



From decentralization to re-nationalization: Energy policy networks and energy agenda setting in Thailand (1987–2017)

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ABSTRACT

Why did the Thai government that started the liberalization policy in the energy industry since 1987 decide to create the centralization policy in 2006–2008 and the re-nationalization policy in 2014–2017? Responding to this question by the actor framework is not enough to understand the politics of creating energy notions to facilitate policy transition. This study investigates the relationship between the creation of energy policy network and the framing of an energy agenda setting from 1987 to 2014 under the guidance of these two questions: who controlled the state energy agenda setting networks? How do they create an energy agenda to enable policy transition? This paper relies on content analysis by focusing on energy regulations and government reports to present the network construction and agenda setting. The results show that the Prime Minister office's network and the Ministry of Energy network are the two key energy agenda setting networks. Sharing power between the government and the private sector, empowering the bureaucratic network for controlling the energy industry, and controlling the privatized energy companies and centralizing energy planning by the government are the three important sets of agenda. These conclusions provide an analytic model of energy politics for energy scarce countries.

1. Introduction

Thailand began the liberalization of the energy industry in the 1980s (Greacen and Greacen, 2004; Limtrakul, 2004; Wattana et al., 2008). The energy shortage crises in the 1970s, a widespread trend of liberalization in the energy sector under the influence of international economic organizations that started in the 1980s (Jamasb, 2006), and the Asian Economic Crisis in 1997, were all crucial in pressuring related governmental agencies in Thailand to formulate energy liberalization policies. The governments at that time announced their intent on energy policy that would promote liberalization in the energy industry. For example, Prem Tinsulanonda's government (Government Statement 1987) announced that it would develop effective energy institutions and encourage private sector investment in the energy industry. Chatchai Choonhavan's government (Cabinet Resolution, 8 January 1990) declared that it would promote competition in the energy market as a priority policy for official agencies and state-owned enterprises. Furthermore, Thaksin Shinawatra's government (Cabinet Resolution, 26 February 2001) proclaimed that the government would support the privatization of potential state-owned enterprises, including state-

owned energy enterprises, on the Thai stock market.

However, the government statement by the Surayud Chulanont's government, the military government of 2006–2008, reveals that the government would establish an energy regulator for controlling electricity policies and would transfer PTT's power, a monopoly petroleum company listed on the Thai stock market, for making decisions on the land exploration and gas pipeline to state control (Cabinet Resolution, 21 November 2006). The Prayuth Chan-ocha's government, the military government that has been ruling Thailand since 2014, has also announced that the government approved the proposal to study the feasibility of setting the National Oil Company (Cabinet Resolution, 8 December 2015).

Why did the Thai state, which seemed to deconcentrate its power in the energy industry through liberalization policy¹ since 1987, try to recover its power through centralization policy² (2006–2008) and re-nationalization policy³ (2014–2017)? This paper aims to understand this energy phenomenon in Thailand through the relationships between the creation of an energy policy network and setting of energy agendas. This study investigates the relationships between the prime movers in the energy policy network and the changes in energy agenda setting

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¹ The term “energy decentralization” refers to the energy agenda that promotes the de-concentration of power in the energy industry in order to transfer this power from the government to the private sector.

² The term “energy centralization” refers to the energy agenda that promotes bureaucratic power in the energy industry.

³ The term “energy re-nationalization” refers to the energy agenda that promotes restoring government power over the energy industry.

using Thailand as a case study under the guidance of two main research questions: who controlled the energy policy network in Thailand from 1987 to 2017, and how do they set energy agendas for accomplishing the policy transition? This review of the relationships between the creation of energy policy networks and the energy agenda setting in Thailand provides a form of energy policy network formation and setting of energy agendas to be a lesson learnt for other energy dependent countries.

This paper borrows the concept of policy network and agenda setting, which is a fundamental idea used in policy studies to show the ruling network of energy policy and the framework of agenda setting for understanding the moves of government policy in energy industry. The policy network is defined as a set of concrete policy actors—a set of formal or informal institutions, individuals, interest groups who engage in resource exchanges or negotiate beliefs and interests in public policy or policy decision for dealing with decision problems. Moreover, the study of policy network looks for the causal driver that motivates the building of networks and future actions of the members of the networks (Compston, 2009; Kenis and Schneider, 1991; Rhodes, 2006). This study applies this concept in considering the network of energy agenda setters that engage with the energy agenda settings in order to push their beliefs and interests regarding energy and draw serious attention from the energy decision making bodies. Energy policy network means building, increasing, or expanding the network of energy agenda setters to dominate the energy agenda setting stage in order to push the decision making bodies in the energy sector to focus on the setters' energy beliefs and interests.

Agenda setting is identified by policy scholars as the first stage of policy circle. Agenda setting refers to the sets of problems, political controversies, subjects, understanding, solutions or public issues that become the focus of public attention and the concern of policy decision-making bodies such as governments, government agencies and parliaments (Cobb and Elder, 1971; Zahariadis, 2016; Birkland, 2007; Kingdon, 2014). In order to apply this concept and set the frame of study, the energy agenda setting refers to the sets of energy problems, energy controversies, energy subjects, energy solutions or energy issues that become the focus of public attention and come to the concern of energy policy decision making bodies.

Generally, energy policy network studies have only given a broad picture of the networks at the top energy policy formation, with governments being seen as the centre of the ruling networks (Hughes and Lipsy, 2013) and the challenges coming from energy trade unions, energy consumer groups, environmentalist groups, local businesses, political parties, and courts (Hall, 1999; Hall et al., 2002, 2005) or from community groups or indigenous people affected by the energy programmes (Bond and Ngwane, 2009). Some studies have attempted to narrow down the research scope to examine the energy boards of directors as decision-making bodies in energy abundant countries, which found that the boards of directors were often government officials such as Presidents, Prime Ministers, the Ministry of Energy or the Ministry of Economy. In energy dependent countries, however, it was found that there were various stakeholders in charge of the director boards such as independent members, members of provincial assemblies, government agencies, company executives, energy technocrats (Tordo et al., 2011) or interest groups doing business in the domestic energy sector (Toke, 2000).

The previous studies, however, have been not reflected the change dynamics within the energy policy networks, nor given a clear picture of the relationships between the prime movers in the energy policy networks and the setting of the energy agendas.

First, previous studies have not explored the change dynamics in the networks, primarily because the focus has been on energy policy networks at a certain period of time or have monitored the impact of energy policies or energy situations such as delayed energy programmes, cancelled energy plans, the withdrawal of energy policies by governments or referendums on energy issues. Therefore, previous studies do

not provide a comprehensive explanation for the energy policy networks, and do not respond to questions about energy policy network changes, why and how these changes occurred, who the main actors were in these changes, or why there were no changes.

Second, while previous studies have detailed the involvement of incumbent actors such as prime ministerial groups, economic ministerial groups, security ministerial groups and energy technocrats in the energy network and energy agenda setting, there has been little examination of the actor changes associated with energy policy network changes and energy agenda settings.

To apply the energy policy network and the energy agenda setting to the Thai case, the studies by Milne (1991) and Wannathesakul (2016) have shown the analyses on this topic.

Milne found the Thai case to be unique among ASEAN states as its energy policy network had a wide range of networks that involved boards of directors, government officials, trade unions and the military. Milne found that the energy trade union, especially the electricity enterprise trade union, resisted the privatization schemes by collaborating with the military, who wished to gain financial benefits from state enterprises to increase their military power. In a unique study, Wannathesakul investigated the bureaucratic networks within the Thai National Energy Policy Council (NEPC), the Energy Policy Management Committee (EPMC) and the Power Development Plan Committee (PDPC), and found that they were controlled by many high level bureaucrats such as Secretary of the Ministry of Energy, high-ranking officials from the Ministry of Finance, the Ministry of Industry, the Ministry of Environment, the Ministry of Agriculture, the Ministry of Transportation and the Office of the Council of State. After the 2006 coup, these crucial energy commissions attempted to develop new energy regulations, new energy master plans and new energy production standards; however, Wannathesakul's research tended to indicate that these energy commissions were seeking to establish a hegemonic bureaucratic power over Thailand's energy policy process, as it was found that the group from the Ministry of Energy had significant power over the energy policy boards in Thailand after the 2006 coup. Regardless of the value of Wannathesakul's research and Milne's study, there was a failure to clearly identify under the collaboration of the labor union and the military, what kinds of energy agendas were set to resist against the privatization agenda and what kinds of energy agendas or energy logics were created by the bureaucratic network for establishing the Ministry of Energy's hegemony.

In order to demonstrate the changes of energy policy network and the transitions of energy agenda setting in Thailand as a model of relationships between the network formation of energy policy actors and settings of energy agendas in energy dependent countries, this study, therefore, seeks to clarify the energy policy network and energy agenda setting by the NEPC of Thailand from 1987 to 2017. Legally, the NEPC has the authority over energy administration issues such as energy policy formation, implementation and evaluation. According to the National Energy Policy Commission Act (1992) and National Energy Policy Committee Act (Second Amendment) (2007), the NEPC can propose energy policy, develop energy plans, administer energy plans and conditions, and determine both electricity and petroleum prices. The NEPC also has the authority to monitor and investigate energy programme implementation in state energy agencies, energy enterprises, and the private sector, and can approve or terminate energy policies, energy development plans and energy administration plans. Therefore, the NEPC board has formulated and proposed a majority of the key energy agendas related to energy regulations, energy funds, energy materials and energy prices, such as giving the private sector rights to invest in the energy sector, the development of privatization plans for monopoly energy enterprises, taking control of domestic energy prices, and submitting proposals to change the main energy sources for energy production. As all NEPC energy policy proposals have been approved (Amaranand, P., personal communication, October 11, 2017), the NEPC has been the main gatekeeper for the

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