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RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH)
Volume 1, Number 1, January – June 2014

Editor’s Note

It is with much joy and anticipation that we celebrate the launch of the Rangsit Journal of Social Sciences and Humanities (RJSH) with this January – June 2014 inaugural issue. On behalf of the RJSH Editorial Team, I extend a very warm welcome to our readers. I also wish to thank our authors, editors and anonymous reviewers, all of whom have volunteered to aid in the journal’s success.

We will measure the journal’s success by how well it performs its mission: to promote and support educators, practitioners and students in developing their research skills, enhancing their knowledge and deepening their understanding of a world that is facing major social, political and economic challenges. In that vein, the theme of our first issue is ‘The World Turning East’, whereby the gravity of economic development is shifting from the West to the East.

I would like to express my appreciation to the authors from the Editorial Board who have contributed to this inaugural issue and to thank them for their support and trust in our publication. Your timely contributions and cutting-edge research findings are imperative to our success.

Finally, RJSH welcomes all academics and practitioners in the social sciences and humanities throughout the world to extend the frontiers of knowledge and disseminate their research findings in our publication. Authors, reviewers and guest editors are always welcome, as are all comments and suggestions to improve the journal’s quality. We hope you find RJSH informative and enlightening, and we look forward to presenting our next issue with the theme, ‘Innovative Creativity’.

With best wishes,

[Signature]
Anek Laothamatias
Editor-in-Chief
Message from Dr. Arthit Ourairat, President of Rangsit University
On the Inauguration of Rangsit Journal of Social Sciences and Humanities (RJSH)

Arthit Ourairat

I would like to convey my heartfelt appreciation and thank to the editorial staff for their outstanding achievement in publishing the first issue of the Rangsit Journal of Social Sciences and Humanities and make it interesting and resourceful. This journal is successive to our first academic publication – the Rangsit Journal of Arts and Sciences (RJAS) and is meant for both Thai and overseas’ students, academicians and scholars. To enhance knowledge sharing and information dissemination in the areas of Social Sciences and Humanities, we have the pleasure of inviting all interested persons to contribute their papers for further publication.

Why do we underscore the importance of Social Sciences and Humanities? Well, in many regions of the world where we live, there are problems of financial crisis, severe public protests demanding transparency and accountability of national leaders, prolonged conflict and confrontation among interest groups and their allies all of which are difficult to tackle. It is saddened to see in the world’s daily news coverage the citizens in many countries engaging in face-to-face confrontations whereby some of which are accelerated into tactical warfare, usage of tear gas, gun fire, bombarding and even up to nuclear weapon. Most of the times all end up with both sides become losers and such acts are found more harmful for their countries. As violence takes deeper and wider hold globally through terrorism and crimes against humanities, we see the tragic results in the diminishing role of intellectualism in society.

Indeed, our world today needs a renewed “Age of Enlightenment” and a newly flourishing “Era of Social Sciences and Humanities”, as essential tools for healing the world to regain its stance. This is essentially the RJSH’s mission and identity: not simply be another, “publish or perish”, publication for tenure-seeking scholars, but to harness all concerned persons and researchers to help lead the rightful return of intellectualism to its respected place in society.

I wish all the best of success in this noble intention of all RJSH founders.

Arthit Ourairat
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Development in the Time of AEC as the World Turns East

Anek Laothamatas

College of Government and Public Governance, Rangsit University, Thailand
Adapted from a keynote address given at Prince of Songkranakarin University, Phuket, Thailand, 10 January 2013
Email: invisibleaimc@yahoo.com

1. Introduction

We are witnessing a profound change in the geography of world development. The world we were born into and have lived in up to now, the same one that our past 10 generations of ancestors lived in, will not be same as the world-to-be. We will experience many differences in this new world.

The changes have already begun: the gravity of economic development is shifting from the West to the East (Figure 1). Unlike in the old world, the East is now center stage with the limelight shining on China, India, Russia, South Korea, the Persian Gulf states, Brazil, Turkey, Iran, ASEAN and South Africa. In contrast, the US and Europe are on the decline — possibly on the brink of an irreversible decline due to their structural weaknesses, which are difficult to overcome in the short or medium term.

Historically the West was the sole industrial power, with Britain the world’s biggest workshop until WW II and the US seizing the mantle after the war. It used to be thought that, for centuries to come, the world would never change and the West would always dominate. Kipling’s classic poem, “The White Man’s Burden,” captured the Western colonialist view: the East is eternally backward, an inborn follower of the West, always poor and agricultural, whereas the West is industrialized, forever advanced, rich and in command of the world. Westerners are by nature the leaders, teachers, strong and rich, while Easterners are forever followers, students, weak and poor.

As it turned out, Western colonialism could not last long, let alone forever, contrary to what most in both worlds had held to be true. The East indeed changed very rapidly under colonialism, much more rapidly than the West had done in its years of industrial revolution, and almost everywhere Easterners yearned for independence or self-rule. They did this as an emulation of the modern West as well as a selective revival of their own civilizations. Western colonialism, starting in the 16th century and reaching its peak in the 19th century, collapsed in the mid-20th century after WW II ended. Since then the West has been termed the First World, or the developed world, while the East has been referred to as the Third World, or the underdeveloped or developing world. Still, until very recently virtually no one has dared to predict or expect that some of these former colonies could ever come within easy reach of the West.
2. The world’s largest economies

The following chart (Figure 2) shows the world’s 10 largest economies. China, Brazil and India are from the East. The East here is defined not by geography alone but includes Africa and Latin America as these areas once were under western colonialism. Russia is increasingly oriented to the East as more of her employment, income, export earnings and investments will come from China, India and the rest of Asia. Japan’s largest trading partner is now China and not the US. China, Korea, ASEAN and India are now as important to Japan as are Europe or America. Asia, including the Persian Gulf countries and Latin America, receive most Japanese foreign direct investment, and Japan receives more inbound tourists from Asia than from Europe or America.

It is now Asia, especially China, the Persian Gulf area and Southeast Asia, where the lion’s share of the world’s urbanization occurs. To see the future of cities and urbanization in the world, look East, not West, as the McKinsey’s table (Table 1) of the world’s 75 most dynamic cities by 2025 demonstrates (McKinsey Global Institute, 2012).

Another chart (Figure 3) projects the world’s largest economies in 2030, when the pecking order will probably be reversed as the global economic balance tilts from the West to the East. China will rank No. 1, while Japan, India, and Brazil will rank third, fourth and fifth in terms of economic size, respectively.
By 2030, China’s GDP may be twice that of the US. Korea, Turkey and Mexico will also get much bigger and will likely be in the top 13 largest economies. Of the top 10 in 2030, four will come from the East.

![Figure 3 The world’s 10 largest economies in 2030](http://www.goldmansachs.com/gsam/docs/funds/investor_education/investor_education/brics_brochure.pdf)

Brazil is a very large and fertile land with abundant energy and natural resources, a country of about 200 million people with a per capita income much higher than that of India or China. Brazil’s per capita income is in the range of Eastern European or Russian states. Brazil is a world leader in the aviation industry; its topmost company, Embraer, is world’s No. 3 manufacturer of passenger jets after Boeing and Airbus. Most significantly, Brazil is the world’s fourth-largest creditor nation, after China, whilst Japan and the Persian Gulf countries whose rankings are first, second and third, respectively. On the contrary, the world’s first- and second-largest debtor nations, respectively, are the US and Europe. The world’s current debtors, former world creditors, are now on the wrong side of the equation; they’re among the biggest debtors in the world.

If Thailand comes to need foreign loans, it should not seek help from Western governments, for they have already heaped massive foreign debt onto themselves. When the AEC was first perceived and conceived, the world was under the spell of the so-called Washington Consensus. The world favored trade and investment liberalization as it tried to make a free market for almost everything. That was the order of the day, and on top of everything else, regional opening of trade and investment was the mantra of ASEAN.

Now, however, things have changed adversely as the EU, the successor of the EC and the AEC prototype is lying in sickbed if not in ICU. A leading British politician once said that if there was anything the country did right in the past two decades, it was probably its sticking to its pound currency rather than adopting the euro. Was an EU break-up unthinkable in the past? It is thinkable now: not only are the Greeks wondering whether to leave the EU, but the British, too.

3. The world’s fastest-growing countries

In the following table of the top 25 fastest-growing countries in the world from 2000 to 2009, it is notable that nine are in Africa (Table 1). More surprising is which country tops the list: not China, as one might expect, but Africa’s Equatorial Guinea, an oil-exporting country. South Africa, though not in the table, is strong in agriculture, mining and industry. Her GDP is about one-third of the whole continents. Some of the best minds suggest adding her to the existing BRIC rank (Brazil, Russia, India and China) to become BRICSA, where the “SA” represents South Africa.

China and India, for all the talk about their rapid growth, rank No. 9 and No. 24, respectively. Central Asia has three - Turkmenistan, Kazakhstan and Tajikistan on the list. The Persian Gulf area has one member, Kuwait. ASEAN and AEC members: Myanmar, Vietnam and Cambodia are on the list. Bhutan, unexpectedly, is also included.
Table 1 The world’s 25 fastest-growing countries (average economic growth in the 2000s)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Countries</th>
<th>%</th>
<th>Rank</th>
<th>Countries</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Equatorial Guinea</td>
<td>18.5</td>
<td>14</td>
<td>Chad</td>
<td>8.3</td>
</tr>
<tr>
<td>2</td>
<td>Azerbaijan</td>
<td>15.9</td>
<td>15</td>
<td>Cambodia</td>
<td>8.1</td>
</tr>
<tr>
<td>3</td>
<td>Turkmenistan</td>
<td>14.4</td>
<td>16</td>
<td>Tajikistan</td>
<td>8.1</td>
</tr>
<tr>
<td>4</td>
<td>Macao SAR, China</td>
<td>13.6</td>
<td>17</td>
<td>Ethiopia</td>
<td>8.1</td>
</tr>
<tr>
<td>5</td>
<td>Qatar</td>
<td>13.5</td>
<td>18</td>
<td>Belarus</td>
<td>7.5</td>
</tr>
<tr>
<td>6</td>
<td>Afghanistan</td>
<td>13.2</td>
<td>19</td>
<td>Mozambique</td>
<td>7.3</td>
</tr>
<tr>
<td>7</td>
<td>Myanmar</td>
<td>13.0</td>
<td>20</td>
<td>Vietnam</td>
<td>7.3</td>
</tr>
<tr>
<td>8</td>
<td>Angola</td>
<td>10.9</td>
<td>21</td>
<td>Rwanda</td>
<td>7.2</td>
</tr>
<tr>
<td>9</td>
<td>China</td>
<td>10.3</td>
<td>22</td>
<td>Uganda</td>
<td>7.2</td>
</tr>
<tr>
<td>10</td>
<td>Sierra Leone</td>
<td>9.7</td>
<td>23</td>
<td>Sudan</td>
<td>7.1</td>
</tr>
<tr>
<td>11</td>
<td>Armenia</td>
<td>8.6</td>
<td>24</td>
<td>India</td>
<td>7.1</td>
</tr>
<tr>
<td>12</td>
<td>Kazakhstan</td>
<td>8.6</td>
<td>25</td>
<td>Kuwait</td>
<td>7.0</td>
</tr>
<tr>
<td>13</td>
<td>Bhutan</td>
<td>8.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: World Development Indicators, 2010

4. The rise of the East, the rise of China

The world is bearing witness to the rise of not only China, China plus India, or even Asia. It is seeing the East, or much of the East, rise, emerge or revive. Among the countries of the East, China is no doubt the most important and promising nation.

It is a myth to say that China has developed rapidly from relying only on cheap labor and money earned mainly from selling shoddy goods. Yes, China has enough inexpensive manpower to last until 2025 to remain competitive in labor-intensive industries. At the same time, however, she has improved rapidly in the high-tech field. China is a globally advanced workshop: building ships, passenger aircraft, machines and engines of all kinds and at all prices, automobiles, conventional and high-speed trains even solar cells and wind turbines to produce so-called green energy. In fact, she leads the world in the creation of green energy and green technology. China is thus as competitive in technology-intensive industries as it is in unskilled, labor-intensive ones.

China’s transportation and logistic infrastructure is one of the world’s best. Her highway system is as good and as long as that of the US. Her nationwide high-speed trains — lines are longer than that of all European countries combined. China’s aerospace industry is also advancing rapidly. China regularly and frequently earns much money sending foreign satellites into space.

Regarding R&D, China has a long way to go, but she has overtaken Japan to be second in the world after the US in terms of annual public funding of research, and with big results. In 2011, China surpassed the US as the world’s largest holder of patent applications with 526,000 (Table 2), a quarter of the world total and reached “a historic turning point,” said the Director-General of UN World Intellectual Property Organization.

Table 2 Most patent applications in 2011

<table>
<thead>
<tr>
<th>Countries</th>
<th>Number of Patent Filers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>526,000</td>
</tr>
<tr>
<td>2. US</td>
<td>503,582</td>
</tr>
<tr>
<td>3. Japan</td>
<td>342,610</td>
</tr>
<tr>
<td>4. Republic of Korea</td>
<td>178,924</td>
</tr>
<tr>
<td>5. European Patent Office</td>
<td>142,793</td>
</tr>
<tr>
<td>6. Germany</td>
<td>59,444</td>
</tr>
<tr>
<td>7. India</td>
<td>42,291</td>
</tr>
<tr>
<td>8. Russian Federation</td>
<td>41,414</td>
</tr>
<tr>
<td>9. Canada</td>
<td>35,111</td>
</tr>
<tr>
<td>10. Australia</td>
<td>25,526</td>
</tr>
</tbody>
</table>

5. The new world is a multi-power world

Even if China has yet to learn from the US, Germany and Japan in the field of advanced technological development, she is an eager student and on a steady and unceasing progression. China is set to stand with the US as the world’s top two superpowers. The days of the US as the sole superpower, or of the West’s monopoly on superpower nations, are gone.

In a profound and fundamental sense, a multi-power world signifies an East-West sharing of power across the globe. No longer does the US alone carry the world as it did in the 1990s and 2000s. Nor do the US and the Soviet divide up the world as they did from the 1950s to the 1980s. We are in a seemingly new and potentially multi-polar world with greater equality, giving East and West a major sharing of power, resources, contributions and opportunities. Our world is ushering in an intriguing age of an East, strong in national power but weak in per capita income, getting along or catching up with a West that is weak in national power but with a high per capita income. The East’s strength lies in its countries, the West’s in its individuals.

To be clear, not all countries in the East will perform excellently or succeed equally. Despite their improvement, some will not make it to the end. Many, including Thailand perhaps, will become trapped and never rise to a middle-income or a high-income level. Others will break up or turn into failed or rogue states. Even if these pessimist scenarios become reality, this new world will differ greatly from the old one; paradigm changes are in the air. The implications of this profound shift from a declining West to an East seizing the day on research and education needs to be explored further.

6. The AEC’s potential as the world turns East

The AEC has 10 member countries with a combined population of around 600 million. If it were a country, that population would be outnumbered only by China’s and India’s. The AEC’s GDP would rank sixth or seventh in the world. Of these 10 members, Singapore is a world-class economy, having one of the world’s largest and best seaports and airports, internationally renowned universities, leading-edge biotechnology research, and a per capita income on a par with, if not higher than, that of Britain’s, her former colonial master.

The AEC is fortunately amphibious: part continental and part maritime. Singapore, the Philippines and Indonesia are maritime nations. Laos is the only land-locked country. The remainders, Thailand included, are both continental and maritime.

AEC & Thailand

As a region, the AEC has one of the world’s most heavily traveled sea passageways: the Strait of Malacca, no more than 200 kilometers southwest to us from here. It touches Thailand’s Satun province. Its significance lies in the fact that the tonnage of goods, oil and gas carried through it is two-and-a-half times that which sails through the Suez Canal or the Panama Canal.

Southern Thailand may someday provide a bypass for this flow of goods, oil, and gas via a canal or land bridge linking the Indian Ocean and Pacific Ocean: a potentially profitable undertaking given the strait’s increasing contribution to the world’s logistics.

Thailand’s coastline is the second longest in upper ASEAN after Vietnam’s, longer than that of Myanmar. Four countries of ASEAN meet at the Gulf of Thailand. Moreover, if ever a canal is cut through the peninsula, Thailand is in a position to sea-link Myanmar to the gulf.

Among land borders, 33 out of Thailand’s 76 provinces, or nearly half, touch another country’s terrain. The nation runs a surplus on most border trades. Thailand’s border trades represent a third of all its international trades, reason enough for the government to pay more attention to its borders and focus more on border trading and investments.

AEC, China & India

With China and India figuring so prominently today, the AEC should seek to build synergies with them. Of course the AEC must be on good and workable terms with the US and Japan, but China and India are dynamic and close neighbors. It was fortunate to launch the AEC as these neighbors reached top form
and strive to be among the world’s top three economic powers 20 years from now. Among the ways to synergize with them would be to link with them logistically.

Above all, India’s strategy is to move east to meet ASEAN, conceiving of a high-speed train and or super highway from Kolkata heading east to Bangladesh, Mandalay, Yangon, and Bangkok, before branching south through Kuala Lumpur to Singapore and east to Cambodia (or Laos and Vietnam) and onward to southern China. Any land link between India and either ASEAN or South China by land, after passing Myanmar, must include Thailand.

Meanwhile, China is looking south to get access through ASEAN to the Indian Ocean. The Chinese have an ambitious plan to build or help build three routes of highways and high-speed trains linking Kunming and Singapore via much of the ASEAN mainland:

- The western route from Kunming to Singapore will pass through Mandalay, Yangon, Bangkok, southern Thailand and Kuala Lumpur.
- The central route from Kunming will go through Laos or Myanmar, Chiang Rai or Chiang Mai, and southern Thailand to Malaysia and Singapore.
- The eastern route will start from Kunming and pass through Hanoi, Da Nang, Ho Chi Minh City, Phnom Penh, Bangkok and southern Thailand to Malaysia and Singapore.

For China to move south to reach the Indian Ocean requires a routing through Thailand: in particular Bangkok and the South, but with benefits for Thailand’s North and Northeast as well.

In a longer but foreseeable future, China and India could be connected via land to Sumatra and Java; it would need a 30-kilometer bridge or undersea tunnel from the south Malaysian peninsula to reach Sumatra, and then another 50-kilometer bridge or tunnel from easternmost Sumatra to reach Java. If Sumatra and Java are reached, then India’s 1.2 billion people and China’s 1.3 billion people would be linked to most of ASEAN and its population of more than 600 million. Thailand would become a major inland logistic power, linking China and India with continental ASEAN and much of maritime ASEAN. In addition, Malaysia and Singapore would greatly benefit from this mega-strategic planning. To make a much better use of its position, AEC should take more cues from a geo-economic perspective. It must deal not only with achieving free trade, a regional opening of professional services, and further investment liberalization. Further, it must have achieved a fine synergy with China and India.

7. Conclusion and Recommendation

As the world turns east in this age of AEC, every part of Thailand has the potential to be a center of growth with proper planning, which must consider the following:

- Bangkok must not be the sole linkage to the other AEC nations. The country should expand existing airports in Chiang Mai and Chiang Rai and develop more direct flights from these cities to neighboring countries, as well as build more, longer and better highways to effectively join these cities to these neighbors.
- Northern Thailand is close to the Andaman Sea of nearby Myanmar, only two hours by car or truck from Mae Sot in Tak province.
- Northeast Thailand (Isaan) is near the South China Sea, or Vietnamese Sea, as well as southern China, which includes Hainan, Guangzhou, Hong Kong, Macau, and Nanning. Bigger and better airports in Isaan should be built servicing Bung Kan, Udon Thani, Nakhon Phanom, and Mukdahan.
- Isaan and northern Thailand should serve as regional hubs to AEC and China in addition to Bangkok.
- The government should spend more money to develop southern Thailand to take advantage of its ready access to the Indian and Pacific oceans as well as to the Strait of Malacca. High on the development list should be new ports, land bridges, and possibly a canal linking the two oceans. Ranong, Phuket, Hat Yai, and Thailand’s three southernmost provinces are potentially regional AEC hubs.

With a good and visionary government, strong commerce and an enthusiastic society, Thailand has the potential to move up high in Asian and World rankings. It has its best chance of the past several centuries and of this millennium to rise. This opportunity, however, is only that: a chance, not a guarantee. It remains to be seen if the country can gather the intellectual, physical and financial resources — and properly apply them — to succeed. Only time will tell.
8. References


Abstract

The study asks to what extent religion remains a part of people’s lives in England. We begin by setting that question in historical and contemporary social context. We also set the question in comparative global context by analyzing the extent and significance of religion among differing societies, including that in Thailand, using data from the World Values Survey (WVS). In the English case, we conduct more detailed analysis using data from the national Time Use Survey. The TUS provides a sample of thousands of diarists who kept personal records of their activities over a 24-hour period on two randomly selected days during one week of the year. We can obtain a picture of English people’s religious activities on any typical day by combining different diarists’ records. Personal diary records of religious activities, such as in the TUS, appear more valid and reliable than interviewer-based, closed-question survey methods, such as in the WVS. The Christian churches’ own census figures for attendees agree with our TUS diary-based estimate of the proportion of the adult population who attend religious services on a Sunday in England, while estimates provided by closed-question, interview-based survey methods were 50 per cent greater than personal, diary-based estimates. Our key substantive findings are that Sunday church attendance is well below one-in-ten of the adult population in England but that few people participate in other forms of religious activity in its place, alone or in company, Christian or otherwise, at any point during the week. Our study demonstrates low levels of religion in England with data and methods not used previously.

Keywords: Religious activity, church attendance, diary and interview-based surveys, England

1. Introduction

Our purpose in the present study is to determine how much religion remains a part of people’s lives in England. However, we begin by setting Christianity in historical and contemporary context for an international readership and also by setting Christianity in comparative context by providing an overview of the extent of religion in different Western and Asian societies before we conduct any detailed analysis of present-day religion in England.

1.1 Christian religion in Europe in historical and modern context

It may be helpful to the reader if we place, very briefly, Christian religion in Europe in historical context. The upheaval to religious and political life of Europe after 1517 BCE caused by schism within the Catholic Church and the collapse of unitary Christendom can be seen as providing the foundations of modernity (Bruce, 1996). The religious wars between established Catholic and reformed Protestant power blocs were contained only after the Peace of Westphalia in 1648 BCE. The Reformation had been bound up with the emergence of the modern nation-state, although local circumstances and reasons differed throughout Europe. In England the King asserted royal supremacy over a reformed Protestant Church out of political necessity caused by disagreements with the Catholic Papacy about its legitimate authority to dictate local affairs. A series of legislative reformations in 1530-38, 1547-53 and 1559 BCE saw the authority of the Pope of Rome rejected in England, the Catholic Church’s monasteries dissolved, its lands and property taken, the independent jurisdiction of its clergy broken and its services banned. Those early-modern English reformations were motivated more by politics than by any Protestant religious evangelism to convert followers of proscribed Catholicism (Haigh, 1993).

It may also be helpful to the reader if we place, once more very briefly, Christian religion in Europe in modern context. Religion remains important globally (Norris & Inglehart, 2011) even if modernization has meant that it has increasingly lost its place at the center of public, cultural and social life in European societies (Bruce, 2002). Religion has become individualized and detached from the family.
Many are neither born into nor raised in a religion. Max Webber, the author of *The Protestant Work Ethic*, had seen modernity and an increasing sense of mastery borne out of ‘rationalism’ as undermining the foundations of European religious culture and traditions, resulting in the ‘disenchantment’ of the modern world. Webber saw religion as losing its meaning and wider significance in modern society. The theoretical framework for our own study is ‘secularization’ as one of the consequences of modernization, intended or not (Bruce, 2011). However, if Christian religion’s loss of social significance and removal from public life are inevitable consequences of modernization, its critics ask, why does religion remains vital in the United States (Berger, Davie & Fokas, 2008) and elsewhere (Casanova, 1994). Commentators have predicted religion’s return as a political and social force in Europe (Kaufman, 2010).

1.2 Religion in modern societies compared

It is also helpful to examine, again very briefly, the extent and significance of religion in different societal contexts. We can use the social research method of structured interviews conducted with large-scale national survey samples to compare contexts (World Values Survey, 2008). Table 1a compares twelve societies to demonstrate just how much religious involvement varies globally. A mix of societies is chosen for comparison, including those with developed modern capitalist economies, such as in Germany and the United States, and newly developing economies, such as in China and Thailand. At first sight, what is striking about our league table is just how religious Thailand seems to be compared with many other countries. However, what is even more distinctive about Thailand compared with other countries is that the majority of Thais seem both to describe themselves as a ‘religious person’, notwithstanding the high levels of religious identification and participation among Thais as well as the importance Thais afford to religion as demonstrated by the comparative data in Table 1b. Thailand’s religious institutions continue to be seen as an authoritative guide to moral, family and social problems in the lives of Thai people in a way that they are not for majorities in countries such as Canada, Australia and Germany or in South Korea, Japan and China.
Table 1 Involvement in organized religion and its moral, personal and social significance to the populace in twelve different societal contexts

<table>
<thead>
<tr>
<th>Country</th>
<th>% who belong to a religious denomination</th>
<th>% who say they are a religious person</th>
<th>% who attend services weekly basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>99.7</td>
<td>35.5</td>
<td>42.2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>98.3</td>
<td>88.8</td>
<td>—</td>
</tr>
<tr>
<td>India</td>
<td>94.2</td>
<td>72.3</td>
<td>41.8</td>
</tr>
<tr>
<td>Italy</td>
<td>87.9</td>
<td>85.0</td>
<td>31.1</td>
</tr>
<tr>
<td>South Africa</td>
<td>83.2</td>
<td>81.1</td>
<td>54.1</td>
</tr>
<tr>
<td>USA</td>
<td>71.5</td>
<td>71.7</td>
<td>35.3</td>
</tr>
<tr>
<td>South Korea</td>
<td>71.2</td>
<td>32.2</td>
<td>30.9</td>
</tr>
<tr>
<td>Canada</td>
<td>70.7</td>
<td>68.2</td>
<td>24.9</td>
</tr>
<tr>
<td>Australia</td>
<td>60.0</td>
<td>51.2</td>
<td>14.2</td>
</tr>
<tr>
<td>Germany</td>
<td>56.7</td>
<td>41.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Japan</td>
<td>36.5</td>
<td>21.2</td>
<td>3.3</td>
</tr>
<tr>
<td>China</td>
<td>10.8</td>
<td>21.3</td>
<td>4.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>% for moral problems</th>
<th>% for family problems</th>
<th>% for social problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>84.5</td>
<td>77.8</td>
<td>72.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>76.6</td>
<td>71.2</td>
<td>71.1</td>
</tr>
<tr>
<td>India</td>
<td>30.6</td>
<td>22.5</td>
<td>27.7</td>
</tr>
<tr>
<td>Italy</td>
<td>58.0</td>
<td>45.6</td>
<td>41.9</td>
</tr>
<tr>
<td>South Africa</td>
<td>68.0</td>
<td>71.2</td>
<td>50.4</td>
</tr>
<tr>
<td>USA</td>
<td>52.4</td>
<td>53.2</td>
<td>39.5</td>
</tr>
<tr>
<td>South Korea</td>
<td>48.3</td>
<td>38.8</td>
<td>27.8</td>
</tr>
<tr>
<td>Canada</td>
<td>39.6</td>
<td>40.1</td>
<td>33.0</td>
</tr>
<tr>
<td>Australia</td>
<td>33.5</td>
<td>33.6</td>
<td>29.2</td>
</tr>
<tr>
<td>Germany</td>
<td>39.1</td>
<td>31.6</td>
<td>26.8</td>
</tr>
<tr>
<td>Japan</td>
<td>13.3</td>
<td>10.1</td>
<td>4.4</td>
</tr>
<tr>
<td>China</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: — Question not asked in Malaysia or in the People’s Republic of China

Source: WVS, 2008

1.3 Religion in Thailand

We can go further. A detailed breakdown of responses to the World Values Survey in Thailand (WVS, 2008 N = 1,533) provides us with a profile of Thai religion in terms of three standard measures self-identification, personal religiosity and religious attendance as well as in terms of membership and activity within religious organizations. The great majority of Thai WVS participants self-identified as Buddhists (97 per cent), and almost all saw religion as important in their lives (94 per cent). Put another way, less than one-half of one per cent of the Thai WVS sample were atheists or dismissed religion as irrelevant to them. Most Thais who were sampled spoke of regular religious practice (specifically, 23 per cent of Thai WVS participants claimed to take part in religious services more often than once a week, 42 per cent of the total sample took part on a frequent weekly basis and 87 per cent of the total sample took part on a regular monthly basis). In addition, more than three-quarters said they made time for private prayer, meditation and religious contemplation. However, the majority also stated quite explicitly that they were not a ‘religious person’ (64 per cent), and only 36 per cent were members of an actual ‘church or organization’ associated with their religion (and those who were ‘members’ often described themselves as ‘inactive’). In total, only one-in-five Thai WVS participants said they were active members of a church or religious organization.
As for the public presence of religion and its social significance, the majority of Thai WVS participants said that they had confidence in the nation’s religious institutions (69 per cent) and that they saw ‘the churches in their country’ as offering answers in moral, family, social and spiritual matters (86 per cent, 78 per cent, 73 per cent and 64 per cent, respectively). Indeed, often Thais approved of strong personal faith and religious commitment as good things for society (57 per cent) and for politicians in particular (63 per cent); howbeit, they did not approve of the idea of ‘public religion’ and mixing religion with politics. The majority of Thais sampled disapproved of religious leaders attempting to influence voting behaviour (63 per cent) and government decision-making (60 per cent). In sum, levels of religious identification, practice and trust, and also expressions of religious belief, may seem high in Thailand, but personal religious commitment, and especially active membership, is restricted to a religious minority. Those obligations may devolve to the religious class of monks in the Thai context. Nonetheless, it is clear that Thais continue to see religion as important.

1.4 Religion in Britain

Britain is among the most secular of European societies (Crockett & Voas, 2006) no matter how the populace’s participation in organized religion is measured (Bruce, 2002). People may continue to believe in Christianity and God, but most people are neither a member of a religious organization (Davie, 1994) nor do they participate in expressions of faith through collective worship (Brown, 2001). Church numbers have been in steady decline in Britain (Bruce & Glendinning, 2010). Christian traditions and beliefs are in doubt (Voas, 2009). Some individuals may turn to religious alternatives to fit with personal lifestyle choices (Heelas & Woodhead, 2005), including Eastern religions, as part of the New Age, but even among religious and spiritual alternatives, the extent of involvement and belief is small (Glendinning & Bruce, 2006; Glendinning, 2006). Nor does British opinion wish religious traditions to assume a new prominence in public life or politics as a form of Christian cultural defence against increasing presence, grievances about undue accommodation, or the perceived assertiveness of a religious ‘non-Christian’ other, especially an Islamic other, confused with fundamentalism and political extremism (Glendinning & Bruce, 2011). It seems most people in Britain wish one’s religion, if any, to remain a private matter.

2. Objectives

Given debates over the amount of religion that remains and the diversity of forms that it may now take in the West, a major problem for social scientists is to obtain valid measures which reliably inform us about the state of religion. Are personal and collective religious activities still a part of people’s lives in modern European societies? A national survey in which thousands of diarists kept a record of their daily activities provides us with some answers in the case of England.

3. Materials and methods

The Time Use Survey (TUS) is the most recent, large-scale, in-depth record of the ways in which people in England use their time on a daily basis, including time spent on religion (Short, 2006)\(^1\).

3.1 Diary data collection

Households were recruited to TUS using multi-stage random sampling. TUS participants in each household were given a ‘weekend diary’ and asked to record their activities for one randomly selected day at the weekend, either Saturday or Sunday. Second, they were given a matching ‘weekday diary’ and asked to record their activities for one randomly selected weekday, either Monday, Tuesday, Wednesday, Thursday or Friday. Diarists recorded their main and secondary activities for each of 144 10-minute blocks on the two days, starting 4:00 am-4:10 am and ending 3:50 am-4:00 am the next day, with whom, where and so on. It is important to realise the diaries were completed without survey fieldworkers present. The diarists in each household completed a pair of diaries for one week only. Fieldwork continued for more than

\(^1\) Results of multivariate regression analysis, reported in an appendix in Table 5, demonstrate how the diary data can also be used to provide a more fine-grained examination of the social correlates of religious activity.
12 months until sufficient samples of diaries had been collected to cover each day of the year. In that way, the TUS survey covered any ‘typical day’ of the year.

3.2 Diary survey sample

The TUS survey was based on a national sample of households selected at random. Every adult in each household was asked to complete two diaries. In broad terms, some six-and-a-half thousand weekend diaries are available for analysis and a corresponding number of matching weekday diaries. Samples of households and individual diarists can be weighted to be representative of the general population in England using the National Census as a benchmark. In addition, samples of diaries can be weighted to produce comparable aggregate distributions across the seven days of the week.

3.3 Diary coding schema and the measurement of religious activities

The records in each diary were coded up by the TUS research team afterwards using standardised nested schema. Care was taken to separate out activities such as ‘meditation’, which according to diarists had been done for reasons of personal well-being and relaxation and which, unlike time spent on personal prayers, for example, diarists had not recorded as being ‘religious’ either as a primary or a secondary activity. The dependent variable in our analysis is religious activity characterised in a number of ways. First, after adding the number of minutes spent on any form of religious activity at all on the day the diary was kept, the total was split into three categories: ‘none’, ‘between 10 and 50 minutes’ or ‘more than 50 minutes’. Second, computer programs were written to produce counts of episodes and amounts of time spent practicing religion alone or in the company of others, and more particularly at places of worship. It is worth saying that the manipulation of TUS datasets is complex. In sum, the TUS study design allows the analysis of English people’s typical religious activity on a daily basis, set in its social context, because diarists were also interviewed separately by fieldworkers about their households and socio-economic circumstances.

4. Results and Discussions

4.1 Overall levels of religious activity on different days of the week

Figure 1 shows the TUS diary records for the amount of time spent on religious activities on different days of the week as compared with diarists’ other activities, such as shopping, pet-care and gardening; physical exercise and sport; DIY and repairs; going to the cinema, theatre, concerts, museums and galleries; and attendance of sporting events as a spectator. Shopping stands out among the various activities represented in Figure 1, peaking at 35 per cent of diaries which record more than 50 minutes on that activity on Saturday but dipping to 14 per cent of diaries on Sunday. The only activity appearing consistently less popular than engaging in an hour of religious activity across the week between Monday and Saturday is attending a sporting event, and even then, spectator sports top religion on Saturdays. Religious activity is much more prevalent on Sundays (7.8 per cent of diaries record more than 50 minutes on that day). Religion eclipses spectator sports, cinema, theatre, concerts, galleries and museums or undertaking DIY and repairs as a Sunday activity, but not other popular Sunday activities, such as gardening. Of course religious and other activities, such as shopping and sport, are no longer mutually exclusive on Sundays in England.

---

2 Children between 8 to 15 years of age completed separate diaries and complete sets of household diaries can be matched for families.
Note: Weighted by diaries, N = 14,140. Watching TV and pre-recorded media was ubiquitous, and so is not included in Figure 1. Most diaries record at least an hour of viewing on a weekday (81%), slightly less on Saturdays (79%) but more on Sundays (86%).

Figure 1 Selected activities undertaken for more than 50 minutes on the day the diary was kept. 
Source: Time Use Survey, age 16+ years, England

The diary-based estimates in Table 2 show us that only 10.2 per cent of diaries record ten minutes at least of religion during Sundays as either a primary or secondary activity. The table shows that during weekdays as few as 4.5 per cent of diaries record any religious activity at all on Wednesdays and Fridays, and at about 2.5 per cent the proportion is even less on Mondays, Tuesdays and Thursdays. It is important to realise that our measure of ‘religious activity’ here includes everything recorded by diarists as religious, not only attending services or meetings associated with one’s religion but also activities such as personal prayers and watching or listening to religious programming. Religious activity is very low indeed: the weighted TUS estimates suggest that almost 90 per cent of adults do none at all on a Sunday; more than ninety-five per cent do none on Saturdays, Fridays or Wednesdays; and some 97.5 per cent do none on Thursdays, Tuesdays or Mondays.

Religious activity was greatest on a Sunday irrespective of ethnic group: Afro-Caribbean, South Asian …
Table 2 Proportions of diaries which record more or less religious activity by the day the diary was kept.

<table>
<thead>
<tr>
<th></th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>97.4%</td>
<td>97.5%</td>
<td>95.5%</td>
<td>97.5%</td>
<td>95.5%</td>
<td>96.5%</td>
<td>89.8%</td>
</tr>
<tr>
<td>10 to 50 minutes</td>
<td>1.2%</td>
<td>1.1%</td>
<td>1.9%</td>
<td>1.3%</td>
<td>2.4%</td>
<td>1.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>More than 50 minutes</td>
<td>1.4%</td>
<td>1.4%</td>
<td>2.6%</td>
<td>2.6%</td>
<td>2.2%</td>
<td>1.7%</td>
<td>7.9%</td>
</tr>
<tr>
<td>N =</td>
<td>1,989</td>
<td>2,042</td>
<td>2,050</td>
<td>2,011</td>
<td>2,001</td>
<td>2,007</td>
<td>2,041</td>
</tr>
</tbody>
</table>

Notes: Weighted by diaries, N = 14,141. Using individual weights rather than diary weights, the estimates for any religious activity on a Sunday are: None, 90.2%; Between 10 to 50 minutes, 2.3%; and More than 50 minutes, 7.7% (N = 3,272)

4.2 Comparing diarists’ religious activity on a Sunday with that of a weekday

![Graph](image)

Note: Paired weighted by individuals, N = 3,272.

Figure 2 24-hour log in 10-minute intervals of religious activity recorded by the same diarist on a Sunday and on a matching weekday

Source: Time Use Survey, age 16+ years, England

Rather than provide an aggregate picture of all religious activity on different days of the week, instead Figure 2 matches the individual entries of TUS diarists on a Sunday with the entries of those same diarists on the randomly selected weekday on which they completed their second diary, that is, Sunday with Monday, Sunday with Tuesday, Sunday with Wednesday, Sunday with Thursday or Sunday with Friday. An individual diarist’s entries can be matched throughout both days, 10-minute by 10-minute interval, from 4:00am through to 3:50am the next day. The paired diary data for Sunday and the matching weekday are weighted to give a nationally representative sample of adults in England. The peak of religious activity for
the week is on Sunday at 11:00am in the morning, with a lesser peak at 6:30pm-7:00pm in the evening. Diarists recorded markedly less religious activity on weekdays, with only minor increases at around 9:30am and 7:30pm.

Table 3 Proportions of diarists recording more or less time on religious activity on a Sunday compared with a randomly selected weekday

Source: Time Use Survey, age 16+ years, England

<table>
<thead>
<tr>
<th>Weekdays</th>
<th>None</th>
<th>10 to 50 minutes</th>
<th>Sunday More than 50 minutes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>89.2%</td>
<td>1.4%</td>
<td>5.9%</td>
<td>96.5%</td>
</tr>
<tr>
<td>10 to 50 minutes</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.5%</td>
<td>1.4%</td>
</tr>
<tr>
<td>More than 50 minutes</td>
<td>0.6%</td>
<td>0.2%</td>
<td>1.3%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Total</td>
<td>90.2%</td>
<td>2.1%</td>
<td>7.7%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes: Paired weighted by individuals, N = 3,272

Table 3 follows up on Figure 2 by comparing the total time spent on religious activities on a Sunday with the total spent by the same diarist on a weekday. More than 90 per cent of diarists spent no time at all on religious activities on either a Sunday or a weekday. The only other constituency which stands out are those diarists who record about an hour or more spent on religion on a Sunday but no time on a weekday, which represents some six per cent of our total sample. Conversely, it is also worth noting that those diarists who focus their religious activities on weekdays rather than on Sundays amount to less than one per cent. Finally, as a religious core, the data in Table 3 show that a little over one per cent of diarists record spending an hour or more on religious activities both on a weekday and on a Sunday.

4.3 Religious activity recorded as done alone, in company and at a place of worship

Table 4 shows the distribution of personal and communal religious activity across diaries for different days of the week. It also shows the extent of religious activity done at a place of worship. Only about one per cent of the diaries record religion done alone, for example, time spent in personal prayer, on any day of the week including Sundays, whether or not diarists also attend communal services. In fact, there are low levels of communal activity weekdays and Saturdays. Fewer than five per cent of the diaries record any communal religious activity on those days. These are important findings: people do not appear to be turning to religion on an individualized or group basis as alternatives to traditional communal observance at a place of worship on a Sunday; and few practice religion on weekdays in addition to observance at a place of worship on Sundays.

---

4 Religious activity was greatest on a Sunday irrespective of ethnic group: Afro-Caribbean, South Asian …
Table 4 Proportions of diaries which record more than 50 minutes of religious activity done: (a) alone; (b) in the company of others; and (c) at a place of worship broken down by the day the diary was kept.

**Source:** Time Use Survey, age 16+ years, England

<table>
<thead>
<tr>
<th></th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Alone</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>99.0%</td>
<td>99.1%</td>
<td>98.8%</td>
<td>99.0%</td>
<td>98.6%</td>
<td>99.1%</td>
<td>98.9%</td>
</tr>
<tr>
<td>Any time at all</td>
<td>1.0%</td>
<td>0.9%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>1.4%</td>
<td>0.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>(b) In company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>98.2%</td>
<td>98.2%</td>
<td>96.1%</td>
<td>98.0%</td>
<td>96.1%</td>
<td>96.9%</td>
<td>90.5%</td>
</tr>
<tr>
<td>10 to 50 minutes</td>
<td>0.7%</td>
<td>0.5%</td>
<td>1.4%</td>
<td>1.1%</td>
<td>2.1%</td>
<td>1.5%</td>
<td>1.9%</td>
</tr>
<tr>
<td>More than 50 minutes</td>
<td>1.1%</td>
<td>1.3%</td>
<td>2.5%</td>
<td>0.9%</td>
<td>1.8%</td>
<td>1.6%</td>
<td>7.6%</td>
</tr>
<tr>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>(c) At a place of worship</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>99.6%</td>
<td>99.4%</td>
<td>98.4%</td>
<td>98.7%</td>
<td>97.6%</td>
<td>97.8%</td>
<td>91.5%</td>
</tr>
<tr>
<td>10 to 50 minutes</td>
<td>0.3%</td>
<td>0.1%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>1.3%</td>
<td>1.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>More than 50 minutes</td>
<td>0.2%</td>
<td>0.5%</td>
<td>1.0%</td>
<td>0.6%</td>
<td>1.1%</td>
<td>1.2%</td>
<td>7.1%</td>
</tr>
<tr>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

N = 1,989 2,041 2,049 2,012 2,001 2,007 2,040

Notes: Weighted by diaries, N = 14,139

Using individual weights rather than diary weights, the estimate is 7.4% of the sample for more than 50 minutes of collective activity on a Sunday and 6.9% for more than 50 minutes spent at a place of worship on a Sunday (N = 3,272). Those estimates are 8.5% of the sample for more than 50 minutes of collective activity on a weekly basis and 8% for more than 50 minutes spent at a place of worship on a weekly basis (N = 6,608).

4.4 Diary-based accounts of religious activity on a Sunday in England

Comparisons of the figures in the final columns of Tables 2 and 4 show that our estimate of religion on a Sunday drops from 7.9 per cent for more than 50 minutes of any religious activity throughout the day, whether performed alone or not, to 7.6 per cent for more than 50 minutes of collective activity and 7.1 per cent for more than 50 minutes spent at a place of worship. Those Sunday estimates become 7.7, 7.4 and 6.9 per cent respectively, when they are re-calculated using the weighted sample of TUS diarists, so as to be nationally representative. Brierley and his associates have estimated church attendance in England periodically by building an extensive database of Christian congregations and then requesting counts of attendees at services on an ordinary Sunday in October (Warner, 2010: 9-11). Their counts of Sunday worship fell from 7.7 per cent of the adult population in 1998 to only 6.3 per cent in 2005, which match our estimate of 6.9 per cent based on TUS diarists’ reports in the period between Brierley’s two church-census years.

4.5 Comparing diary-based accounts with interview-based, closed-question responses

It is possible for us to estimate the total weekly rate for continuous episodes of more than 50 minutes of communal religion by combining the records of TUS diarists on weekdays and at the weekend. Once diarists’ data have been weighted appropriately, we obtain a weekly estimate of 8.25 per cent of the adult population in England. Estimates from comparable British Social Attitudes (BSA) survey data, which are based on BSA survey participants’ reports in a structured, close-question interview format, face-to-face with a fieldworker, about their attendance of services and meetings connected with their religion, stand at 12.5 per cent of the adult population in England once those BSA interview survey data have also been

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5 We have to interpolate an estimate for those diarists who were active on Saturday only. The study design means direct comparison cannot be made between diarists’ Saturday and Sunday activity at the individual level.
weighted for representativeness. The BSA interview survey estimate is more than 50 per cent greater than the TUS personal diary estimate for weekly worship.

5. Conclusion

People over-report their religion in national surveys, either in face-to-face or telephone-based, closed-question interview formats, especially compared with diarists’ personal records with no involvement of a fieldworker. Those diarists’ records appear to agree instead with census counts of attendees done by their congregations or independent researchers. Such census counts are seen as a more reliable method than using national interview-based, closed-question survey data to estimate church attendance in US research (American Sociological Review, 1998). Our study is based on people’s private, personal records kept in a diary-format at or close to the time those events actually occurred. Thus, our own analysis uses the best available data and method to give more valid and reliable measures of religious activity. There are two key, substantive conclusions. First, it seems that less than eleven per cent of the adult population in England perform any form of religious activity of any duration at any point during a typical week, including personal prayers and meditation, watching and listening to religious programming, where that total amount also includes other more individualised and diverse alternative religious practices. There is little religion of any form practised, public or private in England. Second, most of the activity among the small minority of adults who practice any religion continues to be in the form of communal practice in the company of others, mostly on a Sunday, and mostly at a place of worship through attending the church, mosque or temple, rather than in an alternative collective or individual format. Little of what religious activity remains in England has become individualised in the place of collective worship as the nation’s churches empty. Notwithstanding, our study has also shown that religion remains strong in some other societal contexts, and particularly in Thailand.

6. References


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6 BSA weighted Ns: total = 2,769; weekly = 271; fortnightly = 167; monthly = 141; biannually = 286; annually = 153; less often = 108. Weekly estimate = (271×1 + 167×.5 + 141×.25 + 286×.04 + ...) ÷ 2,769 = 0.125

7 The use of diaries as an alternative method in contemporary US research has been based on retrospective computer-aided-telephone interviews (CATI) rather than diarists’ personal records at the time, which may risk the same overestimations found in standard closed-question interview surveys because of unwanted reactivity during data collection (Brenner 2011: 29).
7. Appendix
Multivariate regression analysis of the social correlates of religious activity in England

The design of the Time USE Survey also allows us to place diarists’ religious activity in its wider social context. The results of a binary logistic regression analysis of the social correlates of religious activity are presented in Table 5. The dependent variable in our multivariate analysis is whether or not TUS diarists recorded at least one episode of more than 50 minutes of communal religious activity in the company of others on a Sunday. The social correlates are: gender, age-group, ethnicity, living arrangements, education, occupational social class and the five main regions of England. Results for occupation and region are statistically insignificant, once allowance has been made for effects of gender, age, ethnicity, marital status and education. All other factors have significant effects. The final regression model shows that older, non-white, well-educated, female and married and especially widowed diarists are more likely to be religiously active on a Sunday compared with younger, white, less-educated, male and single diarists. In terms of relative odds ratios, respective results can be expressed as follows: age, 65+ years old compared with 16-44 years old = 3.38:1.00; ethnicity, non-white compared with white diarists = 2.55:1.00; education, graduates compared with those with no qualifications = 1.72:1.00; gender, women compared with men = 1.62:1.00; and living arrangements, married compared with single diarists = 1.46:1.00. Those results using TUS dairy records provide a more fine-grained analysis to check results using large-scale interview-based and self-completion questionnaire survey data.
### Table 5 Logistic regression of religious activity on Sunday

<table>
<thead>
<tr>
<th>Covariates</th>
<th>N</th>
<th>Odds Ratio</th>
<th>Sig.</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>1,690</td>
<td><strong>1.82</strong></td>
<td>&lt;0.001</td>
<td>1.35</td>
<td>2.42</td>
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<tr>
<td>Men</td>
<td>1,494</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Age-group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65-plus years</td>
<td>575</td>
<td><strong>3.48</strong></td>
<td>&lt;0.001</td>
<td>2.37</td>
<td>5.12</td>
</tr>
<tr>
<td>45–64 years</td>
<td>1,021</td>
<td><strong>1.62</strong></td>
<td>0.006</td>
<td>1.15</td>
<td>2.30</td>
</tr>
<tr>
<td>Under 44 years</td>
<td>1,588</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Asian and others</td>
<td>186</td>
<td><strong>2.76</strong></td>
<td>&lt;0.001</td>
<td>1.71</td>
<td>4.44</td>
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<tr>
<td>White</td>
<td>2,998</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Living</td>
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<tr>
<td>Married</td>
<td>2,157</td>
<td>*1.68</td>
<td>0.031</td>
<td>1.05</td>
<td>2.70</td>
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<td>Arrangements</td>
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<tr>
<td>Widowed</td>
<td>212</td>
<td>*2.13</td>
<td>0.020</td>
<td>1.13</td>
<td>4.03</td>
</tr>
<tr>
<td>Divorced or separated</td>
<td>245</td>
<td>0.82</td>
<td>0.25</td>
<td>0.39</td>
<td>1.79</td>
</tr>
<tr>
<td>Single (never married)</td>
<td>570</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher qualifications</td>
<td>814</td>
<td><strong>1.78</strong></td>
<td>0.004</td>
<td>1.20</td>
<td>2.64</td>
</tr>
<tr>
<td>School level</td>
<td>1,170</td>
<td>1.30</td>
<td>0.176</td>
<td>0.91</td>
<td>1.87</td>
</tr>
<tr>
<td>No qualifications</td>
<td>1,200</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Occupational Class (NS-SEC)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Professional/managerial</td>
<td>989</td>
<td>^1.34</td>
<td>0.099</td>
<td>0.95</td>
<td>1.91</td>
</tr>
<tr>
<td>Intermediate occupations</td>
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<td>1.10</td>
<td>0.040</td>
<td>0.76</td>
<td>1.61</td>
</tr>
<tr>
<td>Routine and others</td>
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<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>Region</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North of England</td>
<td>965</td>
<td>0.83</td>
<td>0.296</td>
<td>0.58</td>
<td>1.18</td>
</tr>
<tr>
<td>Midlands</td>
<td>656</td>
<td>0.76</td>
<td>0.179</td>
<td>0.50</td>
<td>1.14</td>
</tr>
<tr>
<td>Eastern England</td>
<td>375</td>
<td>0.96</td>
<td>0.868</td>
<td>0.60</td>
<td>1.53</td>
</tr>
<tr>
<td>South West</td>
<td>386</td>
<td>1.06</td>
<td>0.793</td>
<td>0.67</td>
<td>1.68</td>
</tr>
<tr>
<td>London and South East</td>
<td>802</td>
<td>1.00</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Notes: Weighted by individual diarists, N = 3,184; Co-linearity statistics are acceptable with a maximum variance inflation factor of less than 1.50; Level of statistical significance: **p < .01; *p < .05; ^p < 0.10 Source: TUS, age 16+ years, England
A System Dynamics Approach to Evaluate Incentive-Based Policies, Human Resource Motivation and Performance of Public Sector Organizations

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Abstract
This paper tries to analyze - through a System Dynamics approach - positive and negative effects caused by human resources’ (de)motivation in terms of productivity and quality of performance in public sector organizations. Therefore, motivation is here meant as an inclination to fill a gap between a desired and an actual level of productivity; this can be achieved through a set of policies aimed to encourage, sustain and address human resource behaviour in a working setting. As a consequence of such policies, public sector organizations would increase their productivity and effectiveness, thereby improving the level of wealth to the community they work for.

But how does work motivation influence public sector organizations productivity? Do workers, if motivated, become more productive both in quantitative and qualitative terms? How to relate workers’ perception about motivation and their positive or negative reaction at work? Is it possible, and how, to use motivation in order to improve the organization’s performance over time?

Answering the above questions is very difficult; however, the aim of this paper is to investigate and link – through a System Dynamics approach - those variables which affect both motivation and productivity. Particularly, the paper is virtually divided in four sections: in the first one a description of the observed problematic behaviour of public sector organizations’ productivity is introduced by considering the resistance that specific motivational policies show over time. Those policies are basically related to the performance that public workers as a whole express during a given time interval.

The second section contains the work hypothesis which consists in a dynamic model able to replicate the problematic behaviour on the basis of the relations among those significant variables affecting both productivity and motivation of public workers. Then, the third one provides the runs of such model and the consequent explanation of how it replicates the observed behaviour.

Finally, in the last section a set of policies is introduced and commented in order to suggest possible solutions and future scenarios that could stem from the application of such policies.

As a result, findings show how important is supporting Public worker management by using a dynamic approach to better understand and steer those trade-offs emerging from the linkages between motivation, productivity and worker satisfaction.

Keywords: Productivity, Motivation, Human Resources, Public Sector Organizations, Performance Management, System Dynamics.

1. Introduction
In the last decade citizens and local communities have strongly been claiming for improvements in quality and effectiveness of Public sector organizations’ action.

Public sector organizations are indeed seen as old bureaucratic machines, unsuitable to respond to community needs and expectations (Delfgaauw & Dur, 2004). This is also believed true by looking at the low level of community satisfaction due to the bad public services.

On the other hand, in order to sustain countries development and enlarge their consensus, politicians have begun to focus on how to improve public sector performance, especially in times of economic crisis and high taxation. The policy here consists in enhancing the productivity of organizations, but the specific ways for achieving such goal are often confused and strictly depend on the characteristics of the specific context. Given a certain workload, productivity actually represents the capacity of the organization to provide services in a certain time period to the community which it works for. Together with service quality and efficiency, productivity is a fundamental driver of organizational performance (Ammons, 1992). In other words, since organizations primarily include people, productivity corresponds to the aggregated result of skills, commitment and professionalism that those people individually dedicate to...
their job activities. This means that public workers are the main actors which directly influence the productivity of organizations and, as a consequence, their performance towards community over time.

Several theories, mainly based on ‘private sector’ experiences, have highlighted the importance of workers’ motivation as the most powerful lever able to lead organizations towards higher level of performances (Cardona, Lawrence & Espejo, 2003; Gächter & Falk, 2000; Lazear, 2000; Konrad & Pfeffer, 1990; Salancik & Pfeffer, 1977; Campbell Balfour, 1953). In other words, the higher the public workers’ motivation is, the higher a public sector organization’s productivity will be.

The above relation between productivity and workers’ motivation allows one to introduce the problem observed in the largest part of public sector organizations, i.e.: a diminishing return from motivation policies. Particularly, as the following graph portraits, the working hypothesis here is that, when public managers design and carry out motivational policies, such policies are initially followed by a significant increment of productivity. However, often such a productivity increase proves to be unsustainable in a longer time horizon. This means that the behaviour of an organization may show resistances to motivational policies over time.

![Graph showing Problematic behaviour of public workers productivity](image)

Figure 1 Problematic behaviour of public workers productivity

The above hypothesis does not result from specific surveys conducted by the authors. It, rather, arises from direct observations of real phenomena in various ‘public sector’ organizations, and on the current debate and wider stream of research on the topic of ‘incentives versus performance’ (Edwards, 1976; Konrad & Pfeffer, 1990; Kreps, 1997; Bauer, 2004).

Graphically, the desired level of performance is represented by the total workload which should be completed in a given time period. Under these assumptions, public managers promote actions to increase workers’ motivation to fill the gap between the actual and the desired productivity.

Motivational policies consist in a number of actions which are believed capable in contributing to enhance productivity and improving the organizational wealth in public sector organizations.

Possible motivational measures are related to:

- Productivity-linked incentives. If workers are conscious that their organization will reward them through monetary incentives whenever their performance achieves high levels, then they reasonably will increase their commitment at work. This requires clarity and precision in defining objectives, communication among workers and certainty of remunerations. In so doing, managers have to arrange an evaluating system capable in measuring both individual and aggregated performances of workers and in linking them to planned objectives. If so, workers will also enhance their trust, accountability and participation in the activities of their organization. In particular, a non-linear relation exists between the
reward and the motivation: basically, the higher the reward is, the higher the motivation will be, but in proximity of the extreme values (0 – 1) the curve slows down due to the realistic difficulty in achieving those values. The relation between such incentives and the motivation of workers is synthesized in the following graph (Dixit, 2002):

![Graph showing the effect of the reward on motivation](image1)

**Figure 2** The effect of the reward on the motivation of public workers

- *Frequency of productivity-linked incentives.* A non-linear relation exists between the frequency in delivering rewards and the motivation of workers. Actually, if workers receive those incentives after a too long time, they will tend to increase their individual productivity only just in the period close to their performance evaluation; in the same logic, if workers are frequently rewarded, then this will be perceived as ordinary and not as something that the organization exclusively acknowledges to its deserving workers. In both cases, the motivational power of productivity-linked incentives is weakened. This implies the need of choosing the proper frequency of reward.

![Graph showing the effect of frequency of reward on motivation](image2)

**Figure 3** The effect of the frequency of the reward on the motivation of public workers
- **Career promotion effect.** The third motivational tool allows one to enhance workers’ productivity by acting on their intrinsic job satisfaction. Promotions and career opportunities are the basis of a profitable competition among workers and, as a consequence, lead the performance of the organization at higher levels. In this way, workers strongly feel themselves as part of the organization and are indeed pushed to be more productive (Achi & Mott, 1982). Particularly, the relation between the effect of career promotions and workers’ motivation is showed in the following graph. The esteemed data of the graph stem from literacy-based approximations which overall state that workers’ advances in terms of position or salary increase their motivation and job satisfaction. (Tabacaru, 2008; Gibbons, Simpson, 2006; Gunn, Brenner & Mjosund, 1968).

![Figure 4](image-url)

**Figure 4** The effect of career promotions on the motivation of public workers

Particularly, such policies are suggested from ‘private sector’ experiences which have approved to be effective. But in the public sector motivational dynamics are more complex than in the private and this is due to a number of reasons (Ammons, 1992):

- **Absence of market pressure.** Public sector organizations are not called to be more competitive; they are used to operate as “unregulated monopolies” and tend to behave accordingly (Osborne & Plastrik, 2000; Harlow, 1977; Downs, 1977; Niskanen, 1971).

- **Political factors that influence decision making processes.** Politicians often use public sector organizations as a tool for both enlarging their consensus among citizens and repay those lobbies which had sustained their political nomination through new hires. This leads to gigantic personnel proportions of such organizations and, as a consequence, to difficulty in governing.

- **Bureaucratic socialization process.** The informal process by which veteran workers introduce new workers to the culture of a public sector organization can have a powerful influence on subsequent performance. So organizations that have lost their zeal for effectiveness may find great difficulty in attempting to break from that pattern.

- **Lack of accountability.** Public managers and employees accordingly prefer to avoid any kind of accountability for their actions or failures.

- **Focus on outputs rather than on outcomes.** Managers just focus on the result of their specific department rather than on the bigger picture of whether their efforts are achieving positive changes in the lives of citizens or producing other results they were designed to bring.

- **Short time horizon of politicians and top managers.** This is recognized as a negative effect of the so-called “spoil system”. In this case, it is hard to sustain relevant organizational changes because strategies and processes of implementation are fragmented, interrupted or cancelled. Thus, the ambiguity of
objectives together with bureaucratic rigidities – including above all an extreme focus on rules and procedures – lead workers to prefer a status quo condition instead of productivity-oriented changes.

- **Unsuitable incentives plans.** Monetary incentives are delivered without taking into account the effective productivity expressed by workers during a certain period. As a result, workers cannot perceive such incentives as something that motivate and push them to be more productive. Ammons noted that “governments at all levels not only fail in most cases to provide adequate rewards and recognition for superior performance, but they often reward managers who have expanded their budgets and increased the number of persons they supervise”. The above features are findable in the largest part of public sector organizations and represent a significant limit for the longevity of those positive productivity-linked effects that stem from workers motivation policies.

In the next section, using a System Dynamics approach, we will introduce and describe the model developed trying to understand the sources of motivational policies’ resistance through the analysis of the relations among variables.

2. **Model structure**

This section contains a detailed discussion of each component of the model and an explanation of how they could replicate the problematic behaviour of public workers productivity. The structure hypothesis is based on those variables and dynamics that are findable in the largest part of public sector organizations, that is, such a model is adaptable to different public sector bodies.

First of all, the model considers a generic workforce configuration which is based on the skills classification of workers (Kunc, 2008; Hafeez, Aburawi & Norcliffe, 2004; Hafeez & Abdelmeguid, 2003). Particularly, the structure distinguishes:

1. **Rookies**, as workers at their first job experience, that is, low skilled operators. Their productivity is lower than that of other workers and, in order to improve their skills, they need training and know how sharing with more skilled workers.

2. **Medium skilled workers**, which offer their developed competencies to the organization. They have achieved a medium level in their job career and are called to provide training to rookies. Their productivity is higher than that of rookies but lower than that of skilled workers. To be promoted to the next career level (Skilled workers), they have to wait new skilled workers’ retirements or policies that allow to hire and maintain more skilled workers.

3. **Skilled workers**, as ‘veteran’ workers which have developed relevant and wide competencies in the sector: this means that their productivity is the highest of the entire organization. As medium skilled workers, they are also called to provide training to rookies.
As it has been already mentioned, different levels of productivity correspond to each workforce’s category. In this way, given the number of workable hours per week, it is possible to calculate the total productivity of the workforce. Such amount of hours also takes into account the number of weekly hours dedicated to training.
On the one hand, training reduces the general productivity of the organization but, on the other, increases both the quality of the done work and the skills of workers whom, due to this, can be promoted more rapidly (Seibert, Kraimer & Liden, 2001).

Furthermore, the model considers the overtime that employees should work whenever the weekly workload exceeds the general productivity. Such a circumstance also involves the decrease of hours dedicated to training and its effects on other linked variables (Oliva & Sterman, 1999).

The lasting effect of overtime is one of the main causes of the burnout of the human resources, that is here meant as the experience of occupational tedium or physical, emotional, and mental exhaustion (Pines & Kafry, 1978). Most commonly, burnout is defined as a syndrome of emotional exhaustion, depersonalization, and a lack of a sense of personal accomplishment that occurs in response to chronic exposure to occupational stressors (Maslach & Jackson, 1982). As a result, burnout negatively affects the motivation of workers.
The model hypothesizes that the weekly workload inflow consists on a number of projects that workers should complete by the end of the week. In a secondary step, this workload also needs to be reviewed - and eventually improved - in order to guarantee a satisfying level of quality to end users (Rodrigues & Williams, 1998). Of course this process reduces workers’ productivity but, on the other hand, quality can also be improved through the training activities.

![Diagram of total productivity and workload index](image)

**Figure 8** A general workload structure in public sector organizations

All the above structures are linked one to each other through the dynamics of motivation. Particularly, the reward that managers recognize to workers depends on a performance index which compares the weekly amount of completed workload to the weekly amount of total workload. In other words, higher values of such a performance index lead to higher rewards and this enlarges workers job satisfaction and; therefore, push them to increase their productivity. On the other hand, if the performance index achieves unsatisfying values, then workers do not receive rewards and their lack of motivation negatively influences their productivity at work over time.

In both cases, the dominance of a major reinforcing loop involves one of the two opposite situations:

1. a productive organization with motivated and rewarded workers;
2. an inefficient organization with de-motivated and unrewarded workers.
Figure 9 A model structure of workforce productivity and motivation in public sector organizations

Given the above model structure and its hypothesis, the next section shows its simulations in order to replicate the problematic behaviour of public workers productivity over time.

3. Base simulation

First of all, the model needs to be calibrated on the observed problematic behaviour. This means that the model must be in accordance with the known “physical laws” of the observed system and also provide usefulness and transmits confidence to end users (Forrester & Senge, 1980).

Usefulness depends on whether the model is addressing the problem areas where managers and decision makers need support, while confidence rests on the model’s ability to produce results consistent with managers’ mental models (Sterman, 2000). Particularly, the model is calibrated to reproduce the observed behaviour of the workers’ productivity in public sector organizations. The simulation time horizon is 250 weeks.

The frequency of rewards’ delivery is externally fixed and equal to one per year as suggested by common practices in both ‘public’ and ‘private’ organizations. On the other hand, it appears clear by looking at the model structure that the amount of rewards and the career advance effects endogenously depends on all the other included variables and on the loops they shape.

The total desired workforce is set at 100 workers and particularly: 30 skilled workers, 55 medium-skilled workers and 15 rookies. A skilled worker is able to complete a project in 3 hours, a medium-skilled worker in 6 hours and a rookie in 10 hours.

As a result, the base simulation - portrayed in Figure 10 - shows a strong overshoot and collapse pattern of productivity similar to the case observed.
Figure 10 Base simulation of public workers' productivity

Given a constant workload inflow equal to 180 projects per week, at first productivity strongly increases due to the effect of workers' motivation that increases as well. Then, it starts to oscillate trying to fill the gap with the desired productivity, but at a certain point it collapses because of the unsustainable lack of motivation that workers are experiencing.

The low level of productivity is evaluated by managers through the performance index of the workforce - that represents the measure to deliver rewards to deserving workers -; in this case, the absence of rewards strongly contributes to de-motivate workers and increases the gap in productivity of public sector organizations. In other words, workers are not motivated and, due to this, their productivity goes down until it stabilizes at a not satisfying level, that is, a level below the desired one, corresponding to the total weekly workload.

In the largest part of the cases public managers have revealed difficulty in facing such vicious circle among ‘productivity’, ‘workers’ motivation’ and ‘productivity bonus’. Moreover, workers have to produce more effort by remaining for more than their regular working hours to complete their workload. This consequently hampers their training. Due to this, it is logically hard to develop skills and competencies, therefore, the overall career advance is slowed down and causes a lack of job satisfaction and motivation in the workforce: workers will be more motivated to leave their jobs in such organization. Figure 11 shows the behaviour of the actual motivation of workers.

Figure 11 Base simulation of public workers' motivation
It should be noted that productivity trends are rough estimates of real public sector organizations and the simulated behaviour is numerically sensitive to parameters and shapes of table functions. Therefore, the simulated behaviour appears to adequately track the problematic behaviour of workers' productivity.

4. Policy analysis

In this phase, policies and strategies are postulated and tested. Particularly, we introduce two policies. When these policies or strategies are tested for robustness under varying external conditions, this is referred to as scenario modelling.

In the model we introduced, workers’ productivity strictly depends on their motivation. This means that acting on motivation’s drivers will allow managers to increase productivity of a given public sector organization. To this end, in the design of the first policy we focus on ‘reward’ as the main factor which can contribute to the goal’s achievement. Differently from the model structure, in the definition of such policy the ‘reward’ does not represent a productivity bonus – linked to the workforce performance index – but just a tool to improve their performance whenever the actual level of productivity is lower than the desired one.

Under these assumptions, we now do not consider such motivational ‘tool’ as a reward for the past high performance of the workers, but - more correctly - just as an incentive to increase their productivity in the future (Tosi, Werner, Katz & Gomez-Mejia, 2000). What we do to test the policy is to fix a constant amount of incentives at a medium level, equal to 0.55 on a scale between 0 and 1.

Figure 12 shows the simulation’s result of workers’ productivity after the implementation of the described policy.

![Figure 12](image_url)

**Figure 12** The effect of a constant incentive-based policy on workers’ productivity

Particularly, the productivity rapidly increases even exceeding the desired level of productivity identified by the weekly workload. Then, it smoothly decreases by achieving the weekly workload level over time.

Figure 13 portrays the behaviour of the actual workers’ motivation during the application of the incentive-based policy.
The above simulation shows different trends compared to the base run as seen in the last paragraph: in this case, motivation actually grows up searching for an equilibrium point. Nevertheless, the value it tends to reach is relatively low – about 0.25. This because the policy visibly works on only one of the factors which directly affect workers’ motivation: the incentive. Such circumstance is also verifiable by looking at the data about the overtime that does not appear influenced by the policy’s effects and, therefore, remains stable at its maximum level – equal to 15 hours per worker per week – preventing workers from profiting by training. So, this policy overall responds to the need of productivity’s increase but, on the other hand, still contributes to enlarge the burnout of workers over time. Furthermore, the sum of the costs of workers’ overtime and incentives represents an unsustainable expenditure for public sector organizations that are called to respect all the budget fulfillments.

Then, as a remedy, such policy should include other measures that can deeply face not only the shortage of productivity but also the low level of motivation that public workers express. According to this logic, a rationalization of the workforce settings could be helpful especially if related to the workload inflow (Waldman, 1984): productivity in fact changes depending on the skills of each workers’ category.

Thus, if public managers decide to increase the desired number of skilled workers, then the productivity will raise without negative impact on workforce - in terms of overtime and consequent costs – and on the budget of the organization. This second policy appears more respondent to the needs of public sector organizations, but it is often very complex for managers to change workforce configuration due to the rigidity and the resistance to change that historically characterized public sector organizations (Meier, 1975).

Furthermore, the model represents just a simplification of a real system and, due to this, it needs to be integrated with other factors and variables that largely depend on the specific institutional settings and phenomena which characterize different contexts and regions.

At present we just remark that the main limitations of the above model are the following:

- The workload consists in a number of projects all at the same difficulty level and its weekly inflow is constant over time. This circumstance is not considerable correspondent to reality and, due to this, further versions of the model should consider different kinds of projects on the basis of their complexity and a changing inflow.

- The workforce configuration just includes 3 categories of workers: skilled, medium-skilled and rookies. This is believed an adequate simplification but human resource settings are usually more articulated.

- The model allows that only one worker can accomplish a given project. In other words, at now team working is not considered by the model as a possibility.
5. Conclusion

This paper has tried to highlight the linkages and the cause-and-effect relationships between workers’ productivity and their motivation in public sector organizations. In so doing, many factors have been included between them to explicate and understand such relations.

The development of this project has been conducted through a System Dynamics approach that has permitted to build a model structure in which those variables influence one another on the basis of linear and non-linear relations among them. Particularly, the model’s simulations have revealed the importance of those factors – incentives, rewards, career promotions, burnout – which affect firstly workers’ motivation and consequently their productivity over time. The model hereby discussed also emphasizes how each of them could contribute in increasing both motivation and productivity, and so in improving public sector organizations’ performance towards communities.

Nevertheless, we are conscious that at present the model basically represents a first version improvable through further studies and empirical applications to real public bodies (e.g., case study analysis). It actually shows some limitations that mainly stem from the simplification of complex systems, such as public sector organizations. In particular, some assumptions are somehow considered still too far from the reality. However, the model hereby illustrated can adequately represent a ‘platform’ to be considered for further studies and research on the interesting topic about public workers’ productivity and their motivation.

6. References


Police Reform Perspectives

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Abstract
The article examines the policing system in Thailand compared with democratic policing models. It aims to adjust democratic models to a Thai context. More specifically, some main ideas of policing systems in the US, Canada, Australia and UK are investigated: administration, public participation, transparency, training and recruitment, and professionalism. The policing system in Thailand remains troubled; it has not reached an international standard, as political interference remains a key obstacle to reform. International models have improved in terms of widespread political interference, endemic institutional corruption, the spoils system, police misconduct and public mistrust, with several techniques having been created and implemented. Ethical considerations in the recruitment process and in-service training address police misbehaviour in the US. Canadian policing considers civilian oversight a crucial aspect of the democratic policing model so as to increase public trust and participation. Similarly, Australian policing has included improvements in police-society relations and public participation in accordance with public requirements. Remarkably, policing in Northern Ireland signified a case of radical police reform with political consensus. Policing in England is an outstanding example of police administration with triangular management in which the Chief Constable is independent of the executive arm of government: he is accountable only to the law. In contrast, implementing and achieving a democratic model seems difficult in Thailand, where politicians still employ the police as their political tool.

Keywords: policing, police reform, political interference, police misconduct, Royal Thai Police

1. Introduction
This article focuses on how to improve the policing system in Thailand by looking at international models of policing, particularly those in developed countries. One cannot understand police reform in Thailand by an exhaustive analysis of democratic models of policing, or even by a selective and partial analysis of such models, aspects of which might then be imported and modified to the Thai context. That approach simply ignores the elephant in the room: police reform in Thailand is highly politicized; it must be approached as such. As the country’s crisis from 2006 to 2011 has shown, the position of National Police Chief is a highly political matter.

The Royal Thai Police has followed a colonial model since the period of King Rama IV (Royal Thai Police, 1983; Poothakool, 2012). This model was established and influenced by Great Britain, with a distinctive pattern of administration that had been applied to its many colonies throughout the world. Under colonial rule, policing was centralized and militaristic (Bayley & Mendelsohn, 1969) with officers living in barracks, wearing military uniforms and having military ranks. It was organized around a military model even though officers were not necessarily armed (Newburn, 2008). Colonial policing systems fostered a sense of unity among officers in a common purpose, ‘keeping the peace’, often seen as more important than ‘enforcing the law’ (Wilson, 1971). Policing derived its legitimacy from its colonial masters rather than the local population. Policing systems that continued to operate under a colonial model ultimately led to a lack of legitimacy, public support, trust and public confidence.

This article investigates the key concepts of democratic policing models in the US, Canada, Australia and UK compared with the Thai model that continues to embrace a colonial structure. Such key concepts are administration, public participation, transparency, training and recruitment, and professionalism.
2. The United States of America

The US is the first country to show policing improvement in terms of ethics, training and recruitment.

Policing in the US had been beset by political interference. Even by the second half of the twentieth century, the police forces of large cities such as New York continued to be dogged by corruption, nepotism and unequal treatment based on social status. In response, new training schemes have been introduced against a positive picture of falling crime rates, but difficulties persist, such as high-profile cases of brutality and misconduct by officers of the Los Angeles Police Department (LAPD).

Widespread corruption was so much part of everyday policing in the old Northern cities of the country, such as that reported by the Knapp Commission in New York in 1972, that special operations and units had to be set up to tackle the problem (Lundman, 1980). Administrators had to review ethics-training programs within the professional policing model. They accepted the failure of earlier training, which did not recognize the need to embed the subject as a core value. Also noteworthy was research from the Commission on Police Integrity, which investigated corruption in Chicago (Commission on Police Integrity, 1997), and was seen as essential to establishing higher standards in relation to recruitment and screening. Newburn (1999) summed up the key elements of the Commission’s recommendations:

‘... the introduction of full screening of the background of all candidates; a higher minimum age to be set at 23, arguing that 21 was too low (in that it wouldn’t allow for sufficient evaluation of adult work and behavior records); candidates with experience of higher education should be sought and those who continue with their education once hired rewarded; and, most controversially, the use of polygraph testing in its initial screening of candidates (a practice already used by some U.S. law enforcement bodies).’

Newburn (1999:28)

Common screening practices in the US now include: the Civil Service Exam; physical agility tests; psychological examinations and interviews; medical examinations; situational tests; polygraph examinations; and comprehensive background investigations (Jordan et al., 2009). Importantly, ethical considerations are included in the recruitment process and can be extended to strategic placement in new-hire and in-service training so as to tackle misconduct. In New York, training strategies were improved with a new focus on ethics, especially for those in supervisory positions (Giuliani & Bratton, 1995). However, such codes of ethics may have less impact on conduct when officers are confronted with actual situations (Delattre, 1989).

Policing development in the US is likely to be a blueprint for Thailand regarding ethics, training and recruitment. The citizenry tends to agree with requests from trustworthy officials more readily because their intentions and conduct can be ascertained with some degree of confidence (Luna, 2000). Law enforcement agencies that address the problematic behavior of officers enjoy greater public trust and, therefore, will obtain greater collaboration in programs designed to decrease crime (Bayley, 2002; Harris, 2005).

3. Canada

The policing system in Canada is an instance of the transition from a colonial model as part of the British Empire to a democratic model. The British Parliament kept limited rights of political control that were shed only by stages well into the twentieth century. The modern Canadian policing system is now highly decentralized, with a large and diverse number of local police forces supplemented at the provincial and national levels. In total, Canada has 461 police departments consisting of 450 municipal forces, 10 provincial forces, and the Royal Canadian Mounted Police (RCMP) at a national level. The RCMP also serves as a general-purpose police force in some regions, mostly in the prairies, the far west and the Maritime provinces.

The Canadian Policing system has two major issues to be discussed: central police training and civilian oversight. For the former, the RCMP supports the provision of specialist policing services for the various law enforcement agencies throughout the country. Central services include forensics, detection, intelligence and national as well as local training. Although police forces in the provinces also provide such
services directly, they can ask the RCMP for assistance. As a co-ordinated national service, the RCMP is needed to deal with such activities as organized crime, computer crime and terrorism. In principle, the Thai Police HQ in Bangkok should provide similar, co-ordinated assistance, but police regions are often left to their own devices.

Another crucial aspect of the democratic policing model is civilian oversight. In Canada, a civilian board acts as a central element in monitoring police activity by ensuring that policing has been up to standard and the police are responsive to community needs. It is seen as striking a balance between community interests and the authority invested in the police. Sources portray the Canadian police as well trained, understanding of the needs of the community, exercising fair internal discipline, and contributing to a free and democratic society (BC Police Board Handbook, 2005). Nonetheless, it has been claimed that existing oversight mechanisms are weak and lack broad-based community representation (Cooley, 2005). Critics argue that the system requires further reform to provide a regulatory framework that offers more support for democratic policing values.

In contrast with Canadian policing system, the Royal Thai Police still favour a colonial model; the policing system has not been decentralized (Poothakool & Glendinning, 2013). Police training, in particular, is tied to Police HQ’s budget allocations. Provincial Police Regions 1-9 should be able to manage their own budgets based on local requirements. Meanwhile, the Royal Thai Police should play an important and active role in supporting an effective training program to Provincial Police Regions 1-9 so that policing strategies reach international standards.

A police transparency mechanism must be assessed and implemented, though Thai society is unlikely to accept public scrutiny. A study by the National Anti-Corruption Commission (2009) claims that a police career has the greatest number of associated corruption problems and the Police Department continues to be regarded as the most corrupt of all government agencies (ABAC, 2010). Related to these findings, formal (Amnat) and informal power (Itthiphon) are key to the operations of Thai bureaucracy (Riggs, 1966) and public administration: linking bureaucrats, politicians and businesses in relationships of mutual assistance (Tamada, 1991). Therefore, the establishment of civilian oversight can lead to more troubled circumstances in Thai communities.

4. Australia

Australia has seven state police forces and a federal force in the capital. The democratic model has been applied to all those forces. An astonishing aspect of the democratic model in Australia is police-public relations, especially the implementation of the community policing concept.

The notion of community policing in Australia continues to face significant obstacles. First, the meaning of community policing has been interpreted differently within the police service, even among senior managers. Some officers think it aims principally to re-shape geographical areas of command, others to deal with problems associated with vulnerable, disadvantaged or less well-educated social groups, and still others to allow officers to talk directly to the media. In addition, the majority of forces often fail to differentiate community policing from public relations. Policing needs to do both. Second, many officers assume the community policing approach is not a major goal of policing, but an add-on. It is seen by officers as irrelevant to the main duties of the police, such as apprehending offenders and protecting the public. In practice, officers see their function as traditional policing, patrolling and investigating crimes. Officers required to participate in community policing efforts are perceived as incompetent misfits. Consequently, officers pay less attention to community policing than to the traditional duties they see as their main functions as police officers.

There is no blueprint for incorporating community policing into traditional policing activities. Obviously, general policing responsibilities need to be met, but the new approach also has to be implemented. It is difficult for officers to do all of this while performing what they regard as their key duties without guidelines, particularly for rank-and-file officers. Besides, the equipment and resources may be unavailable to officers at the operational level. Managers must revise policies to integrate community-oriented policing with traditional policing patterns. Following on the 1997 Constitution, the most recent Thai administrative reforms to policing were intended to promote greater community participation, but representation on local police station committees that were set up throughout the country in 2004 was highly selective and biased, reflecting unequal treatment and discrimination on the basis of social status.
typically experienced by the public. In practice, representatives of local police station committees are selected by the head of the police station. Locals are chosen primarily on the basis of social status, influence, their involvement with business and, due to chronic under-funding, on their ability to support the local police with money and other resources. Incorporating a community-oriented approach to Thai policing is appealing, but as the Australian experience shows, practical implementation is not easy, notwithstanding a democratic model and the cultural context.

5. The United Kingdom

Policing in England and a new arrangement in Northern Ireland are concrete examples of effective policing in terms of organization, public participation and transparency.

In England, a triangular arrangement of police administration appoints the Chief Constable (chief officer) of each Police Authority (region) as an autonomous agent whom the government cannot control and direct. Under this decentralized system, the Chief Constable is independent of the government’s executive branch and is accountable only to the law. The Police Act delineates the relationship among three main agencies: central government, in the form of the Home Office; local government, in the form of Police Authorities; and Chief Constables, who are the senior officers of local forces within authorities (Brewer et al., 1988). These agencies supervise the police. The Home Office provides a wide variety of central services that include training, forensics and research. In operational terms, the senior government minister at the Home Office is charged to direct national police policy and inspection of the force. Police Authorities consist of elected local government officials and unelected local magistrates. Their main function is to ensure the maintenance of an adequate and efficient local force and to develop local plans with the region’s Chief Constable, framed by the Home Office’s wider objectives (Docking, 2003). However, in London, the capital city, the Home Office works with the Police Authority for the Metropolitan Police due to the Met’s national role. The London Metropolitan Police – established in 1829 – is responsible to Parliament and can be directed by the Home Office to undertake national investigations and law enforcement (Bayley, 1992).

It has been argued that this tripartite structure exhibits particular strengths. In principle, it provides democratic supervision of policing. Even though there had been a drift towards more centralization (Reiner 1991; Reiner 1994; Jones et al., 1994), the policing system devolved authority to local forces. Forces largely run policing operations by themselves to cope with crime and public disorder. Nonetheless, all policing operations can be inspected by the Police Authority, and by this, the public. The structure is still seen as the mainstay of effective policing while maintaining the interests of justice and fairness rather than political favour (Tupman, 1999). For example, a study sponsored by the Home Office (2003) suggested that only about 1.5 percent of police staff (officers and civilians) were possibly (but not necessarily) corrupt. However, the issue of the use of what are seen as traditional policing methods has been under review in England since the 1980s.

Public participation in England plays a pivotal role in police transparency. Police Committee Consultative Groups (PCCGs), for instance, are part of the vision to increase accountability through greater transparency and to build, or re-build, confidence in policing (Mawby, 2002). They were set up to provide mediation among the local community, the police and Police Authorities. Typically, liaison committees work closely with local people and communities. Committees were intended as forums for the police to elucidate how they should proceed, but they also became forums for criticism of police and policing methods. Police forces in England also applied Neighbourhood Watch schemes, ‘policing by consent’ and ‘police professionalism’ to their activities. Additionally, aspects of human rights, civil liberties and a new code of conduct have been introduced. Policing in recent decades has emphasized the inclusion of local agencies and people to conduct audits to produce community safety plans. Overall, communities were to assume a greater role. Commentators such as Trojanowicz and Bucquoy (1990) have argued that community-oriented policing is compatible with organizational and operational police structures. However, questions remain about how well policing has operated. The challenge has been to make the transition from a more traditional model to civil policing.

Indeed, only recently and after years of debate has policing in England moved fully to independent, external examination, despite considerable resistance within the force itself. According to the mission
statement of the Independent Police Complaints Commission (IPCC), which became operational in April 2004:

‘When such oversight is effective it plays a vital role in protecting individual human rights, ensuring public trust and confidence in the police, and promoting the efficient operation of law enforcement’.

(Independent Police Complaints Commission, 2006: 6)

The IPCC is an independent unit established by the 2004 Police Reform Act. Its primary purpose is to increase public confidence in the police complaint system by investigating the most serious complaints and allegations of misbehaviour by the police as well as handling appeals from people who were dissatisfied with the way the police had dealt with their complaints. IPCC decisions are made independently of the police, government and complainants (Independent Police Complaints Commission, 2010). In the Thai context, members of the Police Reform Committee cited the IPCC model. The 1997 Constitution enshrined the idea of Ombudsmen for the National Assembly to investigate complaints about the civil service and its agencies, but the Police Reform Committee considered establishing an Ombudsman’s Office to deal with complaints about the police in particular, alongside other public scrutiny mechanisms more akin to the IPCC. They were also particularly interested in the complete overhaul of policing, which had happened in Northern Ireland following recommendations in the Patten Report (1999).

Northern Ireland

The Northern Ireland experience represented an extreme instance of policing that was partisan and served the interests of only one social group. The role of the state in Northern Ireland for most of the twentieth century was to maintain (Protestant, British) Unionist rule, supported by the police as a state institution, against the claims of (Catholic, Irish) Nationalists in the province. The British had had a colonial presence in Ireland for many centuries. The Royal Ulster Constabulary (RUC), as the province’s police force after the partition of Ireland, was established when the previous colonial Royal Irish Constabulary (RIC) was disbanded in 1922. The RIC’s primary function in Ireland had been to deal with a history of rebellion and political disorder (Hillyard & Tomlinson, 2000). The RUC played a pivotal role in the conflict in Northern Ireland (Ellison and Smyth, 2000); it was widely censured for its abuse of power during the period of turmoil beginning in the 1960s. The RUC had inherited the colonial model of policing from the RIC and the subject of police misconduct inevitably became a major problem. Pino and Wiatrowski (2006) highlight the key elements of the RUC’s approach as: politicized policing; polarized communal relations; systematic bias in law enforcement; dual responsibilities for internal security as well as for everyday law enforcement; wide latitude in the use of power, including force; absence of effective accountability mechanisms; and group monopoly of top posts and lack of representation. The conflict in which the RUC was required to act on behalf of the state highlights the vexing question of the relationship between policing and politics, and more generally, between policing and the state (Ronald, 1995).

Thirty years after the first inquiry into policing in Northern Ireland conducted by Lord Hunt, the Good Friday Agreement in 1998 provided the framework for political reform. One element of the agreement was the foundation of an independent commission to consider the problem of policing. It was believed the ‘agreement provides the opportunity for a new beginning to policing with a police service capable of attracting and sustaining support from the community as a whole’ (Northern Ireland Office, 1998). The independent commission was to consider key elements of a democratic model for policing, namely: legitimacy, local accountability, decentralization, transparency, public participation and effective policing, as well as aspects of joint cooperation with Irish police agencies in the South. The Independent Commission on Policing in Northern Ireland issued its report in 1999, commonly known as the Patten Report. It was the blueprint for implementing a new model for policing in Northern Ireland after all previous attempts failed.

The Independent Commission’s reform proposals contained numerous aspects. First, a new Policing Board would be established with 10 political representatives from the Assembly and nine independent members nominated by the Executive. The board would have the authority to formulate
policing policies and goals and would hold the Chief Constable accountable for his decisions and actions. Second, a Police Ombudsman’s office would be established as an independent agency. Its main function would be the investigation of all allegations of police misbehavior and complaints against the police service. To provide transparency, it would be open to public scrutiny. Third, a code of ethics and professional conduct was drawn up to international standards. An officer unable to achieve those standards would be liable to discharge from the service. Fourth, mechanisms of public involvement would be established to ensure that the whole community participated in the new arrangements. Each of 21 local districts would be required to have a Policing Partnerships Board (DPPB), whose members would act as community representatives chosen by local government to be involved in the process of local policing. Finally, the RUC was disbanded and the force was to be known as the Police Service of Northern Ireland (PSNI). Name and uniforms were changed.

The key message for police reform in Thailand is that successful implementation of the Patten Report’s recommendations to establish a new system of policing in Northern Ireland – with its new Policing Board, Ombudsman’s Office, Code of Ethics and Conduct, Police Partnership Boards and change of identity, name and uniform – would not have been possible without political consensus. The discredited RUC was disbanded and the legacies of colonial policing abandoned.

6. Conclusion

The Thai policing model is far from the alternative models of policing in theory and practice. Issues of widespread political interference, endemic institutional corruption, continuing operation of a spoils system of patronage and favours, serious police misconduct, abuse of power and deep-seated public mistrust are unlikely to be changed easily. Furthermore, the political arena still favours employing the police as a political tool, for example, police crack-down operations that target opponents and critics. The main aspects of the democratic policing model need to be rigorously implemented by the Royal Thai Police. These include decentralization, public participation, civilian oversight, training and recruitment, and effective policing. Apart from these, budget shortfalls at the local level should be addressed.

Thailand needs long-term strategic planning to implement a democratic policing model, though that implementation is not achieved easily. Existing oversight mechanisms in Canada, for instance, are weak and lack broad-based community representation (Cooley, 2005). Applying public participation as seen in Australia would be difficult due to differing cultural contexts. The key message for police reform in Thailand is that successful implementation of the Patten Report’s recommendations to establish a new system of policing in Northern Ireland – with its new Policing Board, Ombudsman’s Office, Code of Ethics and Conduct, Police Partnership Boards and change of identity, name and uniform – would not have been possible without political consensus. The Royal Thai Police force remains deeply enmeshed in politics, used as an instrument of political power to support one side or another.

7. References


Building a State’s Global Competitive Advantage to Improving Its Finances: A System Dynamic Model Tailored for the Italian State

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Abstract

The present study analyzes and tests a new way to recover economy and public finances in time of crisis. An exclusive focus on State financial short-term stability risks to undermine the economic growth and to erode the social environment, thus it depletes the sources of State finances on the long-term. While a sustainable strategizing focuses on performance drivers that generate these last. Such approach in public strategizing is based on the assumption that State could increase its budgets by improving the organizational and legal framework in which private firms operate, in order to reduce their overhead costs for compliance of rules, and public facilities’ inefficiencies. This improvement margin enables the national economic environment to be more globally competitive, and, consequently, to take advantage of new national and foreign investors and of existing firm’s retention. By quantitatively linking a state organization’s performance to that of private firms, the system dynamics model demonstrates how this improvement eventually leads to an increase in financial resources for a government organization. In absence of such improvement, the model shows how delocalization would create a huge financial loss for the government: losses that public officials seem to ignore.

Keywords: performance management, delocalization, sustainability, financial strategy, Italy, System dynamics.

1. Introduction

The austerity policies, as they have been conceived in majority of countries to recover economy during the current crisis, present in the medium and long-term high social costs and a depletion of financial resources for State organization. Higher tax rates and less public services and investments reduce privates’ resources to invest, and increase their costs. These factors deplete enterprises’ economic potential on the long-term, and consequently future State’s receipts. An exclusive focus on State’s financial needs does not enable policy makers to orient their vision towards the valorization of drivers producing them.

Oppositely, the thesis developed in the present study starts from the assumption that an improvement margin of public institutions is possible to increase profitability of enterprises, and consequently, with a constant fiscal leverage, profitability of the State organizations. An effective public administration and an efficient legal framework provide to economic players good operational conditions and an additional global competitive advantage (De Soto 2001).

Complex and instable rules, long delays, expensive compliance in settling disputes and in obtaining authorization, weak property right protection, capital market inefficiency, bureaucracy, and lack of transparency are the factors responsible for what De Soto defines as “death capital” (De Soto 2001). In other words, human and material capital stocks that will never expand itself by mean of the multiplication process enabled by effective State’s institutions.

A reduced amount of capital production affects not only the wealth of private, but also of public organizations, through taxation of first ones, in other words the country’s global competitiveness. This could be defined as the effort to reach a country’s economic development compatible with the level of social evolution of the country itself (Porter, 1990; Zanetti, 2006). At an international institutional level competitiveness is commonly defined as a “set of institutions, policies, and factors that determine the level of productivity of a country” (World Economic Forum, 2011) and, adopting a dynamic definition of the concept, is measured in regards of competitors and in terms of time variations.
In order to provide a first overview of the Italian global competiveness, Table 1 illustrates a selection of indicators included in the Global Competitiveness Report, yearly calculated, since 2005, by the World Economic Forum (WEF). Results are in absolute values (first column) and in rank out of the 142 countries analyzed by the report (second column).

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<td>12.03 Company spending on R&amp;D....................................................... 3.6 .. 34</td>
<td></td>
</tr>
<tr>
<td>12.04 University-industry collaboration in R&amp;D ................................. 3.5 .. 79</td>
<td></td>
</tr>
<tr>
<td>12.05 Gov’t procurement of advc tech products .................................. 3.0 .. 114</td>
<td></td>
</tr>
<tr>
<td>12.07 Utility patents granted/million pop.* ....................................... 29.9 .. 25</td>
<td></td>
</tr>
</tbody>
</table>

Table 1 Selection of indicators of Global Competitiveness Index of Italy in 2011

Source: World Economic Forum (WEF)

The situation portrayed, shows two different sides of the Italian global competiveness or, in other words, opposite behaviors of public and private institutions. Indicators show evidence of a certain sluggishness of public management (tax, administrative, infrastructural and legal framework) to the instances of economic operators.

This criticality results in higher costs sustained by market players in carrying on their activity within the national boundaries. Oppositely, on the side of private institutions such indicators show solid competitive advantages. This arises, first of all, from the breadth of value chain, then from the nature of competitive advantage and, as a distinguishing landmark of Italian industrial fabric, from the state of clusters development.

It is very singular in this context, as still referred by the Global Competitiveness Report (World Economic Forum, 2011) in a second survey, which factors like “crime and theft” and “inadequately educated workforce” gained a respective percentage of 1.8% and 1.2% as the most problematic factors for doing business in Italy. Such factors have been weighted up by the market players according to percentages given: Inefficient Government bureaucracy 19.0%; Tax rates 16.1%; Access to financing 13.6%; Restrictive labor regulation 10.7%; Inadequate supply of infrastructure 10.1%; Tax regulations 9.3%; Corruption 6.9%; Policy (not political) instability 6.8%.

These aspects, as perceived by national and international players, represent together the 92.5% of most problematic barriers for doing business in Italy, and doubtless, they erode, with additional costs, the profitability from operating in this country.

With regional agreements allowing the free mobility of people, enterprises and goods, nations face economic perils of delocalization: as companies choose to relocate abroad, national firms come under threat from foreign competition, while a country’s economy can weaken from a loss of foreign investment. The state may suffer a huge loss in tax revenue while at the same time spend more on equalization grants. At this point, the only solution available to stabilizing public finances would be to increase taxes, but this would reduce the presence of market players even further. At the end of this long downward spiral, who would be left to pay taxes?
2. The phenomenon of “strategic asset-seeking” relocation and its threat to state finances

Commercial relocation represents the highest stage of internationalization of production and trade. From a country’s perspective, it can be both active and passive if it involves, respectively, an exit or entry of firms operating in a country. Internationalization is realized through different modalities that can be divided into three broad categories: a) international trade; b) cooperation agreements; c) foreign direct investment (Beber, 1996).

International trade is the exchange of goods and services through national borders, and is usually the first method adopted by businesses that face the global market, as it implies a low degree of involvement and risk. International trade includes exports and imports of goods and services. It is estimated that over three-quarters of international trade is undertaken by multinational enterprises, with over a third based on intra-company transactions (Ietto-Gillies, 2005).

The second category consists of non-equity or cooperative agreements that do not involve investment in shares of companies. Such forms of internationalization may act in different ways (Ietto-Gillies, 2005): a) licensing; b) franchising; c) creating alliances; d) subcontracting. Foreign direct investment (FDI) is the most direct form of internationalization, as it leads an enterprise to inject capital into foreign companies, possibly with one or more partners (through mergers, acquisitions of equity stakes and joint ventures). FDI represents the most challenging and articulated mode of entry into foreign markets, as it requires a significant investment of resources and a long-term commitment.

Depending on the reasons FDI is undertaken, it may have any manner of effect on the economies of the investing country and the country receiving the investment. Such reasons can be grouped into four categories (Horstmann & Markusen, 1996; Markusen et al., 1996): 1) resource-seeking investments that provide privileged access to essential production inputs; 2) capital cost savings that aim to rationalize the structure of production by locating the activities of a value chain in countries where one can achieve a cost advantage; 3) market-seeking investments aimed at ensuring direct supervision of markets with a high potential for development in which a firm can exploit an internationalized competitive advantage over local businesses; 4) strategic asset-seeking investments motivated by the need to gain access to assets of complementary strategic importance.

Firms carrying out resource-seeking and cost-saving investments deconstruct their value chain through the relocation of activities. Such activities are generally labour-intensive, low-skilled jobs; otherwise, they require a significant procurement of resources in markets with ample and convenient supply.

Companies undertaking market-seeking investments usually create decentralized commercial structures in target countries and, if those countries are far apart, also establish their production activity. Moreover, these investments are typical of service companies because of territoriality and proximity features of the specific services provided.

Companies that invest to access assets of strategic importance decide to relocate, according to Bortolussi, Secretary of CGIAMestre, for the following reasons: taxes, bureaucracy, high social security costs, logistical and infrastructural deficits, inefficiency of public administration, lack and/or high cost of credit to businesses, and energy costs. Often insurmountable obstacles lead entrepreneurs to move to neighbouring countries where the climate is perceived as more favourable to the company (CGIAMestre, 2013).

The effects of relocations outside the categories of resource-seeking, market-seeking and cost savings are analyzed in this study. Such relocation is carried out mainly within the Western countries of the European Union, facilitated by the free exchange of goods owing to a wide and fast circulation of information, proximity, and economic and political stability of the relevant countries. It is no coincidence that in 2011, out of 27,191 companies that relocated from Italy, 41.4% relocated in Western Europe (ICE, 2013).

The world’s top six countries that have attracted the interest of Italian companies are France (2,562 companies), the United States (2,408), Germany (2,099), Romania (1,992), Spain (1,925) and the United Kingdom (1,856). China is in seventh place, with 1,103 Italian enterprises choosing to continue production in the Far East. Foreign companies with participation by Italian firms employ abroad 1,557,038 people and have earned a total turnover of 583,762 million euros (ICE, 2013). The regions most hit by the migration of
their local companies are in the North: 9,647 in Lombardy, 3,679 and 3,554 in Veneto and Emilia Romagna respectively, and 2,806 in Piedmont. All together they comprise over 72% of all businesses that have left Italy, thus confirming the proximity of countries as a key factor for asset-seeking delocalization.

Nearly half (48.3%) operate in the wholesale business; their assets mainly comprise commercial branches of Italian manufacturing enterprises. Such enterprises are followed by those in manufacturing (28.6%) and logistics sectors (6.2%) (ICSR, 2008).

The opportunities of internationalization and the related issue of relocation of production activities have been a topic of interest in the Italian legislature since 1990. Its interventions have been designed to address two specific and apparently contradictory needs: to promote the internationalization of Italian firms while at the same time avoiding an employment crisis caused by a massive migration abroad (Giusti, 2008). Such policies have been implemented at different times. In the first decade, the legislature’s intentions were to simply incentivize the internationalization of Italian enterprises. The law n. 100/1990 established the Italian Society for Joint Ventures Abroad (SIMEST in the Italian acronym) to promote and ensure sustainable investments abroad and to invest, when necessary, capital (up to 25% for up to eight years) in manufacturing companies established abroad by Italian resident companies. SIMEST also facilitates easier market penetration that often precedes FDI through export credits and promotes participation in international tenders for the award of contracts in support of the “Made in Italy” label.

Under Law 57/2001, participation in enterprises established abroad has been further promoted by increasing incentives for the internationalization of enterprises, especially small and medium ones. Law 56/2005 set up several “one-stop shops” in countries partnering with Italy for relevant commercial and industrial interests. These multi-purpose government offices were created to ensure and extend support to Italian companies operating in abroad with advice and guidance concerning the target country, even offering legal protection for their businesses including industrial and intellectual property rights. Following these legislative efforts, the Italian legislature over the past decade, in order to avoid rising unemployment from company migration, seems oriented to establish certain conditions to contain the phenomenon and incentivize so-called “back shoring”. Under this new logic, Law 80/2005 was enacted. It established that all the benefits described so far are valid under the condition of permanence within the national territory of the marketing department, and – research and development, as well as of a substantial part of production activities. This law, according to the new logic of “back shoring”, provides incentives to Italian firms that have invested abroad and intend to reinvest in Italy: such companies will enjoy the same benefits and incentives that the law reserves to foreign companies that invest or move to Italy.

Figure 1 Dynamics of Italian FDIs in the World from 2001 to 2010

Recently, the planning of incentives to limit relocation and foster the development of new activities is being undertaken in Italian regions according to the framework established by EU and the Italian government. The most relevant action has been the establishment of Urban Free Zones (ZFU). These
have been enabled by the Finance Act 2008 (Law 244/2007, Art. 2) with financial incentives provided from states and regions. These areas, in the south of Italy, will give new investors a tax exemption for 5-14 years (Weisz, 2013). Although over the past two decades the legislature has increased incentives to contain delocalization and foster so-called “back shoring”, delocalization seems likely to have been contained more by the current economic crisis than by the legislature’s interventions, as shown in the next figure.

From 2000 to 2011, Italian FDI rose by 10,714 units (65%, with an average yearly growth of 5.9%), 404,673 workforce units (35%) and 362,902 (164%) million euros in sales (ICE 2013). Figure 1 shows the pattern from 2001 to 2010. In 2011, Italian FDI rose merely 0.1% units (ICE, 2013).

Given that 41.4% of Italian FDI is affected in West Europe, whose countries have an economic sophistication and cost structure similar to Italy’s, this means that enterprises are more concerned about strategic assets offered by a country and not simply by financial aid as provided by the Italian legislature. This implies a change in perspective in public strategizing, more oriented toward the long term, trying to create a solid competitive advantage through structural intervention and not by palliative measures, and by means of a strong and fruitful relationship with the territory in which public organizations operate.

Italy’s sluggishness in investing resources in facilities and a more efficient organizational and legal framework, i.e., its strategic assets, has increased the threat to the survival of enterprises and their motivation to seek additional competitive advantages by moving to nations seen as more business friendly, thus reducing tax revenue. By demonstrating this last point quantitatively, the present study innovates the present knowledge about the causes and consequences of delocalization to government. So far the issue has been analyzed in its qualitative aspects (mainly by Beber, Ietto-Gilles, Horstmann, Markusen & Giusti) and through macroeconomic statistics concerning effects in terms of delocalized enterprises, FDI, total turnover and employees abroad. No study simulates delocalization’s effects on public finances by linking public organizations’ performance to that of private firms. This study intends to endow not only governments with a useful tool of analysis for the design and implementation of policies, but also communities with an objective evaluation tool of policy makers in order to foster their commitment and responsibility in public strategizing.

The following model simulation thus forecasts the financial loss that governments do not foresee. By analyzing the impact of state inefficiencies on the balance sheet and income statement of a common Italian enterprise, and simulating for the total of all Italian firms, the model will give an appreciable expectation of financial loss for the government, and the correspondent gain for the foreign country where enterprises relocate because of a better organizational and legal framework.

![Diagram](image)

**Figure 2** Effects of externalities on enterprise’s business cycle

### 3. Materials and methods

The case study provided is based on the System dynamics methodology, a new management tool which tries to identify and test policies for dynamic problems. Such problems are known to arise from the mutual interaction and iterative circular causalities among variables, concerning a particular issue. Nowadays, System dynamics covers large breadth of applications (social, managerial and economic systems) and bases itself on a multidisciplinary approach.

The model has been built and tested according to the following steps:

1) The Causal Loop Diagram (CLD) shows causal relationships between an enterprise’s business cycle, dysfunctions caused by an inefficient public organizational and legal framework, enterprise and FDI localization strategies, and their impact on public finances.
2) The Stock and Flow Diagram (SFD) shows analytically, according to the CLD scheme, all variables and their relationships expressed by equations. The model’s building process has been divided into three sections. The first one simulates the four sectors of an enterprise’s activity: a) goods production & distribution, b) financial dynamics, c) income statement and profit utilization, and d) investments and their output in terms of efficiency and product quality. The second section simulates the localization decision of a single enterprise according to a differential analysis of profits that can be generated in different localization scenarios. The third section simulates the tax income as a consequence of the enterprise’s localization strategy.

3.1 The Causal loop diagram (CLD)

The business cycle is composed by three chronological phases: finance gathering, investment, and income generated by the business cycle. Such process is iterative and the reinforcing loop explains how the more is the initial finances, the more will be the investments and consequently profits.

Eventually, more profits increase finances of enterprise for a new cycle. Depending by the activity’s localization, this iterative process could generate more or less resources, it depends by level of externalities (and their relative costs) generated by factors such as inefficient capital market, delays in obtaining authorizations, ever changing laws, higher taxes, and logistic costs. When such externalities are low, the process produces more and more financial resources at every cycle and, how showed in Figure 2, more are the flows managed by the firm, the more is its patrimonial consistence.

At this point the business cycle’s CLD could be extended by taking into consideration the following factors: a) establishment of a common market; b) no economic and legal barriers to mobility of enterprises, goods and people within it; c) State’s tax income; d) State’s fiscal and investments policies.

Including the above mentioned factors, the CLD in Figure 3 now include not anymore one but four reinforcing loops, which are responsible for the behaviour of enterprise’s mobility and, consequently, for diminution of State’s tax income overtime.

Figure 3 Causal Loop Diagram of enterprises’ mobility and State’s tax income

A) Reinforcing loop R1: lower profitability of enterprises located in Italy leads to lower investments, this last increase the incapability to match the market demand instances, thus reducing even more enterprise profitability.

B) Reinforcing loop R2: lower profitability of enterprises located in Italy decreases the dividends distributed to shareholders who decide to locate the activity in another country, this decision reduce State receipts, this last in order to “save the budget” increases tax rates, thus reducing even more the profits for investors.

C) Reinforcing loop R3: similar to the previous one, it concerns the decision of transferring the activity abroad because of incapability to satisfy the market demand in term of requested quality/price (which depends on the level of investments). This, eventually, would, decrease State’s tax income and increase tax rates, thus reduce profits.
D) Reinforcing loop R4: a decrease in Italy’s enterprise stock leads to a decrease of State’s tax income, this last in order to “save the budget” invests less in infrastructure, thus increasing production and logistic costs, and decreasing profits for enterprises.

Since the localization strategy is drawn based on comparative costs-benefits analysis, the profits variable should not be considered in its absolute value but in comparison with its value obtainable by enterprises in foreign countries.

3.2 The stock and flow diagram (SFD)

In the above paragraph have been mentioned the necessary requirements beneath the localization strategy, and the way in which market players locate their activity according to benefits obtainable in the localization area. In reality, in a globalized market, operators study continuously opportunities for making their products the most competitive. Factors like technology, tax, and production costs related to the activity’s localization play important roles in defining the enterprise’s competitive strategy.

Decisions of staying or of moving abroad are taken based on simulation of differential benefits obtaining in term of a more competitive product; this expression is not strictly referred to low production costs but includes meanings like quality, possibility of differentiation, logistic costs, etc.

The following SFD model, portraying a small production enterprise operating in Italy, which explores the possibility to localize its activity abroad, provides a clear and useful explanation of dynamics described in the previous paragraph. The great value added of the following SFD, compared to other simulations, is that it takes into consideration quantitatively the iterative process of the enterprise’s business cycle. Whether, as in most of the countries, it is quite uncommon to stumble upon public policy makers acquainted with short term consequences of their policies, this become exceptional when one focuses on long term results of them. This is possible only with the awareness of their cause-effects relationships on the iterative business cycle, which enterprises know very well. Public remains rather focused on instant relationships among variables as exemplified by Figure 4.

![Figure 4 Public and private approach in policy design](image)

The SFD portrays the activity of a small enterprise operating in Italy in order to focus on main dysfunctions that such enterprise faces up: a) High interest rates for financing investments and deposit advances; b) Delays in obtaining authorizations and cashiering accounts receivables from Public administration; c) Logistic costs: availability of infrastructures (railways, motorways, ports, airports); d) Utilities costs; e) Costs for work unit and social security tax; f) Jurisdictional delay in settling commercial disputes; g) Tax and administrative compliance; h) Taxes on profits; i) Real estate taxes.

The enterprise produce a top quality food, with the average variable unit cost of 3,3 euro, while the average price unit is 4 euro. The enterprise invests each year in new equipment and R&D in order to obtain good results in terms of quality, product differentiation, sales price, and reputation.

The model is composed by three sections simulating: a) the enterprise’s activity in Italy; b) the comparative analysis of benefits and its decision to move abroad; c) the tax income performance of the Italian State compared to the foreign one.

In order to simplify as much as possible the description of the model, the enterprise activity simulated has been split into four sectors: a) Goods production & distribution; b) Financial dynamics; c) Income statement & profits’ utilization; d) Investments and their outputs in terms of efficiency and product quality.
a) Goods production & distribution

The following model’s sector includes all variables and dynamics involved in the production process. The enterprise fulfills by shipment products requested by the market (an average of 38,462 per week); the production is fashioned according to the product quantity desired in inventory (100,000 units). Row material is ordered according to the desired quantity of the same inventory (150,000). Electricity consumption is fixed to 77 MWh per week at the price of 192 €/MWh (Confindustria, 2012). The productivity of total workforce (production, logistic, maintenance, administrative) has been set to 1,154 products per week, its cost to 1,800 euro plus 750 euro of social security tax. Shipment costs for ordering row materials and shipping final products has been set considering a cost per km of 0.626 euro (including tolls, driver and fuel costs in Italy). The average transportation has been set as 241 km for row material and 1,228 for the final product (because of exportation). The average container filling is 4,200 products. Total administrative expenses have been set to 350,000 euro per year (6,731 per week).

Figure 5 Sector of goods production & distribution

b) Financial dynamics

Enterprise’s invoiced sales are cashed at different times, depending on terms and conditions established with the customer, on delays in cashing from some clients, and on difficulty to cash credits through commercial disputes. The 30% of sales is cashed immediately. The balance collection proceeds along three ways: the 40% is cashed within 8 weeks, the 45% is cashed through six months banks’ anticipations, the 15% of turnover proceeds along, in the worst case, a commercial case for its collection. The last two ways are extremely costly in term of interest (anticipation) and time (1210 days the average duration of a commercial case in Italy^8).

^8Source: ADNKronos 2012
While the sales’ encashment increases cash, this last is also reduced by payments, at their redemption time, of product costs, personnel cost, tax liabilities, interest expenses, redemption of bank loans, and anticipated invoices. In addition, the model includes the dynamics of bank loans’ subscription when the cash stock decrease under the desired minimum amount (100,000 euro). Bank loans and anticipations affect the enterprise’s profitability through interest paid on both types of financing.

c) Income statement & profits’ utilization

This model’s sector reproduces also the net profit calculation in accordance with the current laws concerning the income statement formulation. The taxation outflow originates from the stock titled “pretax earnings”, after subtracting all costs and expenses of the enterprise.

In Italy, taxation includes mainly three types of taxes: a) IRES, tax rate on company’s profits, nowadays worth 27.5% of pre-tax earnings; b) IRAP, a tax rate of 3.9% on a taxable basis made up of pretax earnings, personnel cost, and part of interest expenses; d) IMU, a tax rate on real state value oscillating between 0.7% and 1% of such value.

As showed by Figure 7, profits are accumulated in the stock “retained earnings” and, after passing the budget (in Italy by 30th of April), the shareholders’ meeting approves the destination of earnings. In the model a 40% of them are distributes as dividends, a 50% are allocated for investment and the remaining 10% for increasing the stock of cash.
d) Investments in assets and their output of efficiency and product quality

The dynamics of investments in tangible and intangible assets has been included in the model since it represents the link between present results and future perspectives, based on the asset’s quantity and quality. Such link, quite often missing in the strategizing process of a State organization, allows the present model to reproduce the iterative process showed in the above Causal Loop Diagram, with extraordinary correspondence to the reality.

Earnings allocated for the investment, in the measure of 50% as approved by the shareholders’ meeting, are collected and divided to effect three types of investments: a) replacement of equipment according to their depreciation of 10% per year; b) 85% of the remaining sum is invested in R&D; c) the rest in plants efficiency.

Except for equipment’s replacement, investment activity is affected by delays, from 52 weeks, research time for appreciable research’s result, to 3 years, average time elapsed to obtain all authorizations to build/change an industrial plant.

Outputs of investment’s activity have been synthesized by two variables: a) quality increase: for intangible assets, it affects the price premium that customers recognize to a more qualitative product; b) efficiency increase; for plant’s investments, it influences variables like workforce productivity and utilities’ cost.
3.3 Comparative analysis of benefits and the decision to move abroad

As mentioned before, enterprises constantly do comparative localization costs analysis in order to make their products more competitive in term of cost and quality, and to obtain more benefits in terms of dividends and investments. Such analyses are done by simulations of possible additional benefits that enterprises could reach by being localized abroad.

![Figure 9](image)

**Figure 9** Entrepreneur’s and FDI’s localization model

In order to reproduce so, in this paragraph enterprise’s activity abroad has been simulated considering as much raw material consumption and cost per unit, technology, administrative expenses, workforce productivity, as those of paragraph 3.2 concerning the national enterprise. The present model’s section has also the same structure of that described in paragraph 3.2. Thus, in the comparative simulation enterprise takes into consideration only the dysfunctional factors mentioned in this chapter, whose Table 2 reports both the values for Italy and for the foreign countries benchmarked by the enterprise (Austria and Germany because of their proximity to Italy and their appreciable State’s efficiency).

According to the previous variables list (that not pretends to be exhaustive) the entrepreneur takes into consideration the opportunity to delocalizing abroad. It depends its comparative analysis for a short or long period of time depending on his social commitments, on personal reasons, and on amount of differential benefits that he could achieve by delocalization. This last variable is included in the following model section in Figure 9 (PS1/PS2), and acts as a pressure factor on entrepreneur’s mind on the following way: when profits he will produce in Italy will be 20% less than those in a country 200-300 km far from home, the psychological threshold will be overcome and he will eventually delocalize.

Dynamics of FDI work in an easier fashion. After a deep what-if analysis of the social-economic environment and the benefits offered by States of a concerned area, FDI move in the State that offer a higher marginal benefit. In the model FDI increase either the stock of Italy’s enterprises or that of enterprises moved to UE. Attraction and loosing rates defines the rapidity of movement according to such marginal benefits. Stock of Italy’s enterprises has been set to the initial value of 223,494. This is the number of enterprises with more than 19 employees in 2012 (ISTAT, 2013). The model does not include, because not of concern, the dynamics of Italian enterprises’ birth rate.

### Table 2 Parameters included in profits’ differential analysis

<table>
<thead>
<tr>
<th>Variables used for differential analysis</th>
<th>ITALY</th>
<th>EU (A/D)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rates on long term loans</td>
<td>%</td>
<td>6.24</td>
</tr>
<tr>
<td>Interest rate deposit advances</td>
<td>%</td>
<td>4.86</td>
</tr>
<tr>
<td>Time to obtain authorization</td>
<td>days</td>
<td>739</td>
</tr>
<tr>
<td>Time to cash from public organization</td>
<td>days</td>
<td>193-269</td>
</tr>
<tr>
<td>Infrastructure quality and availability</td>
<td>0-1</td>
<td>0.9</td>
</tr>
<tr>
<td>Toll per km</td>
<td>eur</td>
<td>0.136</td>
</tr>
<tr>
<td>Fuel cost (per liter)</td>
<td>eur</td>
<td>1.76</td>
</tr>
<tr>
<td>Cost of power per MWh</td>
<td>eur</td>
<td>192</td>
</tr>
<tr>
<td>Salary per work unit (per month)</td>
<td>eur</td>
<td>1800</td>
</tr>
<tr>
<td>Social security per work unit (per month)</td>
<td>days</td>
<td>705</td>
</tr>
<tr>
<td>Av. time to settle commercial disputes</td>
<td>days</td>
<td>1210</td>
</tr>
<tr>
<td>Time of tax and bureaucracy compliance</td>
<td>days</td>
<td>119</td>
</tr>
<tr>
<td>Tax on profits</td>
<td>%</td>
<td>32*</td>
</tr>
<tr>
<td>Real state tax</td>
<td>% EV</td>
<td>0.01</td>
</tr>
</tbody>
</table>

* It includes IRAP rate     ** Estimation
3.4 Tax income performance of the Italian State

Third section of the model includes the impact of the enterprises’ localization strategy on State finances. The left side of section provides a useful comparison of fiscal policy effectiveness between taxes collected from Italian State and those from the foreign one, keeping constant the stock of enterprises. Instead, the right side of sector, including dynamics of enterprises’ delocalization and FDI flows, quantifies Italy’s tax income losses with the current fiscal policies.

This is the focus point of the model. It suggests to Italian State the adoption of a new strategizing approach in order to implement sustainable financial policies. So far, the change in the strategic scenario, caused by the EU economic and political integration, has not been taken into account seriously. By blindly pursuing this way, the State will lose competitiveness, finances, and welfare.

![Figure 10 Italy’s fiscal policy effectiveness & tax income losses](image)

4. Results

4.1. The enterprise’s localization strategy

Paragraph 3.3 described how factors listed in Table 2 can affect an enterprise’s profitability not only in the short term but also in the long run when one considers the process displayed in Figure 2. This is due to the fact that enterprise, being an institution that operates overtime in order to satisfy efficiently and effectively human needs, seeks to achieve such mission through its investments activity. An enterprise that invests less, for instance, will not be able to operate according to its mission and in the end will lose customers, and profits. This explains the reason why enterprises are oriented in seeking a long term competitive advantages, and the failure’s risk of public fiscal policies “one shot” that do not take into consideration the iterative dynamics of enterprises’ activity.

![Figure 11 Profits’ stock comparison for alternative scenarios](image)
profits’ stock, which the enterprise could produce in Italy (blue curve) and abroad (red curve), during their simulation period, is illustrated by Figure 11.

Additional profits for the enterprise mean higher investments, and shareholders’ remuneration. Such opportunity acts as a pressure factor on entrepreneur’s mind by the following way: in the model, when profits produced in Italy are 15% less than those in the delocalization scenario, the entrepreneur’s psychological threshold will be overcome and he will eventually delocalize, thus reducing the national enterprises’ stock.

4.2 Tax income policy performance of the Italian State

As mentioned above, the model was built to forecast the financial loss that governments do not expect as a result of delocalization. The previous paragraph illustrated not only the impact of government inefficiencies on the profits of a common national enterprise, but also how enterprises decide to relocate. By simulating for the total number Italian enterprises (with more than 19 employees), using the model’s sector displayed in paragraph 3.4, the model provides an appreciable expectation of financial loss for the government and a correspondent gain for the foreign country with a better organizational and legal framework to where enterprises relocate.

This paragraph thus describes the impact of the enterprises’ localization strategy on State finances. Figure 12 illustrates tax policy performances of the Italian State and that of delocalization by adopting the current mental model of Italian policy makers in public strategizing. This comparative test has been performed on the same enterprises’ stock (223,494 enterprises) and in hypothesis of absence of mobility. The graph shows tax income’s stock accumulated by the Italian and the foreign State during a period of seven years.

The Italian State performance (blue curve) seems to be better for State’s finances. At the end of the period the Italian States cashes additional receipts for almost 100 billion of euro. However, has it been adopted a correct strategic horizon? Is such policy sustainable?

Figure 13 shows how, adopting a wider strategic horizon (beyond the geographic boundaries), and focusing correctly on enterprises activity, the current Italian organizational, legal and framework is unsustainable. Because of delocalization, the yearly State’s financial loss, given for each delocalized enterprise by absence of tax income and more equalization grants for fired employees, grows more and more.

Policy sustainability is a value that has to be assessed on the long term. Thus, the model simulation’s horizon has been extended from seven to ten years to compare the long term performance of fiscal policy between the Italian and the foreign States. Starting from the same enterprises’ stock, Figure 13 shows the receipts accumulation from both fiscal policies.

The Italian State tax income (blue curve) is, in the short term, higher than that of the foreign State, then is overcome in the end by that of the last one. At the end of year 10, the foreign State has cashed 462 billion of euro more than the Italian State.

![Figure 12 Italian tax income performance in absence of delocalization](image)
5. Discussion

As shown by the case tailored for the Italian state, the inability to sustain an increase in taxes and reduction of public services and investments, policies adopted by several countries, can be traced to assumptions in their current designs: a) enterprise taxation does not affect competitiveness in terms of final product price and investments; b) the level of infrastructure and the public legal and administrative context has no effect on production costs and the financial resources of enterprises; c) delocalization is an irrelevant phenomenon because the presence of enterprises is stable; d) the tax pressure is justified by the state’s financial needs; e) strategic and operative benchmarking with other countries can be neglected; f) sensitive analysis of policies to set the optimal point of tax yield according to each enterprise’s fiscal capacity and global competitiveness is unnecessary.

The public strategizing process should always start from the recipients of public organizations’ mission (Simon, 1947; Gulick et al., 1937). In the specific case, this means to create the favorable conditions in which they can develop, by improving the organizational and legal framework for them, since its recipients are at the same time its source of finances to operate for its institutional purposes. This eventually would lead to an increase in financial resources for State organization by taxation of larger profits of private firms and less expenditures for unemployment benefits and equalization grants.

6. Conclusion

The model has tested the effectiveness of a “co-strategy”, i.e., the strategy of a territory’s development through collaboration between the state and other economic entities. Government strategy must be compared and harmonized with other entities to create successful conditions for both. Such a vision, in terms of a state’s programming cycle, is featured by the following elements:

- a) Governmental focus on strategic-resource assets for the country’s economic development and additional financial resources for the state. The underlying strategic horizon is evidently oriented for the long term since it is related to assets and not financial resources, e.g., tax revenue.

- b) Policy implementation to achieve development of such strategic assets (performance drivers);

- c) Improvement and enrichment of society by “cash flows” of investments in strategic assets (end results). Financial results are implemented to consolidate government financial accounts and invested once again, by reiteration of the process, in strategic resources, thus producing even more appreciable end results.

In the case tailored on the Italian State, in lack of the so called “co-strategy” model’s quantitative results - referred to a stock of 223,494 enterprises, and under the hypotheses of an average workforce of 30 units per enterprise and fiscal leverage’s stability - show in a time horizon of 10 years a financial damage for the Italian State of about 462 billion of Euro, the 29.5% of national GDP, the 23.2% of public debt in 2012 (Istat, 2013).

The model, by dynamically including enterprises’ activity, demonstrates that the wealth of private institutions cannot anymore be considered as independent variable in public strategizing. Consequently, the
success of public policies pass undoubtedly by the valorization of collaboration with private firms for co-
creating their global competitive advantage, and more widely that of the country in which they operate. 
Otherwise, by the absence of such collaboration, long-term orientation in strategizing, and a wider policy’s 
horizon, State organization risks to create unconsciously a huge harm to the whole society.

Ultimately, the use of simulation models and in particular those of system dynamics can improve 
considerably the effectiveness of public policies by testing ex ante their results and their implementation for 
reducing the risk to fail and to harm society. Furthermore, the State’s programming cycle could benefit 
from an ex ante specification of objectives, hypotheses, relationships, means, and a scrutiny of results, and 
policy’s implementation issues, elements that a simulation model always requires. When well done, 
simulation models allow to create objective and transparent informative bases on which to set up the 
decisional processes.

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Growth Opportunity between China and Thailand in the Processed Food Sector

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Abstract

The processed food business is a highly important sector for Thailand that increasingly generates major revenue for the country. As Thailand is located in the heart of Indochina and a major hub linking between ASEAN countries and China through Yunnan, a province in the south-west of China, with strong fundamental linkage on economic and culture, as well as the facts that Thailand enjoys a healthy relationship with China for a long time in terms of economics, politics and culture, there are a number of potentials to expand business opportunities and promote the expansion of trade in processed food products between Thailand and China, under the ACFTA agreements implemented over the past decade. In 2012, Thailand’s processed food sector generated global revenue of approximately THB 1 trillion, or about 10% of GDP, while China, with a population of about 1.3 billion, offers a huge processed food market.

This research project is a qualitative one with the data collection from secondary sources as well as from focus group interviews of business operators and government officials in Yunnan and Thailand. With increases in population and income, as well as changes in lifestyles, the demand for the food, especially Thai processed foods with good reputations for safety, taste, and quality, is rising exponentially. This paper identifies major areas of growth opportunities between China and Thailand for trade in processed food, including: product standards and strategy; promoting competition on brand and quality; road show and trade exhibitions; centralized logistics and distribution development; market penetration through partnerships with distribution channels; and trade-dispute services and compliance with relevant regulations. Recommendations for future research are: the study of the Chinese processed food market as a whole, and other selected provinces, and the study on the list of Thai processed food products with strong potential in the Chinese market.

Keywords: Growth opportunity between China and Thailand, Processed Food Sector.

1. Introduction

The key achievement of ASEAN’s efforts to promote economic ties with China was the China-ASEAN FTA, where initial discussions began since 2000. On 4 November 2002 in Phnom Penh, Cambodia, the Framework Agreement on Comprehensive Economic Co-operation between China and ASEAN was signed to create the ASEAN-China Free Trade Area (ACFTA) within 10 years. On 29 November 2004 in Vientiane, Laos PDR, ASEAN and China signed the Agreement on Trade in Goods of the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China, which included a schedule of tariff reductions and eventual elimination of most tariffs (except certain sensitive products with longer tariff reduction phase-out periods) between China and the more-developed ASEAN6 nations (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) effective on the target date of 1 January 2010, as well as between China and the remaining ASEAN nations (Cambodia, Laos PDR, Myanmar, and Vietnam) effective on the target date of 1 January 2015. On 14 January 2007 in Cebu, the Philippines, the Agreement on Trade in Services of the Framework Agreement on Comprehensive Economic Co-operation between ASEAN and China was signed. Finally, on 15 August 2009 in Bangkok, Thailand, the Agreement on Investment of the Framework Agreement on Comprehensive Economic Co-operation between the ASEAN and China was signed.

A strong growth in trade and investment in goods and services under these ACFTA agreements has benefited Thailand over the past decade, including its processed food sector, which in 2012 generated revenue of approximately THB 1 trillion, or about 10% of GDP. Thailand is a major hub linking ASEAN countries and China through Yunnan, a province in southwestern China. China, with a population of about 1.339 billion, has undergone rapid economic development during the past 30 years and becomes a huge
market that cannot be overlooked by countries around the world. Multiple published research reports, especially from the US Department of Agriculture (USDA GAIN Report, 2009, 2011, and 2012), have documented the development of huge potentials of China’s food market. However, few Thai operators in this sector have entered the processed food business, despite the vast potential to expand trade in processed food between Thailand and China. Therefore, the study of growth opportunities between China and Thailand in the processed food sector is extremely important.

This research paper starts by briefly outlining the objectives and methodology and reviewing various research papers on China-ASEAN relations and other FTAs, and China’s seafood and processed seafood markets. The paper then looks at the background of Yunnan Province in China, Thai processed food business in Yunnan, and identifies major factors for further developments between China and Thailand in the processed food sector. The Thai processed food sector was selected because China offers a huge market to Thailand’s processed food sector, whose global revenue contributed about THB 1 trillion to the Thai economy in 2012.

2. Objectives

2.1 To study the Thai processed food business in China and the growth opportunity between China and Thailand in the development of the processed food sector.

2.2 To identify major factors that require mutual solutions from Thailand and China to enhance further development of the processed food sector.

3. Research questions and methodology

As the sustainable and strong growth of the Thai processed food in China will, to a large degree, require mutual solutions and support by China and Thailand, the leading research questions which could further support such growth opportunity are:

3.1 What are the characteristics of the Thai processed food business in Yunnan Province, China?

3.2 What are the major business and regulation issues requiring mutual solutions between China and Thailand in the development of the Thai processed food sector in China?

This research project is a qualitative one in which the research methodology involves the data collection from secondary sources, including research papers and on-line newspaper articles from government agencies, educational institutions, the private sector and highly reputable business newspapers, as well as primary data collected from focus group interviews of business operators and government officials, both in Yunnan and Thailand, conducted under the International Institute for Trade and Development’s research project on “Opportunity & Market Entry Strategy of Thai Processed Food and Tourism Industry in Yunnan, China” from June to September 2012. This approach to data collection is crucial to gain the most updated market information on what developments have taken place in local markets and what the needs of businesses are in this important sector to promote further development.

4. Literature review

The China-ASEAN FTA agreements are major economic events that have attracted much attention from businesses and academics. Several research reports document the details of China-ASEAN relations and integration, the analysis of China-ASEAN integration and cooperation and the impact of the FTAs, the study of business potentials and opportunities in the processed seafood sector in the context of the China-ASEAN environment, and further trade and investment cooperation in goods and services between China and Thailand.

A report to the US Congress (CRS Report for Congress, 2008) quoted a speech by Prime Minister Wen Jiabao on the occasion of the 15th anniversary of relations between China and ASEAN in 2005 that marked the peaceful development in the growth of China-ASEAN relations in pursuing a policy of good neighborliness and friendship. At the same time, the foundation of China-ASEAN relations was built on equality and mutual trust so as to obtain mutually beneficial cooperation, and the driving force behind China-ASEAN relations has successfully gained the people’s support. In response, in 2006 the Secretary General of ASEAN declared that China was viewed by ASEAN as a close neighbor and important potential for greater trade and investment because China represents a huge consumer market for ASEAN products.
and services and a major source of future Foreign Direct Investment in ASEAN, as well as providing potentially a large number of Chinese tourists for the ASEAN region.

The research report on “China: One Country, Many Provinces, and Different Regulations (Panishsarn et al., 2006) reported that China’s economic platform is very large and enjoys a leading role in international trade, but requires Thai manufacturers and traders to conduct business in China on the individual province basis because each province covers a vast area with a large population that enjoys constant economic growth, rising income, and diverse tastes, lifestyles, and cultures under specific regulations for its own market. China’s huge area leads to severe limitations on the nationwide distribution systems of goods and services which deliver products from the distribution system in the more advanced business regions into local, rural distribution networks, thus enabling local government agencies to have more control of the local distribution channels and apply certain trade protection and discrimination measures. Accordingly, China cannot be viewed as a single market and related analysis of potentials and market opportunities in individual provinces for Thai products requires several factors for consideration, including population income and related large income gap between people in the urban areas compared with those in the rural areas; the spending pattern of Chinese consumers with increasingly higher purchasing power; the diverse tastes, lifestyles, and cultures in different provinces such as simple lifestyle and less luxurious people in Yunnan residents versus those in the Eastern industrialized provinces; and the classification of Chinese consumers in the Eastern Seaboard provinces into: 1) consumers in the metropolitan urban areas; 2) consumers in the urban areas with population of more than 5 million; 3) consumers in the urban areas with population of less than 5 million; 4) consumers in the rural areas.

The potentials and opportunities for trade between Thailand and Guangdong, Jiangsu, and Shanghai provinces account for two-thirds of total trade volume between Thailand and China; while total trade between Yunnan and Thailand ranked among the top 15 of all provinces in China, Yunnan is close to Thailand and enjoys a strong cultural link with several provinces in Northern Thailand. China’s central government designates Yunnan as the bridgehead linking China to countries in South-East Asia and South Asia. However, Yunnan’s volume of imports and exports with Thailand is still minimal and reflects the difficulties of trade between Thailand and individual provinces in China with respect to the factors on the infrastructure on products distribution, transportation, and related logistics structure in China; the problem of distribution channels controlled by local business operators and large importers with strong bargaining power; the problems of import protection with non-tariff barriers including the protective measures to support Chinese manufacturers; measures on product standards, import inspections, and customs procedures; trade-related regulations at the central, provincial, and local government agencies; the competition from Chinese manufacturers with lower production costs; the Chinese consumers’ attitudes toward the high price of Thai products; and the problems of Thai manufacturers’ competency of how to deal with business partners in China.

The research study provides the following recommendations: adoption of a “Rise with the Dragon” strategy for trade and investment; extensive review of existing trade and investment agreements in goods and services between Thailand and China; construction of Thai government distribution centers for Thai products in key provinces in China; identification and development of key Thai products identity from Chinese consumers’ points of view; exchange of trade and investment information between government agencies and the private sector; and bilateral agreements on trade in goods and services and investment between Thailand and individual provincial governments in China to capture value-added production processes in Thailand for global exports.

Sussangkarn (2006) argued in his “CLMV and East Asian Integration” paper that the larger market resulting from ASEAN and East Asian Integration should create greater demand for ASEAN products on goods and services, including tourism. However, there are also concerns that manufacturing capacities built up in ASEAN in the past could be adversely affected by the competition from lower cost but efficient manufacturing production bases in China. ASEAN’s market share on many products has already been lost to China, but ASEAN has been compensated by greater exports from ASEAN to China in recent years, though the prospects for ASEAN manufacturing remain uncertain. It is well understood that multinational firms own a significant percentage of the manufacturing production capacity in ASEAN, but how these multinationals will strategically position their regional production capacity in the region in the future under
a freer trade environment is still unclear. One possibility is that the multinationals will forgo further investments in their ASEAN production bases to focus on expansion in China. On another possibility, the multinationals may decide not to risk putting all their investments in one basket, given uncertain economic and political developments in China which will eventually unwind as well as lingering tensions between China and its neighbors in the South China Sea; in this scenario, ASEAN will still be able to attract FDI to a certain degree.

Wignaraja et al. (2010) claimed that Thailand has focused on regional trade agreements as a vehicle for commercial policy since the 1990s, and by December 2009, has become one of the East Asia’s most active users of free trade agreements, with 11 FTAs concluded and six more under negotiation. The study reported that Thailand’s FTAs have had a positive impact on the behavior of exporting firms, with evidence suggesting reasonable use of preferences in existing Thai FTAs: in particular, foreign electronics and auto/auto parts firms that reported the influence of FTAs on their business plans. The adoption of harmonized rules of origins by a large number of firms had reduced transaction costs under FTAs. Under the policies to build awareness of the impact from FTAs, related government agencies should provide timely information on FTA provisions and progress made in the FTA negotiations, arrange regular conferences to educate SMEs and other firms on the potential effects of FTAs and ways in which firms can make use of the preferences, and assess the effects of enacted FTAs to help mitigate the losses and capitalize on the gains. As to policies to encourage use of FTA preferences, the responsible government agencies need to make customs procedures simpler and more transparent, arrange workshops and conferences to introduce new e-customs and related systems to importers and exporters, create a campaign to build a convenient approach to using preferences, and negotiate for the best possible tariff preference reductions in the FTAs. In addition, the government agencies should implement the policies to increase competitiveness of local firms by restructuring those tariffs that are unnecessarily high and distorted; encourage further technology transfer; continue to improve and upgrade existing standards, quality, and other technology support services, particularly for SMEs; and support industrial clustering to strengthen linkages on technology upgrading and supply chains. Finally, in dealing with the regional ASEAN effect, the Thai government should support the benefits of harmonized rules of origins within ASEAN to facilitate the choices of suppliers among ASEAN members.

The research study on “Transmission of the Subprime Crisis to the Thai economy via an International Trade Channel: Processed Seafood” (ITD Research Report, 2010) documented the strength of the processed seafood industry in Thailand to compete in the international market, and reported that the processed shrimp and frozen shrimp industry, as well as the canned tuna industry, did not encounter strong effects from the Subprime Crisis. Major operators in these sectors avoided negative effects because they are very experienced with a number of years in operation, possess highly reputable and quality brands acceptable to their trading partners, use high standards of production processes, and have a large scale of operations that enable them to implement necessary risk management techniques. On the other hand, the small and medium-sized enterprises in these sectors adopted minimal risk management measures or, in some cases, totally left their operations exposed and unprotected. Both the shrimp and the canned tuna industries have strong potential to generate high growth in the Thai economy because these operators have high standards and quality products embraced by the world market, which will be difficult for their competitors to match. However, local labor shortages leading to the use of foreign labor may force business operators to move their production facilities to other countries, especially in the canned tuna industry. In addition, the canned tuna industry face additional, serious raw material problems related to illegal, unreported, and unregulated (IUU) fishing practices under the European Union regulations which prohibit the canned tuna exports to the EU if unable to comply with IUU regulations.

The in-depth analysis in this research project reported that the processed seafood industry created a very high value chain in Thailand as most of the production processes until the final production point prior to the exports to countries of destinations, have taken place in Thailand. The processed seafood industry has adopted several advanced competitive measures, including continual research and development activities, to produce high value-added products such as ready-to-eat seafood products; development of their own proprietary brands by large manufacturers to capture more value from the products than the production under the market leaders’ contracts, as well as enjoy the brand loyalty from consumers; the fully integrated
market strategies developed by large business players to strengthen their competitive and market positions, such as the vertical integration and strategic partner alliance strategies and the in-house production technology developments with the tailor-made production processes designs, custom machinery and equipment assembling, production process management, and efficient quality control processes to ensure that their products meet the international quality standards. However, the networking of their production facilities in different countries is still under-developed, except for the transfer of production facilities to the low labor-cost locations, as the main production activities in the supply chain still operate in Thailand. Thus, the network linking with the international market of Thai processed seafood business players is still weak and vulnerable to a global economic crisis because they are highly dependent on direct exports from a single production location.

At the same time, the study on the Seafood Industry in China (Glitnir, 2007) reported that China is the world’s largest seafood production industry, accounting for about 35 percent of global seafood production. The annual demand for seafood in China will be 35.9 kilograms per person in 2020. Seafood production in China was 51 million metric tons in 2005 and is located in Dalian, Qingdao, Zhejiang, Fujian, and Guangdong. China has enjoyed the benefits of WTO membership as of 11 December 2001 for seafood production because of a major reduction in import duties and an increase in soybean imports as the ingredient for shrimp and fish feed. The major trading partners in seafood for China are the EU, the US, and Japan. Despite a strong demand increase in the domestic market, China certainly expects to meet most of the domestic demand surge. China leads the world in shrimp aquaculture farming, with annual production capacity of more than 1 million tons. This study indirectly indicated that the seafood production market in China is well supplied and the target market identification for imported processed seafood products must be carefully positioned and planned.

5. Yunnan province in China

Yunnan Province is in southwest China, bordering Guizhou, Sichuan, and Xizang (Tibet) provinces, and neighboring Vietnam, Laos PDR, and Myanmar. As the southwestern gate of China, Yunnan is the counterpart to Laos PDR, Myanmar, Thailand, Cambodia, and Vietnam in Greater Mekong Sub-region (GMS). Yunnan and Guangxi also link the ASEAN Economic Community (AEC) by land with the Pan Pearl River Delta (Pan-PRD) area, which covers nine major economic provinces in the mainland (Sichuan, Jiangxi, Fujian, Hunan, Guizhou, Guangdong, Hainan, Guangxi, and Yunnan) and the Closer Economic Partnership Arrangement (CEPA) between the mainland and two Special Administrative Regions (SARs), Hong Kong and Macao, which have benefited greatly in terms of foreign direct investment (FDI), trade, and tourism flows.

Yunnan and Guangxi enjoy strong cultural links to Thailand and the AEC. Thai is the second most popular foreign language, after English, in Yunnan, with more than 30 universities offering Thai-language courses for over 4,000 students. About 25 universities offer Thai courses for about 3,000 students in Guangxi. In addition, 1,200 Chinese students from Yunnan and 2,000 Chinese students from Guangxi study in Thailand. The Dai people from various locations of Yunnan such as in Xishuangbanna, Ruili, and areas along Mekong River are closely related to the Lao and Thai people who form large minorities in Laos PDR and Thailand.

ASEAN countries such as Myanmar, Vietnam, Laos PDR, and Thailand are important trade partners for Yunnan. In 2011, trading value between Yunnan and Thailand amounted to over USD 700 million, or about 10% of the total trade value of USD 7 billion between Asia and Yunnan; Yunnan exports to Thailand totaled USD 402 million, while imports from Thailand to Yunnan at USD 335 million. Three border trade zones link to Myanmar, Vietnam, and Laos PDR: Ruili trade zone with Myanmar, Hekou trade zone with Vietnam, and Mohan trade zone with Laos PDR, which is the main trade gateway to Northern Thailand. The economic link between Yunnan and Thailand could be done through Mekong River; an air connection between Changshui and several international airports in Thailand including Suvarnabhumi, Phuket, Chiang Mai and Chiang Rai airports; the Kunming-Bangkok Expressway or R3E through Laos PDR; the R3W through Myanmar; and the Pan Asian Railway planned for completion by 2020 with three main routes connecting Kunming and Bangkok through Laos PDR, Myanmar, and Vietnam-Cambodia. The new Changshui airport in Kunming began operations in June 2012 with a planned annual passenger
capacity of 38 million people in 2020 and 65 million people in 2040, compared with Suvarnabhumi’s current annual passenger capacity of 45 million people and planned increase to 100 million people in the future.

As a designated bridgehead for China-ASEAN linkage, Yunnan provides the economic platform and linkage for trade in goods and services and investment potentials between China and the AEC.

6. Thai processed food business in Yunnan

Yunnan’s value of trade with ASEAN is greater than that with the United States and Europe. The Chinese government has the policies for developing and promoting the production of high-tech agricultural products and free trade areas for exports to the middle and western regions of the country which includes Yunnan province. As a result, the overall level of economic development in Yunnan grew rapidly over the past decade. But Yunnan still needs to import food from many countries as a result of the rapid growth of the city and the steadily increases of population migrated to the urban areas under the Hukou system (Shi, Li, 2008; J.P. Morgan, 2012). With an increase in population and income, as well as the changes of the lifestyle, the demand for food, especially the processed food, is exponentially increasing.

Thai food sold in Yunnan market can be divided into three types: 1) condiments, which include pastes, powders and sauces; 2) snacks, which include seafood snacks, fruits and nuts, biscuits, desserts and sweets, and instant noodles; 3) canned fruit, juice and coffee. The major competitors of Thai foods are the foods from the country or region in ASEAN and East Asia. Comparing to the competitors, Thai food is superior in taste, standards of quality and low cost. Consumers in Yunnan buy Thai food mostly from specialty stores, to a lesser extent from the grocery stores, and only rarely from the supermarkets. When Yunnan consumers are asked why they buy Thai food, they cite the unique taste of Thai food and their desire to buy imported food at reasonable prices to use as gifts to others. Yunnan consumers are satisfied with safety and quality of Thai food, and agree to recommend it to friends. In order of importance, the two most significant factors in deciding to buy Thai food are safety and taste. Of lesser importance are quality, price and convenience respectively. Moreover, it was found that Thai food enjoyed a higher regard from those who had traveled to Thailand than those who have not.

As the nationwide refrigerated rail transportation system in China is still undeveloped, the transportation of the high-value imported goods, goods that require temperature control, and processed food can be done directly from the importers to the local retail stores by truck distribution directly from Shanghai and Guangzhou. The development of goods distribution by multi-modal refrigerated rail transportation that connects major cities in mainland China is still a work in progress, which when completed will make for a better distribution system. At the same time, many multinational retailing companies are taking part in developing and creating a modern cold chain and distribution system together with the Chinese. When distributing imported food products in China, it must be considered that China is not a single market; instead, it is separated into many small markets throughout the country where the markets may have overlapped and separated by geographical boundaries, as well as with different culture, tastes, age groups and languages. Therefore, no single formula exists for the markets in China. Currently, the most successful markets for imported foods are hypermarkets and specialty stores, because of their expertise in supplying imported processed foods and with foreigners as their target customers. They are also gaining popularity from high-income Chinese customers.

Entering the Yunnan market can be done by exporting, licensing, franchising, contract manufacturing (OEM), setting up a local office or branch in Yunnan, joint venture, mergers and acquisitions, or by investing in a company in Yunnan (greenfield and wholly owned subsidiaries). Currently the most popular methods to enter the Yunnan market for Thai processed food companies is by exporting through importers dealing with specific products in China, exporting through a single distributor in China, exporting through local partners in China, or by manufacturing products under an OEM (original equipment manufacturer) agreement for brands in China or as a joint venture with a factory in China. When setting up the price of processed food in Yunnan, the company should take into account of the value perceived by the consumers, the cost of logistics, the cost of importing from Thailand, and the competition.

As logistics improve in Yunnan, so will opportunities. The Kunming – Bangkok Highway (Kun-Man Gong Lu or the North-South Corridor) is a major land route that Thailand is a major hub links between
ASEAN countries and western China over a distance of about 1,850 kilometres. It takes only 20 hours to travel between Bangkok and Kunming. Currently, the construction of the fourth bridge crossing the Mekong River linking “Chiang Rai – Boko” is recently completed in the second half of 2013. Moreover, the new Kunming airport, Changshui, opened on 28 June 2012. The target customers for this new airport are passengers from South-East Asia and South Asia.

Regulations that Thai exporters should comply with when supplying food products to China market include the regulation of registration requirements for food manufacturers outside China (USDA GAIN Report, 2012), which became effective 1 May 2012; the labeling regulations for food products (USDA GAIN Report, 2011), which require packaging of processed food products sold to consumers in China be verified and labeled in Chinese, which is effective from 20 April 2012; and the certification regulations for imported food and agricultural products (USDA GAIN Report, 2011) under the Food Safety Law of China (USDA GAIN Report, 2009), which took effect on June 1, 2009. In addition, Thai processed food manufacturers who want to export to China are also required to comply with the transportation regulations, the regulations of China Inspection and Quarantine Bureau, as well as regulation from different customs in different provinces in China. For those who want to invest in China, the regulations for trade and investment in China should be investigated properly.

7. Key factors requiring mutual solutions between China and Thailand in processed food business

Major issues requiring mutual solutions between China and Thailand in the processed food sector involve factors related to marketing, product quality, product distribution, regulatory compliance, and government support.

The positioning and strategies for processed foods in China as premium products are very critical, as China has enjoyed high economic growth over the past 30 years with diverse cultural values and varied economic development in different regions. But the most important issue in the food business is the difference in flavour and taste of food for people in different provinces of China because of the diverse ethnicities and cultures. Therefore, product strategies include positioning the product as a recognized brand as well as designing the products to suit the tastes and flavours of each region. Pricing strategy should focus on how to draw the attention of customers with the products that have the same price level as the competitive products. It is suggested that the Thai government be involved directly in market analysis and research of different provinces of China to provide a database and market fundamentals information for the processed food business operators.

Quality is the competitive advantage of Thai processed foods. Thai processed foods have been recognized as quality foods in China. Southwestern Chinese people increasingly demand convenient products, health products and processed foods. Therefore, the demand for Thai processed foods is likely to grow. Nowadays, food safety is an important issue among Chinese consumers. As a result, Thai processed food manufacturers as well as related Thai government agencies are strongly encouraged to jointly promote the quality and safety of Thai foods in order to enter the Chinese market, especially for those large Thai food manufacturers that export to global markets under world-class quality and safety standards.

The distribution of Thai processed food exports is an important issue, because the distribution channels for processed foods are quite different from other food products, and the implementation of modern cold chain and distribution systems developed jointly by the Chinese operators and the Chinese government are immediately required. In addition, the retail markets in China have begun to change their operations. Starting from the acquisition and merger within the industry, the retail leaders such as Carrefour and Wal-Mart have acquired retail businesses and can extend to the outer metropolitan areas. Moreover, direct sourcing is a new approach to retailing, especially for imported products that need to keep food temperatures and imported processed foods. Neighborhood supermarkets are also a new approach to retailing. Wal-Mart, Carrefour and Tesco have expanded their businesses in the form of mini-supermarkets such as Tesco Express and Carrefour neighborhood outlets. Prices in these mini-supermarkets are no different from those in hypermarkets. Therefore, it must be realized that China represents the world’s largest market for processed foods. The processed food market in China is not a single market with same characteristics all over the country. It should be emphasized that finding importers and distributors who are experienced, stable, and possess good relations with target customers is critically important and the Thai
government could provide direct linkage and business-matching assistance. Trade shows, with strong and consistent leadership by related Thai government agencies, are a low-cost, effective method to understanding the market. Similarly, the Chinese trading culture is very important because of its unique Chinese commercial relationships or *guanxi*.

The processed food manufacturers exporting to China should work closely with the Chinese government and follow the relevant regulations. In addition to following the regulation of the registration of manufacturers outside China (effective May 1, 2012), the labeling regulations for food products on the packaging (effective April 20, 2012), the regulations on the certification of agricultural products and imported products under the Food Safety Law of China (effective June 1, 2009), the transportation regulations, as well as the regulations of China Inspection and Quarantine Bureau, the manufacturers of processed food should establish a strong and healthy relationship with both central and local governments in China and related agencies under the government of Thailand. Because processed foods are highly sensitive to issues of quality and hygiene, the Chinese government needs to audit the operations of Thai processed food manufacturing sites and requires the strong support and cooperation from related Thai government agencies. The applicants who submit the application for registration as the processed food manufacturers outside of China, with related supporting documents as required by the Certification and Accreditation Administration of People’s Republic of China, or CNCA, must be approved by the responsible agency of the Thai government for exporting processed food into China. The CNCA is required to form a team of experts to assess the documents submitted by the responsible agency in the country where processed food manufacturers exporting to China are located, and must establish an assessment team to monitor and evaluate the production process at the factory location with coordination and support from the Thai government. In addition, the government of Thailand must confirm that the Thai processed food manufacturers exporting to China comply fully with the relevant regulations of China (USDA GAIN Report, 2012).

The processed food manufacturers exporting to China need another aspect of strong support and cooperation from the Thai government, because of some food manufacturers’ intellectual property violation problems on products and brands. Thai food manufacturers are encouraged to ask for assistance from the Department of Intellectual Property, Ministry of Commerce, to coordinate negotiations with the Ministry of Commerce of China to jointly resolve the problems. At the same time, the processed food manufacturers exporting to China need assistance from the Thai Government to clarify the food import tariffs imposed by China and to confirm whether the products are Normal Track or Sensitive Items. Even though fresh fruit is not included in the categories of processed foods, fresh fruits enjoy high demand in China and only 23 items are listed as zero tariff. To export Thai fresh fruit to China, it is required to gain permission from the Chinese Inspection and Quarantine Bureau (CIQ) at custom entry points as well as to process applications through the State General Administration of the People’s Republic of China for Quality Supervision and Inspection and Quarantine (AQSIQ) in Beijing for a license to import or import permission. In addition, to obtain the import duty exemptions under the Free Trade Agreement, or FTA, Thai processed food manufacturers exporting to China should certify the products are manufactured according to the Rule of Origin (USDA GAIN Report, 2011). All these processes should be coordinated with the Bureau of Trade Preference, Department of Foreign Trade, Ministry of Commerce, in order to be entitled to an Import Duty Reduction or Exemption Certificate from the Chinese Customs.

8. **Conclusion and recommendations for future research on processed food**

This research project focuses on the scope of study in Yunnan Province because it is the closest province to Thailand connected by the Kunming-Bangkok Expressway, the Mekong River, and air transport. In addition, the Chinese government economic development plan designates Yunnan as a major economic center in southwest China, and the county’s most important outpost linked to the AEC, which will officially take effect in 2015 (B.E. 2558). With a population of about 1.3 billion people and a strong rise in income as well as the changes of the lifestyles, the demand for food, especially for Thai processed foods such as condiments, snacks, canned fruit, juice, coffee, and refrigerated processed foods (which immediately require the completion of a multi-modal refrigerated distribution system) is increasing exponentially. Thai food products in China enjoy a strong reputation of safety, superior taste, standard of
quality and low cost. Major factors that will support growth opportunities between China and Thailand in the processed food trade are identified as: product standards and product strategy; promoting competition on brand and quality; road show and trade exhibitions; centralized logistics and distribution development; market penetration through partnership with distribution channels; and trade dispute services and compliance with related regulations.

It is recommended that research projects on growth opportunities in the processed food sector be expanded to cover the Chinese market nationally and in selected provinces, and cover the list of Thai processed food products with strong market potential.

9. References


Urban Crime in Western and Eastern Societies (Chicago, London and Bangkok)

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Abstract

With a considerable rate of crime in Bangkok, the researcher studied and analyzed criminality in Bangkok compared with that throughout Thailand and in foreign cities. The researcher conducted documentary research using data from key agencies in three countries to analyze differences in the manifestation of crime. Crime in Thailand, particularly in Bangkok, was compared with Chicago, United States, and London, United Kingdom, to uncover differences.

In comparing statistics of reported criminal cases in Bangkok from 2008 to 2010 with national statistics, the researcher found that crimes against persons in Bangkok accounted for one-sixth the number of such cases throughout the country. Moreover, crimes against property in Bangkok accounted for one-third the number of such crimes throughout Thailand. It was discovered that crime dispersion in Bangkok differs from that in Chicago and London, which experience considerable crime in their city centers and lower crime rates in the area far from the center. Crimes in Bangkok, however, are dispersed throughout the city.

Comparing crime statistics per 100,000 people in the three cities, the researcher found the lowest homicide rates in London, followed by Bangkok and Chicago, which has experienced high homicide rates for many years. The comparisons also revealed considerable defects in data collection in Thailand, resulting in a number of limitations in analyzing statistics. As crime statistics in Thailand are not collected and processed to international standards, they cannot be used for clear analysis and comparison. Moreover, such statistics might be insufficiently comparable with other countries. Moreover, the statistics might display an inaccurate picture of crime that could lead to ineffective attempts at solutions. Therefore, the quality of data collection and storage should be urgently and greatly improved and standardized.

Keywords: Crime, Criminal, Criminology, Sociology, Western Societies, Eastern Societies, Chicago, London, Bangkok.

1. Introduction

Continuous change exists in every society. Social change aims to raise the public’s living standards in areas such as cultural improvements, effective use of natural resources, and development of knowledge and technology. Change can occur slowly or quickly, in an organized or disorganized fashion, depending on several factors including a society’s education level and culture, changes in natural resources, and the arrival of new inventions. Social change is often discussed in two aspects: social progress and social deterioration.

Evolutionary theorists say that social change comprises a systematic process leading to more development and progress; a simple society becomes more complicated as it progresses continuously toward a perfect society. On the contrary, conflict theorists believe social change causes negative effects. They assume social behavior can be understood through conflict among various groups and people caused by competition to own rare and valuable resources; such conflicts lead to social deterioration and worsening social change (Pinwiset, 2007).

Human life is affected by improving and worsening social change in areas such as food, dress, human relations, and living space. Positive effects have come from new inventions that have improved and expanded developments such as roads, electricity, air travel, and computer technology. Meanwhile, social change has also had negative effects: the same rapid progress of technology and industry, for example, has exacerbated differences between urban and rural society, leading to greater social inequality, poverty, unemployment and crime, as this research shows.
2. Objectives
   2.1 To study urban crime in Western and Eastern societies.
   2.2 To study crime statistics of Chicago, London and Bangkok.
   2.3 To compare criminality in Bangkok with that throughout Thailand.
   2.4 To compare criminality in Bangkok with that in Chicago and London.

3. Methods
   Documents were surveyed for crime data to determine guidelines for solving current problems as well as potential solutions for anticipated issues. The research sought answers so as to create a body of knowledge from documents and other sources, both in print and electronic media (Scott, 2006). Researchers did not visit research sites.

   Documentary research was social research: collected data from texts, documents, reports and other sources with results obtained by data analysis and synthesis (Mogalakwe, 2006). Data came from public documents: material written or published by government agencies and the private sector, including acts, royal decrees, ministerial regulations, annual reports and documents containing statistics that were analyzed. These public documents were published according to the terms of the state agencies (Scott, 1990). Chicago and London (large cities in the United States and United Kingdom) were selected to illustrate urban crime in Western societies. Bangkok (Thailand’s capital and largest city) was selected to illustrate urban crime in an Eastern society. Primary data comprised 2007-2010 crime statistics in Bangkok and nationally from the Ministry of Social Development and Human Security and the Royal Thai Police; 2007-2008 data in Chicago from the Chicago Police Department Annual Report; and 2007-2008 statistics in London, Manchester, Liverpool, Birmingham and New Castle from the Ministry of Interior (Home Office), United Kingdom.

4. Literature review
   4.1 Burgess’s concentric zone model
   Burgess (1925), a criminologist, who jointly developed the Theory of Human Ecology with Robert Park (1925), used this theory to explain Chicago’s growth as follows:
   “The society of Chicago grew by extending from the center in circle radius and each community would also extend from the center in the same way, causing change process in that zone or community” (Burgess, 1925).
Burgess’s Concentric Zone Model is shown in the following diagram.

**Figure 1** Burgess’s Concentric Zone Model

Burgess divided Chicago into five zones classified by area use with details as follows:

- **Zone 1** was The Loop: the center of trade and business situated in the heart of Chicago. This zone specifically had shops and commercial space with no residential dwellings.
- **Zone 2** was the Zone in Transition: the city’s oldest area with dwellings for Zone 1 factory workers, mainly immigrants and black workers migrating from the South who lived in dwellings divided by race or economic status. This zone was affected by the change process of the Theory of Human Ecology (Invasion, Dominance, and Succession), causing constant deterioration that resulted in Chicago’s highest crime rates.
- **Zone 3** was the Zone of Workingmen’s Homes. As workmen migrated from Zone 2, this zone became filled with accommodations at moderate prices. Most dwellers had higher incomes than Zone 2 residents.
- **Zone 4** was the Residential Zone: an area of people with higher economic and social status. Residences here were expensive and residents were affluent. Some residents had migrated from Zone 2 or Zone 3.
- **Zone 5** was the Commuters Zone, which was adjacent to the rural area. Few houses were situated in this zone because it was very far from the city (Burgess, 1925).

Burgess, sociologists and other criminologists of the University of Chicago attached special importance to areas in Zone 2. As these areas attracted migrant workers and immigrants, people with moderate or high economic status migrated to the next zone; as a result, areas in this zone would become deserted and offer inexpensive dwellings that attracted immigrants and rural migrants. With this constant flow of people, Zone 2 was changing constantly. Relationships among people in the community were weak, causing low-performing social mechanisms and customs that normally control behavior in a community. In Zone 2, change was marked by greater social disorganization that contributed to deviant behavior and criminality.

### 4.2 Social Disorganization Theory

Shaw and McKay (1942), sociologists at the University of Chicago, had developed the Theory of Human Ecology and Theory of Concentric Zone Model to use as guidelines for studying crime. Both theories were developed as the Social Disorganization Theory:

“Social condition of the community had changed at all times due to urbanization, weakening social control mechanism of the community and leading to considerable crimes” (Shaw & MacKay, 1942).
According to this theory, criminal behavior stemmed from the city’s growth, which caused disorganization and continuous change in the community that forced it to face more crime than other communities as shown in the following chart.

![Figure 2 Shaw and McKay's Social Disorganization Model](image)

Social Disorganization Theory explains that growth and change in the city lead to unsettled conditions in a community as follows:

- **Loss or reduction of the social control mechanism**: Due to greater migration into a community, dwellers do not know each other, which leads to weakness of the control mechanism within that community.
- **Cultural inheritance**: New arrivals adapt to both bad and good behaviors of current residents, sometimes causing deviant behavior.
- **Cultural conflicts**: New migrants bring new and different values, beliefs, and cultures. These differences unavoidably cause cultural conflicts.
- **Poverty**: Most migrants are immigrants or rural people seeking new jobs in the big city. These people typically have low economic and social status.

Burgess’s Concentric Zone Model (Burgess, 1925) and the Social Disorganization Theory of Shaw and McKay (1942) were classified as the Chicago School of criminology: recognized and continuously used for explication, especially the use of said theory to explain characteristics of urban crime around the world. Yet no one in Bangkok has studied and applied the Chicago School theory. Likewise, a specific theory of characteristics of crime in Bangkok was not created to explain criminal characteristics in a city without planning.

5. Discussions

5.1 General features of Bangkok

Bangkok’s land mass comprises 1,568.737 square kilometers on the Chao Phraya river basin, adjacent to Nonthaburi and PathumThani provinces to the north, Chachoengsao province to the east, SamutPrakarn province to the south, and SamutSakhon and NakhonPathom provinces to the west. Bangkok is a special administrative district according to Bangkok Metropolitan Administration Act. B.E. 2528, an administrative agency with an elected governor and deputy governor responsible for administration. Bangkok comprises 50 districts in three zones according to the concept of crime control:

- **The inner zone** districts are Dusit, Khlong Toei, PomprapSatruPhai, PhraNakhon, Wattana, Pathumwan, Samphanthawong, Phrakanong, Bangrak, Phayathai, Bangna, Yannawa, Ratchathewi, BangkhorLaem District, HuayKhwng, Sathorn, and Din Daeng.
- **The middle zone** districts are Bang Sue, LatPhrao, Thonburi, Jatujak, Wang Thong Lang, Khlong San, Lak Si, BuengKum, Ratburana, Don Muang, Bankapi, ThungKhrú, Bangkhen, SuanLuang, Jom Thong, Sai Mai, Praves, Saphan Soong, and Khan Na Yao.
- **The outer zone** districts are Min Buri, Bang Phlad, Phasi Charoen, NongJork, Bangkok Noi, Bang Khae, LatKra Bang, Bangkok Yai, ThawiWattana, Khlong Sam Wa, Ta Ling Chan, NongKhaem, Bang Bon, and Bang KhunThian.
There are 8.2 million people in Bangkok, an important capital that is the center of progress in every respect, including investment, trade, education, employment, services and international culture. Every year people from every region of Thailand continuously enter and leave Bangkok, including informal residents who come to study and work, as well as domestic and foreign short-term and long-stay tourists. (National Statistic Office, 2011).

5.2 Crime in Bangkok (metropolitan area) compared with that in other provinces

Figure 4 Crimes against persons across regions, FY 2000/2001 to FY 2007/2008
The Royal Thai Police classify crimes into five categories: 1) serious crimes; 2) crime against persons; 3) property crimes; 4) interesting crimes; 5) victimless crimes. According to the above chart of reported criminal cases in Bangkok and other regions during 2009, little difference in crimes against persons between Bangkok and other regions was seen. In contrast, crimes against property in Bangkok were three to four times higher than in other regions.
Figure 7 Statistics of reported crime against persons in Bangkok compared with reported criminal cases throughout the country (during 2008 – 2010)

Figure 8 Statistics of reported property crimes in Bangkok compared with reported criminal cases throughout the country (during 2008 – 2010)

After comparing crime statistics throughout three years in Bangkok with statistics throughout the country, the researcher found that, as for the two categories of offence shown in the above chart, criminal cases in Bangkok accounted for one-sixth the numbers of crimes against persons and one-third the numbers of crimes against property throughout the country. Bangkok experienced more crime than in other provinces, which might stem from several factors.
5.3 Criminal causes in Bangkok

Social problems in Bangkok have increased rapidly. Most problems stem from the migration of people to work, study and operate businesses in the city despite the government offering little support to migrants. The resultant crowded communities and inadequate infrastructure have created many social problems. According to Park’s Theory of Human Ecology related to the community change process called “Invasion, Dominance, and Succession” (Park, 1925) that fosters crime, Bangkok is a city of rural migrants and immigrants whose situations cause social problems. The change process in Bangkok encompasses factors from the Theory of Human Ecology that lead to many social and criminal problems. Bangkok grew and developed with no organized direction, patterns or urban/environmental planning. As rural people continued to migrate to Bangkok, the city extended continuously to the point of fully urbanizing the suburbs. General problems in Bangkok are overcrowding, child labor, swindling, unemployment, prostitution, drug abuse, pollution and traffic jams: all leading to a deteriorated quality of life. The causes of crime can be analyzed from two perspectives:

**In the macro perspective**, crime in Bangkok is caused by rapid social change that made Bangkok grow in a disorganized fashion, causing an imbalance among social and physical structures and much crime. **In the micro perspective**, crime in Bangkok is caused by extreme competition. As everyone struggles to survive, individuals do everything needed to enable survival in the city, resulting in criminal acts. Moreover, the Social Disorganization Theory, which states that “Social condition of community and dwellers had changed at all times due to urbanization which weakened social control mechanism of community and led to considerable crimes” (Shaw & MacKay, 1942), can explain characteristics of Bangkok’s chaos. Bangkok is a norm-less city; its social mechanism has become more fragile over the past 20 years. More dwellings such as condominiums, apartments and rental homes that house migrants have weakened the social control mechanism: people seldom know each other. Moreover, Bangkok residents do not abide by laws that traditionally have controlled social order, such as the Building Control Act, Cleanliness Act and Traffic Act. Law-breaking by the general public has diminished their conscience, resulting in further violations of the law.

5.4 Crime in Bangkok compared with characteristics of crimes in large, Western cities

5.4.1 Crime in Chicago

<table>
<thead>
<tr>
<th>Table 1 Statistics of reported criminal cases in Chicago</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Index Crimes, 2007 - 2008</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Murder</td>
</tr>
<tr>
<td>445 510</td>
</tr>
<tr>
<td>445 510</td>
</tr>
<tr>
<td>14.6%</td>
</tr>
<tr>
<td>14.6%</td>
</tr>
<tr>
<td>Criminal Sexual Assault - Total</td>
</tr>
<tr>
<td>1,599 1,578</td>
</tr>
<tr>
<td>1,599 1,578</td>
</tr>
<tr>
<td>1.1%</td>
</tr>
<tr>
<td>1.1%</td>
</tr>
<tr>
<td>Attempted Criminal Sexual Assault</td>
</tr>
<tr>
<td>89 88</td>
</tr>
<tr>
<td>89 88</td>
</tr>
<tr>
<td>-1.1%</td>
</tr>
<tr>
<td>-1.1%</td>
</tr>
<tr>
<td>Criminal Sexual Assault</td>
</tr>
<tr>
<td>1,510 1,490</td>
</tr>
<tr>
<td>1,510 1,490</td>
</tr>
<tr>
<td>-1.3%</td>
</tr>
<tr>
<td>-1.3%</td>
</tr>
<tr>
<td>Robbery - Total</td>
</tr>
<tr>
<td>15,426 16,661</td>
</tr>
<tr>
<td>15,426 16,661</td>
</tr>
<tr>
<td>8.0%</td>
</tr>
<tr>
<td>8.0%</td>
</tr>
<tr>
<td>Armed Robbery</td>
</tr>
<tr>
<td>8,989 10,078</td>
</tr>
<tr>
<td>8,989 10,078</td>
</tr>
<tr>
<td>12.1%</td>
</tr>
<tr>
<td>12.1%</td>
</tr>
<tr>
<td>Strong-arm Robbery</td>
</tr>
<tr>
<td>6,437 6,583</td>
</tr>
<tr>
<td>6,437 6,583</td>
</tr>
<tr>
<td>2.3%</td>
</tr>
<tr>
<td>2.3%</td>
</tr>
<tr>
<td>Aggravated Assault/Battery - Total</td>
</tr>
<tr>
<td>17,428 17,048</td>
</tr>
<tr>
<td>17,428 17,048</td>
</tr>
<tr>
<td>-2.2%</td>
</tr>
<tr>
<td>-2.2%</td>
</tr>
<tr>
<td>Gun</td>
</tr>
<tr>
<td>4,500 4,823</td>
</tr>
<tr>
<td>4,500 4,823</td>
</tr>
<tr>
<td>7.2%</td>
</tr>
<tr>
<td>7.2%</td>
</tr>
<tr>
<td>Knife or cutting instrument</td>
</tr>
<tr>
<td>4,361 4,225</td>
</tr>
<tr>
<td>4,361 4,225</td>
</tr>
<tr>
<td>-3.1%</td>
</tr>
<tr>
<td>-3.1%</td>
</tr>
<tr>
<td>Other dangerous weapon</td>
</tr>
<tr>
<td>7,973 7,400</td>
</tr>
<tr>
<td>7,973 7,400</td>
</tr>
<tr>
<td>-7.2%</td>
</tr>
<tr>
<td>-7.2%</td>
</tr>
<tr>
<td>Hands, fists, feet, etc.</td>
</tr>
<tr>
<td>594 600</td>
</tr>
<tr>
<td>594 600</td>
</tr>
<tr>
<td>1.0%</td>
</tr>
<tr>
<td>1.0%</td>
</tr>
<tr>
<td>Violent Crime Subtotal</td>
</tr>
<tr>
<td>34,898 35,797</td>
</tr>
<tr>
<td>34,898 35,797</td>
</tr>
<tr>
<td>2.6%</td>
</tr>
<tr>
<td>2.6%</td>
</tr>
</tbody>
</table>

From the 1960s to the 1990s, Chicago experienced a high rate of violent crimes and the highest murder rate in the United States (David, 2003). At present, Chicago still faces major crime problems compared with other US cities. Crime in Chicago stems mainly from immigration from Russia, Italy and China, with a concentration on organized crime. According to statistics from the Chicago Police Department in 2007-2008, there was a high murder volume of 510 cases in 2008, or 17.5 murders per 100,000 residents (Chicago Police Department Annual Report, 2008): the highest rate for violent crimes in Chicago.
The conclusion from Burgess’s Concentric Zone Model during the 20th Century that “The society of Chicago grew by extending from the center in circle radius” can be used to explain crime that occurs in the city to this day. The chart indicates that violent crimes in Chicago in 2006 were still dispersing from the center. A high crime volume (more than 3,000 cases) was still occurring in Zone 2, which was still accommodating working migrants. These people committed crimes and gathered in groups for organized crime.

5.4.2 Crime problems in London

London, the capital of the United Kingdom, is a city under considerable security compared with other UK cities such as Manchester, Liverpool, Birmingham and New Castle. London experienced a very low murder rate of 1.1 cases per 100,000 people in 2007, the lowest rate among UK cities.

Table 2 Statistics of reported criminal cases in London compared with other UK cities

<table>
<thead>
<tr>
<th>Police force</th>
<th>Main city</th>
<th>Homicides</th>
<th>Violence Against persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greater London</td>
<td>London</td>
<td>1.1</td>
<td>2320</td>
</tr>
<tr>
<td>Greater Manchester</td>
<td>Manchester</td>
<td>1.9</td>
<td>1930</td>
</tr>
<tr>
<td>West Midlands</td>
<td>Birmingham</td>
<td>1.6</td>
<td>2050</td>
</tr>
<tr>
<td>Merseyside</td>
<td>Liverpool</td>
<td>2.3</td>
<td>2050</td>
</tr>
<tr>
<td>Northumbria</td>
<td>Newcastle</td>
<td>2.1</td>
<td>1390</td>
</tr>
</tbody>
</table>

London has lowest rate of homicides due to two main policies:

**Under Policy 1**, London has the highest population monitoring via closed circuit television (CCTV) in the world.

**Under Policy 2**, strict enforcement of the Pistol Act of the United Kingdom greatly limits homicides.

London stepped up population monitoring after the bombing at Bishop Gate, an important financial business center, on 24 April 1993, leading to greater use of CCTV and stricter security measures. Later, government implementation of the “ring of steel,” a series of surveillance and security measures surrounding the City of London financial district that was eventually widened, turned London into the most monitored city in the world. In 1996, the government installed 15,000 CCTVs in public places (Fussey, 2007; Davis 2008). Found more than 500,000 CCTV installations.

Moreover, a policy that reduced homicides in London and the UK was implementation of the Pistol Act. Implementation guidelines in accordance with UK pistol control policy began in 1903. The country had passed laws to license handguns for suitable reasons, with stricter controls implemented during
World War II (1939-1945). Only police officers in some agencies carried firearms during operations such as security for the prime minister and the British royal family. Police patrol officers did not carry guns. During 1997, the Pistol Act stipulated that only authorities could possess pistols. In 2004, the Ministry of Interior adopted Tasers and baton guns, while only police officers trained for pistol use and were strictly selected could carry firearms. In 2006, the United Kingdom issued the Imitation Firearms Control Law for baton guns, resulting in the lowest rate of violent crimes involving pistols compared with every other country. Most criminals use knives, which are relatively easy to confront and control.

Characteristics of crimes in London in 2008 from the Crime Mapping of London Metropolitan Police showed that crimes were similar to those in Chicago which dispersed from the center. The area of excessive crime was in the second circle of the city: the zone adjacent to the city center and included dwellings of migrant workers, according to Burgess’s Concentric Zone Model (Burgess, 1925). The next zone, comprised of dwellings of people with higher status, experienced fewer decreasing crimes.

5.4.3 Differences among crimes in London, Chicago and Bangkok

After comparing characteristics of crimes in Bangkok with those in Chicago and London, the researcher found that crimes in Bangkok, Chicago and London differed because Bangkok’s development did not extend from the center as in other cities. Though its role is to solve crime in Thailand, the Metropolitan Police Bureau, Royal Thai Police has never made criminal maps of Bangkok; hence, characteristics of crimes in Bangkok cannot be clearly analyzed. However, after using Burgess’s Concentric Zone Model (Burgess, 1925) to explain crimes in Bangkok, the researcher found that residential patterns in Bangkok are different from those in Western cities. People with high status desire dwellings in the center of Bangkok, while people with lower status prefer living in outside areas where costs are lower than in the city’s center.

Moreover, dispersion of progress in Bangkok was unlike that in cities around the world. Department stores were built in each city corner. People illegally migrated to build dwellings and live in every district of Bangkok. According to Burgess’s Concentric Zone Model, a district in Bangkok most similar to Zone 2 was
Khlong Toei, with the highest rate of violent crime, crimes against property and drug-related crime. This resulted from district land being illegally seized and occupied by poorer people, causing the “Invasion, Dominance, and Succession” change process in Park’s Theory of Human Ecology (1925).

Table 3 Comparative statistics of crimes per 100,000 people: Chicago, London and Bangkok 2007

<table>
<thead>
<tr>
<th>Type of crime</th>
<th>Chicago</th>
<th>London</th>
<th>Bangkok</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homicides</td>
<td>15.32</td>
<td>1.1</td>
<td>4.86</td>
</tr>
<tr>
<td>Violence against persons</td>
<td>600.91</td>
<td>2,320</td>
<td>90.4</td>
</tr>
<tr>
<td>Sexual offences</td>
<td>55.13</td>
<td>1,200</td>
<td>9.09</td>
</tr>
<tr>
<td>Robbery</td>
<td>531.93</td>
<td>4,900</td>
<td>13.41</td>
</tr>
<tr>
<td>Burglary, Larceny</td>
<td>4,236.40</td>
<td>24,000</td>
<td>456.96</td>
</tr>
</tbody>
</table>

By comparing crime statistics per 100,000 people in Chicago, London and Bangkok, the researcher found that London had the lowest homicide rate of 1.1 cases per 100,000 people, followed by Bangkok with 4.86 cases and Chicago with an extremely high rate of 15.32 cases. London had the highest rate of violence, followed by Chicago and Bangkok, which had a very low rate of violence: 90.4 cases per 100,000 people. However, many violence cases are unrecorded, causing an inaccurate collection of statistical data and erroneous analysis and policy proposals.

As for sexual offences, Thailand’s recording of statistics for this type of crime is problematic. According to the collection of statistics of five groups of criminal cases by the Royal Thai Police, only rape cases are recorded, not other sexual offences, causing untrustworthy data that indicates differing statistics for sexual offence in Bangkok and other cities.

Statistics for robbery and mugging indicate the limitations of Thai law and comparing statistics of foreign countries. According to Thai Law, Criminal Code Section 240 defines robbery as an action of more than three people, while mugging is an acquisition of property using violence. Foreign countries do not separate these two crimes, causing difficulty in comparing statistics in Thailand with those in foreign countries. Thus the author had to combine the number of crimes from the two categories (the rate of robbery committed by 1-2 offenders by 9.90 and the rate of robbery committed by 3 offenders or more by 3.51) before comparing with other cities.

Moreover, people concerned do not always receive or record reports of crimes because the policy of the Royal Thai Police defines robbery or mugging as serious crimes, resulting in distorted data that indicate different statistics of robbery and mugging in Bangkok and other cities.

As for burglary, because the Royal Thai Police does not separate indoor burglary from outdoor theft, problem-solving policies cannot be determined. Statistics shown in tables present untrustworthy data indicating that a low rate of crimes against property in Bangkok compared with other cities.

6. Conclusion

Crime in Bangkok stems from a deteriorated society and weakened social bonds due to migration from other provinces: a rapid increase in number of rental housing units, single homes and large condominiums support overpopulation. Clearly seen in Bangkok is the lack of close relationships among neighbors. After analyzing problems with the Theories of Sociological Criminology, the researcher found that Bangkok is partially associated with the theory’s conclusions.

The association holds in that Bangkok continuously attracts rural migrants and immigrants, leading to social and crime problems. Bangkok’s social mechanism has been weakened due to this fast social change; urban society creates social and crime problems. However, after comparing Burgess’s Concentric Zone Model that can be used to explain characteristics of crime in other cities such as Chicago and London, the researcher found that the theory could not be used to explain characteristics of crimes in Bangkok because the city did not experience growth extending from the center as experienced in other cities. Residential values of people with high and low social status differ from those of Westerners. After
comparing crime statistics for Chicago, London and Bangkok, the researcher found numerous defects in statistical-gathering in Thailand: neither clear analysis and comparison nor correct determination of crime-solving policies is possible.

Thus, solving crime in Bangkok cannot start with determining effective policies because statistics collection, cause analysis and consideration of crime problems have not been evaluated to international standards. Finally, police officers do not disclose true statistics of crimes so as to maintain a good image of the Royal Thai Police force, negatively affecting management of crime in Bangkok and Thailand and forgoing improvement unless and until their values and implementation methods change.

7. References


Chinese Images as Perceived by Neighbouring Countries –
a Benign but Assertive Hegemon: Survey Research of Online-newspapers
in Cambodia, Laos, Myanmar and Vietnam

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Abstract
Within the globalising world in which so many people have perceived the effects of a mighty and strong East Wind, or Easternisation, it is hard to deny the significance of China, specifically in terms of economics and security. As a mighty country, Chinese domination can easily be observed within her small, southern neighbouring countries: Cambodia, Laos, Myanmar and Vietnam, or CLMV. This observation is drawn from news presented in CLMV online newspapers over the past 3-5 years.

This survey-research is aimed at determining to what extent and how the CLMV have perceived Chinese activities; how image(s) viewed here as reflections of such perceptions were illustrated; and what factors were behind such perception(s). A constructivist approach is employed due to its strength in illuminating the significance of the dynamic social-learning process presented as covering online-news consumption. CLMV perceptions of Chinese images is constructed and that it can be altered or destroyed according to the changing perceptions as that appear within this research.

In summary, the conclusive image of the Chinese can be viewed as a benign but assertive hegemon. Yet the level of perception regarding Chinese assertiveness varies and depends on the level of Chinese activities taking place within each country concerning economic dependence and development. Cambodia and Laos show greater compliance with Chinese assertiveness compared with Myanmar and Vietnam.

Keywords: image/perception, China, CLMV countries, Constructivism, International Political Economy, Hegemony.

1. Introduction
The movements of the ‘Big Dragon’ are too important to be missed, whether by its small, southern neighbouring countries or by the West. The latter has cast its hopeful eyes on Beijing’s movements and performance, particularly in economic terms, as there might be helpful resources amid the world’s current economic crisis, though Beijing’s leaders have retained their opposing political ideology. Expectations from the West have risen since the third quarter of 2010, when China’s economic performance was evaluated as having surpassed that of Japan, specifically in terms of gross domestic product (GDP: US$1.337 trillion compared with $1.288 trillion). China’s economic outcome expresses a stunning success story. In just three decades since opening its eastern coastal cities, something that began in 1978 under Deng Xiaoping, the economic size of Asia’s ‘Mighty Dragon’ has grown 90-fold. Consecutive growth for two decades has helped Beijing prosper with $3.2 trillion in foreign reserves plus overseas assets worth some $2 trillion. This prosperity has caused an uncomfortable expectation that China’s economic strength, in terms of being a major importing country, might surpass that of America in 2014, and that its economic size might grow larger than that of America by 2018 (Economic Focus, 2011).

China’s performance contrasts greatly with conditions in the Euro Zone, particularly in those economies closely tied to Greece’s uncertain economic fate. Within the engaged group comprising Italy, Portugal, Spain, France, the US, the UK, Ireland and Germany, the average debt-to-GDP ratio in 2011 was 332.3 per cent. Ireland seized first place at 1,093 per cent, followed by the UK at 436 per cent. Spain took third place at 284 per cent. The average public-debt-to-GDP ratio was 102.22 per cent. Greece occupied the champion’s seat at 166 per cent, followed by Ireland at 109 per cent and Portugal at 106 per cent (Chalermpuntusak, 2012b). The intractable public debt crisis, despite Germany’s disbursement of 500 billion euros to crisis-prone economies such as Greece and Spain, has accentuated the significance and expectations placed on China’s political-economic decisions (Flanders, 2012 & Coy, 2012) as to whether its
decisions aim toward the Euro Zone or the ‘Mighty Dragon’s’ small, southern neighbours. These countries, which are the main focus of this research, have also been affected by the Euro Zone crisis through their potentially diminishing export markets. Adding to their uneasiness has been China’s retrospective inclination to limit GDP growth to 7.5 per cent as announced at the People’s National Congress in March 2012 (Chalermpuntusak, 2012a). The decision aimed at decreasing internal difficulties, e.g., income inequality and fairness, but it raised concern from those economies that had placed hope on the trend of Chinese economic growth, which had been expected to be 8.5 per cent for 2012-2013. With that expectation, the West believed Beijing would join hands to lessen the Euro Zone public debt crisis and help sustain annual global economic growth at 3-4 per cent (Hatzius, 2012).

China’s changed economic policy also signals its disinclination to increase imports. Not only that, it indicates Beijing might export less capital, which raises questions as to whether the Chinese still plan to tilt toward the West or will lean elsewhere. Further questions arose over Hu Jintao’s handover of his supreme power to the country’s fifth-generation leadership, with rumours suggesting that the political transition would not be smooth due to a power struggle. Sacking Bo Xilai, a high-ranking member of the Chinese Communist Party (CCP) and governor of Chongqing, whose success included the development of Dalian, a highly prosperous special municipality in the mid-West region, was an infamous case in point (Simpson, 2012). The Bo Xilai incident also dragged the name of Zhou Yongkang into the public. Hu Jintao, as CCP chairperson, was asked in an open letter written by military veterans to sack Zhou as a high-ranking officer, whose main responsibility was to oversee ‘internal security’ but who had overlooked the Xilai scandal. Worse still, rumours had it that Zhou was also embroiled in an attempt to hatch an aborted coup (Bristow, 2012; Grammatica, 2012a-b). It was the same Zhou who had toured the small, southern neighbours to tighten military and security relationships between China and its neighbours. This information indicates that it is indeed hard to deny China’s significance when the East wind blows strongly, not to mention its impact upon its neighbours’ well-being, which depends on whether that wind is a cool, refreshing breeze or a strong gust.

2. Research questions, Theoretical Framework, and Methodology

The above economic phenomena and the way news regarding related movements has been presented have raised the question of whether China’s significant status has had any effects upon its small, southern neighbours. If so, to what extent and how have these effects been perceived and accepted by those countries whose socio-politico-economic levels of development differ from those in China? This research aims at scrutinising to what extent and how Chinese influences have been perceived, evaluated, and presented within societies of those neighbours that are continental members of the Association of Southeast Asian Nations (ASEAN). To focus more on the influences that might be derived directly from China’s presence, be they positively or negatively felt, this project places attention on four countries: Cambodia, Laos, Myanmar, and Vietnam (CLMV).

The preliminary understanding before conducting this project was that CLMV were inclined to depend highly on China in many respects, particularly as a vast exporting market and as a main source of capital for investment. Beyond those factors are many alterations, specifically in terms of trade and general developments, as well as questions as to what extent and how news and information regarding China and the Chinese have been presented and perceived. Though CLMV are small states, their strategic geo-politic and geo-economic locations can respond well to China’s plans aimed at connecting logistic networks from Indian-Ocean-rim countries to its southwest, meaning they would link to its networks of western logistic lines that are expected to connect China with Eurasia. These huge geographical areas are vital to China not only in terms of stockpiling and transmitting essential resources, i.e., oil and rare earths, but also in terms of directly connecting China with Europe (Yang, 2006).

What this project, focused on China image(s), would like to discover and present is to what extent and how information regarding China and the Chinese, which can be accessed online, have been presented in CLMV societies and what aspects, be they economic, social or political, are more prominent. Reckoning on this information could help us pave the way to understanding and initially evaluating ‘China’s image(s)’ when the winds of Easternisation blow strongly. Tracing back methods through historical relationships between China and CLMV is an essential means, by having socio-cultural aspects as a key stance.
Understanding CLMV’s social-learning processes regarding China and the Chinese as socially mediating spaces for perceiving and presenting the way CLMV societies regard China’s image(s) is important: idea and perception are inseparable from the mentioned social-learning processes. By accepting the reckoning on China’s image(s), one cannot avoid these matters; hence, the research questions are set to find out:

1) whether there is a singular image of China among the CLMV: if so, what does it look like; if not, what kind of images have been perceived;
2) the images found from the first group of questions incline to which direction: positive or negative, and;
3) to what extent and how have the discovered images been constructed, and what ideas and phenomena have had their share in constructing the discovered images.

Understanding the way perceptions are constructed via media, CLMV online newspapers for this project, is one way to comprehend the publicly socialising processes, not only for those interested in the affairs of China and the Chinese, that nurture the constructed images. This process, regarded as part and parcel of perception and image construction in the public sphere, is essential to fertilising and nurturing good relations among the concerned parties. Following this logic, it is no surprise that Xinhua, China’s main news agency, cooperates with the Vietnam News Agency (VNA) to exchange and produce news and information for broadcast in each other’s country with counterpart audiences in mind.

Constructivism is a theoretical foundation employed here due to its strong point of accepting that human beings are vital in constructing/destructing social reality through conscious realization that social institutions and structures derive from human intentions and actions. Peter L. Berge and Thomas Luckman (1966/1967) argue that any existing condition is not so stable that it cannot be changed. In other words, those who regard social conditions as static are those who want to preserve a status quo. For them, ideas and any kind of social actions are not social realities. On the contrary, they are initiated by the social construction of reality. All kinds of social structures and institutions affect the way social agencies frame their ideas and understand and perceive social actions and realities. This project intends to pay attention to CLMV social perceptions and understandings toward China and the Chinese. By regarding CLMV online newspapers and social media as social agencies, this research project highlights the significance of content derived from news and information presented via online newspapers as the main sources for observing the ways CLMV societies perceive and comprehend China’s images.

While emphasising ideas as inter-subjective social construction makes constructivism compelling for this project, it is not a totally new social invention, specifically tracing-back a history of thoughts, albeit a Western inclination, and the way social science has been studied. Yet Karl Marx (1960) laid out a firm foundation with Friedrich Engels. For Marx, ideas could not be separated from their surroundings: ideas are both socially constituted and constituting. Following this logic, it is hard to understand ideas without understanding the social structures hosting them and their consequences. Social structures, in this regard, are comprehended as intricately interwoven social spaces constructed and nurtured by interactively economic, political and socio-cultural dimensions. These social spaces are a fertile ground for constructing agents’ perceptions. Comprehending social conditions that initiated and/or constructed the ideas, Marx emphasises, is necessary to maximise the changing potentiality derived from them. The emphasis placed on the utility of ideas, in both Marxist and Marxian senses, generates the concept of the ‘philosophy of praxis’ (Gramsci, 2003: 343-357).

Ideas presented through CLMV online newspapers, this project argues, reflect not only the changing social structure leaning toward CLMV’s economic dependence on China economic dependence on the CLMV, particularly trade and direct investments, but also signify that CLMV’s internally structural changes in all aspects have their share in constructing the ideas and images about China. Resentful news and information are also presented to illustrate that the dominating China and Chinese are not beyond reproach. Expressions of local resentment and even protests are already part and parcel of socially constructed images. The protest against the Chinese-sponsored Myitsone Dam project is a case in point.

In other words, constructivism highlights the significance of the social-learning processes as interactive social spaces in which social comprehension and construction/destruction are not only taking place but also interwoven. Only within such spaces can one observe to what extent and how historically socio-cultural relationships have been tried. The observable results can offer a clue as to whether the past,
chequered relationships between China and CLMV will persist. Myanmar and Vietnam, guarding their relationships with China for economic and strategic reasons, are especially interesting in this regard within this project’s limited time-frame. This project illustrates that understanding economic necessities without their political contexts or vice versa is futile, specifically for those who want to have a clearer view depicted in the dynamic relationships between China and CLMV.

Although social reality, meaning the Chinese domination toward CLMV economic structures, is alterable, changes don’t come easily. The existing picture illustrates that material success and capital accumulation driven by Chinese economic power have been accepted as social reality in CLMV’s ways of life. It has also been embedded in the way CLMV citizens view themselves and their societies, whether or not they realise it. What should be kept in mind, according to Margaret S. Archer (1988, 1995), is that there is no guarantee of successful change at either phenomenal or structural levels. More likely, agents’ attempts to change socially engaging action end up reproducing some phenomena at best, or parts of existing social structures at worst. Archer notes that agents’ comprehension regarding existing conditions is crucial here, specifically socio-cultural aspects that have been long rooted in people’s ways of life. Following this logic, it is no surprise that perceptions highly favouring economic success are likely to be reproduced in CLMV societies when news and information presented via online newspapers and other sources are taken into consideration.

This interactive social space is fertile ground for observing and analysing China’s image through the eyes of CLMV societies. By which means and how they will be observed and studied? Regarding matters under study, attention must be paid to the way languages are used. For this project, usage appeared in written form. Language as appearing in CLMV online newspapers and related sources are understood here as presenting inter-subjective meanings (Beiler, 2001) that guide us to comprehend agents’ ideas and perceptions: they are ipso facto deciphering keys. In addition, languages are also mediated and referential sources to which agents turn when they want to define their interests (Jacobson, 1995). Viewed in this fashion, languages are programmatic beliefs as Sheri Berman (1998: chapter 2) calls them. Mark Laffey and Jutta Weldes (1997) propose the phrase ‘symbolic technologies’ to signify that in order to understand ideas, in terms of expressive language usage, we need to know their qualities through a broader set of linguistic and symbolic practices. For them, ideas can be studied in two related ways. On the one hand, the mechanism generating meanings should receive more attention; on the other hand, we should carefully scrutinise directive power as appears in language usage, whether apparently observed, that constructs social realities.

In summary, this project observes ideas expressed through language usage regarding China’s image and the Chinese as has appeared in CLMV online newspapers and related sources. Sources outside CLMV that are interested in China and regional affairs are also investigated to add what might be lacking from CLMV sources. To learn whether there is any inter-subjective meaning regarding China’s image, contents from these sources were compared and contrasted on two levels.

On the first level, this project focused on comparing and contrasting news and information from CLMV national online newspapers and related sources from governmental and non-governmental media. Examples of the latter sources included The Phnom Penh Post and The Saigon Times, which emphasise economic and business reporting. Additionally, online sources operating outside CLMV, but energetically reporting on each CLMV nation or their activities in total, were also investigated. The Irrawaddy and Shan Herald are examples regarding Myanmar.

After discerning China’s image in each country, the second level focused on comparing and contrasting the news and information internationally. Unfortunately, regional online sources were sometimes insufficient in depicting the total picture regarding China’s image for all of CLMV, least of all CLMV national online news, which lacked presented information. In an attempt to illustrate the total picture, the scope of online sources was extended to cover more sources and to determine whether they receive governmental or private support. This extended group included sources covering regional news and information from Asian as well as Western countries. The extended sources from Asian countries included Xinhua, People’s Daily, China Daily, Asia Times Online and Manager Online. Examples of Western sources were BBC, Reuters, Voice of America and The Diplomat.
Initially, this project was to study seven online newspapers: New Light of Myanmar, The Irrawaddy, Vientiane Times, The Phnom Penh Post, Viet Nam News, Nhan Dan and The Saigon Times. However, due to the lack of sufficient content, specifically regarding Laos and Myanmar, more online sources were added.

3. The Discovery: Being more than a benign hegemon in a conclusive understanding

What was discovered after applying the chosen theoretical framework to content from online sources is not much different from what was anticipated before conducting this project: it is impossible to deny the greatly significant status of China and Chinese economic power. The analysis derived from the tracing-back investigation for 3-5 years, the project’s defined timeframe, shows that China’s dominating status has affected the perceptions of its small, southern neighbours. They have been worried that Beijing is inclined to take a role of regional hegemon that directs not only regional economies, but security, military, and strategic well-being as well.

A Gramscian hegemony was applied here to emphasise that gaining ‘consent’ is more prominent than applying ‘coercion’, albeit no denying that power is still at the heart of the relationship between China and CLMV. According to Antonio Gramsci (2003), coaxing for consent appears in the form of a broadly extensive co-operation constructed through the ways the victorious side wins the war of position. Only through such a win that spans over socio-economic and political aspects can a hegemon be created. China’s hegemonic images seem to be led by constructing a commonly accepted ideology, but it is defined in a practical sense rather than as a dubious political term. It appeared as a widely accepted definition of interests, but the concept is not static as any alteration can occur along the interactive processes (Mouffe, 1979: 168-204, 1981: 219-234; Laclau, 1988: 249-257). China’s attempt to find an appropriate distance in keeping a close relationship with Myanmar, thereby not affecting Chinese mega-investment projects, is a case in point. Following this perspective, the stalemate regarding the Myitsone Dam signifies that an acceptable solution is not beyond reach; accepted interests are negotiable as long as socialising processes are open.

Although the scope of this study was limited in terms of areas and time, the finding is persuasive regarding China’s expansively hegemonic status. It is very likely to be so at the expense of Western international economic influence, particularly when taking into account the West’s economic problems, e.g., sovereign-debt crisis and rapidly rising unemployment. Robber Cox’s (1993: 62) idea on world hegemony is interestingly supplemental here. Cox argues that those who prefer holding hegemonic status must oversee and direct the global socio-political and economic structures. This alluring and compelling task facilitates various paths that the hegemon can construct, disperse and sustain coaxing and co-operative portions by, of course, aiming at gaining consent rather than enforcing coercion. International institutions and other co-operative mechanisms are fertile mixing cauldrons producing acceptably constructed norms that are persuasively understood as possessing universal characters. These mechanisms and their facilitators are destined to oversee and conduct states’ behaviour and that of trans-national social movements in order to bind them to the domination of the existing mode of production. Those mechanisms have two main functions: on the one hand, they are means to greatly support the existing international system and structures; on the other hand, they must barricade social agencies, if need be, particularly when those agents resist the international system and structures. This logic is helpful in analysing China’s image. It provides supplementary, thoughtful understanding to what extent CLMV have consented to China’s hegemonic status and image. Even though news and information regarding China and the Chinese presented in the CLMV were not unquestioned, the hegemonic images are more accentuated when we perceive that the news and information were chosen by CLMV sources themselves.

At the heart of the accepted hegemonic images lay commonly shared interests, or at least as perceived, between China and CLMV. Without a doubt, they have been (and will be) trade, investment, and the potential of constructing a vast logistic network. It is inarguable that China’s interests loom large, particularly in energy and resources security. Numerous hydroelectric projects, particularly in Kachin State, are cases in point. Of course, the 157-metre-high Myitsone Dam, with its capacity of 60,000 megawatts, is the biggest one. Protestors expressed their resentment and fears that their culture and way of life, along with the environment and ecological system in the construction zone, might be lost forever. Even so, it is hard to
deny that Beijing is effective at presenting its building interests, without illusion, as common interests vital to generate, nurture and sustain regional peace and stability. Although those concepts and the way this project was conducted are inclined to favour socio-cultural aspects, the research must accept that due to the limited apparent information regarding these aspects, it might be inappropriate to conclude that China explicitly applies soft power to guiding CLMV’s acceptance of its hegemonic status and image.

The socio-cultural aspect viewed through the very long chequered, historical relationships between China and the CLMV is a crucial facilitating factor that helps to construct perceptions and images about China and the Chinese in CLMV societies. Actually, Beijing’s new phase of good relations with Hanoi just started in the 1990s after the two nations kept each other at bay. Beijing’s teaching war as a reaction after Hanoi overthrew the Khmer Rouge government, which had been under the aegis of Beijing in 1979, was their thorny memory. Ironically, recent conflicts regarding the East Sea (for Vietnam) or the South Sea (for China) urged their foreign ministers to establish their first hotline in 2012, albeit criticised as being merely symbolic.

The chequered pattern with Cambodia is more prominent. Historical records show that Cambodia (or Kampuchea at that time) was among the few friends China had when the red flag had not long risen above the ‘gate of heavenly palace’, or Tiananmen (天安門) square. King Narodom Sihanouk, the former monarch, who recently passed away in Beijing, was a significant leader who campaigned for Beijing’s seat at the United Nations to replace that of Taiwan, patronised by Washington. Yet their relationship was strained when HengSamin and Hun Sentook power in Phnom Penh by ousting the Khmer Rouge. It was also well known that Hun Sen publicly and severely criticized Beijing’s policies regarding East Asia and Cambodia in particular. For around two decades, Hun Sen could be viewed as Beijing’s sworn.enemy. Yet a new story began when Beijing proved to be a generous friend-in-need whilst so many countries, ASEAN members included, showed reluctance in supporting HengSamin and Hun Sen when it was likely that civil war might recur in 1997 (Long Kosal, 2009; Khan Somphirom, 2011).

As far as this project is concerned, China’s hegemonic performance has not gone so smoothly that no resentful voices are heard within CLMV societies. Street-protests against China and the Chinese have arisen in Vietnam and Myanmar, albeit with little effect on relations between the countries. In summary, China’s hegemonic role has been accepted by CLMV, albeit with some uncomfortable feelings even from Laotian people about security and safe-passage for transporting goods and travelling along the Mekong River after a tragic incident in late 2011 involving the slaughter of 13 Chinese nationals. Naw Kham, a man holding Myanmar nationality but originating from Shan State, and a drug-lord in the Golden Triangle, was handed over to be tried and subsequently sentenced to death in China by Vientiane authorities to soothe Chinese resentment and compensate for their loss (Southivongnorath, 2012). These issues are also linked to the well-being of the China-Myanmar relationship. China’s image as perceived by CLMV societies studied here is that, in conclusive perception, China is a benign but assertive hegemon keen to protect its image and interests by presenting them as regional interests that should be accepted.

Beijing employs its own prosperity, driven by economic forces closely related to its military-technology strength, to direct its small, southern neighbours’ perceptions of their significance to geo-politics and geo-economics. This project shows that by doing so, China accentuates its continually central status – little different from ancient times – as befits its name of the Middle Kingdom (中國 or 中国). Beijing increasingly asserts that its hegemonic status seems compatible with how Chinese scholars defied Western perceptions and organised global affairs. For those scholars, the Tian Xia (天下) system, the managing order under the sky direct from heavenly mandated Huangdi (黃帝), the son of heaven (天子), as the ancient Chinese emperors were called, might be more suitable appraisals(Yi, 2001, Zhang, 2010; Zhao, 2012).

The seamlessly interwoven geo-politics and geo-economics make CLMV pay great attention to the way they conduct their relationships with mighty China and vice-versa. There is no surprise, because of its significance, that news and information related to these relationships have mainly occupied reporting space for the 3-5 years under this study. The research found that anticipation paid on expected mutual gains has driven China and CLMV to accept and support the concept of comprehensive strategic co-operation by regarding each other as strategic partners. Beijing’s direction to ‘Go West’ and its emphasis on a ‘two-ocean policy’ for the Indian and Pacific oceans have shed light onto CLMV, specifically Myanmar. It is
anticipated that Naypyidaw can provide the shortest routes connecting rapidly emerging Indian Ocean-based economies with China’s inland areas, e.g., Yunnan, Guizhou and Sichuan, which are much poorer than eastern-coastal provinces. The security concept has been broadened to cover more than traditional ones accentuating matters directly related to military and political aspects.

Beijing voiced resentment about the way Naypyidaw, Myanmar’s capital, harshly suppressed the Kokang rebellion (or Myanmar National Democratic Alliance Army: MNDAA) when Naypyidaw failed to encourage Kokang to join a newly established Border Guard Force (BGF). Laogai, the centre of Kokang’s activities, was destroyed and China received an influx of refugees with no warning. The incident also discouraged Chinese economic groups from conducting business southward due to levels of uncertainty. Xi Jinping, a vice-president at the time, voiced China’s concern when he visited Naypyidaw in 2009 that Beijing looked forward to seeing stability, national reconciliation and peaceful economic development in Myanmar (Saw Yan Naing, 2009; Tania Branigan). His statement caused a surprise since it could be regarded as the first time a Chinese top-ranking officer expressed human rights concerns.

This project also discovered that the online news and information under study emphasised Chinese economic activities above socio-cultural events. As anticipated, official and directly affiliated official sources accentuate the positive side of news and information regarding relationships between China and CLMV. The positively presented content included donations and loans (with zero or low-interest rate), specifically in Laos and Cambodia. These donations comprised military supplies to Phnom Penh and office supplies to Vientiane to equip Laos’ new international convention centre for hosting the 2012 ASEM Summit, which was also financed by China. The latter cases were more concerned with CLMV’s upgrading and development of infrastructure. The positive online sources were Agency Kampuchea Press, Vientiane Times, Laos New Agency/KPL News, New Light of Myanmar, Viet Nam News, and Nhan Dan (Theng, 2011; Pongkhao, 2012; Sophirom, 2012).

A positive depiction was not the only content discovered. Negative content could be found mainly from business and other alternative sources within and outside CLMV. Online sources in this group were The Phnom Penh Post, The Saigon Times and The Irrawaddy. The most highlighted negative content, even from Western sources, focused on the conflicts over the South China Sea between China and Vietnam and the protests against the Myitsone Dam project, worth $3.6 billion, between Myanmar and China. Within this study’s timeframe, the South China Sea conflict was prominent. Many incidents between 2010 and 2011 were claimed by both sides to have been started by the other side. The highlights of these incidents were: 1) Vietnamese fishing boats penetrated into Chinese naval territorial claims; 2) Chinese oil-exploring vessels violated Vietnamese claims over the Houng-Sa Islands (or Paracel Islands) and surrounding area; and 3) Chinese patrol boats fired on Vietnamese oil-exploring vessels near the Trung-Sa Islands (or Spratley Islands).

Apart from these conflicts, news and information reported various degrees of resentment from terms of economic co-operation perceived as unequal and lopsided. CLMV are experiencing trade deficits from an influx of cheap Chinese goods. Many were contaminated with hazardous substances, specifically melamine, formaldehyde and cadmium, and were found in dairy products, clothing and fake jewellery. Vietnamese sources are the loudest voices expressing concern (Hien Nguyen, 2008; Phi Tuan, 2010; Song Nghia, 2011). The situation has decreased demand for domestic goods, leading to the discouragement of domestically industrial development. Additionally, the situation has been attributed to lower potential competitiveness of CLMV goods in China; the more the CLMV lack opportunities and sufficient industrial investment, the less their products can penetrate the prosperous Chinese market. Online sources from Vietnam and Myanmar were prominent in presenting resentful content mainly regarding cross-border trades, e.g., Guangxi Province-Vietnam and Yunnan Province-Myanmar (Canh, 2012; Dung, 2012). Resentment in Myanmar has been easily felt in Mandalay, where the Chinese presence has been prominent and exclusive through construction of Chinese ghettos in the city’s best locations. Not only have the locals been marginalised in terms of living space, their businesses have increasingly been monopolised. Jade markets and real estate are prominent cases in point.

The perceived economic dependence easily appeared in tourism and direct investments. Vietnamese online sources clearly report that Vietnam’s tourism sector has catered to Chinese tourists for their flourishing income; it has pressed hard to expand direct flights to facilitate Chinese tourism as well as
encourage local staff to learn Chinese in order to serve important clients more efficiently (Dao, 2010). Cambodia placed expectations more on developing infrastructure for direct links to Angkor, the centre for Cambodian tourism and socio-cultural co-operation. In addition, Phnom Penh also anticipated that broadcasting Chinese with Khmer and English radio programmes within the Angkor region would entertain Chinese tourists, not to mention co-producing a documentary about Angkor and the Khmer people for broadcast in China. Though the Khmer ancient civilisation is alluring in its own right to tourists, Phnom Penh has tried to offer more attractions to Chinese investors and tourists by allowing the Botum Skor National Park to be transformed into an all-round entertainment centre, including casinos aiming at luring gamblers from Beijing, Shanghai and Guangzhou. This mega project entitled ‘Angkor Wat on Sea’, with a 99-year concession that’s worth slightly less than the Myitsone Dam project, not only conflicted with the locals, but allegedly cost the life of a renowned forest conservator – Chut Wutti, who was found dead in the operating area of a Chinese logging company, Timber Green (Hun & Nimul, 2011; Hun and Lim, 2011; Lim, 2012; Nimul, 2012; Prek, 2012; Thitara & Boyle, 2012a-b).

The Lao tourism sector has been on the same dependency track, but it chose a different kind of attraction to draw heavy-spending Chinese tourists: casinos, with the disastrous opening of the Golden City Casino. It was the first casino complex in the north that had been granted a 30-year concession with a possible extension to 99 years provided its operations went well. Unfortunately, nearly everything went wrong as criticism poured in from local and Chinese unofficial Internet sources. The former complained that the complex was a Chinese extra-territorial-rights area. Renmenbi, or yuan, was the only accepted currency as well as the Mandarin as the only accepted language, not to mention that every operation had to be along conducted in China’s official time-zone. The latter Internet sources criticised Vientiane and Beijing for lacking efficiency and responsibility in dealing with floating corpses, which were understood to have been the bodies of murdered and missing Chinese gamblers who could not save their lives when their luck ran out. Beijing responded to the pressure by various means, ranging from cutting off electricity transmitted from Mohan in Yunnan to the complex in Boten to closing the border-pass channels to re-checking the demarcation tablets along the 505-kilometre border it shares with Vientiane. Finally Golden City Casino, once a cash cow for the Boten special economic zone, was ordered shut by Vientiane authorities with Beijing’s strong encouragement. At present, King Roman, an infamous casino complex owned and operated by the Jin Mu Mian, or Golden Kapok group, is Laos’s biggest casino. Though it has been teeming with rumours about illegal and related activities, King Roman, with its glittering golden dome easily seen across the Mekong River in the Golden Triangle, remains a significant driving force of Vientiane’s aspiration for prosperity in its northern economic zones, which are sometimes referred to as ‘Laos-Vegas’ areas. Laos’s main reason is due to its lack of prominent international attractions, such as the renowned national beauties of Vietnam or the alluring ancient civilisations of Cambodia (Allen, 2009; Dwyer, 2011; Pongkhao, 2012b).

This project also found that CLMV have greatly depended on China for direct investments, such as infrastructure developments in terms of logistic networking and energy resources. These developments are expected to act as catalysts, boosting more small and medium projects to pour in from cross-border Chinese investors as has appeared in Vietnam. In Cambodia the investments were mostly linked to opening vast arable areas and industrial areas; together they are expected to be the driving engines of Cambodia’s agricultural industries and businesses (Kunnakara, 2012; Sophirom, 2012). A vast, irrigated cultivation of a 25,000-hectare rice field is anticipated to serve export markets. The 57B route will help connect the area with Phnom Penh. From there, route 41 will link it to Oudong, an ancient capital of Kampuchea and a coastal area suitable for agriculture, commerce and industry (Nary & Peou, 2011; PhumPul & Nimal, 2011). These investments might not have been fruitful had Chinese funders paid less attention to building numerous bridges to connect Cambodia’s interior regions of canals, swamps and marshes. A major construction project is the Chroy Changvar Bridge II, connecting Phnom Penh with route 6, part of a road network in the Greater Mekong Sub-Region (Sophirom, 2011). In Myanmar, energy development projects are looming large, specifically the Myitsone project in the Kachin region, aimed at distributing the Irrawaddy’s power into China’s inland regions, particularly in the Western and the Southern areas. Yet this suspended project raises the question of whether Myanmar will depend less on China and try to increase its breathing room for negotiating with Beijing.
Beijing’s intentions for opening and connecting its inland areas are the main reasons Myanmar and Laos have been perceived as parts of China’s strategic plans. Myanmar’s connecting routes can reach areas along the Indian Ocean, while routes through Laos can reach Singapore and the Strait of Malacca via Bangkok and Kuala Lumpur. An interesting question is whether Laos, with its small population of less than 7 million, can employ its significant transit location to tangibly benefit from it. Otherwise, the same old story of being highly dependent on China, including the need for massive Chinese labour, might be repeated. Laos’s experience from constructing its first SEA Games’ main stadium and northern economic zones are cases in point, where only a handful of its population received direct benefits. It’s an open question as to whether Laos could benefit from being a strategic transit point, or whether it is capable of only passing opportunities for regional connections to other countries (Xin, 2010; Woodman, 2011; Montlake, 2011; Toh, 2011).

In summary, while news and information on CLMV’s and other online sources here emphasised the advantages of co-operation, resentful and conflictive content was also presented: specifically from non-governmental sources and others operating outside CLMV. The latter group’s content was more qualitatively scrutinised. The ways it was presented offered crucial clues indicating to what extent and how Chinese and China’s images have been perceived. According to the analysis, China has occupied an important role directing the well-being of CLMV by coaxing them to accept Beijing’s definition of (regional) interests as part and parcel of their own. These commonly shared interests ranged widely from mutual economic benefits, natural resources and energy security to regional stability and peace. In total, China’s image has been perceived as a benign but assertive hegemon conducting and directing the future of CLMV.

Even so, each individual CLMV shows shades of expression regarding China’s benign nature. Their various levels of dependency concerning economics, military might and financial aid are their litmus tests. This project depicts Cambodia and Laos as somewhat more compliant with China’s demands and conditions compared with Myanmar and Vietnam: China’s images have ranged from extremely positive to slightly negative. They could be regarded as follows: a supporting sibling for Cambodia; an undeniable big brother for Laos; an unequal strategic partner for Myanmar; and an influentially assertive power for Vietnam.

4. Post Scripts

The discoveries from this project regarding to what extent and how mainland ASEAN countries, excluding Thailand, have perceived China’s image in conclusive term raises the question of Thailand’s understanding and role within the complex equation of relationships between China and CLMV: does Thai society, from government officials to the general public, seriously perceive the nation’s strategically advantageous geo-politics/geo-economics, as it sits astride the Indian and Pacific oceans? Apart from a superb location, expanding scrutinising points raises expectations that Thai consumer goods, with no tainted reputation or safety concerns, enjoying popularity as appeared in the infamous King Roman Casino’s compound, may have more opportunities to build a commonly shared taste, at best, or at least enjoy a slight preference. This could happen only with wide, effective and strategic support from stakeholders, whether from government, private or people-oriented sectors. Wandering aimlessly without a complete strategy, as has been the case thus far, might cause disadvantages for Thailand. The point is whether Thais seriously decide whether and how to deploy their advantages without stirring up concern from China.

Laos and Myanmar might be helpful testing grounds since they each have tried to set an appropriate distance in coping with China. Even so, Thailand might be unable to smoothly accomplish what is anticipated unless it clearly understands its socio-cultural relationships with Laos and Myanmar. They are so dynamic that finding common patterns will not be as easy as might be expected. No matter how interesting these matters are, they are beyond the scope of this study.

What about Vietnam? It could be considered as the most precarious neighbour due to security matters over the South China Sea that are likely to be out of ASEAN’s reach. Washington gave signs that its Pacific Fleet deployment has been adjusted in a southerly direction. Additionally, the first naval joint-exercise between Japan and India in June 2012 added an eye-catching scenario to the region. For Cambodia, it is the least likely place that Thailand can easily penetrate the tight-knitted relationship between a CLMV
nation and China. The Phreah Vihear incident is still a thorny matter and has blocked smooth relations between Bangkok and Phnom Penh. Additionally, with heavy Chinese investment in agriculture and industries aimed at exploiting vast, uncharted Cambodian arable land, it is likely Cambodia will become an effective rice-exporting country whose share of the prosperous Chinese market will grow at the expense of Thai rice-exporters.

Adjusting social reality, which has rapidly altered, within the frame of on-going relationships between Thailand and CLMV, specifically Cambodia, through various activities, particularly socio-cultural ones, might help smooth the way toward better understanding and co-operation. The upgrading of relations between China, Cambodia and Laos are good examples. Unfortunately, these interesting matters are also beyond the scope of this study.

5. References


APPENDIX A

RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH)

ACKNOWLEDGEMENTS

The launch issue of the RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH) would have been difficult without the assistance and efforts of many competent people who graciously lent their support. The Editor would like to thank all the reviewers who have given so generously of their time to assess manuscripts submitted to the Journal in the period January to June 2014. The Editor is grateful for their advice and for their promptness in dealing with the manuscripts. The following is a list of acknowledgements of those who offered expert counsel and guidance on a voluntary basis, reviewed manuscripts, contributed manuscripts, or provided other means of assistance.

The editorial staff are indebted for their kindness and commitment to the Journal and the academic profession. We gratefully appreciated their contributions.

Andrew-Peter Lian
Anek Laothamatas
Anuchat Pounsomslee
Anusorn Tamajai
Arthit Ourairat
Brian Gibson
Carmine Bianchi
Chaiyosh Isavorapant
Chantima Yotpakwan
Chartchai Trakulrungsi
Chavanut Janekarn
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Estelle Alma Maré
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Narumit Sotsuk
Normah Omar
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Pongjan Yoopat
Praveen Nahar
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Somboon Suksamran
Sompong Sucharitkul
Supasawad Chardchawarn
Surachai Sirikrai
Surachart Bumrungsuk
Surichai Wankaew
Susumu Ueno
Sutham Cheurprakobkit
Suthiphad Chirathaivat
Theera Nuchpam
Thitapa Sinturat
Varakorn Samakoses
Vichoke Mukdamanee
Visarut Phungsoondara
APPENDIX B

RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH)

NOTE FOR AUTHORS

1. Aims and Scope

*Rangsit Journal of Social Sciences and Humanities (RJSH)* is an international scholarly journal officially published biannually, in print and on-line. The months of publication are January and July. It is a multidisciplinary journal that aims to provide a high profile vehicle for publication of various new issues in different academic areas. The scope of the Journal encompasses, but is not limited to, social sciences, and humanities.

2. Submission Deadline

Submissions are to be permanently open. A manuscript submitted between July 1st and December 31st will be considered for publication in the January-June Issue of the subsequent year whereas a manuscript submitted between January 1st and June 30th will be considered for publication in the July-December Issue.

3. Categories of Articles

The *Journal* accepts the following types of articles:

1. **Research Articles:** A research article is a regular quantitative or qualitative article which aims to present new findings or interpretations.

2. **Notes or Address:**

3. **Review Articles:** There are two types of review articles: non-systematic (or journalistic) reviews and systematic reviews. Non-systematic or journalistic reviews provide a summary of evidence derived from primary studies that have been selected and synthesized according to the author's personal and professional perspective. Non-systematic reviews can cover a wide range of subject matter at various levels of totality and comprehensiveness. Systematic reviews, on the other hand, provide summaries of related primary studies that have been searched for, evaluated, and selected and reported according to a rigorous methodology.

4. **Innovations:** An innovation is an article which aims to present creative arts and designs, procedures or devices.

5. **Comments or Critiques:** A comment or critique is a short article that makes comments or replies to a comment on another article already published by this Journal.

6. **Book Reviews:** A book review is a short article that is written by a specialist and read by the general community. The aim of a book review is to give a brief summary of the book's strengths and weaknesses and to evaluate the book's overall usefulness to the audience it is intended for.

Research articles, review articles, and innovations should not exceed 15 pages of standard A4 paper using *RJSH* format. Notes, comments or critiques, and book review should not exceed 5 pages. Template for research articles is available at www.rsu.ac.th/rjsh. All categories of articles must coincide with manuscript preparation instruction (see Manuscript Preparation Section).

4. Editorial Policies

*RJSH* accepts only the work that has not been published; that is not under consideration for publication, elsewhere; and that its publication has been approved by all co-authors and the relevant authorities responsible at the institute where the work was conducted. Submission also implies that the authors have already obtained all necessary permissions for the inclusion of copyrighted materials, such as figures and tables from other publications. Previously published work will not be considered for publication. Submitting a copied piece of writing as one’s own original work is considered plagiarism. The *Journal* is published by Rangsit University Press, Thailand. Contributions are in English. Copyright is by the publisher and the authors.
Authorship: RJSH expects that all of the authors listed on a manuscript have contributed substantially to the submitted paper. By submission of the manuscript, cover letter, and Copyright Transfer Agreement (CTA), the corresponding author affirms that all named authors have agreed to be listed as authors of the paper. Furthermore, by their signatures on the CTA, all authors affirm that they have both read and approved the manuscript, and that they take full responsibility for the content of the article.

Review Process: RJSH assumes responsibility for insuring that submitted manuscripts receive expert and unbiased reviews. RJSH strives to complete a peer review of all submitted papers and the publication of accepted manuscripts in a timely manner and to keep the authors informed of any problems with their manuscript. All submitted manuscripts are initially evaluated by the Editor-in-Chief in consultation with members of the Editorial Board before being sent for double-blind review. RJSH is under no obligation to submit every manuscript to formal peer review. Manuscripts that are judged by the editors to be inferior or inappropriate for publication in the Journal may, at the discretion of the Editor-in-Chief, be rejected without formal written reviews by referees. RJSH attempts to obtain at least two written reviews for each manuscript that is entered into the peer review process, although the Editor-in-Chief has the discretion to make final decisions about the disposition of a manuscript with fewer than two reviews. The reviewers’ evaluations will be used by the editors to decide whether the paper should be accepted, revised or rejected. A copy of the referees’ comments will be sent to the corresponding authors whose paper needs revision. All reviewers serve anonymously and their identities are protected by the confidentiality policy of RJSH.

Confidentiality: As is customary for the peer review process, RJSH holds the identity of authors and the contents of all submitted manuscripts in confidence until such time as the papers are published. This confidentiality extends to the comments of editors and reviewers that have evaluated the paper; these comments and reviews are released only to the corresponding author. Co-authors may have access to these documents either by obtaining them directly from the corresponding author or by submitting to RJSH a letter of request that has been signed by the corresponding author. Similarly, RJSH expects that editors and reviewers will maintain strict confidentiality of the authors’ identities and the contents of manuscripts that they examine during the review process, and furthermore, will never disclose the contents (either orally or in writing) of documents related to the peer review of a manuscript. A violation of this policy is considered a serious breach of trust.

Research Involving Animals or Humans: Authors must state in the manuscript that the work was approved by, at least, their institutional ethical review board for any research involving human and animal subjects. These approvals are required for publication in RJSH.

5. Manuscript Preparation

General Instruction: Submit your manuscript in both PDF and MS word formats. Manuscripts are acceptable in both US and UK English, but the use of either must be consistent throughout the manuscript. Please note that the editors reserve the right to adjust style to certain standards of uniformity.

Format: Unless specified, type text with 10-point Times New Roman font on 12-point line spacing, with a 1.25 inch left margin, 1 inch bottom and right margin, 2 inch top margin, 1.2 inch header, and 0.6 inch footer. Main text is set in single column. First lines of paragraphs are indented 0.5 inch. For hard copy, use standard A4 paper, one side only. Use ordinary upper- and lower-case letters throughout, except where italics are required. For titles, section headings and subheadings, tables, figure captions, and authors’ names in the text and reference list: use ordinary upper- and lower-case letters throughout. Start headings at the left margin. If you wish, you may indicate ranking of complicated section headings and subheadings with numerals (1, 1.1, 1.1.1). Try not to exceed three ranks. All pages must be numbered in the top right-hand corner.

Title: Use 11-point bold font on 12-point line spacing. The length of the title of the article must not exceed 2 lines. A title should be concise and informative. The alignment of the title is centered.

Author Names: Use 10-point font on 11-point line spacing. Centered alignment and leave one line space below the title of the article. Begin with the first name of the author followed by the last name. For more
than one author, separate each name by a comma (,), and identify each author’s affiliation by superscript numbers at the end of the author’s last name.

**Author Affiliations:** Use 9-point font on 10-point line spacing. Centered alignment and leave one line space below the author names. Include institutional and e-mail addresses for all authors. Place superscript numbers at the beginning of each affiliation accordingly.

**Abstract:** Use 10-point font on 11-point line spacing for heading and 9-point font on 11-point line spacing for abstract content. An abstract of up to 250 words must be included as and when appropriate. For research papers; the purpose and setting of the research, the principal findings and major conclusions, and the paper's contribution to knowledge should be briefly stated. For empirical papers the locations of the study should be clearly stated, as should the methods and nature of the sample, and a summary of the findings and conclusion. Please note that excessive statistical details should be avoided, abbreviations/acronyms used only if essential or firmly established.

**Keywords:** List up to 6 keywords and separate each keyword by a comma (,). The keywords should accurately reflect the content of the article. The keywords will be used for indexing purposes.

**Main Text:** Use 10-point font on 12-point line spacing. In the main body of the submitted manuscript the following order should be adhered to: introduction, methodology, results (if any), discussion (if any), conclusion, acknowledgements, and references. Please note that some article categories may not contain all components above. Tables or figures must be included in the text for the reviewing process. In addition, tables and figures must also be submitted individually in separate files. Refer in the text to each table or illustration included, and cite them in numerical order, checking before submission that all are cited and in correct sequence.

**References in the Text:** To insert a citation in the text use the author-year system, i.e., the author’s last name and year of publication. Examples are as follows: "Since Johnson (2008) has shown that..." or “This is in agreement with results obtained later (Benjamin, 2010)”. For 2-3 authors; all authors are to be listed, with “and” separating the last two authors, for more than three authors, list the first author followed by et al. The list of references should be arranged alphabetically by authors' names. All publications cited in the text should be presented in a list of references following the text of the manuscript. The manuscript should be carefully checked to ensure that the spelling of authors’ names and dates are exactly the same in the text as in the reference list. Responsibility for the accuracy of bibliographic citations lies entirely with the author(s). Citation of a reference as "in press" implies that the item has been accepted for publication. Authors are responsible for the accuracy of the content of the references.

**List of References:** *RJSH* uses the American Psychological Association (APA) referencing style, details of which can be found at http://www.apastyle.org/. References should be listed at the end of article, arranged alphabetically according to the last names of the authors and then chronologically. The following are examples of the APA referencing style:

**Abstracts**
Author/(Year of publication)/Title of Abstract (abstract)/Journal Title/Volume(Issue)/Page number.

**Example:**

**Books**
Author/(Year of publication)/Book Title/Edition (if any)/Place of publication/Publisher.

**Example:**

**Book Articles**
Author/(Year of publication)/Article Title/Book Title (Page Numbers)/Edition (if any)/Place of publication/Publisher.
Example:

**Conference and Seminar Proceedings**
To cite proceedings that are published regularly, use the same format as for a journal article. To cite proceedings that are published in book form, use the same format as for an article in a book.

**Dissertation or Thesis**
Author./ (Year of publication)./Title of dissertation or thesis./Type of Thesis./Awarding Institution.
Example:

**Editorials**
Author./ (Year of publication)./Title of Editorial (editorial)./Journal Title/, Volume(Issue),/Page numbers.
Example:

**Journal Articles**
Author./ (Year of publication)./Article Title./Journal Title/, Volume(Issue),/Page numbers.
Example:


**Letters**
Author./ (Year of publication)./Title of Letter./Journal Title/, Volume(Issue),/Page number.
Example:

**Notes**
Author./ (Year of publication)./Title of Note./Journal Title/, Volume(Issue),/Page number.
Example:

**Unpublished/In Press Articles**
Author./ (In press Year)./Article Title./Journal Title/, (in press).
Example:

**Internet periodicals**
Author./ (Year of publication)./Article Title./Journal Title/, Volume(issue),/ page numbers./Retrieved mm dd, year, from the full URL of the web page.
Example:

**Internet non-periodicals**
Author./(Year of publication)./Article Title./Retrieved mm dd, year, from the full URL of the web page

Example:

**Illustrations and Figures:** All illustrations should be provided in a file format and resolution suitable for reproduction, e.g., EPS, JPEG or TIFF formats, without retouching. Photographs, charts and diagrams should be referred to as "Figure(s)" and should be numbered consecutively in the order to which they are referred. In addition to placing figures with figure captions into the main text, **submit each figure individually as a separate file.**

**Line Drawings:** All lettering, graph lines and points on graphs should be sufficiently large and bold to permit reproduction when the diagram has been reduced to a size suitable for inclusion in the journal. Do not use any type of shading on computer-generated illustrations.

**Figure Captions:** Type figure captions using 9-point font on 10-point line spacing. Insert figures with figure captions into the main text (see **Illustrations and figures** Section). Type as follows: Figure 1 Caption

**Color:** Where printed color figures are required, the author will be charged at the current color printing costs. All color illustrations will appear in color online, at no cost. Please note that because of technical complications which can arise when converting color figures to grayscale, for the printed version should authors not opt for color in print, please submit in addition usable black and white versions of all the color illustrations.

**Tables:** Tables must be cell-based without vertical lines. They should be produced in a spreadsheet program such as Microsoft Excel or in Microsoft Word. Type all text in tables using 9-point font or less. Type the caption above the table to the same width as the table. Insert tables and table captions into the main text. Tables should be numbered consecutively. Footnotes to tables should be typed below the table and should be referred to by superscript numbers. Submit separate files of tables in their original file format and not as graphic files in addition to incorporating in the main text. Tables should not duplicate results presented elsewhere in the manuscript (e.g., in graphs).

**Proofs:** Proofs will be sent to the corresponding author by PDF wherever possible and should be returned within 1 week of receipt, preferably by e-mail. Corrections must be restricted to typesetting errors. It is important to ensure that all of your corrections are returned to us in one all-inclusive e-mail or fax. Proofreading is solely the responsibility of the author(s). Note that *RJSH* may proceed with the publication of your article if no response is received in time.

**Reprints:** During the first year of publication (year 2011), authors will receive 25 free reprints of their papers and one free copy of the journal in which their work appears. From the second year (2012) onward, reprints will be available on demand at 25 USD per copy.

**English Language Editing before Submission:** Authors for whom English is a second language may choose to have their manuscript professionally edited before submission.
6. Manuscript Submission
Manuscripts should be submitted electronically to the Editor-in-Chief as an attachment to an e-mail (RJSH@rsu.ac.th), in word processing format. The RJSH submission form must be completed. Included in the submission form are: (a) the title and authors, (b) complete contact information for the corresponding author (mailing address, e-mail address, and telephone and fax numbers), (c) confirmation of the originality of the reported work, (d) approval of the submitted version of the manuscript by all authors, and (e) the authors’ consent for publication in RJSH, if accepted. The submission form is available at http://www.rsu.ac.th/RJSH/.

7. Manuscript Revision and Re-submission
There are four editorial decisions: Accept, Accept with Minor Revision, Resubmit with Major Revision, and Reject. A Reject decision is definitive and authors may not submit a new version of the manuscript to the RJSH. A Resubmit with Major Revision requires a major re-write of the manuscript and/or inclusion of significant new data, and thus the creation of a new manuscript, which will thus be assigned a new submission date. An Accept with Minor Revision decision implies that the paper can, in principle, attain the required standard of the Journal without major change. Editors may or may not have a revised manuscript reviewed (generally, by the original reviewers), in order to ascertain whether changes to the original manuscript adequately responded to the criticisms. If changes made do not result in a paper of the required standard, the revised manuscript will be definitively rejected. If a revised manuscript of “Accept with Minor Revision” is accepted, the original submission date will be retained.

8. Copyright Agreement
Once a manuscript is accepted for publication, authors will be required to sign a Copyright Transfer Agreement form (CTA). CTA is available at http://www.rsu.ac.th/RJSH/CTA/. Signature of the CTA is a condition of publication and papers will not be passed for production unless a signed form has been received. Please note that signature of the Copyright Transfer Agreement does not affect ownership of copyright in the material. Please submit the completed form with the final version of the manuscript back to the Editor-in-Chief.

9. Further Reading
The following resources will provide valuable guidelines for the preparation of manuscripts.

APPENDIX C
RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH)
Research Article Single-Column Template

Please note that the paper size is standard A4 size (approx 8.27 x 11.69 in)

Type your title here using 11-point Times New Roman bold font on 12-point line spacing.
The length of the title of the article must not exceed 2 lines.

Author Names (Use 10-point Times New Roman font on 11-point line spacing.
Begin with the first name of the author followed by the last name. For more than one author, type ‘and’
before the last author’s name. For more than two authors, also separate each name by a comma (,).
Identify each author’s affiliation by superscript numbers at the end of the author’s last name.)

Author Affiliations (Use 9-point Times New Roman font on 10-point line spacing.
Include institutional and e-mail addresses for all authors. Place superscript number in front of author’s affiliation
corresponding to author’s name.)

Submitted date month, year; accepted in final form date month, year (To be completed by RJSH)

Abstract (10-point bold font on 11-point line spacing)
For abstract content, use 9-point Times New Roman font on 11-point line spacing. First line is indented 0.5 inch. An abstract of up to 250 words must be included. Include your major findings in a useful and concise manner. Include a problem statement, objectives, brief methods, results, and the significance of your findings.

Keywords: List up to 6 keywords and separate each keyword by a comma (,). The keywords should accurately reflect the content of the article. The keywords will be used for indexing purposes.

1. Introduction
The actual manuscript will be published in a double-column style in the RJSH journal. This single column template is adopted as a user friendly format. Thus, with this template, the main text is set in a single column. Type text with 10 point Times New Roman font on 12 point line spacing, with a 1.25 inch left margin, 1 inch bottom and right margin, 2 inch top margin, 1.2 inch header, and 0.6 inch footer. First lines of paragraphs are indented 0.5 inch. Please note that the paper size is standard A4 size (approx 8.27 x 11.69 in). In MS Word, select “Page Layout” from the menu bar, and under Paper Size select A4 Size.

The introduction should put the focus of the manuscript into a broader context. As you compose the introduction, think of readers who are not experts in this field. Include a brief review of the key literature. If there are relevant controversies or disagreements in the field, they should be mentioned so that a non-expert reader can find out about these issues further. The introduction should conclude with a brief statement of the overall aim of the experiments.

To insert a citation in the text use the author-year system, i.e., the author’s last name and year of publication. Examples are as follows: "Since Johnson (2008) has shown that..." or "This is in agreement with results obtained later (Benjamin, 2010)". For 2-3 authors; all authors are to be listed, with “and” separating the last two authors, for more than three authors, list the first author followed by et al. The list of references should be arranged alphabetically by authors' names. All publications cited in the text should be presented in a list of references following the text of the manuscript. The manuscript should be carefully checked to ensure that the spelling of authors' names and dates are exactly the same in the text as in the reference list. Responsibility for the accuracy of bibliographic citations lies entirely with the author(s). Citation of a reference as "in press" implies that the item has been accepted for publication. Authors are responsible for the accuracy of the content of the references.
2. Objectives
The objectives of the study should be specified explicitly.

3. Materials and methods
This section should provide enough detail to allow full replication of the study by suitably skilled investigators. Protocols for new methods should be included, but well-established protocols may simply be referenced.

4. Results
The results section should provide details of all of the experiments that are required to support the conclusions of the paper. There is no specific word limit for this section. The section may be divided into subsections, each with a concise subheading. The results section should be written in past tense.

Tables must be cell-based without vertical lines. They should be produced in a spreadsheet program such as Microsoft Excel or in Microsoft Word. Type all text in tables using 9-point font on 10-points line spacing. Type the caption above the table to the same width as the table.

Tables should be numbered consecutively. Footnotes to tables should be typed below the table and should be referred to by superscript numbers. Submit separate files of tables in their original file format and not as graphic files in addition to incorporating in the main text. Tables should not duplicate results presented elsewhere in the manuscript (e.g., in graphs).

Table 1  Table caption

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If figures are inserted into the main text, type figure captions below the figure. In addition, submit each figure individually as a separate file. Figures should be provided in a file format and resolution suitable for reproduction, e.g., EPS, JPEG or TIFF formats, without retouching. Photographs, charts and diagrams should be referred to as "Figure(s)" and should be numbered consecutively in the order to which they are referred.

Figure 1  Figure caption
5. Discussion
The discussion should spell out the major conclusions of the work along with some explanation or speculation on the significance of these conclusions. How do the conclusions affect the existing assumptions and models in the field? How can future research build on these observations? What are the key experiments that must be done? The discussion should be concise and tightly argued. Conclusions firmly established by the presented data, hypotheses supported by the presented data, and speculations suggested by the presented data should be clearly identified as such. The results and discussion may be combined into one section, if desired.

6. Conclusion
The Conclusion section restates the major findings and suggests further research.

7. Acknowledgements
People who contributed to the work but do not fit criteria for authorship should be listed in the Acknowledgments, along with their contributions. It is the authors’ responsibility to ensure that anyone named in the acknowledgments agrees to being so named. The funding sources that have supported the work should be included in the acknowledgments.
8. References

*RJSH* uses the American Psychological Association (APA) referencing style, details of which can be found at [http://www.apastyle.org/](http://www.apastyle.org/). References are arranged alphabetically according to the last names of the authors and then chronologically. The first line of each reference is aligned left. Use hanging style of 0.5 inch after the first line of each reference. The following are examples of the APA referencing style:

**Abstracts**

Author./ (Year of publication)./Title of Abstract (abstract)./Journal Title./Volume(Issue)./Page number.

Example:

**Books**

Author./ (Year of publication)./Book Title./Edition (if any)./Place of publication:/Publisher.

Example:

**Book Articles**

Author./ (Year of publication)./Article Title./Book Title (Page Numbers)./Edition (if any)./Place of publication:/Publisher.

Example:

**Conference and Seminar Proceedings**

To cite proceedings that are published regularly, use the same format as for a journal article. To cite proceedings that are published in book form, use the same format as for an article in a book.

**Dissertation or Thesis**

Author./ (Year of publication)./Title of dissertation or thesis./Type of Thesis./Awarding Institution.

Example:

**Editorials**

Author./ (Year of publication)./Title of Editorial (editorial)./Journal Title./Volume(Issue)./Page numbers.

Example:

**Journal Articles**

Author./ (Year of publication)./Article Title./Journal Title./Volume(Issue)./Page numbers.

Example:


Letters
Example:

Notes
Author. (Year of publication). Title of Note. Journal Title. Volume (Issue), Page number.
Example:

Unpublished/In Press Articles
Example:

Internet periodicals
Author. (Year of publication). Article Title. Journal Title, Volume (issue), page numbers. Retrieved mm dd, year, from the full URL of the web page
Example:

Internet non-periodicals
Author. (Year of publication). Article Title. Retrieved mm dd, year, from the full URL of the web page
Example:
APPENDIX D

RANGSIT JOURNAL OF SOCIAL SCIENCES AND HUMANITIES (RJSH)
MANUSCRIPT SUBMISSION FORM

Type of submitted article: [Mark (✓) the appropriate choice]
☐ Research article    ☐ Note    ☐ Comment/Critique
☐ Review article     ☐ Innovation    ☐ Book Review

Section 1: Instructions. A copy of this form, with signatures included from ALL authors on the manuscript, must accompany every new manuscript submission before it will be considered for publication. Please fully complete to eliminate delays in submission. Use an additional form if there are more than 10 authors. Please scan this completed form and attach it electronically during the submission process. If you are unable to do so, fax the completed form to the Editorial Office at 02-997-2222 ext.3630.

Section 2: Manuscript Information
Manuscript Code: (To be assigned by RJSH) ________
Manuscript Title:
All author names (in order of appearance on the manuscript title page):

Corresponding author name & contact information:

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