

THAI BUSINESS GROUP ON LAOS DAM PROJECT IN MEKONG RIVER.

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Abstract

Mekong River is known as an international river of Asia passing through six countries, first starting from China, Myanmar, Laos, Thailand, Cambodia and Vietnam. There are around 60 million resident depending on Mekong River area. Mekong River is daily life of many resident in Mekong river area and countries lower Mekong River. By building a dam, there will be a lot of impact such as flood, fishery, transportation and agriculture. Those impacts will influence countries lower Mekong directly. Due to this problem Cambodia, Vietnam and Laos dispute over the impact. However, Thai government decided to support the dam project. Some developers of the dam project Laos in Mekong River are Thai companies. Thai government agree to buy electricity from Lao's dam project. In fact, Thai electricity is sufficient enough to fulfil the energy need of the country. This undergraduate thesis will be explain why Thai government support the project dam of Lao in Mekong River.

Keywords: Mekong River, Thailand government, Thai business, dam project.

Introduction

Globalization is a process of interaction and integration among the people, companies and governments of different nations, driven by international trade and investment and aided by information technology. Now everything become easy for our daily life because of the advanc of technology, communication, transportation, which make life better than before. Our life style has changed. Globalization makes states become more develop or modern. Thailand is a developing country which become more modern in every aspects in ASEAN region. There are some important elements to develop a country. One of there in energy electricity. The main source of electricity in Thailand is water / river.

Thailand uses constitutional monarchy system. The head of the state is a the King and the head of government who controls politic in the country is a Prime Minister. Thailand needs to develop more. Thailand will not only develop it's economic but military also.

Thailand is located in the center of South Asia peninsular. Burma boardsers Thailand in the west, Laos, Cambodia and Malaysia border Thailand in the north east, south east, and south consecutively. total area of Thailand is around 513,000 km.¹ Thailand is the world 51 st-largest country and the 20 thousand most populous country in the world with around 66 million people. Thailand has several river in country, such as Chao Phraya river, which, with its tributaries, irrigates about 33 percent of the national territory and flows south into a delta at Bangkok. Mun river and many other

¹ *Country profile Thailand*, Library of Congress-Federal Research Division, Country profile : Thailand, July 2007, Geography, pp. 9

smaller upland rivers are tributaries of the Mekong, which form the border between Thailand, Laos, Cambodia and Vietnam and South China sea.

Thailand has a big river name is Mekong river. Mekong is the river of ASEAN and there are 6 countries related to it. Mekong is a trans-boundary river in Southeast Asia. River gives many benefits, such as food, transportation, agriculture, people daily life and electricity for the country. All the countries located to the river and the companies that related with it want to take benefits. for instance, if the country wants to use the energy from the water (Mekong river). the government should build a dam.

Mekong River is the daily life of the people in that area. Mekong River does not only belong to Thailand but also belong to countries such as China, Myanmar, Laos, Thailand, Cambodian and Vietnam. Therefore, Mekong River can be called International River. If some countries build dam in Mekong River area; there will be an effect to the lower country this area. Therefore, this problem may became an issue, because Mekong River is the world's largest inland fishery. The business about fish catch is now worth US\$3 billion per year. Not only are these fisheries an important source of income for local fishers, which include many of the area poorest people, but they are also important in ensuring provincial food security. Between half and four fifths of the animal protein, consumed by the 60 million people in the lower Mekong basin come from the river's fisheries if Lao build the Dam project it would be permanently damage the habitat and ecosystem of the Mekong River, placing at risk the rich species diversity of the Mekong. At least 41 fish species are at risk of extinction due to a severe change in their environment. The Xayaburi Dam would also block a vital fish migration route that allows at least 23² migratory fish species to travel to the

² Xayaburi dam, International river protecting, people, water, life page.

upper reaches of the Mekong to Luang Prabang in Lao, and Chiang Khong and Chiang Saen in Thailand, disrupting the lifecycle necessary for these fish, including their spawning, breeding and growth. One such migratory species that could be driven to extinction is the critically endangered.

China is the first state which build a dam in Mekong river then Laos wants to build dam too. For the dam project, Laos will build it in Mekong River by having Thai government support and Thai business group as a sponsor. In 2012, the first dam, which would be built, was Xayaburi project dam. In Mekong River, the Xayaburi dam would generate 1,260 megawatts of Mekong river flow. Xayaburi dam project would be financed by Thailand's bank and source of loan around 1,15 trillion³ coming from bank in Thailand. However, Thailand also has group of people who disagree with the dam project. The dam building will give a side effect to the country in Mekong area. It will affect people who live in Mekong area, aspects such as agriculture, fishery, eco-tourism, transportation. Never the less it will threaten the river's ecology and risk well-being of people occupy the area. Main sectors of basic consumption is from agriculture, fishery, and culture. Thus, Mekong river is very important for those who live in Mekong.

RESEARCH QUESTION

Those explanations have referred to the basic question related to this study:

Why does Thai government support Laos's dam project?

³ Tay prom Xayaburi kean ti kham kho khon Thai-Rataban Thai, *Isra new agency*. 2012/10/09.

THEORETICAL FRAMEWORK

Bureaucratic politic theories explain of why particular public policy decisions got made the way they did stressing the motivation by the relevant officials in the government bureaucracy to protect or promote their own agency's special interests (in competition with other agencies) as a major motivating factor in shaping the timing and the content of government decisions.

According to Allison Conceptual models, there are three models of government (and bureaucratic) action, any of which might correctly explain what happened during the Cuban Missile Crisis. A central point is the difficulty in proving exactly why a government follows a particular course of action. Allison presents three models, producing decisions, outputs, and outcomes.

Model I

The first is the rational actor model (what Allison termed as Model I, or the classical model). Model I proposes that government decisions can be understood by viewing them as the product of a single actor in strategic pursuit of his own self-interest. (The state acts as a unitary rational actor to make “decisions”.)

Model II

The second model is the organizational process paradigm, or Model II, Which argues that numerous actor are involved in decision making, and decision making process are highly structured through standard operating procedures (SOPs).

Model III

According to Model III, The “leader” who sit on top of organization are not a monolithic group. Rather, each individual in this group is, in his own right, a player in

a central, competitive game. The name of the game is politics, bargaining along regularize circuits among players positioned hierarchically within the government. “Player” makes government decision not by a single rational choice but by the pulling and hauling.

Allison’s model of Bureaucratic politics has had a significant impact on how bureaucratic are studied. It was not just a series of propositions formulated to explain one study, but rather a workable theory for understanding the policymaking role of bureaucracy.

In this case, I use Model III to apply to the case of Thai business group in Laos dam project in Mekong river that is supportably Thai government.

According to Fred W. Riqq, In his, book Thailand: Modernization of a Bureaucratic polity, Thailand is a bureaucratic state is not administration feudalism state just like in past. The coming of external factors such as economy and new politic makes bureaucratic extend have duty in govern every class in country. Thai politics, the bureaucratic polity model formulated by Fred W. Riqq. defined a bureaucratic polity “in term of the domination of the official class as a rolling class.” It was the weakness or absence of extra bureaucratic force capable of controlling the bureaucracy effectively that gave rise to the phenomenon of bureaucratic polity (1, 1966) The significant changes have occurred in Thailand since The Sarit regime (1958-63) which now challenge that model. The present King has gradually emerged as a significant political institution. The fast economic growly has given rise to another important extra bureaucratic force, “that is to say political parties are supported by businessmen who once were characterized as politically powerless “aliens” and “pariah” entrepreneurs”

by Riggs.⁴ Business increase political role is evident from the number of MPs and cabinet minister's with business background.⁵ The ability, which a man exerts beyond his authority, is called influence rather than power. For example, the top military intervenes in politics, even under a civilian government. As long as their interventions not based on law but use influence rather than power. A businessperson who gives financial support to a political party or military leader in order to influence the decision-making of the government is not authoritarian but influential person because he has no official position or can call influential person live behind person in authority. According to Riggs,⁶ influence is very important within the bureaucracy. "Prime minister of Thailand, Prem Tinsulanon said in 1978 when he was the deputy minister of interior: *"Corruption for the most part results from group of influence and bureaucrats yielding to them"*. (Kanpokkhrong, 1979, p. 15) Can see bureaucratic politics in Thailand clearly, Thus businessperson influence with bureaucracy. However business person cannot be decision maker because businessperson have no power officially. on the other hand businessperson has influence and influence is very important within bureaucracy, it can be said that behind bureaucrat is businessperson.

In this case, Laos want to build dam in Mekong River and Thailand involved in terms of certain business in the project. The first dam project of Laos in Mekong River is Xayaburi dam. For the Xayaburi dam. Has Thai business (Ch,kamcang) become the sponsor. In last October 2011, the state-owned Electricity Generating Authority of

⁴ Rigg Fred, *Thailand: The modernization of a Bureaucratic polity*. Honolulu : East-West Center Press. 1966.

⁵ Suriyamongkol, Pisan; and Guyot, James F., *The bureaucratic ay Bay*. 1984,pp.30-36.

⁶ Rigg Fred., *Honolulu : East-West Center Press*. Thailand : The modernization of a bureaucratic polity., 1966. pp 139-146.

Thailand (EGAT) sign contract of sale officially with Ch, Kamcang and contain Xayaburi dam in Power Development Plan (PDP) in country. The Laos will sell electricity that came from this dam around 95% to Thailand and 5% will be used by Laos. Thai will get electricity from Laos at low price. Thailand as a developing country, Thailand need energy electricity to develop its economy aspects and infrastructure. Since Laos will sell 95% of the electricity to Thailand with low price, Thai government make a foreign policy to support the Laos dam project. Thailand want to shows that the country can meet its future energy needs. However, the project dam of Laos in Mekong River has most impact to resident Mekong river area.

According to Allison, Model III (Bureaucratic politics) is a construction from four basic propositions.

Proposition 1: Player preference correlate highly with bureaucratic position.

Conduct of Thai bureaucratic it is outcome of business preference.

Proposition 2: Player perceptions correlate highly with bureaucratic position. (Where you sit influence what you see as well as where you stand) (Allison, pp. 178,166)

In Thailand, bureaucratic can govern every class in the country and have business are background or influence and product of government have business involve.

Propositions 3: Player's influence in a decision-making process flows from his or her bureaucratic position.

In Thailand Business influence to order the decision-making of the government.

Proposition 4: A decision-making process may understood as a bargaining situation in which players "pull" and "haul" to promote their organization interest with the net result that government decision do not reflect the intention of any player in particular.

A decision-making process of Thailand are understand which who is live behind government; it is result of government decision.

The decisions and actions of governments are essentially domestic political outcomes. Political in the sense that the activity from which the outcomes emerge is best characterized as bargaining. The decision for supporting the project dam of Laos, Thai will gain the purchasing electricity at a low price from Laos. This is the reason why Thai government supports this project. Thai lack of electricity to develop its economy but have one important reason is business group behind decision. Model III explains deviations from ideal rationality by revealing the political gamesman ship behind them.

Dam project of Lao in Mekong River.

Pak Beng is the northern most of the LMB it is Located in Pak Beng Province, Lao PDR. The developer is Datang International Power Generation, form China. It has a capability of 1,230 MW with a dam 943 m long, 76 m high and a rated head of 31 m. It has a basin area of 86.51 km. and live storage of 442 km. As originally project with a full supply level at 345 masl. Thailand will get an impact. Thailand might have flood but Lao government tried to avoid this impact.

Luang Prabang is the second dam in the Mekong River, located above Luang Prabang province, about 3 km above the confluence with the Nam Ou, and the Pak Ou caves. The developer is Petro Vietnam Power Corporation. It has capacity around 1,410 MW. (Haas, 2010) Dam 1,106 m long and 68 m high with a rated head of 40 m. It has a basin area of 90 km, 40% of which is have within channel and live storage of 734 Mm

Xayabury, the third dam in the Mekong river, is located about 150 km downstream of Luang Prabang province. The developer is SEAN and Ch. Kanchang of

Thailand, with the bulk of the power sold to Thailand. It has a capacity of 1,260 MW. (Haas, 2010) with a dam 810 m long and 32 m high and a rated head of 24 m. It is proposed to operate continuously. It has a basin area of 49 km² 96% confined within the main channel and live storage of 225 Mm. the project and study for Xayaburi are the most advanced. it also becomes consideration under the MRC's PNPCA.

Pak Lay, The fourth dam in the Mekong is located just above the Pak Lay province in Lao PDR. There were two option of location proposed and the higher option was recommended during the Lao optimization study. The developer is CIEC and Sinohydro of China. It has a capacity of 1,320 MW and a dam 630 m long and 35 m high with a rated head of 26 m. It has a basin area of 108 km².

Sanakham, the final dam of the cascade located fully in Lao PDR, is situated just upstream of the Thai-Lao border, between Loie and Vientiane provinces. The developer is Datang from China. It has an capacity of 700 MW and a dam 1,144 m long and 38m high with a rated head of 25 m. It has a basin area of 81 km² and live storage of 106 Mm.

Pak Chom is the first two dams built between Thailand and Lao PDR. It is located about 100 km upstream of Vientiane and is not officially part of the upstream. There is no developer yet for Pak Chom, though pre-feasibility studies have been commissioned by ministry of Energy in Thailand and Ministry of Mines and Energy in Lao. Its has capacity of 1,079 MW with a dam 1,200 m long and 55 m high and a rated head of 22 m. It has a reservoir area of 74 km² and live storage of 12 Mm.

Ban Khoum is the second of the dam built between Thailand and Lao PDR. It is located about 10 km above the confluence of the Mun/Chi river with the the Mekong, in a narrow valley with sandstone hills on each side. The developer is Charoen Energy

& Waters Asia Co. Ltd. It has an capacity of 1,872 MW and a dam 780 m long and 53 m high with a rater head of 19 m. It has a basin area of 133 km and little live storage.

Lat Sua has been relocated to a site 10 km downstream of Pakse. The original section was between Pakse and the Mun/Chi confluence. The developer is Charoen Energy Water Asia Co of Thailand. It has a small basin area of 13 km and very little live storage.

Don Sahong dam blocks off the Hou Sahong channel. One of more than ten channels that flow over the Khone falls at the southern end of Siphandone. The Hou Sahong channel is the only channel passing though the khone Falls complex which is passable during the dry season. The developer of this dam is Mega First from Malaysia and the power generated is sold to Thailand. It has an capacity of 240 MW and a dam 720 m long and 8.2 m high with a rater head of 17 m. It has a small basin area of 290 km and a live storage capacity of 115 Mm.

Thakho Diversion (50-60 MW) was developer is CNR, France). The diversion of 380 m³/s flow through canal around Khone Phapheng Falls With the Chinese dams. When the dry season ones the flow increased the diversion of 470 m³/sec and power generated to 450 GWh/year.

These are seven dam projects and one diversion of Lao and two dam projects shared between Thai and Lao. Dam building will give a lot of impact, such as fish, agriculture, transportation and especially resident area around Mekong River because Mekong river is the livelihoods and cultures of the 60 million resident living in the Mekong area. There people opposed the dam project.

Thai government decision to support the project.

Xayaburi dam is the first project of Laos to build in the Mekong. The Xayaburi Dam was the first significant test for the Mekong Agreement, a treaty signed in 1995 by Cambodia, Laos, Thailand, and Vietnam. The treaty is planned to promote shared use and management of the river basin. Replace of cooperating with neighboring governments, however, Laos began to achieve the Xayaburi Dam although Cambodia and Vietnam wary about the project's transboundary impacts. Despite of the dispute, Thai remained silent. *"The Thai government did not opposed to the project,"* said Foreign Minister Surapong Tovichachaikul, speaking at the sidelines of the Asia-Europe Meeting in Vientiane, Laos.⁷ In 2010, the Lao and Thai governments began to build the massive 1,260 megawatt Xayaburi Dam on the Mekong River. The project was built by Ch. Karnchang, one of Thailand's largest construction companies. It was financed by six Thai commercial banks, including Siam Commercial Bank, Kasikorn Bank, Bangkok Bank and Krung Thai Bank. Thailand's electricity utility, EGAT, has agreed to purchase 95% of the dam's electricity.⁸

The plan shows that power from the Xayaburi Dam on the Mekong River is not need to meet Thailand's future energy needs, and that investment in energy capacity, renewables and co-generation could lower electricity bills for consumers by 12% in 2030 and avoid investment of US\$67 billion (2 trillion baht). Not only power from the Xayaburi Dam not needed to meet our future energy needs, but also it will be more expensive than alternative options.

⁷ Thai government support Xayabury dam. (06 11 2012). *Bangkok post*: <http://www.bangkokpost.com/lite/breakingnews/319838/thailand-backs-xayaburi-dam>

⁸. Xayabury dam., International river : <http://www.internationalrivers.org/campaigns/xayaburi-dam>

The Alternative Power Development Plan (PDP) was produced by Thai energy professional Chuenchom Sangarasri Greacen and Dr. Chris Greacen. The team analyzed the Thai government's current Power Development Plan (PDP 2010) and found that future power needed overestimated by 13,200 megawatts (MW) over the next 20 years, its mean of Xayaburi Dams. The authors also found that Thailand has enough excess surplus capacity and projects in the pipeline. There is no need for additional power plants or energy capacity until 2017.

The economy development of Thailand increase the use of electricity. Ministry of energy and EGAT have duty to seek source of energy for electricity in country. Ministry of energy and EGAT plain to develop electric power in Country for support electricity demand in country. by consider source of produce electricity in country include hydropower. The seek electricity power in country and purchase electricity with neighbor include Xayaburi dam of Lao in Mekong river. The why Thai government support Lao project because of electricity need. However, Power Development Plan for Thailand shows that Thailand can meet its future energy needs without any additional hydropower imports, including Xayaburi dam. Thus power from xayaburi dam is does not needed in Thailand⁹. The project dam of Lao not give benefit for Thai government. In fact Thailand does not need electricity from Lao because electricity in Thailand is already enough. It means the needed of electricity is not the reason of government support. However, Thai government supported this project. The project dam did not give benefit to government but to company in Thailand and Thai companies will earn most of the profit from the dam¹⁰. With the

⁹ power from xayaburi not need in Thailand. International river. 2012/3/12.

¹⁰ summary of PPA analysis . (August 2013). International river:
http://www.internationalrivers.org/files/attached-files/summary_of_ppa_analysis_august_2013.pdf

project dam of Lao that Thai company are sponsor can see the bureaucratic politic of Thailand.

Political system in Thailand.

The government system of Thailand is constitutional monarchy. The head of state is King and the head of government and control politic in country is the Prime Minister. Under the regime of "semi-democracy," two new forms of political influence by business have increased remarkably: 1. direct participation in Parliament and the cabinet, both through elections and the support of the parties, and 2. group-based lobbying or membership in the Joint Public Private Consultative Committees (JPPCCs).

1. Politic influenced by Business group.

The Political influence of business means that business can use the influence of politicians. Business can use politicians influence in two way other than by lobbying politicians. He will himself run for election and be elected, or he play a critical role in an election campaign. Have many business are elected to parliament¹¹, a provincial association or a municipal committee because of their economic power.

The direct business was prime minister is Thaksin Chinnawat, he is China businessmen in Thailand and have business about telecommunication and communicate such as Intouch Holdings company. Intouch Holdings Public Co. Ltd is company about satellite, internet, telecommunications, media, and advertising businesses, include AIS; the famous communication network in Thailand. The company was formerly known as

¹¹ Anek Laothamatas. (1988). Business and politics in Thailand : New patterns of influence. ASIEN Surver. , pp. 460.

Shin Corporation Public Company Limited and changed its name to Intouch Holdings Public Company Limited in March 2014.

Intouch Holdings public Company limited in March 2014. Intouch holdings Public Company limited was founded in 1983 and big company in Bangkok, Thailand.

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In Thailand, also has business that do not stand for election. Many of which provide candidate with election campaign funds in order to build close relationships with them. Some are also able to be electioneer who command a large vote. As for senior official of the central government, said that Officials who are not close with politicians cannot get posts, and those who are not obedient to politicians cannot get power. Because of businessman has much money and the person who want to be prime minister, Provincial Administration Organization, District Administration Organization and other that related with politic election, must to have much money for give to population for chose him. Close relationship with businessman is the good thing for person who want to be a prime minister and other, make businessman are sponsor.

2. Economic policies influenced by Business.

“Successive governments since the time of Prime Minister Kriangsak (1977-1980) have been very favorable to the creation of business associations and the promotion of government-business dialogue. In 1981 the national Joint Public-Private Consultative Committee on Economic Problems (JPPCC) was founded, there is the era of prime minister Prem, business increase in this era (see the table 1.2). businessmen its membership consists of the prime minister, ministers in charge of

¹² Profile : Intouch Holdings Public Company Limited., Business Summary.
<http://finance.yahoo.com/q/pr?s=INTUCH.BK+Profile>

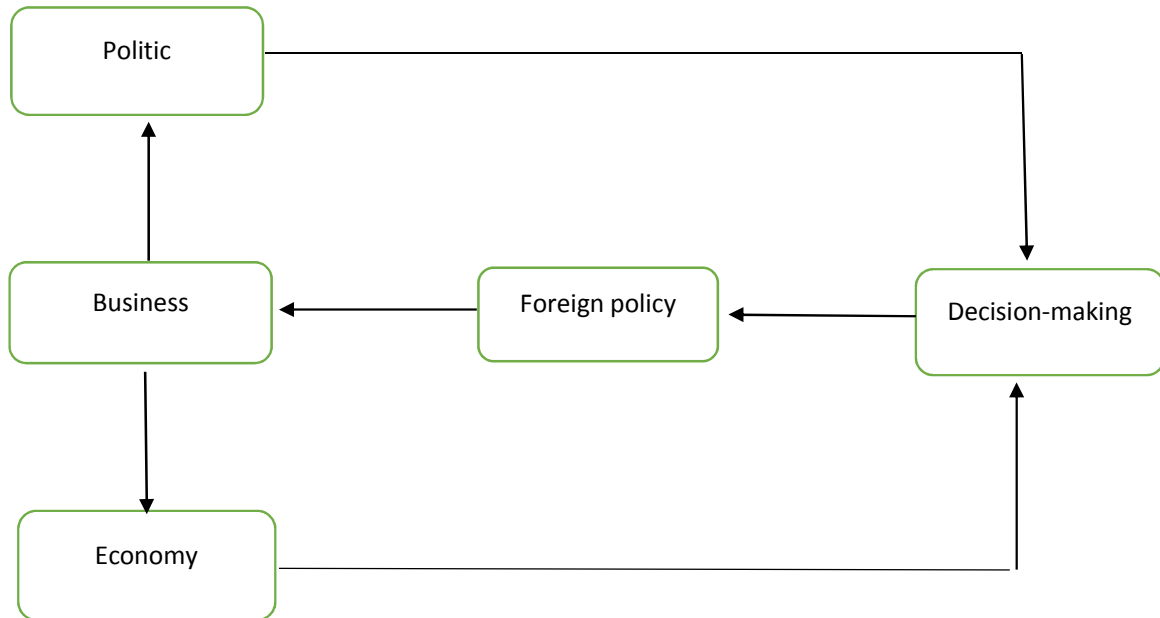
economic affairs, and representatives of the Thai Banker Association, the Association of Thai Industries, and the Thai Chamber of Commerce, with the technocratic National Economic and Social Development planning Board (NEADB) serving as its secretariat. There is no labor, farm, or public enterprise representative on the Committee.¹³

In Thailand has businesses legal and illegal. The business illegal such as the business that relate with prostitution because prostitution is illegal in Thailand the place of prostitution such as massage parlor. However, government cannot reject prostitution in the way of economic because prostitution is sex tourism, such as Pattaya, Phuket there is the primary tourist in Thailand and prostitution zones. Government know there is the place of prostitution but government must to yielding because of economic influence.

Business who use power of economic influence over bureaucratic and use them as cooperate in pursuing interest will not be lost as long as bureaucrat need bribes and contribution. However, not all business in Thailand seek his interest in way and business in Thailand is not all-illegal. This way is not call bad, because perhaps people have to do for our interest, and not every bureaucratic yields to economic influence just business who can use bureaucrat accomplices in illegal activities are wide expand in most parts of the country.

¹³ Anek Laothamatas, Business and politic in Thailand: New Patterns of influence. Asian Surver, Vol.28,No.4 (Apr.,1988)pp. 451-470.

1.1 Chart, The business influence with bureaucratic politic in Thailand.



In this chart, it can be seen that business influence direct bureaucratic. According to Fred Rigg, influence is very important within the bureaucratic.¹⁴ In Thailand, decision makers are government or bureaucratic influence by business. The dam project case of Lao in Mekong river can show bureaucratic in Thailand. The decision-making of foreign policy of Thai government to support Lao dam, including Xayaburi dam, Electricity Generation Authority of Thailand (EGAT) has agree to purchase 95% of the Xayaburi dam. EGAT is the part of Mistry of Energy.¹⁵

¹⁴ Fred Rigg. (1966). Thailand: The modernization of a Bureaucratic polity . Honolulu : *East-West Center Press*. pp. 339-346.

¹⁵ Energy Efficiency Development and Potential Energy Savings in the greater Mekong Sub region., Institution framework for the energy sector.

EGAT is a state owned of the power sector under the supervision of the Ministry of Energy, Ministry of Finance our main of business is producing energy and sell electricity to the Metropolitan Electricity Authority (MEA) and the Provincial Electricity Authority (PEA).¹⁶ EGAT has five Affiliates, there are Electricity Generation Public Company Limited (EGCO) (share 25.41%), Ratchaburi Electricity Generating Holding Company (RATCH) (share 45.00%), EGAT international (share 99.99%), Egat Diamond service (EDS) (share 45.00%), and DCAP (share 35.00%). The Thai banks, include state owner Krung Thai Bank, had agree to finance the project, developer of the dam project is Ch. Karchang, there are large company in Thailand and Ch. Kanchang established Xayabury Power Company limited to perform. Xayaburi Power Company limited is the company located in Lao PDR. There is type of power plant is renewable power plant, PPA around 29 years. Its expected to begin commercial operation. The shareholder structure, there is Electricity Generation Public Company Limited EGCO 12.50% (Affiliate of EGAT, the part of Ministry of Energy), CH.Karnchang 30%, EDL Generation public Company 20% (Company of Lao), Bangkok Expressways BECL 7.5 % (Affiliate of Ch. Kanchang), Natee Synergy 25% (Affiliate of PPT, the part of Ministry of Energy), and PT Construction and Irrigation 5% (Lao). The largest shareholder of Xayaburi Power Company limited is Ch. Kanchang. Ch. Kanchang Company is very evident with the Xayaburi dam project of Lao in Mekong river which is the developer the dam and share in Xayaburi power

¹⁶ Electricity Generating Authority of Thailand., about EGAT.
http://www.egat.co.th/index.php?option=com_content&view=article&id=140&Itemid=178

company limited. There can show that Ch. Kanchang is very influence with the dam project. However, this project, the government got no benefit. there is no reason why Thai government support the dam project of Lao because the dam project of Lao in Mekong River give a lot of bad impacts and it is risk to support. However Thai government support and do not oppose Lao for build the dam in Mekong River. On the other hand neighbor country dispute with the project but Thai government agree to buy electricity from this project. If Thai government decide not to buy electricity from Lao project; this dam project might be not build. ¹⁷ In terms of advantage, Ch. Karnchang got direct benefit; such as contract for building the dam, share of Xayaburi Power Company Limited. In fact, Ch. Kanrchang is the large company in Thailand. What is the reason of Thai government to make decision making for support by way of agree to buy electricity while electricity already enough in country. Clearly, business influence with the decision. There is a specific reason why Thai government decided to support the project and buy the electricity. As it is know that, the electricity is already enough for the country. It is clear that business matters influenced the decision-making.

CONCLUSION

Thailand is a developing country in south Asia and is the only country in Southeast Asia which was never colonized by western. It makes Thailand has more nationalism than other countries in Southeast Asia. Political in Thailand uses constitution of Monarchy. King is the head of state and Prime minister is the head of government. Prime minister of Thailand is chosen through an election. Thailand has most revolution in country. Thailand has a mixed economic system in which there is a

¹⁷ International centre for environmental management. (2010).

การประเมินผลกระทบทางด้านสิ่งแวดล้อมระดับยุทธศาสตร์เกี่ยวกับไฟฟ้าพลังน้ำในแม่น้ำโขงสายหลัก. final report, 14.

variety of private freedom, combined with centralized economic planning and government regulation. Economic in Thailand grows quickly than it did in the past. It causes another important extra bureaucratic force, where political parties are supported by business. Business increase political role is an evident from the number of MPs and cabinet minister's whit business background. because of this, the evident of Lao project dam in Mekong river that have Thai company are developer and Thai government make decision procedure by buy electricity from the project dam however neighbor oppose the project dam of Lao because of company influence with berucratic in Thailand.

Thailand is located in the center of peninsular Southeast Asia. Burma is to the west, Laos to the north and east, Cambodia to the southeast, and Malaysia to the south and Thailand have big river name is Mekong River.

Mekong river is an International river which passes six countries. Mekong River is an important river in southeastern Asia. It is the longest river in the region. Starting from China's Qinghai Province near the border with Tibet, the Mekong flows generally southeast to the South China Sea, a distance of 4,200 km (2,610 mi). The Mekong crosses Yunnan Province, China, and forms the border between Myanmar (Burma), Laos, and most of the border between Laos and Thailand. It then flows across Cambodia and southern Vietnam into a rich delta before flowing into the South China Sea. It has around 60 million residents depending on national resources from Mekong River such as fish, agriculture and transportation. Mekong River is daily life of resident Mekong river area. Mekong River is the world's largest inland fishery and hydropower. By building the dam, Mekong river can produce electricity. There is the reason why Lao wanted to build the dam project in Mekong River.

Lao sees hydropower as a need for its capability in the future as the "battery of Southeast Asia. Lao wants to build the project dam in Mekong river. Lao want to build ten dam projects in Mekong river. they are Pak Beng, Luag Prabang, Xayaburi, Pak Lay, Sanakham Pak chom, Ban khum, Lat Sua, Don Sahong and Thakho. Eight dam are located in Lao and two dam are located between border Thailand and Lao. While building the dam has most of impact to resident Mekong river aria, fish, transportation, and agriculture. Many people and neighbor country such as Cambodia and Vietnam oppose, because concerned about impact. However, Thai government do not oppose the project dam of Lao in Mekong river but agree to buy electricity from Xayaburi dam project. Xayaburi dam is the one in ten project of Lao in Mekong river and became the first dam that want to test in Mekong river. Xayaburi dam has Thai company are developer, The Lao government signed a Memorandum of Understanding (MoU) with the project's lead developer, Thailand's Ch. Karnchang Public Company. After the MoU, a Project Development Agreement (PDA) was signed between the Government of Laos and Ch. Karnchang Thai banks, including state-owned Krung Thai Bank, have agreed to finance the project. Thailand banking finance the project around 115,000 trillion bath and state-owned Electricity Generating Authority of Thailand (EGAT) has agreed to purchase 95% of the dam's electricity. The evident of the project give most benefit to Ch. Kanrchang but Thailand government do not have benefit because electricity in country already enough for use in country. The evident of Thai government decision is benefit for company or can call business influence with decision making of Thai government.

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