration boosts development potential in regional level.	90	79	66.4	10	21	30	-	-	3.3
2)The central committee provides a clear policy guidance to the provincial cluster.	50	46	53.3	50	46	30	-	8	16.3
3) The central committee allocates the budget for provincial clusters in a sensible and optimal way.	50	54	43.3	50	46	46.7	-	-	10
4)The central committee provides the provincial cluster with enough empowerment.	20	5	46.7	80	95	50	-	-	3.3

The first aspect to be considered in order to examine the effectiveness of provincial cluster administration is the Policy Committee of Provincial Cluster Integrative Administration. There are four areas that the contribution of this national committee to be observed; regional potential development, policy guidance, budget allocation, and provincial cluster empowerment as follows. Overall, it is agreed by the great majority in every groups that provincial cluster administration can boost regional development. Nevertheless, capabilities of the national committee about the

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[6] Level of perceptions demonstrated in all tables of the questionnaire survey result measured in percentage unit.

provision of policy guidance and the allocation of budget are still controversial according to the stakeholders' perceptions. The percentages in these two issues are relatively close on all groups. Meanwhile, in terms of empowerment to the provincial cluster, the OPSI, the OSM and the OP group, with 80%, 95% and 50% of respondents respectively, have explicitly disagreed that the provincial cluster was given adequately empowerment.

II. Grouping of provinces

Table: Perception towards grouping of provinces

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
1) A number of provinces within provincial cluster are appropriate.	100	96	76.7	-	4	23.3	-	-	-
2) The provinces within provincial cluster share common strategic potential of development.	70	92	83.3	30	18	16.7	-	-	-
3) The OSM province is suitably designated.	100	100	90	-	-	6.7	-	-	3.3
4) The overlap of provincial cluster and other different provincial groupings created by other organizations do **NOT** affect to the OSM's working performance and overall provincial cluster.	40	62.5	46.7	60	37.5	53.3	-	-	-

Grouping of provinces is the second dimension determined the effectiveness of provincial cluster. Since the way the provincial clusters are designed has framed a strategic boundary of administration, it is a ground for the strategy development and organizational management such

as cooperation in attending the provincial cluster's conference and policy communication.

According to the survey, there is a consensus among all groups that number of provinces and a selection of province member in the cluster are appropriate. The OSM province is also rightly designated. However, it is still controversial about a boundary overlap between provincial cluster and other different provincial groupings created by other organizations. Meanwhile the majority of the OPSI and the OP group considered it problematic, the OSM group considered it conversely.

III. The Committee of Provincial Cluster Integrative Administration

Table: Perception towards the Committee of Provincial Cluster Integrative Administration

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
1) **Overall:** The committee achieves the ultimate goal of provincial cluster.	60	71	70	40	25	30	-	4	-
2) Provincial cluster's budget request is optimally made among provinces within cluster.	50	62.5	56.7	50	33.3	43.3	-	4.2	-
3) The designed structure of provincial cluster committee which entrusted the governor to a chairman and the vice governor to a head of secretary is effective.	80	71	63.3	20.7	19	36.7	-	8.3	-
4) The committee well responds to the overall development agendas of provincial cluster.	90	66.6	50	10	29.2	46.7	-	4.2	3.3
5) The decision-making process in the committee can be trustable and transparent.	70	79.1	53.4	30	16.7	43.3	-	4.2	3.3

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
6) The chairman of the committee has strong leadership.	60	58.3	50	40	25	36.7	-	16.7	13.3
7) The members within the committee has strong teamwork.	50	62.5	43.3	50	29.2	56.7	-	8.3	-
8) The committee has good relationship with other stakeholders in the provinces such as educational institution and NGOs.	70	62.5	66.7	30	25	30	-	12.5	3.3
9) The provincial cluster strategy is consistent.	90	79.2	60	10	12.5	36.7	-	8.3	3.3

The Committee of Provincial Cluster Integrative Administration possesses a key influence to the development direction of provincial cluster. Specifically, they frame area-based strategies based on territorial potential and the national committee's guidance. Its performance is thus one of major determinants to the overall effectiveness of provincial cluster administration. The aspects involving the provincial cluster committee includes its overall achievement, budget request, administrative structure, regional agenda development, trust and transparency, leadership of the chairman, teamwork, relationship with other stakeholders, and consistency of provincial cluster strategy.

Overall, most respondents; 60% of the OPSI, 71% of the OSM and 70% of the OP group, agree that the provincial cluster committee can accomplish the ultimate goal of provincial cluster. If considering in the sub issues, most respondents in all groups share the same perspective of the provincial cluster committee's appropriateness in designed structure, reasonable budget request, regional potential focus and the achievement in building trust and transparency, having good

relationship with other stakeholders in the provinces, and emphasizing on cluster's strategy consistency. However, there is still different point of view in a key issue of teamwork. Almost 57% of the OP group viewed that the provincial cluster committee lacked strong leadership whilst the OSM group viewed in the opposite way.

IV. The Office of Strategy Management (OSM)

Table: Perception towards the Office of Strategy Management (OSM)

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
1) The OSM is neutral among provinces in the cluster.	60	95.8	56.7	30	-	43.3	10	4.2	-
2) There is enough number of officers working in the OSM.	-	4.2	30	100	95.8	66.7	-	-	3.3
3) The officers in the OSM are competent at work.	40	79.2	40	60	16.6	53.3	-	4.2	6.7
4) The officers in the OSM work with high motivation.	-	4.2	16.7	100	91.6	70	-	4.2	13.3
5) The turnover rate of the OSM's officers does **NOT** affect to the effectiveness of the provincial cluster administration.	10	4.2	16.7	90	87.5	83.3	-	8.3	-
6) The OSM is given enough operational budgets.	30	87.5	53.3	70	13.5	36.7	-	-	8
7) The OSM has or utilizes updated or useful database in working.	20	54.24	30	80	45.8	66.7	-	-	3.3

The Office of Strategy Management (OSM) is a key driver for mobilizing the provincial cluster administration. Based on the provincial cluster committee's decision making, it is in charge of

translating it into practice via the provincial governments within the cluster.

Referring to the survey result, the OSM has shown a converse tendency towards provincial cluster administration. Among seven sub issues, neutrality of the OSM is the only one consensus agreed by all groups; 60% of the OPSI, 96% of the OSM, and 57% of the OP that the OSM can achieve. Meanwhile outpouring of disagreement has been shown in many issues. The issue of OSM officers, adequate number, motivation, and turnover rate are considered problematic by all groups with vast majority ratio. In addition, although the majority of OSM group viewed that their officers' working competency, amount of operational budget, and database is well-organized. Majority of the OPSI and the OP group differently thought that the officer's competency and database system are stilled not satisfied.

V. Provincial and local governments

Table: Perception towards Provincial and local governments

Statement	Agree			Disagree			Do not know		
	OPSI	OSM	OP	OPSI	OSM	OP	OPSI	OSM	OP
1) Provincial governments in the cluster give cooperation to the OSM.	60	83.3	76.7	40	16.7	23.3	-	-	-
2) Local organizations within provincial cluster give support to the OSM.	30	37.5	43.3	60	58.3	53.4	10	4.2	3.3

There are two important actors in province that the provincial cluster has to work closely. Those are provincial government and local organizations. Majority of all groups; 60% of the OPSI, 83% of the OSM and 77% of the OP on average agreed that the OSM has been given cooperation from the provincial authority. In contrast, it is also agreed by all groups that the OSM does not receive much enough support from the local organizations.

Interview Results

Other than conducting the survey, this research has encompassed in-depth interview from neutral academics with provincial cluster administration expertise in order to gain well-rounded perspectives towards the effectiveness of provincial cluster administration. As external parties, their opinions can provide intriguing perspectives reflecting other different sides of the current provincial cluster administration. In the research, there are three academics with expertise in provincial cluster administration to be interviewed; Udomsak Assawarangkul[7], Jirika Nutalai[8], and Supasawas Chardchavarn[9]. They have viewed Thailand's provincial cluster administration as follows.

Based on the interview questions (Appendix H), firstly three academics all agree that the notion of provincial cluster administration is conceptually reasonable and practical to Thailand's regional administration. By governmental function, regional government should take a leading role in strategy management meanwhile devolve public services delivery to local authorities. In addition, area-based strategies have outweighed the static administrative boundary at present territorial administration. Therefore, eighteen provincial clusters can play substantial roles complementary to the provincial administration which will bring about the benefits to overall nation. However, the status quo of provincial cluster administration is in practical ineffective by unanimous view. There is no dramatic success story or transformation observed yet. Its reasons behind are mainly based on failure on strategy management in value chain fashion and poor-organized administrative structure and system.

If taking the roles of Policy Committee of Provincial Cluster Integrative Administration into

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[7] Udomsak Assawarangkul, (Mr., a supervisor of the Institute of Good Governance Promotion, Thailand) in discussion with the author, February 2011.
[8] Jirika Nutalai,(Ms., an independent researcher), in a telephone conversation with the author, March 2011.
[9] Supasawas Chardchavarn (PhD, an Assistant Professor in Faculty of Political Science, Thammasart University, Thailand) in discussion with the author, March 2011.

consideration, a problem of fragmented centralism resulted from uncoordinated action among central agencies has persistently undermined national policies. Despite of having policy guidance, this problem even more constrained provincial cluster from integrating national policy to regional and local agendas. Besides, whether the provincial cluster administration can achieve its goals depends heavily on strong political support from the government since there are many cases that government's decision making and enforcement are required. Currently such government's strong action is perceived inadequate. Specifically, government support for enhancing provincial clusters' working capacity is in question.

In terms of province grouping, the present eighteen provincial clusters aggregated from seventy five provinces are generally considered appropriate by three academics. Logic behind the grouping mainly based on common problems and natural resources and the selection of central location for setting up the OSM are reasonable. Provincial cluster's core competency can be found out in, for example, the Upper northern provincial cluster which shared potential in tourism. Meanwhile the overlap of provincial cluster with other administrative boundaries need not always be problematic if an integration of regional policy among relevant Ministries is prioritized. Noticeably, the overlap of administrative boundary resulted from different creation of each government agencies in regional level reflected a weakness of unity in Thailand's regional administration.

Regarding to the Committee of Provincial Cluster Integrative Administration at provincial cluster level, provincial clusters' capabilities are limited by structure. The principle that governor in province with the OSM is automatically appointed to the Head of provincial cluster committee practically faces the problem of seniority. Among the governors within the provincial cluster, he may not get much enough cooperation from other governors who are older than him. It is also

reluctant for him to foster their required participation. In this sense, integrative power of governor in mobilizing the provincial cluster as a whole is possibly absent. As a result, the effectiveness of provincial cluster is critically undermined. However, committee-based working can assure participatory and transparent process of strategy formulation but may not assure the quality of development plan. In many cases, the provincial cluster development projects are separately assigned to each province rather than done with coordinated manner. So, the impact of project is confined to provincial boundary not a whole cluster.

Furthermore, it is a mutual consensus of three academics that the Office of Strategy Management (OSM) has demonstrated numerous areas of weakness. Its informal status under the Office of Permanent Secretary significantly accounted for these problems. Specifically, poor human capital stemmed from inadequate number of staff, high turn over rate, low motivation, and unclear career path. With the current status, operational budgeting process of the OSM is also not agile.

The legal issue finally led to dysfunctional performance in its strategy and overall effectiveness of provincial clusters.

Lastly, the relationship between the provincial cluster and provincial authority is generally smooth as they are under the same Ministry. Nevertheless, it is seemingly perceived by the Head of provincial office in the OSM province that he has additional work as a Director of the OSM. Meanwhile, cooperation with local government varies to communication and leadership of the Head of provincial cluster committee.

4.2 CASE STUDY: ENGLAND AND FRANCE

Being a new architecture of territorial management in Thailand, provincial cluster has revealed its weaknesses in numerous aspects. The merits of foreign cases sharing similar administration thus have great significance as lessons learned for Thailand's provincial cluster. Conceptually,

the adoption of cluster concept so called the provincial cluster in Thailand is state-of-the-art not only for the territorial administration but for the referred concept per se since the applications of cluster are commonly found in a case of an industrial or a particular sector of economic development zone. Therefore, overseas territorial administration which directly derives from or refer to the concept of cluster may not explicitly exist.

However, Thailand's provincial cluster administration driven by the Office of Strategy Management can be practically comparable to the administration of region. Based on rationale that the provincial cluster is an endeavor of regionalizing but not creating a regional level as described in the previous chapter, case studies are selected by considering foreign region administration driven by a created strategic organization whose functions are similar to the Office of Strategy Management in Thailand. In the research, two cases of regions administration in England and France are qualified for a comparative review.

4.2.1 England: English Regions and Government Offices (GOs)

Sharing logic of inception to Thailand's provincial cluster, English regions are strategically administrative boundary demonstrated an endeavor to promote more development in regions and to bridge policy gap between national and local governance. It also possess its own driving mechanism so called the Government Offices (GOs) which plays a key role in facilitating a coordinated action between the central and local governance. Therefore, the potential of English regions with their GOs are on focus in this research.

1) Background

Regional administration in England can be comprehensively understood through triad institutions of regional government, Government Offices (GOs), Regional Development Agencies (RDAs), and Regional Assembly. Each of them, though distinct in their inceptions, has all been an integral

part of evolving history of English regionalization. England, once being a strongly centralized government in terms of structure and power (Musson et al. 2005, 1395), saw regionalization a government's resolution of fulfilling the development and administration gap between prior central and local government especially in the 20th century.

England has encountered the regionalization movement throughout the post-WWII period. That phenomenon was perceived as a responsive movement towards emergent challenges from both internal and external contexts. Initially, according to the Report of the Royal Commission on Local Government in England 1966-1999 (Byrne, 1995), there was a policy proposal of creating new local organizations at regional level so called 'Provincial Councils' for solving an inefficiency of public services delivery such as transportation, and local planning resulted from fragmented capability of existing small local organizations. However, there was no response from the Heath government to that call at that time (Mektrairat, 2009). The stream of British regionalization also stemmed from a problem of regional disparity caused by ineffective system of administration. For example, economic development bodies in marginalized English regions during the 1980s were too poor to promote domestic investment. Furthermore, the development of English regional government was also influenced by external factor. The stream of European integration specifically the concept of 'Europe of a regions' firmly fostered a commencement of English regionalization. Under the subsidiarity principle, EU Structural Funds will be granted to foster the EU countries to put emphasis on regions-oriented development. Therefore, northwest England, for instance, began to put serious attention to set up as a region in order to receive that fund (Musson et al. 2005, 1398).

The 20th century has started a history of triad institutions of English regions government. The

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first bodied of regional administration was the Government Offices (GOs) initiated in 1994. From ten Government Offices at the beginning, they were merged into nine in 1998 and have become the regions boundary where following regional bodies committed to align. (Department of the Environment, Transport, and the Regions, 2000-14). The English regional governance has more dramatically evolved in 1997 after the Labour government was elected. The administration of Labour party marked a significant step forward of regional entity by establishing another two more agencies; Regional Development Agency (RDA) and Regional Assembly in 1999. "The RDAs were the centerpiece of Labour's regional government plans" (Musson et al. 2005, 1400). It was set up for both economic and democratic achievements. Economically, the RDA aims to promote overall sustainable economic development and to overcome persistent problem of uneven development. In addition, the establishment of the RDA symbolizes a changing role of central government by, instead of directing, enabling regional and local entities to work so that "Britain becomes…a Britain of nations and region where there are many and not just one centre of initiative and energy for country" (Brown, 2001; Musson et al., 2005). Whereas the RDAs are in charge of economic matters, the Regional Assemblies play a broader role ranging from economic to social and to environmental issues in the regions. Though the Assemblies possess the least power among three regional entities in England's regional government (Musson et al. 2005, 1402), they facilitate other two entities work more collaboratively and accountably. There are three main roles of the Regional Assemblies that can be identified; the approval of the regional economic strategies of the RDA, the formulation of regional sustainable development frameworks by engaging regional stakeholders, and the provision of advocacy and consultation to the United Kingdom government and the European Union.

2) **Government Offices (GOs)**

Like Thailand's provincial cluster administration which is driven by the OSM, each of nine English regions has also been equipped with a driving mechanism performing similar roles in spatial development. Among three English regional entities, emphasis is placed on the Government Offices (GOs) which most shared characteristic functions to the OSM.

2.1) Evolution

The Government Offices were initiated by the Conservative Government in 1994 in response to integrating previously uncoordinated government programs. From ten regions at the beginning, they have been merged into nine Government Offices for nine regions since 1998. Those are East of England, East Midlands, London, North East, North West, South East, South West, West Midlands, and Yorkshire and the Humber (Appendix I). They were devolved power from the central government to be a strategic bridge between central government and local counterparts across nine regions in England. Its core purpose is to ensure compatibility of government regional policies in regions as well as to be the "eyes and the ears of central government in the regions" (Roche, 2001). In other words, GOs are like the Whitehall representing in nine regions throughout England. Currently, GOs have currently represented the functions thirteen departments[10].

2.2) Organizational Structure and Management

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[10] Cabinet Office, HM Treasury, Department of Communities and Local Government, Department for Business, Innovations and Skills, Department for Education, Department of Culture, Media and Sport, Department of Energy and Climate Change, Department of the Environment, Food and Rural Affairs, Department for Work and Pensions, Department of Transport, Department of Health, Home Office, and Ministry of Justice. (Retrieved from http://www.gos.gov.uk; November 30, 2010.)

2.2.1) Structure

The structure of the Government Offices can be elaborated in national and organizational level. The administrative structure of the region at national level is committee-based. Each GO headed by the Regional Director has worked collectively with the others in the GO Network. This network is consisted of all nine Government Offices across English regions and the Regional Co-ordination Unit (RCU). The GO Network plays distinctive roles in the administration of the Government Offices (GOs) in a form of the GO Network Board. This board has included all the GOs' Regional Directors and the GO Transformation Director and is chaired by the Director General for the GO Network. Its main function is to mobilizing strategy and promoting sound governance of the GO Network. In addition, there are other two supporting committees working for the Government Offices at national level. The first is the GO Network Transformation Board chaired by the GO Transformation Director. It is responsible for supervising and steering the Network transformation projects such as infrastructure construction program. Another one is the Audit and Risk Committee supported by National Audit and Risk Committee which plays a role in monitoring risk management in the Network. The committee is chaired by a non-executive Director together with nine GO Audit Committee Chairs as a member.

Figure: GO governance
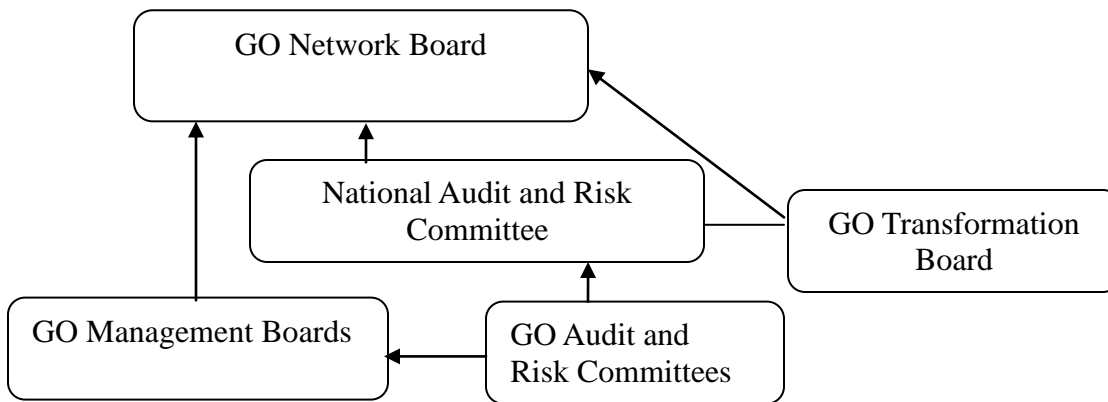
Meanwhile there also exists an upper-GO unit so called the Regional Coordination Unit (RCU). It is included in the GOs network but excluded from the GO Network Board to serve as a unified Head Office for the GOs. The RCU was just created in 2000 due to a concern about fragmented regional networks. Prior to its establishment, the GO Regional Directors used to work separately from the Secretaries of State in managing regional program. Therefore, it is set up to be a link between the all GOs in regions and national government. Each Regional Director has to report to the Director General of the RCU so that compatibility of policy and activities at national and regional level are ensured.

At organizational level, the GOs possess regions-oriented structure under the leading of the Regional Director. Each Regional Director personally has a leading role covering the GO and region as well as serves as a key actor, on behalf of the Network, responsible for enhancing the relationship with a sponsor department. Moreover, the Regional Director takes a collective leadership, together with Regional Directors in other regions, of the GO Network. There is also the Deputy Regional Directors supporting the work of the Regional Directors by leading for such as delivering of Public Service Agreements and implementing the Transformation Program

(Government Office for the English Regions, 2008-10). In terms of organizational structure, the GOs are flexibly structured suiting to their own characteristic of region. Their structures are distinctively designed according to the Regional Director's approach as well as potential agenda in each region. However, the common structural features are still found. Most GOs created their structure around directorates, based upon policy themes or leading policy arenas. Six to eight directors on average heading in these directorates are in charge of specific policy issue and directly reports to the Regional Director. One directorate commonly found is a Director of Regional Strategy who is mainly responsible for involvement with regional bodies and regional strategies. This kind of approach is employed in the East England, Yorkshire and Humber, and North East for example. Policy issues led by the directors are Europe, competitiveness, communities, and environmental issues. However, some GOs are structured focusing on place equivalent to lead policy such as the South East GO. There are also the GOs which put more weight on place. For example, the GOs of East and West Midlands have over half of their directors leading specifically on geography-based issues (HM Treasury, 2006-9).

Mandate and Role

Equipped with devolved mandate for representing central government in strengthening national policies, integrating regional strategies, and driving local delivery in English regions, the Government Offices take a leading role in following three areas.

1) Programs administration and grant management

A variety of programs of central government are devolved to be under the administration of the GOs such as the Neighborhood Renewal Fund (Home Office), and work-based training program (Steven Musson, 2005). Besides, the GOs are entrusted with more grant management responsibilities. They were received a large amount of fund to administer within the regions

according to specific area-based issues.

2) Local services delivery support

The GOs, on behalf of the central government, take a key role in local service delivery. First, they support the delivery of local services through Local Public Service Agreement (LPSAs)[11]. Besides, they are responsible for negotiating and monitoring Local Area Agreements (LAAs)[12]. Through these agreements, the coherence of local services between government and local authorities is underpinned.

3) Policy coordination with regional counterparts

The GO plays a key role in conveying and clarifying government policies to regional counterparts which included the RDAs and the Regional Assemblies, and local governments. It helps ensure the compatibility of regional policy with the purpose of central government.

4) Provision of advice and policy feedback

Since they are charge of overseeing the government policy's implementation at regions, the GO provides the advice and policy feedback drawn on the local expertise to central government especially the Regional Ministers.

2.2.2) Organizational Management

There are two main issues to be considered about organizational management of the GOs; human resources management and budget. In respect of human resources, the RCU as a corporate center for the GO network is in charge of overall human resource and performance management. Staffs

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[11] Local Public Area Agreements (LPSAs) are agreements between " government Departments and individual local authorities, involving specific agreed local performance goals, government help in achieving them, and cash rewards for success (Wilson and Game 2006, 373)."

[12] "Local Area Agreements (LAAs) are three-year action plans for achieving better outcomes, developed by councils with their partners in local strategic partnerships (LSP). LAAs for 2008-11 have been agreed with central government for all 150 first-tier local authority areas in England. Each one has been negotiated with the relevant regional Government Office (GO), and includes a mix of national and local priorities and targets, relevant to the area (Retrieved from http://www.idea.gov.uk/idk/core/page.do?pageId=900887, 1 December 2010)".

working at the GOs are from their thirteen sponsor departments. This helps assure neutrality of the GO regional director whereas government officials are able to develop a long-run regional benefits. In terms of budgeting, the GO network and the GOs received budget from their thirteen sponsor departments.

On behalf of the GO network, the RCU which is also funded from the sponsor Department is responsible for taking care of various central budgets. It also approves budget allocations to individual GO. Meanwhile, each GO accounts for administrating program budget remaining in the Departmental account under formal delegation from the parent Department to the Regional Directors (Government Offices for the English Regions, 2008-18).

2.3) Relationship with central, regional, and local government

The relationship between the GOs and their key stakeholders can be elaborated in three levels. First, at national level, other than coordinating closely with the Regional Coordination Unit in order to ensure that the whole GOs' actions are commensurate with national policies, the GOs have also to retain constructive relationship with each of their sponsor Departments. In this respect the Inter Departmental Steering Group (IDSG) is set up to be a sphere where collective action towards common strategic goal can be enhanced. The group consists of representative from each sponsor Department and the Regional Directors. Constructive relationship between the GOs Network and Departments is also enhanced by twining each GO Regional Director with a Department.

At regional level as one of the tripartite divisions of power in the English region, GOs, as a representative of central government, shared a complementary role with the remaining two regional organizations. The Regional Assemblies possess a statutory power to ensure the accountability of RDAs for their regional economic strategy. Meanwhile the GOs and the RDAs

collaborate with the Regional Assemblies in preparing their sustainable development framework. In this matter, functional compatibility of regional strategy must be ensured by the GOs.

Lastly, in respect of local government, the GOs have prominent relationship with local government. Specifically, the GOs represent central government at regional level in negotiating and monitoring delivery of Local Area Agreements (LAAs) and Local Public Service Agreement (LPSAs). These responsibilities have placed the GOs at a central between government and local authorities relationship.

4.2.2 France: Regions Administration and DATAR[13]

French administrative region is the second case study to be observed in the study of Thailand's provincial cluster administration. Albeit distinct legal status; the first is local authority meanwhile the latter is strategically regional boundary, an existence of common element regarding deconcentralization or delegated power underlying French region administration similar to Thailand's provincial cluster administration are worth exploring. Besides, if a driving mechanism considered, DATAR, an inter-ministerial authority for regional and local development, is fruitful to be studied. Although it was not physically embedded in region like the Office of Strategy Management in Thailand's provincial cluster or the Government Offices (GOs) in English regions, its concept and functions were logically accorded those two bodies mentioned. Hence, the study of French administrative region and DATAR can provide a fulfilling administrative experience for provincial cluster administration in Thailand.

1) **Background**

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[13] Délégation à l'Aménagement du Territoire et à l'Action Régionale (French) or Inter-ministerial Delegation for Territorial Planning and Regional Attractiveness (English)

Regions were the most recent local entities, comparing to other existing two local authorities; commune, and department[14], in France. Dating back to 1789, the French revolution marked an emerging era of France's decentralization. Commune, which initially created as a community's self- guarding group since the 12th century, was firstly granted a local authority in December that year. Then departments were formally created and granted a legal status in 1790 and 1871 respectively. Meanwhile, notion of administrative region was initially shaped just in 1956 before being granted a status of local entities in 1982.

The evolution of French regions since 1956 resulted from a change in rationale of territorial management. Initially, French government's creation of twenty two administrative regions in 1956 was undertaken to promote economic modernization after the WW II (Marcou, 2011). At the time a fairly small size of the department was perceived a constraint of new public policies. A wider boundary for planning and investment as well as public services delivery was thus in need of creating (Smith and Heywood, 2000). Subsequently, the government appointed the Department Prefect in a centrally-located department to be the Regional Prefect in 1964 in order to coordinate with other public authorities at regional level as well as oversee the CODERs (Commission de Developpement Economique Regional), a governmental mechanism for regional development.

Later, during the General Charles de Gualle government a law of establishing regions as an independent public authority (établissement public) with the Executive from central government was enacted in 1972 after a defeat in referendum of establishing them as local authorities in 1969. The newly administrative body was aimed to enhance social and economic development promotion among local organizations within regions. However, it was not until in 1982 that those

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[14] French department is headed by the Department Prefect. Its status is similar to province in Thailand (author)

regions underwent a critical change. As decentralization was a prioritized reform agenda in the Mitterrand government, those administrative regions were thus granted of status of local entities with the tax and budgetary power according to the Bill of 2 March 1982. Conversely, power of the Region Prefect was much limited. And after the first regions election in 1986, the executive power, which previously belonged to the appointed Regional Prefect, was transferred to the President of assembly elected by universal suffrage.

Nevertheless, a consequence of decentralization law in 1982 further led to a reversal of power division between the central government and the local entities. Concern over growth disparities resulted from decentralization brought about a need for restructuring territorial boundary (Marcou, 2011). So, the reform, especially the 1992 bill regarding "Territorial Administration of the Republic" brought more momentum of power to the Regional Prefects by entrusting them obligations of coordinating the State and the local organization and managing the EU structural funds. The Prefects thus became once again a key role in local governance. In this sense, there existed a mixture of decentralization and deconcentralization in French territorial management. It can be said that "one of the main characters of the French territorial system is the permanent relation of decentralization and decentralization" (Marcou, 2011)

At present, there are twenty six regions including four oversea regions in France (Appendix J). Their current administration was structured under four institutions. The first is Regional Assembly (Conseil Regional) consisting of elected members with six-year term. The Assembly is entrusted with the power of, for example, budgetary approval, regional public service delivery, and spatial development. Its meeting is held every three months. Second, the President of Regional Assembly (President du Conseil Regional) serves as the Executive of regions. He is elected by the Assembly's member with six-year term and mainly responsible for implementing

the Assemblies' decisions, and administering regions budget and personnel system. The region's structure also includes the Economic and Social Committee of Region (Conseil Economique et Social Regional) which is responsible for provision of consultation to the regional assembly and the president. Number of committees range from forty to one hundred and ten members are representative from four groups; private company and independent employees, labor union, region activity-related organizations, and honorary members. Furthermore, as explained above that the French regions, despite of given status of local authority, did not totally abolish the central government's engagement, the Regional Prefect (Prefet de region) appointed by the President according to the recommendation of the cabinet is also a key person in the administration of region. As a representative of the state, he is in charge of overseeing the legality of public affairs in regions, giving consent in contract, and coordinating with departments within a region in the matter of mega-projects investment, budget spending, and government policy. Besides, he is a head of the State's representative conference attending by department prefects and heads of central agencies located in the department. In this sense, region can be perceived as an intermediate boundary where deconcentralized authority paralleled decentralized bodies. The government is thus able to exercise some extent of power regarding government policy through devolved agent at the same time to empower people in responding their local demands via the universal suffrage.

2) **DATAR (Inter-ministerial Delegation for Territorial Planning and Regional Attractiveness)**

Since regions in France possess a status of local authorities whose administrative mechanisms were set to run by their elected executive, then there is no other specific driving organization from the central government, except the Region Prefect, embedded in the French regions as the

Office of Strategy Management in Thailand's provincial cluster or the Government Offices in English regions. However, there is still a delegated body in charge of French regions so called DATAR (Délégation Interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale; Interministerial Delegation for Territorial Planning and Regional Attractiveness) whose inception and designed functions logically correlated with the two organizations already mentioned. Therefore, the study of a driving mechanism lying in French regions administration put an emphasis on DATAR as an agency facilitating development cohesion at regional level.

2.1) Evolution

The current DATAR has long functioned as an inter-ministerial authority responsible for fostering spatial development in France. Throughout the French regional development's history, it has undergone three main phases of change so far. The first is a period of its initial inception in 1963 when DATAR was established. It introduced the concept of "regional action" in response to uneven development between Paris and other regions outside (Azam-Pradeilles. 2008). Then, there was a creation of Regional Prefect by a Government Decree one year after that. The establishment of DATAR encompassed two main objectives of the implementation and management of infrastructure development, and the promotion of employment in France (Bizet, 2002, 480). At the time, it was designed as a cross-functional institution structured by an inter-ministerial committee consisting of government officers and experts known as "*la Delegation*". With given structure, DATAR is able to accomplish its work through its stakeholders' action both at national and regional level. At national level, it works to ensure compatibility of regional activities among departments via a channel of a Comité interministériel a l'amenagement et au développement du territoire (CIADT) led by the Prime Minister. In addition, as a regional development agency, DATAR was also a party to planning contract between the central

government and regional and local entities by taking a role of contractual negotiator. Furthermore, it works cooperatively for information sharing with the Economic Advisory Committee (Le Commissariat Général au Plan-CGP) in charge of country's framework for economic development. The areas of responsibility with which DATAR were entrusted involved multi-faceted development. They included for example, cooperation with involving Ministers, promotion of investment via the "Invest in France" agencies and network, development of region-located manufacturers, and coordination of inter-regional activities (Bizet, 2002, 480).

Since the inception, it was not until 2005 that the second adjustment of DATAR occurred. DATAR was transformed to the DIACT (Délégation Interministérielle à l'Aménagement et à la Compétitivité des Territoires or Inter-ministerial Delegation for Regional Development and Competitiveness) in 2005. Taken all primary responsibilities of DATAR, DIACT additionally accounted for tasks previously undertaken by the International Task Force on Economic Change (MIME) (French Ministry of Foreign Affairs, 2006-18). Directing for more ambitious goal in economic development, DIACT put an emphasis on driving regional and local economic growth. Its main tasks incorporated for example, coordination for the cohesive implementation of regional development policies, arrangement of contracts between the central government and regional governments, and serving as the secretariat for the Interministerial Committee on Spatial Planning and Competitiveness (CIACT)[15]. Besides, DIACT works cooperatively with the European Union in the matter of European structural funds as well as abides by European regional policies. However, DIACT has recently encountered a recent change during the Sarkosy government in 2009. It was renamed once again to the DATAR and entrusted with one more

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[15] The Interministerial Committee on Spatial Planning and Competitiveness (CIACT) was established in 2005 as a successor of the former Interministerial Committee on Spatial Planning and Development (CIADT). The committee led by the Prime Minister plays a key role in making decision about territorial planning.

mission of providing futuristic reflection and strategy for metropolis other than the previous tasks of the DATAR.

2.2) Organizational Structure and Management

DATAR is an inter-ministerial authority under the Prime Minister's office. The revived DATAR was set up in order to incorporate two main objectives of reinforcing territorial attractiveness and assuring development cohesion and equality. Then, its organizational structure and management are accordingly designed to lift up those goals.

2.2.1) Structure

Though encountering some adjustment in its name and functions, the DATAR's structure still holds a key characteristic of cross-functional working. Its structure can be elaborated in two levels. At national level (Appendix K), DATAR is headed by the Interministerial Delegate with two assistants; the Chief of Cabinet Communication and Institutional Relations, and the Counselor of the delegate. There are three different sections under DATAR. The first section deals with evaluation, research and international relation. It incorporates four subordinate units which are responsible for cooperation with IHEDATE (Institut des Hautes Etudes de Développement et d'Aménagement des Territoires en Europe; The Institute for Higher Education on Land Development), Territorial Observation, Research and Scientific Publication, and International Cooperation. The second refers to the section of Inter-ministerial Coordination and Action. It is designed as theme-based units composing of Territorial Dynamic, Transport and Urban Development, Competitive Innovation and Statistic, Regional Development and Europeans Policy, Economic Transformation and Development, and Metropolis Affair. The last one is the section of Economic Transformation and Development. It is responsible for the unit of Economic Transformation and Development as the previous function. Sitting at the central,

DATAR also performs its functions at regional and local level through its network of twenty six SGARs (General Secretariats for Regional Affairs) attached to Region Prefects. Furthermore, since France has engaged in the European Union whose support and policies were partially direct via DATAR, therefore its correspondent office was established, attaching to the Permanent Representative of France in Brussels so that the European Union policies can be efficiently and timely anticipated.

Mandate and Role

There are three key scopes of mission that DATAR has put emphasis on. First, it enhances an inter-ministerial action by coordinating government regional development policies among relevant ministries. Furthermore, DATAR ensures convergence of regional objectives by means of making intervention of other ministries and cooperating with local development actors. It also initiates creative policy instruments or development innovation so as to meet regional demands and challenges.

With respect to the role of the DATAR, it can be categorized into three main dimensions. First, DATAR represents the central government in directing regional and local economic development. It is in charge of promoting economic growth by co-financing local projects such as transportation, education, and environment together with the State-Region Planning Contracts (CPER). It also arranges the preparation and negotiation of a contract between the State and local entities in order to enhance policy alignment. Besides, DATAR implements area-focused policies according to territorial characteristic. It overcomes institutional border by linking all sectoral policies and relevant stakeholder to conduct projects for rural area, metropolis, and coasts for example. Second, DATAR facilitates the State's decision and implementation of regional development. For example, it conducts research and projects the possible policy changes which

government should be anticipated. In addition, DATAR as the committee's secretariat, is responsible for arranging the Interministerial Committee on Spatial Planning and Competitiveness (CIACT) and implements the committee's decision regarding spatial planning. Lastly, it has played a key role about international affairs. It especially works on coordinating European programmes implementation such as preparing Single Programming Document as well as monitoring and evaluating programmes. In addition, cooperation between DATAR and other countries were built via knowledge sharing programs such as the programs with new member of European Union, Mediterranean countries and emerging countries such as China.

2.2.2) Organizational Management

Being an inter-ministerial body in the central government, DATAR is composed of staffs with various backgrounds and various relevant departments. In 2009, there are around 215 staffs spreading throughout Paris and the regions. In terms of budget which is perceived as one of the most significant instrument for mobilizing its tasks. DATAR can achieve its goal by employing its own financial tools. Those are National Fund for Territorial Development and Planning (Fonds national d'aménagement et de développement du territoire; FNADT) employed for financing local development projects and operational management by sharing between the DATAR and SGAR, and Regional Policy Grant (PAT) for support private sector and employment for example, industrial companies in remote areas and firms developing research and development projects nationwide. Besides, DATAR is responsible for coordination and monitoring the European Union Funds spending of other Ministries. For example, it coordinates funds allocation, 19 billion Euros from 2000-2006, for planning contracts.

2.3) Relationship with central, regional, and local government

As an inter-ministerial agent coordinating regional and local authorities' affairs, DATAR performs its missions with numerous actors in different level of working (Appendix L). At supranational level, DATAR represents the French government in coordinating with the European Union in order to adopt EU's regional policies. In addition, as DATAR works closely with the network of twenty six SGARs (General Secretariats for Regional Affairs) at regional and local level, it then has a firm relationship with the Regional Prefect which the SGARs were attached to. The mission of the Regional Prefects and DATAR are complementary. Since the DATAR facilitated the policy cohesion at national level, the Region Prefect ensures its success at local level with the assistance of the SGAR. As the representative of central government at local level, Region Prefect play a key role in translating the government policies covering a wide range of area such as, spatial planning and economic development, rural development, culture, employment as well as European Union policies into action. The Region Prefects also coordinate with local governments for example, provision of recommendations and contractual negotiation.

Comparison of the Strategic Organization of Territorial Administration in

Thailand, England and France

Country Aspects	Thailand	England	France
1. Strategic Boundary	18 provincial clusters grouped from 75 provinces	9 regions	26 regions
2. Strategic Organization	Office of Strategy Management (OSM)	Government Offices (GOs)	DATAR (Inter-ministerial Delegation for Territorial Planning and Regional Attractiveness)
3. Concept	Strategy-focused organization in strategic,	Being 'the Whitehall in the regions' to build	An inter-ministerial authority for

Country / Aspects	Thailand	England	France
	not ruling, boundary	more strategic level of engagement between central government and local and regional partners	regional and local development
4. Status	Central agency, with no legal status, under the Office of Permanent Secretary for Interior, Ministry of Interior	Legal organization part of national government that operates daily in regions	Central government agency under the Prime Minister
5. Objective	Fulfilling the policy missing link between central and local government and initiating region-oriented development strategy	Being 'the eyes and the ears' of the government and promoting policy compatibility in the regions.	Reinforcing territorial attractiveness and assuring development cohesion and equality
6. Mandate/ Function	Serving as the secretary office of the provincial cluster mainly responsible for provincial cluster strategy administration in all aspects	Strengthening national policies, integrating regional strategies, and driving local delivery	Coordinating government regional development policies, Ensuring convergence of regional objectives at local level, and Initiating regional development agenda
7. Role	Provincial governor's think tank, Policy integration facilitator, and Promoting in regional strategies participation	Program administration and grant management, Local service delivery support, Policy coordination with regional counterparts, and Provision of advice and policy feedback	Directing regional and local economic development , Facilitating the State's decision and implementation on regional development, and working with international organizations and foreign countries about regions
8. Structure			
Policy level	Committee-based; three	Committee-based; GO	Cross-function

Country / Aspects	Thailand	England	France
	levels of committee at national, provincial cluster and provincial level.	Network Boards together with other boards those are the GO Network Transformation Board, the Audit and Risk Committee	based; the Inter-ministerial Delegate serves the head.
Operational level	OSM: One-size- fits-all structure headed by the Head of Provincial Office	GOs: Tailored-made structure based on regional main challenges and priorities	No organization embedded in regions but operating its functions through SGAR which are attached to the Regional Prefect
9. Organizational Management			
Human capital	One government official from the Office of Permanent Secretary for Interior and contract-based staffs	Secondment of central government civil servants from relevant central Departments	Government official from various Ministries
Budgeting	Annual budget is given by the government based on the provincial cluster development plan	Budget from central government (according to the department program) and Funds from European Union	Budget from central government and European Union
10. Relationship with stakeholders			
Central government/ agencies	Abiding by policy guidance from the Policy Committee of Province and Provincial Cluster Administration and working closely with the Office of Public Sector Development Commission (OPDC) which is the secretary of the national committee	Providing cooperation with the Regional Coordination Unit (RCU), a center for the GO Network, and retaining close relation with sponsor Departments as individual entity and under the Inter Departmental Steering Group (IDSG)	Cooperating with relevant Ministries
Regional government	Working closely with central regional agencies	Playing complementary roles with other two	Working closely with network of

Country Aspects	Thailand	England	France
/agency	and the Provincial offices under the Provincial Cluster Committee	regional entities; RDAs and the Regional Assemblies	twenty six SGARs and the Regional Prefect in regions
Local government/ agencies	Local organizations are important stakeholder engaged in the provincial cluster development plan process such as strategy formulation	Being a government representative in negotiating and monitoring local area agreement with local authorities	Coordinating with local governments via the Regional Perfect and the SGARs

CHAPTER FIVE: DISCUSSION

The discussion is drawn upon the finding in previous chapter. Its first section highlights the interpretation, evaluation, and analysis of the provincial cluster administration in Thailand based on the stakeholder's perception from survey questionnaire, and interview. Besides, lessons learned from the investigation of two foreign case studies; France and England are incorporated in the end of the chapter.

Referred to the finding in Thailand's case, the discussion about the effectiveness of provincial cluster administration is logically elaborated according to the framework of study demonstrated in the first chapter. There are three main elements constituting Thailand's provincial cluster administration; system, policy, and inputs. Those are all variables determining the effectiveness of provincial cluster administration to be interpreted and analyzed.

The first element regards system designed in the provincial cluster administration, three components; power structure, grouping of provinces, empowerment are considered. Firstly, the power structure within the provincial cluster administration is divided into three levels of committee, national, provincial cluster, and provincial level. Overall, those three levels of committee are well-structured as it allows a vertical integration of policy from the top to bottom and conversely. However, practicality of provincial cluster within existing structure of the provincial cluster committee is in question. By entrusting the Governor in the OSM province to a chairman of the committee, although it can be perceived reasonable as an attempt to promote horizontal cooperation among survey respondents, there remains the fact that seniority of the Governor is still a determinant of that desirable working culture. Among the governors within the provincial cluster, the chairman of the committee has explicitly faced the problem of cooperation from other governors who are older than him. Under this designed structure, regardless of individual leadership of the Governor, the effective function of provincial cluster is inadequately guaranteed.

Secondly, clusters of provinces are overall well-designed in the aspect of provincial grouping. It can be perceived as one of strengths lying in the existing system of provincial cluster administration. The compact number of provinces, average four to five provinces per cluster, has facilitated the OSM to work in a coordinated fashion. Besides, the sharing of common characteristic potential among those provincial cluster members which is considered as the key driving force of the provincial cluster have founded a strong basis for mutual development. Meanwhile, the OSM can properly pursue its role in coordinating and mobilizing the provincial cluster administration as they are located in the transportation hub. However, the provincial cluster has been encountering an external obstacle. The newly created boundary of provincial

cluster has overlapped with that of other organizations. This can cause the problem of policy unity and coordination with other regional branches of central agencies. The third component constituting the system of provincial cluster administration is empowerment. Problem of legal empowerment is unequivocal in the survey respondents and academics' viewpoint. It is explicitly agreed by all groups of respondent and academics that the existing power structure does not provide much enough empowerment specifically legal status to the OSM. As a consequence, the overall system is limited per se and deprives the OSM of supportive inputs especially human resources which is furthered explained in the third element. In conclusion, there is a strong ground for provincial cluster administration provided but more empowerment is needed to reinforce those design system efficiently functions in practice.

The second element of provincial cluster administration is policy. Three components; policy guidance, budget allocation, and provincial cluster development plan and budget request are included. The key point to be focused is policy guidance provided by the national committee for the provincial cluster in making budget request. According to the finding, there are interrelated problems found in the committee at both national and provincial cluster level. Actually the policy guidance is a straightforward framework detailing favorable requirement for provincial cluster's budget allocation. In this sense, it is seemingly reflected that budget allocation from the government, and budget request and development plan made by the provincial cluster are functional according to the survey respondents. Nevertheless, there existed one complicated problem regarding policy guidance in national policies. The compartmentalized national policy is all affirmed a persistent problem by the academics. It has stemmed from the absence of inter-ministerial integration. In such condition, policy guidance for the provincial cluster is simply represented government's requirement instead of providing provincial cluster a strategic idea

how to fulfill the missing link between national and local level. Therefore, it is the reason that provincial cluster cannot create much dramatic development impact in their boundary.

Lastly, inputs are the third component of provincial cluster administration. They comprise human capital, organizational management, and working relations. As a result of limited empowerment existed in the system of provincial cluster administration as mentioned, low administrative capacities of the OSM are unanimously aired by both survey respondents and academics. All necessary inputs which are significant to boost other components into practice cannot work in a supportive way. First, the overriding concern about input of provincial cluster administration is human capital. Not only leadership of the chairman of provincial cluster committee which is challenged from seniority problem under the designed power structure as referred in the first element of system, the OSM has also been affected by such limited empowerment in the system as well. The OSM is constrained by its informal status of recruiting staffs. There are only two government officials working for the OSM and one of them has simultaneously worked as the Head of provincial office. It has seriously encountered the problem of inadequate number of government official and overloaded work. Furthermore, uncertainty of career path in the OSM consequently affected to the motivations of officers and lead to the high turnover. This situation is absolutely undesirable to human capital accumulation which the Office of Permanent Secretary for Interior and the Office of Province officers agreed that the OSM officers are still incompetent. Furthermore, poor human factors are affected to organizational management. Specifically, strategic resources for management as database system are not well prepared and utilized. Nevertheless, there are still valuable inputs supportive to the organizational management. Those are adequate operational budget, the OSM's neutrality and the provincial cluster committee's trustable and transparent administration. The last two attributes are at least

guaranteed by committee-based decision making. Regarding to working relations, teamwork and relationship with stakeholders, as the third component of input, the provincial cluster can seemingly work in a cooperative way with the actors sharing the mutual benefits in cluster. So, the OSM gained good cooperation from other provincial governments in the provincial cluster as they are both under the same Ministry. However, it still can not engage much support from the local governments as they may not see much importance of provincial cluster and rather focus on their own development plan and given resources.

Taking all three determinants into account, provincial cluster administration in Thailand has yet to be confirmed effective. Although it was perceived that provincial cluster administration can boost development potential in regional level or the provincial cluster committee achieves the ultimate goals of provincial cluster by all groups of survey respondents, their perception cannot outweigh the counter-perspective of the academics that the provincial cluster administration is ineffective. More importantly, the evidence of existing problems has already indicated in each of three elements mentioned above. There are many areas of problem which both survey respondents and academics share in common. The utmost finding from the study is that provincial cluster administration, though having potential competence in driving regional development, needs administrative structure reconfiguration for enhancing cross-functional policy integration from national to provincial cluster and to local government and legal empowerment of the OSM at institutional level. As a consequence, the provincial cluster administration in Thailand can be guided to the right track of regional administration development.

From the case studies of England and France, although their practice cannot totally provide a

blueprint for Thailand to follow, there existed key elements of their regions administration that should be recognized. Region which is comparable to Thailand's provincial cluster in England and France both demonstrated the government endeavor to create the strategic boundary. No matter of what status, where central government and local government policies can be balanced in order to promote economic growth and social development. As the lack of inter-ministerial mechanism at national level and legal status of the OSM are perceived the key urgent problems to be solved, the practices of regional administration in England and France has provided reasonable implications. Under the existence of regions, both countries have put importance on policy coordination between the government and regions in the first stage. So, they have been equipped with inter-ministerial mechanism at national level. Those are the Regional Coordination Unit (RCU) in England and the DATAR in France. Furthermore, the legalized driving mechanism for region as a strategic boundary has been set up. English regions are equipped with nine Government Offices meanwhile French regions which are designed as local authorities have been cooperated with the government by the Regional Prefect and SGARs.

Therefore, according to Thailand's context and foreign practices, these missing attribute in Thailand, if put into practiced, will assure more promising future of Thailand' provincial cluster administration.

CHAPTER SIX: CONCLUSION

The study of the effectiveness of provincial cluster administration in Thailand is ended with conclusion. In addition, policy recommendations are provided at the last part for its further development.

6.1 CONCLUSION

With the recognition of development gap persistent throughout the history of territorial administration and under-optimized regional potential, Thai government has demonstrated an endeavor to overcome those problems by introducing the notion of provincial cluster administration in 2003. The provincial cluster subscribes to Porter's idea of cluster that geographical concentration of industries or economically interrelated activities can constitute competitiveness and economic growth. Therefore, seventy five provinces are grouped based on physical proximity and shared potential into eighteen provincial clusters.

Thailand's endeavor of restructuring territorial administration logically correlated with other countries such as France and England elaborated in the study which sought out for a strategic level of their territory and later created the regions. Those experiences provide valuable lessons for Thailand to be learned. Practically, great attempt and sacrifice have been made by Thai government to promote the provincial cluster administration. It ranged from forming three-level policy committee, establishing the Office of Strategy Management as a driving force, supporting budget and administrative resources for example. Nevertheless, many evidences have proved its ineffectiveness at present. Provincial cluster administration still has room for maneuver in areas

of strategy-oriented administration and legal and administrative capacity. However, there was at least a signal of right track of regional development since provincial cluster can take a complimentary role to province in the regional administration.

It can be concluded that in order to enhance its effectiveness, provincial cluster administration needs cross-functional policy integration from central to provincial cluster and to local level as well as legal empowerment by legalizing the OSM. This study also makes, in some extent, an academic contribution in territorial administration. In order to reinforce the effectiveness of strategic region, a driving unit at regional level is convincingly needed. No matter what type of such unit is; local authority or central agency at regions, legal empowerment should be equipped to it. Furthermore, inter-ministerial mechanism is also a prerequisite for creating a link between regional drivers and between each driver and the government. This inter-ministerial mechanism will facilitate the functions of all such regional drivers in a coordinated and integrative manner so that the development directions of strategic regions are accordingly steered.

6.2 POLICY RECOMMENDATIONS

Taking finding about the status quo of Thailand's provincial cluster administration and foreign case studies into account, there are three main areas of potentially viable policy implications that should be undertaken in order to enhance its overall competence in the further stage of development.

1) Inter-ministerial integration: creating the Regional Coordination Unit (RCU) and introducing joint KPIs for cross-functional strategy

If industrial clusters are tied together as a chain of related activities, the provincial cluster should also have a similar chain of policy definable from both vertical and horizontal perspective. Especially, regional policies formulated by functional organizations at the central government

should be organized in more systematic and coordinated fashion in order to create well-integrated, not compartmentalized, national policies both sectoral and inter-sectoral boundary. Otherwise, the provincial cluster will not able to fulfill the missing link of policies between central and local level.

Since inter-ministerial policy integration greatly matters, the Regional Coordination Unit (RCU) is strongly recommended to be established to work support the Policy Committee of Provincial Cluster Integrative Administration. Its function will be supportive to the mission of current national committee of provincial cluster administration. Based on similar rationale of the Regional Coordination Unit in England, the RCU in provincial cluster administration will foster strategic fit at the central by engaging relevant Ministries' officers holding power in regional policies in the strategy-oriented committee designed based on sector and related chain. Under the facilitation of the RCU, a clear picture and linkage of national policies at regional and local level will be framed. Then, the OSM, as a driver of provincial cluster will further orchestrate national policies with area-based agendas created by regional challenges and potential.

More importantly, seeing regional policies from birds-eye view from the central, the RCU will be able to facilitate an inter-provincial cluster relation. So, regional competences are likely to be more orchestrated into regional policy with more integrated fashion. Furthermore, in order to force this cooperation, joint KPIs (Key Performance Indicators) between Ministries in relevant policy have to be introduced and seriously enforced as organizational evaluation instruments.

2) Institutional architect: legalizing and diversifying the OSM

Since the lack of legal status of the OSM has accounted for the incompetent performance of the OSM and overall provincial cluster administration, the government should bestow legal empowerment upon the OSM. Rather than just an informal internal unit, legal empowerment will

provide the OSM freedom for manoeuvre in carrying out its functions and enhancing the overall effectiveness of provincial cluster. First, in terms of administrative structure, the OSM should be legalized as a new regional agency which shares equal status to the Provincial Office. Then the Director of the OSM equally to the Head of Provincial Office can be appointed to be specifically responsible the OSM missions, rather than just additional missions of the Head of Provincial Office in the OSM province at present. So, the newly appointed Director will be able to pay full attention and develop more expertise to this particular work. Second, the legally-approved OSM will enable an agility of its internal management and overall provincial cluster administration. It can perform assigned core missions with devolved power of, for example budgeting and spending, and project procurement management under given authority, rather than always asking consent from other agencies. In addition, the OSM will be able to harness working relation with other stakeholders so as to build more synergy in the cluster. Lastly, legalized status will systemize the OSM's human resources system for example, number of staffs, and their career path will be clearly specified. Therefore, an accumulation of human capital in the OSM can be constructively facilitated. Overall, the given legal authority will enable the OSM to overcome its immediate problems at present and advance its working capability and scope of responsibilities in long term.

Furthermore, the notion of diversified structure of the OSM should be more emphasized in the future phase of development. If regional potential and challenges are really prioritized, the OSM's structure need not be a single uniform across the country. Instead, it should rather be an inclusive organization which comprises staffs with multiple skills and backgrounds regarding regional development. In this sense, the position of the OSM's director and officers will be more open instead of being entrenched only with the government official from the Office of Permanent

Secretary for Interior.

Moreover, the lessons learned about flexibility of the GOs' structure from English region administration can be applied to the OSM of Thailand's provincial cluster administration. Characteristic potential of development in each cluster will be optimized by an appropriate condition of administration. Therefore, the designed mission of the OSM can be diversified according to its specific strategic focus. Embracing tailored-made function, the OSM will be capable of playing a proactive role in regional development. For example, provincial cluster whose development strategy emphasizes on tourism should strengthen its strategic niche by specifically organizing the function of city marketing, other than common functions, to promoting more systematic and comprehensive tourism management.

3) **Synergy with local partners: common practice of strategy coordination**

To maintain and promote cooperative relationship between provincial cluster and local strategic partners is significant to the success of provincial cluster administration. In order to foster regional development by means of an area-based approach, local support especially from local governments is critically to be assured. Since respect for local organization's autonomy is recognized, command and control power will not be effective. Therefore, integrative action at local level among local government and provincial government should be organized in a consensual way. Under consensus between those two parties, common practice of strategy coordination can be mutually created as a mechanism that vision of development as well as division of function and administrative resources can be tuned up for shared direction.

APPENDICES

APPENDIX A

Porter's Diamond Model

Context for Firm Strategy and Rivalry

- A local context and rules that encourage investment and sustained upgrading
- Open and vigorous competition among locally based rivals

Factors conditions (Input)

High quality, specialized inputs available to firms
- Human resources
- Capital resources
- Physical Infrastructure
- Administrative Infrastructure
- Scientific and tech. infrastructure
- Natural resources

Demand Condiitons

- A core of sophisticated and demanding local customer (s)
- Unusual local demand in specialized segments that can be served nationally and globally
- Customers needs that anticipate those elsewhere

Related and Supporting Industries

- Access of capable, locally based suppliers and firms in related fields
- Presence of clusters instead of isolated industries

APPENDIX B

The Office of Strategy Management-The Roles and Responsibilities

STRATEGY MANGEMENT PROCESS		OSM Role
Core Roles	1 **Scorecard Management –** *Design and report on the BSC measures*	
	2 **Organization Alignment –** *Ensure all business and support units are aligned with the strategy*	
	3 **Strategy Reviews –** *Shape the agenda for management strategy review and learning meetings*	
Desirable Roles	4 **Strategic Planning –** *Help the CEO and executive team formulate and adapt the strategy*	
	5 **Strategy Communication –** *Communicate and educate employees about the strategy*	
	6 **Initiative Management –** *Identify and oversee management of strategic initiatives*	
Integrative Roles	7 **Planning/Budgeting –** *Link financial, human resources, information technology, and marketing to strategy*	CFO, HRO, CIO, CMO
	8 **Workforce Alignment –** *Ensure all employee's goals, incentives and development plans link to strategy*	HRO
	9 **Best Practice Sharing –** *Facilitate a process to identify and share best practices*	CKO

KEY

▪ OSM must run the process

▫ OSM should run the process

[X] OSM integrates strategy to a process run by someone else (X)

CFO: Chief Financial Officer
HRO: Human Resource Officer
CIO: Chief Information Officer
CMO: Chief Marketing Officer
CKO: Chief Knowledge Officer

Source: Kaplan and Norton (2005)

APPENDIX C

Where Should the OSM Report?
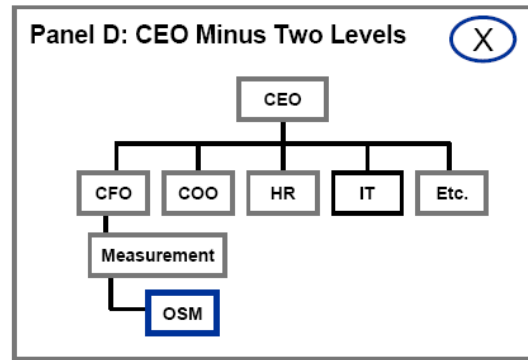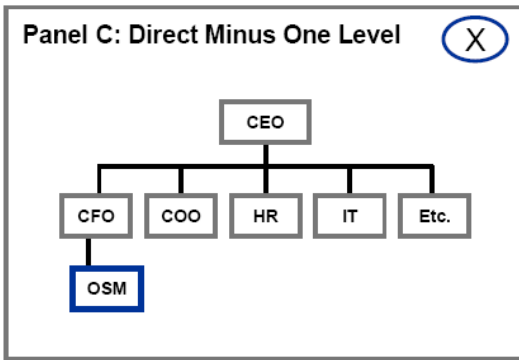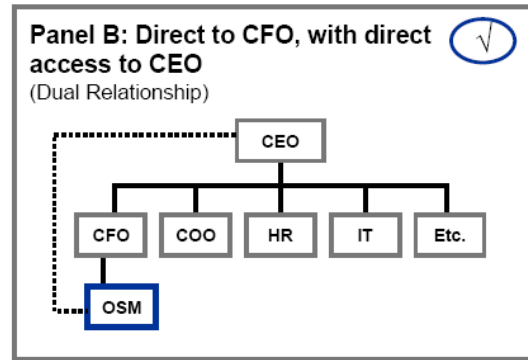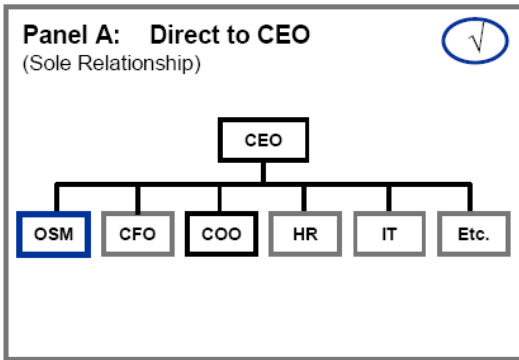
Source: Kaplan and Norton (2005)

APPENDIX D

The OSM Model- How Many People? What Do They Do?

STRATEGY MANGEMENT PROCESS		OSM Role	Typical Staffing (FTE)
Core Roles	1 Scorecard Management		1.0
	2 Organization Alignment		1.0 – 1.5
	3 Strategy Reviews		0.5 – 1.0
Desirable Roles	4 Strategic Planning		0.5
	5 Strategy Communication		0.5 – 1.0
	6 Initiative Management		1.0 – 1.5
Integrative Roles	7 Planning/Budgeting	CFO, HRO, CIO, CMO	0.5
	8 Workforce Alignment	HRO	0.5
	9 Best Practice Sharing	CKO	0.5 – 1.0
		TOTAL FTE:	6 - 8

KEY

- OSM must run the process
- OSM should run the process
- X OSM integrates strategy to a process run by someone else (X)

CFO: Chief Financial Officer
HRO: Human Resource Officer
CIO: Chief Information Officer
CMO: Chief Marketing Officer
CKO: Chief Knowledge Officer

Source: Kaplan and Norton (2005)

APPENDIX E

Eighteen Provincial Clusters in Thailand

Chiang Rai*,
Nan, Phayao,
Prae

Nong Khai, **Udon Thani**,
Loei, Nong Bua Lamphu

Chiang Mai, Lamphun, Lampang, Maehongson

Nakorn Sawan, Kamphaengphet, Pichit, Uthaithani

Chai Nat, **Lop Buri**, Ang Thong, Sing Buri

Nakorn Pathom, Kanchanaburi, Ratchaburi, Suphan Buri

Nonthaburi, Pathum Thani, **Ayutthaya**, Saraburi

Phetchaburi, Samut Sakhon, Samut Songkhram, Prachuap Khiri Khan

Krabi, Phang Nga, **Phuket**, Ranong , Trang

Phitsanulok, Tak, Sukhothai, Petchabun, Uttaradit

Nakhon Phanom, Mukdahan, **Sakon Nakhon**

Roi Et, **Khon Kaen**, Kalasin, Mahasarakham

Amnat Charoen, Sisaket, **Ubon Ratchathani**, Yasothon

Buri Ram, Chaiyaphum, **Nakhon Ratchasima**, Surin

Nakhon Nayok , **Chachoengsao**, Prachin Buri, Sa Kaeo, Samut Prakan

Chanthaburi, Chon Buri, Trat, Rayong ,

Surat Thani, Chumphon, Nakhon Si Thammarat, Phatthalung

Narathiwat, Pattani, Satun , **Songkhla**,Yala

*Province in bold color is the OSM province.

APPENDIX F

Survey Questionnaire

This survey questionnaire is partial to thesis entitled "The Effectiveness of Provincial Cluster Administration in Thailand" for the Master of Public Policy, KDI School of Public Policy and

Management. Thank you for your kindness in taking time to complete this questionnaire. All information and opinions will be kept confidentially and only used for educational purpose. Please fill out these following statements according to your opinion towards the provincial cluster administration in Thailand.

I.   The Policy Committee of Provincial Cluster Integrative Administration

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. **Overall:** Provincial cluster administration boosts development potential in regional level.					
2. The central committee provides a clear policy guidance to the provincial cluster.					
3. The central committee allocates the budget for provincial clusters in a sensible and optimal way.					
4. The central committee provided the provincial cluster with enough empowerment.					

In terms of the policy committee of provincial cluster integrative administration, what is the most important factor to the effectiveness of provincial cluster administration?

☐ Clear policy guidance   ☐ Sensible and optimized allocation and distribution of budget

☐ Enough empowerment to provincial cluster

☐ Other (please specify)……………………….

II.   Grouping of provinces

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. A number of provinces within provincial cluster are appropriate**.**					
2. The provinces within provincial cluster share common strategic potential of development.					

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
3. The OSM province is suitably designated.					
4. The overlap of provincial cluster and other different provincial groupings created by other organizations do NOT affect to the OSM's working performance and overall provincial cluster.					

In terms of provincial grouping, what is the most important factor to the effectiveness of provincial cluster administration?

☐ Numbers of provinces within provincial cluster

☐ Right location of the OSM

☐ Consistency of the other grouping

☐ Common strategic potential of provinces

☐ Other (please specify)…………….

III. The Committee of Provincial Cluster Integrative Administration

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. **Overall:** The committee achieves the ultimate goal of provincial cluster.					
2. Provincial cluster's budget request is optimally made among provinces within cluster.					
3. The designed structure of provincial cluster committee which entrusted the governor to a chairman and the vice governor to a head of secretary is effective.					
4. The committee well responds to the overall development agendas					

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
of provincial cluster.					
5. The decision-making process in the committee can be trustable and transparent.					
6. The chairman of the committee has strong leadership.					
7. The members within the committee has strong teamwork.					
8. The committee has good relationship with other stakeholders in the provinces such as educational institution and NGOs.					
9. The provincial cluster strategy is consistent.					

In terms of the committee of provincial cluster integrative administration, what is the most important factor to its effectiveness?

☐ Optimal budget request   ☐ Suitable administrative structure

☐ Responding to regional agent   ☐ Trust and transparency

☐ Leadership of the chairman of the committee   ☐ Teamwork

☐ Good relationship with other stakeholders   ☐ Consistency of provincial cluster

☐ Other (please specify)………………   strategy

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. The OSM is neutral among provinces in the cluster.					

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. The OSM is neutral among provinces in the cluster.					
2. There is enough number of officers working in the OSM.					
3. The officers in the OSM are competent at work.					
4. The officers in the OSM work with high motivation.					
5. The turnover rate of the OSM's officers does NOT affect to the effectiveness of the provincial cluster administration.					
6. The OSM is given enough operational budgets.					
7. The OSM has or utilizes updated or useful database in working.					

In terms of the OSM, what is the most important factor to the effectiveness of the provincial cluster administration?

☐ Neutrality ☐ Number of officers

☐ Quality of officers ☐ Working motivation

☐ Turnover rate of officer ☐ Adequate operational budgets

☐ Updated and useful database ☐ Other (please specify)………………

V.   Provincial and local governments

Statement	Strongly agree	Agree	Disagree	Strongly disagree	Do not know
1. Other provincial governments in the cluster give cooperation to the OSM.					
2. Local organizations within provincial cluster give support to the OSM.					

VI. Personal Information: Organization and position

1) ☐ The Office of Permanent Secretary for Interior

   ☐ Director of Bureau of provincial administration and development

   ☐ Officers in Bureau of provincial administration and development

2) ☐ The Office of Strategy Management

   ☐ Head of OSM

   ☐ Officers of OSM

3) ☐ Other provinces

   ☐ Head of Provincial Governor's Office

APPENDIX G

Raw results from survey question

I. The policy committee of provincial cluster integrative administration

    1) Provincial cluster administration boosts development potential in regional level.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	5	4	1		
OSM	6	13	5		
OP	3	17	8	1	1

    2) The central committee provides clear policy guidance to the provincial cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	1	4	5		
OSM	1	10	11		2
OP	2	14	8	1	5

    3) The central committee allocates the budget for provincial clusters in a sensible and optimal way.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	1	4	5		
OSM	1	12	10	1	
OP	1	12	13	1	3

    4) The central committee provides the provincial cluster with enough empowerment.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		2	6	2	
OSM		3	17	1	
OP	1	13	13	2	1

II. Grouping of provinces

1) A number of provinces within provincial cluster are appropriate.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	4	6			
OSM	6	17	1		
OP	7	16	7		

2) The provinces within provincial cluster share common strategic potential of development.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	3	4	3		
OSM	2	20	2		
OP	3	22	4	1	

3) The OSM province is suitably designated.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	1	9			
OSM	6	18			
OP	7	20	2		1

4) The overlap of provincial cluster and other different provincial groupings created by other organizations do **NOT** affect to the OSM's working performance and overall provincial cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	1	3	5	1	
OSM	2	13	9		
OP	4	10	15	1	

III. The committee of provincial cluster integrative administration

1) Overall: The committee achieves the ultimate goal of provincial cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	2	4	4		
OSM	1	16	6		1
OP	2	19	9		

2) Provincial cluster's budget request is optimally made among provinces within cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		5	5		
OSM	1	14	7	1	1
OP	1	16	13		

3) The designed structure of provincial cluster committee which entrusted the Governor to a chairman and the vice governor to a head of secretary is effective.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI	1	7	2		
OSM	2	15	5		2
OP	1	18	6/3	2	

4) The committee well responds to the overall development agendas of provincial cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		9	1		
OSM	1	15	7		1
OP	1	14	14		1

5) The decision-making process in the committee can be trustable and transparent.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		7	3		
OSM	5	14	4		1
OP		16	12	1	1

6) The chairman of the committee has strong leadership.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		6	4		
OSM	4	10	6		4
OP		15	11		4

7) The members within the committee have strong teamwork.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		5	5		
OSM		15	7		2
OP	1	12	17		

8) The committee has good relationship with other stakeholders in the provinces such as educational institution and NGOs.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		7	3		
OSM	1	14	6		3
OP	1	19	9		1

9) The provincial cluster strategy is consistent

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		9	1		
OSM	2	17	3		2
OP	2	16	11		1

IV. The Office of Strategy Management (OSM)

1) The OSM is neutral among provinces in the cluster.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		6	3		1
OSM	5	18			1
OP	2	15	13		

2) There is enough number of officers working in the OSM.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI			7	3	
OSM		1	11	12	
OP		9	16	4	1

3) The officers in the OSM are competent at work.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		4	4	2	
OSM	1	18	4		1
OP		12	14	2	2

4) The officers in the OSM work with high motivation.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI			7	3	
OSM		1	15	7	1
OP		5	19	2	4

5) The turnover rate of the OSM's officers does NOT affect to the effectiveness of the provincial cluster administration.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		1	5	4	
OSM		1	15	6	2
OP		5	21	4	

6) The OSM is given enough operational budgets.

Sample	Strongly	agree	disagree	Strongly	Do not

	agree			disagree	know
OPSI		3	6	1	
OSM	3	18	3		
OP	1	13/2	9/1	1	3

7) The OSM has or utilizes updated or useful database in working.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		2	6	2	
OSM	1	12	10	1	
OP		9	19	1	1

V. Other governments in province

1) Other provincial governments in the cluster give cooperation to the OSM.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		6	3	1	
OSM	3	17	4		
OP	3	20	6	1	

2) Local organizations within provincial cluster give support to the OSM.

Sample	Strongly agree	agree	disagree	Strongly disagree	Do not know
OPSI		3	6		1
OSM		9	10	4	1
OP	3	10	14	2	1

Interview Question

This interview questionnaire is partial to thesis entitled "The Effectiveness of Provincial Cluster Administration in Thailand" for the Master of Public Policy, KDI School of Public Policy and Management.

1. **Overall question**

   1.1 How do you think about the notion of provincial cluster administration in Thailand?

   1.2 Overall, to what extent is the provincial cluster administration effective?

2. **The Policy Committee of Provincial Cluster Integrative Administration**

   2.1 How do you evaluate roles of the Policy Committee of Provincial Cluster Integrative Administration towards the provincial cluster administration in the following areas?

   ➢ Policy guidance

   ➢ Budget allocation and distribution

   ➢ Empowerment to provincial cluster

3. **Grouping of provinces**

   3.1 How do you evaluate the current grouping of provinces in Thailand's provincial cluster administration in the following areas?

   ➢ Numbers of provinces within provincial cluster

   ➢ Common strategic potential of provinces

   ➢ Location of the OSM

   3.2 To what extent that the overlap of provincial cluster and other different provincial groupings created by other organizations has effect to the OSM's working performance and overall provincial cluster?

4. **The Committee of Provincial Cluster Integrative Administration**

   4.1 To what extent that the provincial cluster committee achieves the ultimate goal of provincial cluster?

   4.2 Do you think whether provincial cluster's budget request is optimally made among provinces within cluster?

4.3 How do you evaluate the Committee of Provincial Cluster Integrative Administration in the following areas?

- ➢ Designed structure of provincial cluster committee
- ➢ Regional agenda-based administration
- ➢ Trust and transparency
- ➢ Leadership of the chairman of the committee
- ➢ Teamwork
- ➢ Relationship with other stakeholders
- ➢ Consistency of provincial cluster strategy

5. **The Office of Strategy Management (OSM)**

How do you evaluate the Office of Strategy Management (OSM) in the following areas?

- ➢ Neutrality
- ➢ Number of officers
- ➢ Quality of officers
- ➢ Working motivation
- ➢ Turnover rate of officers
- ➢ Adequacy of operational budgets
- ➢ Database management

6. **Provincial and local governments**

6.1 How do you evaluate the cooperation between the OSM in provincial cluster administration and provincial government?

6.2 How do you evaluate the cooperation between the OSM in provincial cluster administration and local government?

7. **What are possible development direction and policy implications for the provincial cluster administration in the future?**

Nine regions in England
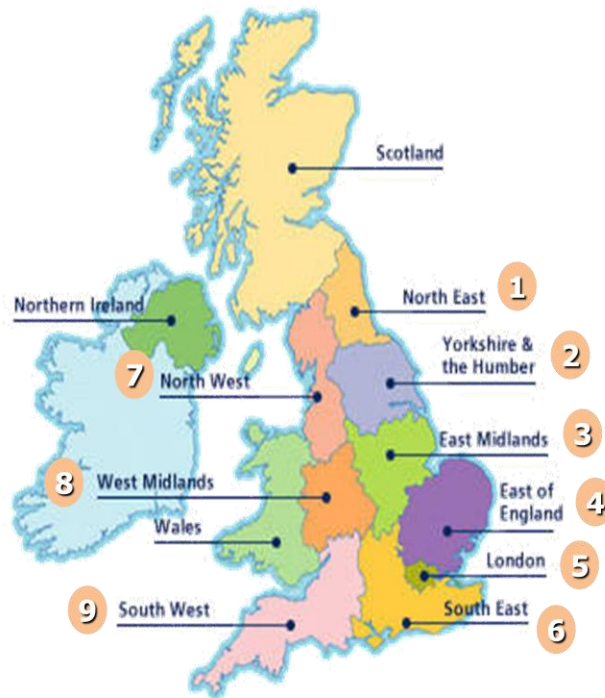
APPENDIX J
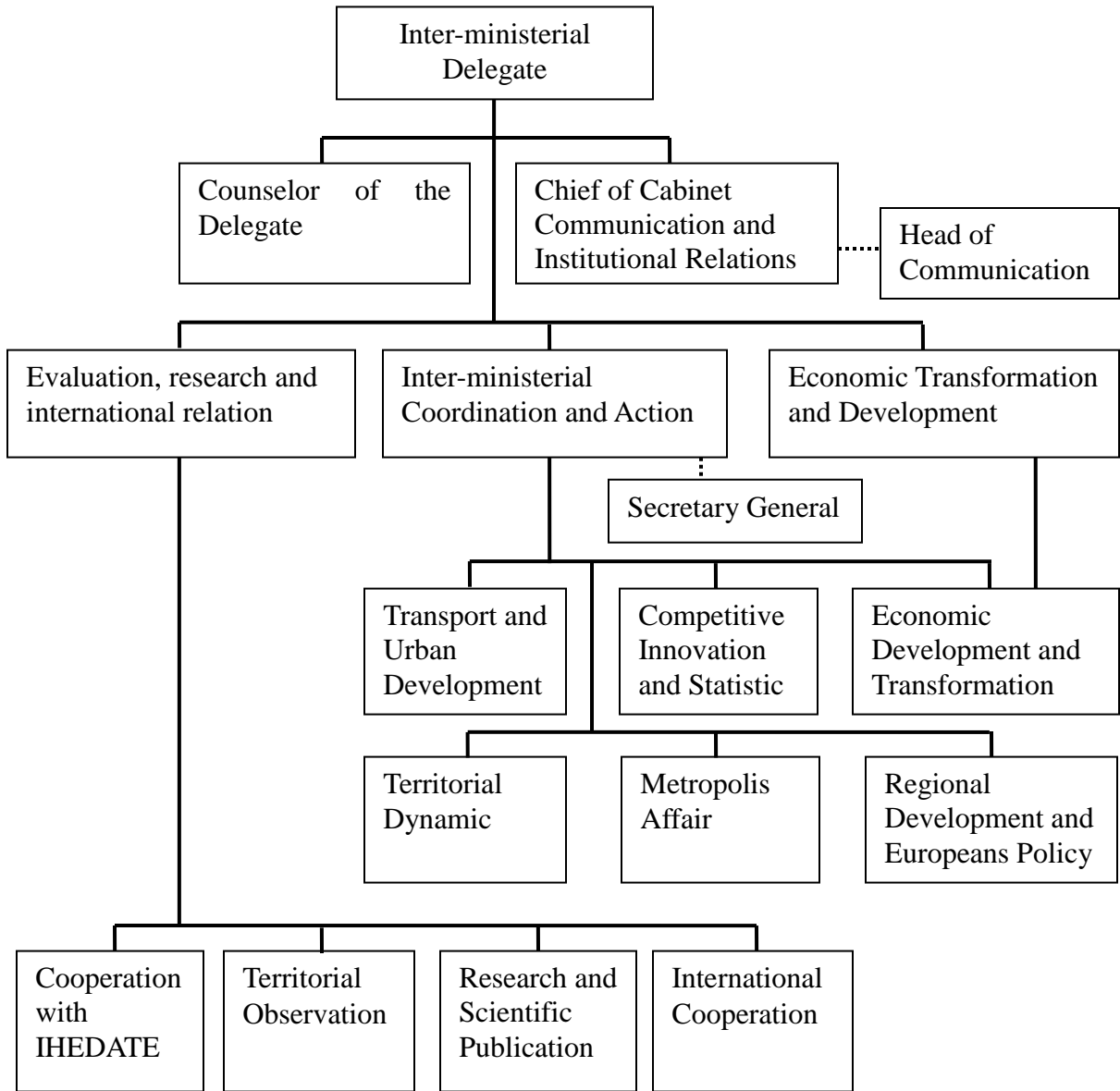
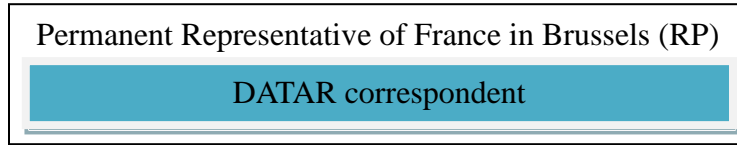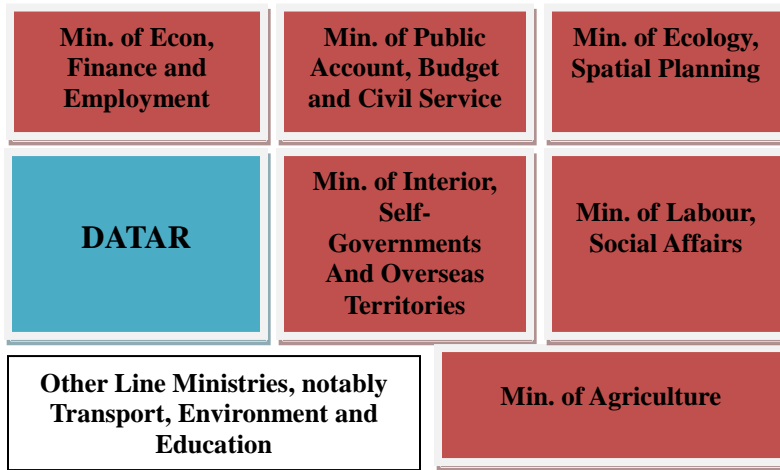Regions in France

APPENDIX K

DATAR: Organizational Chart

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                            ┌──────────────────────┐
                            │   Inter-ministerial  │
                            │      Delegate        │
                            └──────────────────────┘

   ┌──────────────────────┐   ┌──────────────────────┐
   │ Counselor   of   the │   │ Chief of Cabinet     │   ┌──────────────────┐
   │ Delegate             │   │ Communication and    │···│ Head of          │
   │                      │   │ Institutional        │   │ Communication    │
   └──────────────────────┘   │ Relations            │   └──────────────────┘
                              └──────────────────────┘
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| Evaluation, research and international relation | Inter-ministerial Coordination and Action | Economic Transformation and Development |

Secretary General

| Transport and Urban Development | Competitive Innovation and Statistic | Economic Development and Transformation |

| Territorial Dynamic | Metropolis Affair | Regional Development and Europeans Policy |

| Cooperation with IHEDATE | Territorial Observation | Research and Scientific Publication | International Cooperation |

APPENDIX L

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DATAR: Structure

Supra-national Level

| European Union |

| Permanent Representative of France in Brussels (RP) |
| DATAR correspondent |

National Level

| Prime Minister |

| Min. of Econ, Finance and Employment | Min. of Public Account, Budget and Civil Service | Min. of Ecology, Spatial Planning |

| DATAR | Min. of Interior, Self-Governments And Overseas Territories | Min. of Labour, Social Affairs |

| Other Line Ministries, notably Transport, Environment and Education | Min. of Agriculture |

Regional Level

| Regional Prefectures |
| SGAR |

| Regional Council |

Local Level

| Departments (100) | Prefecture | Department Council |

| **Communes (3600)** |

Source: Modified from the French organization for Regional Policy, Spatial Planning and the management of Structural funds, from the European to the local level (Good Governance of Regions: A Tentative Definition, Azam-Pradeilles, 2008).

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