



Towards the 21st Century

by
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IN THIS WEEK'S HRI-POST CO-OPERATION COLUMN, Dr. Chira asks where the new budget will go and regrets the emphasis on hardware at the expense of human resources.

We have to start this week with some comments about the 1996 budget - the Banharn government's first.

Last week there was some interesting debate in parliament about what an 840,000 million baht budget with a 17% increase will do to the 60% of the population who live in rural areas. Although I am not an expert on national budgets, I would like to make a few observations.

While I do not have much to recommend in terms of what changes are necessary, an outsider has the advantage of being able to look at the system with neutral eyes.

The first question to ask is what the current method of allocating the budget is. The director of the Budget Bureau is a government official, whereas in other countries it is a political appointment. So how capable are the bureaucrats who run the Budget Bureau? Do they possess long term vision about the future of the country? Or do they simply keep doing things in the same old ways?

The second point has to do with management practices and the degree of flexibility in the actual dispersal of funds. Budgetary procedures emphasize control with lots of rules and regulations to abide by. But while the input is checked at every step, there is hardly any measure of the output in terms of an assessment of what the actual benefits are to the tax payers. Thailand's budgetary system is so ingrained and the organisational culture so strong, that it is very difficult to change.

Another point to note is that I was told by several friends of mine that the new budget places so much emphasis on projects and hardware - the buildings and roads and so on - that in order to accommodate them, funds which should have been earmarked for software projects, such as for reengineering the public sector and teacher development, have had to be cut.

The focus on Thailand's competitiveness and closing the gap between rich and poor, rural and urban, seems to have been lost in this budget. Therefore I see it as part of my job to remind everyone involved in drawing up the 8th National Economic and Social Development Plan to place a proper emphasis on human resources.

To me, action on human resources requires investment, and in economics there is always a trade-off between physical investment and investment in human capital. Politics, people tell me, is all about winning votes. But the politicians' victories do not help the country in the long run.

Our current system is simply to concentrate on short-term political gain at the expense of long term solutions. Such a system doesn't seem to have much of a future.

We cannot let this week pass without expressing our deep sympathy with the flood victims. For the first time in 12 years the situation is serious. Despite his illness, His Majesty the King once again gave the nation the benefit of his vision, this time by showing how to provide immediate relief and formulate a long-term approach to flood control. The government should devote some resources to drawing up a strategic plan otherwise they will again find themselves in a last minute scramble to follow His Majesty's advice.

Finally, I would like to welcome four senior officials from the Ministry of Interior. The Ministry was kind enough to ask the HRI to conduct a 6 week training course for senior management. During the first week I witnessed first hand how capable the senior government officials at the Ministry are. But somehow the system and cultural values of the Ministry prevent them from fulfilling their excellent potential.

We hope the course will raise a lot of new ideas and ways of looking at things, not only in terms of management but also in terms of human resources, and above all the benefits of their work to society. Ultimately the Ministry's perspective must change from one of serving the boss to one of serving the people.



Distribution of Labour force in Rural by Activities in Vietnam

