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**The Last Opium War: Network Governance and Contemporary  
Opium Problem in Northern Thailand**

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# The Last Opium War: Network Governance and Contemporary Opium Problem in Northern Thailand

## Abstract

Thailand's opium poppy eradication policy is undoubtedly a success. Cultivation dropped from 100,000 to 1,500 hectares in 40 years, and opium cultivation in Thailand has no longer considered as a source country for the international narcotics market. One outlier exists: Chiang Mai's far southwestern district, Omkoi, where the majority of known opium cultivation in Thailand occurs. The previously successful alternative development approach, under the Royal Project initiated by King Bhumibol, has not been implemented in Omkoi for various reasons. The Thai government therefore seeks a new approach to deal with opium cultivation there. *Network governance* is a new approach to tackle this 'wicked problem'. The government established a coordinating body, the Centre for the Resolution of Security Problems in Omkoi (CRSPO) in 2012, in order to suppress opium cultivation and manage other security issues. This paper describes the current attempts of the Thai state to suppress opium production through a network approach, and outlines the challenges that it faces in the quest toward sustainable solutions to resurgent opium cultivation.

**Keywords:** *Agriculture, Alternative Development, Drug Control, Forestry, Golden Triangle, Hmong, Highlands, Hill Tribes, Karen, Livelihoods, Myanmar, Narcotics, Network Governance, Omkoi, Opium, Organized Crime, Royal Project, Swiddening, Thailand*

## Introduction

Thailand's opium poppy cultivation fell from 12,112 hectares (ha) in 1961 to 281 ha in 2014 (ONCB 2015). UNODC declared Thailand "opium free" a decade ago, and has not included Thailand in its World Drugs Report since 2008. Thailand is also widely heralded as a successful example of "alternative development" programming, which seeks to replace illicit crops with licit ones, and which is conducted in tandem with coercive policies to eliminate the opium economy.

One outlier exists: Chiang Mai's far southwestern district, Omkoi, where the majority of known opium cultivation in Thailand occurs. This remote district has the largest amount of hectares under cultivation, the highest volume of opium poppy seizures, and an increasing number of injecting addicts. The problem is a local one: Omkoi's opium is not destined for international markets, and only feeds local addictions.

The problem is not simply one of illegality: Omkoi is one of the last areas of Thailand where the state has yet to assert sovereignty. Opium cultivation is a symptom of Omkoi's lack of inclusion and its people's lack of opportunity. 90% of the district is designated national forest land but a large ethnic Karen population lives there, in areas where there is limited or no access to schools, health centers, or roads; many Karen lack citizenship and land tenure, which precludes them from accessing health and education services, bank credit and other services and protections, and so they have little other option than to grow opium, which has a short growth cycle and a high rate of return. The Thai state faces a problem of governance in Omkoi, and is in the midst of the final extension of its presence and services into one of the last parts of the highlands that remains beyond its surveillance and coercion.

This article focuses on the recent attempt of the Thai state in solving this problem by employing Network Governance approach. The analysis is based on substantive field research and interviews with Thai government officials, Karen leaders, security actors, academics, civil society representatives, local businesspersons, ex-cultivators, and recovering opium addicts in Omkoi, Chiang Mai, and other areas, from December 2015 to June 2016. These findings emerged from an earlier project at the National University of Singapore's Lee Kuan Yew School of Public Policy<sup>3</sup>, in collaboration with Chiang Mai University and the Government of Thailand's Office of the Narcotics Control Board.

This analysis is comprised of five parts; the historical background of opium cultivation is outlined first, followed by contemporary opium cultivation in Thailand and Omkoi. The Thai state's approach to opium suppression in Omkoi through a network governance approach is presented in the fourth section. Lastly, we discuss challenges that the Thai state faces in employing network governance to solve a 'wicked problem' such as opium.

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## **Historical background of opium cultivation in Thailand**

Britain's forced opening of "free trade" with China resulted in opium's widespread use there, and later, among Chinese immigrants in Thailand, which led to opium being widely consumed. Nevertheless, illegal trafficking remained pervasive. In 1871, the state changed its policy by revoking concessions and becoming the sole authority over the selling and smoking of opium by issuing sales licenses to stores. Since the early 1900s, there have been attempts internationally to suppressing opium use. Thailand participated by joining the International Opium Commission in 1909 in Shanghai, after which it declared a policy to end the sale and use of opium.

Opium cultivation in Thailand did not begin in earnest until the 1940s. The fall of China's Guomintang government (Kuomintang, hereafter KMT) to the communists in 1949 led to the remnants of the KMT fleeing to Myanmar, where they expanded cultivation of the only cash crop in northern Shan- opium, which would soon reach international markets via Bangkok. Systematic cultivation percolated into Thailand with highlanders fleeing KMT conscription and taxation in Myanmar (McCoy 1973; Lintner 2000). Demand for Southeast Asian opium exponentially increased as a result of the success of eradication programs in the Balkans, Anatolia, and Iran; organized criminal syndicates searched for new sources of opium, and found it in the Golden Triangle (McCoy 1973).

By the late 1950s, the Thai-Myanmar-Lao border area, colloquially known as the 'Golden Triangle', became a manufacturing area for heroin for worldwide distribution. Hill tribes in Northern Thailand were encouraged to grow opium extensively as a result. Thai communist insurgents also profited from this trade; highlanders were their farmers and foot soldiers. It was in this era especially that, for many a lowland Thai, highlanders—swiddeners, opium growers, rebels—became associated with environmental destruction, crime, and threat. These stereotypes have created an atmosphere of suspicion and distrust which continues to color the lowland – hill tribe relationship (McCoy 1973).

Northern Thailand's opium economy began to wane in the early 1970's, when United States President Richard Nixon declared a "War on Drugs" in response to a rising urban heroin epidemic which was partly fueled by addicted American soldiers returning from Vietnam. The Thai government, with US pressure and funding, increased the scale of alternative livelihoods programs which had initially begun under the auspices of Thai King Bhumibol Adulyadej's Royal Project (est. 1969).

## **Alternative Livelihoods**

The project sought to solve the problems of deforestation, poverty, and opium production, through the promotion of alternative crops. This was the first project which sought to substitute illicit crops with legal ones, and has been one of the more successful projects of that type. Bhumibol's speech on 10 January 1969 at the Faculty of Agriculture, Chiang Mai University, stated the project's objectives:

*"One of the reasons underlying the creation of the project was humanitarianism; the desire that these people living in remote areas should become self-supporting and more prosperous. Another reason, which has received support from all sides, was to solve the problem of heroin.....If we help them, it is tantamount to the country in general having a better standard of living and security"* (Highland Research and Development Institute 2015).

The Royal Project's approach to alternative livelihoods included:

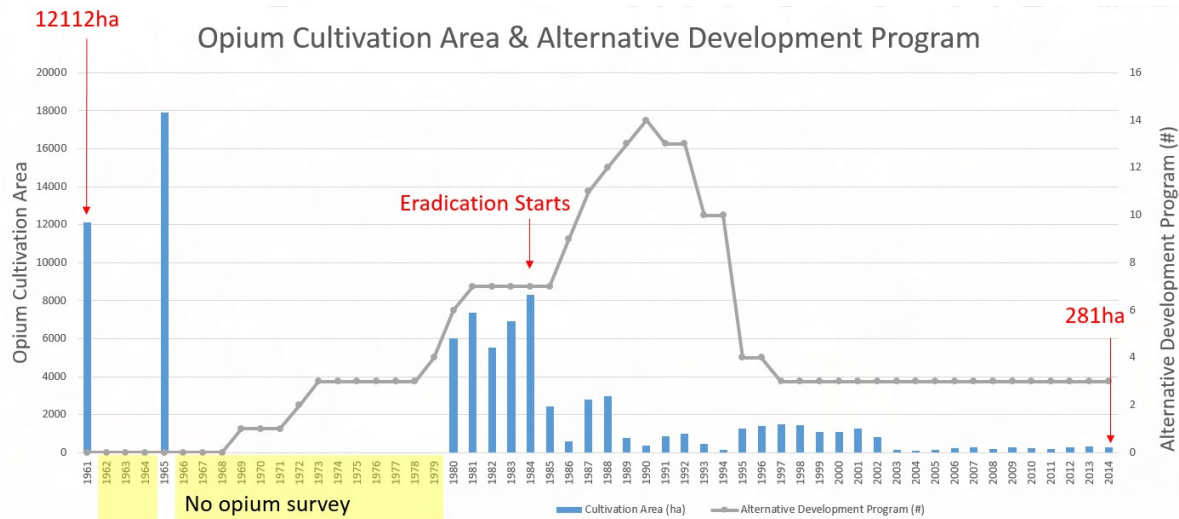
1. Research and development of geographically suitable alternative crops which would not compete with lowland products;
2. Agricultural extension services including provision of seeds, fertilizer, training, and construction of supporting infrastructure (dams, irrigation, farm feeder roads, etc.);
3. Post-harvest and value-added processes, such as transportation, grading and packing, food processing, market development, etc.

The Royal Project introduced over 150 new crops to opium poppy farmers, including Arabica coffee and tea. Other less-valuable crops included apples, beans, cabbage, corn, decorative flowers, herbs (seasoning), lettuce, peaches, and so on. Padi rice was also encouraged. Cabbage cultivation was surprisingly a better earner than opium but only when farmers over-used chemical fertilizers and pesticides (Renard 2001), and only in the first year of cultivation; prices soon fell, and chemicals were soon banned due to the contamination of water sources in watershed areas.

The government established price floors for alternative crops and became the guaranteed buyer for Royal Project produce, in order to match the price farmers once earned from opium poppy cultivation. The Royal Project initially focused on monocropping, which served to make highland participants more reliant on the cash which their monocrop could earn, which they could then use for further nutritional

diversification. This was an aspect of lowland “best practices” transplanted to an area which was not appropriate for it, and the Royal Project de-emphasized monocropping after the first decade<sup>4</sup>.

**Figure 1: Opium cultivation and alternative development, 1961-2014.**



Source: ONCB Opium Cultivation and Eradication Reports for Thailand

The statistics shows that the alternative development program continuously increased since the 1969 and reached its highest number in the late 1980s. After that the program dramatically dropped in the mid 1990s and became steady after 1997. However, the opium cultivation area significantly decreased after the eradication started.

### **Eradication**

By the early 1980s, the Thai government saw that, despite their efforts, opium production had continued to increase; at this stage elements of the state were anecdotally less involved in the trade, however, and so Thailand adjusted its drug policy, prioritizing the eradication of crops; execution of drug producers and traffickers; lastly, treatment for addicts (the latter did not come into full effect until the 1990s). Foreign aid to combat illicit drugs increased substantially through the 1980s.

Poppy eradication began in 1984, 15 years after alternative development began; despite a decrease in production throughout the 1970s, production was peaking again in 1984, when suitable alternative crops were considered by the Royal Project to be sufficiently in place. The Office of Narcotics Control Board (ONCB), which also acted as extension agents, coordinated eradication efforts which were

<sup>4</sup> Interview, Karen leader in Mae Wang, Chiang Mai, June 24, 2016

primarily conducted by the 3<sup>rd</sup> Army. This policy had immediate impact: between 1984 and 1985, Thailand's area under cultivation dropped from 8,290 to 2,428 Ha (Renard 2001).

### ***Societal and other impacts of past policies***

The key success factor in this reduction was steady governmental encroachment into, and development of, previously ungoverned areas. Between 1971 and 2000, about 100 alternative development projects were implemented, and more than 600 million U.S. dollars invested, to reduce poppy cultivation and expand infrastructure and services in Northern Thailand's highlands (Renard 2001). The moral authority of the King amongst Thais played a major role in the continuation of these policies.

The success of the overall alternative livelihoods and crop substitution program in Thailand did not only result from substitute crops increasing incomes; the threat posed by eradication and increased law enforcement/ state surveillance, and the potential loss of both income and freedom, were factors in the decisions of former cultivators to switch crops<sup>5</sup>. New crops did not provide the same level of income that opium poppy cultivation did, but the price floor established by the Royal Project partially bridged the gap between illicit and licit income. The Royal Project continues to pay inflated prices for substitute crops.

An important factor in the success of alternative livelihoods, according to Renard (2001) and others, was the awarding of Thai citizenship to hill tribe members: citizenship offered the possibility of land tenure. Encouraging crop substitution is implicitly an encouragement in long-term investment, particularly for estate crops such as coffee, tea, and orchard fruits, and providing this tenure to farmers encouraged them to shift away from an illegal crop with a short cultivation window and a high rate of return. In areas designated as protected by the Royal Forestry Department, limited tenure was also allowed, sometimes grudgingly (Renard 2001).

Negative impacts also occurred. Hill tribes saw alternative development as an imposition from Bangkok that stripped them of their culture and sought to turn them into caricatures of lowland Thais (Jantakad and Carson 1998; Renard 2001). They were the passive recipients of such programs, and their voices played no role in the shaping of them; nor did they choose which crops they might cultivate.

Alternative development targeted opium poppy, but also, it targeted swiddening in general, and in the areas it was successful, it changed the very reason why highlanders cultivated crops: from household

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<sup>5</sup>Interviews with former cultivators, Omkoi, Feb 2016, and ONCB officials, Chiang Mai, Dec 2015- June 2016.

unit consumption to sale in markets. The projects largely ended the symbiotic relationship between hill tribe swiddeners and forests: something forestry officials strove to achieve for a century. The nutritional diversification accompanying former swiddening techniques ended due to monocropping substitution, and rural food security declined as a consequence. This is the opposite of claims made by alternative development practitioners<sup>6</sup> who assert that the cash earned from monocropping allows for the purchase of varied foodstuffs which were once cultivated.

The reduction in swiddening further integrated highland cultivators into Thailand's "cash" (non-opium) economy, thus increasing their dependence on the state and its markets, and necessitating non-traditional forms of work paid in currency. This integration also encouraged seasonal and sometimes permanent migration of highlanders to towns and cities, often for construction and other casual labor: in many highland areas, remittances became the primary income streams for cash-based needs.

Overall, state surveillance and control implicitly increased in areas where it was previously not present, through roads, troops, and bureaucrats, and non-state areas were integrated into the Thai state over time by virtue of this coercion, as well as Thai migration and the spreading usage of the Thai language.

## Contemporary Opium Poppy Cultivation in Thailand

The combination of these measures above mentioned resulted in the following outcomes:

- A 95.7% decrease in cultivation areas from 1961 to 2014;
- Between US\$195 and US\$272 million worth of opium destroyed since 1984;
- An estimated 13,900 kg of opium removed annually from circulation

UNODC declared Thailand "opium free", and has not included statistics on Thailand in its World Drugs Report since 2008.

This is due to the success of eradication: in the over 30 years since eradication began, the opportunity cost of *not* cultivating opium has increased. This is due to two factors:

- Higher yield:* advanced cultivation practice and technology including fertilizer and irrigation has increased opium yields from about 5.3 kg/ ha in 1961 to 22.19 kg/ ha in 2014; and
- Higher price:* opium has increased from 850 Baht/ kg in 1961 to 92,500 Baht/ kg in 2014 (Renard 2001, ONCB 2015).

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<sup>6</sup> Interview, HRDI, Chiang Mai, March 2016.

**Figure 2 Opium Poppy Cultivation in Thailand 2006-2015**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Opium Cultivation (ha)*	157	231	288	211	289	217	209	265	328	281
Potential opium production (ton)	2.45	3.61	4.50	3.30	4.51	3.39	3.26	5.89	7.28	6.24
Weighted average dry opium yield (kg/ ha)	15.63	15.63	15.63	15.63	15.63	15.63	15.63	22.19	22.19	22.19
Avg opium price (Baht/kg)	45000	60000	70000	75000	80000	80000	85000	85000	85000	85000-100000

Source: ONCB Opium Cultivation and Eradication Reports for Thailand (2006-2015)

Despite Thailand’s success in eliminating the bulk of opium poppy cultivation, as well as domestic heroin refining capacity, small-scale cultivation has stubbornly remained, and has increased significantly in comparison to 2012. UNODC’s exclusion of Thailand from its world drug report primarily reflected the volume of opium eliminated that was destined for international markets. Domestic demand remained, not for heroin, but for opium: something less addictive, less deadly, and therefore more invasive, at least among subsections of the rural population.

However, opium cultivation in Southeast Asia doubled during 2008-2012 on growing demand for heroin in China and the rest of Asia, according to the UNODC (2012). It was estimated there has been a combined 21% increase in the area of poppy cultivation between 2011 and 2012 in Myanmar, Thailand and Lao PDR. The share of opium production from the Golden Triangle in the global market increased from 5% in 2008 to 23% in 2011 (ibid). Although Thailand accounts for a small amount of world opium production today, cultivation increased 27.26% between 2012 and 2014, with the figure tending to increase every year (Narcotics Crops Survey and Monitoring Institute 2014). Approximately 75% of the country’s cultivation area is in Omkoi district, Chiang Mai province (ibid). This situation led to serious concern in the government, particularly about Omkoi, where most opium poppies are cultivated the most.

### **Omkoi: Thailand’s Last Opium Threat**

Omkoi district is located an average 20-30 km back from the Myanmar border. 80% of Omkoi’s population is constituted of non-Thai hill tribes—mostly Karen with family links to Myanmar—and 90% of the district is national forest reserve. Omkoi is an important watershed, and it has the country’s last

populations of wild elephant and mountain goat. Anecdotally, most of the indigenous population living in the remotest areas of Omkoi lack Thai citizenship (UNESCO 2010).

The district consists of six sub-districts containing roughly 100 villages, although no agreed-upon figure exists: many of the “villages” are only a set of homes populated by a single extended family. The number of inhabitants is also unknown; each government agency has a different figure<sup>7</sup>. Most of Omkoi is inaccessible during the rainy season; the district lacks schools, medical facilities, and electrification. Development in the district is hindered by its national forest status, which precludes the construction of infrastructure and offering of government services in an area where the majority of settlements are technically illegal, even if those settlements pre-dated the law. The area lacks government presence, and according to government interviewees, Omkoi serves as a place of exile for incompetent civil servants who are often absent from their duty stations<sup>8</sup>. People in Omkoi have extremely low educational levels: for example, usually a village leader in Thailand must have a secondary school diploma, but there aren’t enough graduates in Omkoi, so the prerequisite is waived, and an Omkoi civil servant is only required to speak Thai.

Opium usage in Omkoi is prevalent among Karen. The Chiang Mai University Medical Faculty’s substance abuse research center estimated that Omkoi hosted 5,000 addicts, but their estimate is based on an arbitrarily-assigned average of 5-10 addicts per village, and is hence unreliable. No one knows the level of addiction in Omkoi, although anecdotally it is high. While smoking is still the most common way to consume opium, injection grows more popular as prices increase in response to eradication. Injectors harvest needles from medical waste bins<sup>9</sup>. The proportion of injectors to smokers varies depending on accessibility and price. There was a rise in the injection rate among young adults and adults; Thanyarak hospital report they have treated injectors as young as 8 and HIV infection rates among Omkoi injectors is 30%. Hepatitis rates are unknown.

Omkoi’s western and northern fringes are the entirety of 1960s highland Thailand in microcosm, where roads do not reach, inhabitants are uncounted and unrecognized by the state, and a political economy of illegality exists which is only now being mapped by state actors. All information from Omkoi indicates a significant gulf separating highland Omkoi’s people from the lowland Thai state. This is starkly obvious

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<sup>7</sup> Interview, CMU Professors/ ONCB, Chiang Mai, December 2015.

<sup>8</sup> Interviews, ONCB, Chiang Mai, December 2015.

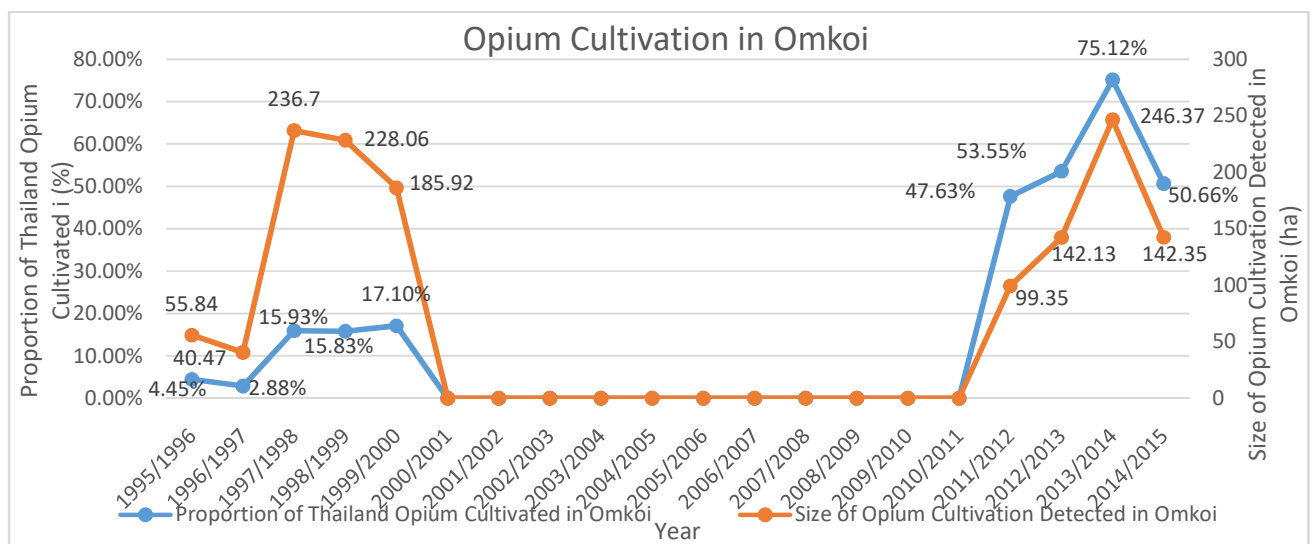
<sup>9</sup> Interview, Public Health Official, Omkoi, March 2016.

as one travels in the district; everywhere one finds shattered roads, or no roads at all, a dearth of services, a lack of connectivity and a distance from the state that is mental as well as physical.

Omkoï hosted significant cultivation from at least 1995 to 2000; according to interviewees, cultivation occurred from at least the 1960s<sup>10</sup>. Despite this, Omkoï did not historically benefit from the Royal Project, because cultivation never occurred to the extent that it did further to the north, in Chiangrai, where fragmented KMT forces once ruled numerous statelets<sup>11</sup>, and where Hmong and Lisu entrepreneurs cleared entire mountainsides for poppy. Nor was there a direct threat to the state in the form of a communist insurgency in Omkoï: all the initial ONCB areas of operation were in key insurgent areas (Race 1974) where insurgents derived funds from the trade.

The Royal Project, through HRDI, became aware of cultivation issues in Omkoï in 2009 and began an “extension” in the district that same year. This occurred after roughly a decade where no cultivation surveys were undertaken in Omkoï, theoretically because cultivation was thought to have ended. Whether cultivation had ended at that time only to re-start later is, in hindsight, questionable: ONCB data reveal significant cultivation from at least 1995 to 2000, including a 485% increase in hectares under cultivation between 1997 and 1998.

Figure 3 Opium Cultivation in Omkoï



Source: ONCB Opium Cultivation and Eradication Reports for Thailand (1995-2015)

\*Note the lack of surveys from 2000 to 2011.

<sup>10</sup> Interviews with former cultivators, Omkoï, Feb 2016

<sup>11</sup> For a description of KMT veterans and their descendants in contemporary Thailand refer to Qin (2015).

## **Network governance: in search of contemporary opium solution in Thailand**

The increasingly rise of opium cultivation in Omkoi brought attention to the Thai government to tackle the problem in this particular district. Narcotics control in Thailand has generally been state-led, with operations by government agencies being bureaucratic and function-based, and the overall approach to opium problem has been no exception.

In September of 2012 the Office of the Prime Minister declared Omkoi a 'special area'; it required a board to devise an area-based approach to deal with the area's "security" problems; that year, the Government of Thailand created the **Centre for Resolution of Security Problems in Omkoi (CRSPO)**. The CRSPO's mandate is to suppress opium cultivation, human trafficking, and illegal logging, although opium suppression rapidly became the priority.

In creating the CRSPO, the intention of the Thai government was to address Omkoi's security problems, namely opium, in a different way. It was developed based on an experimental network structure. The shift from a traditional bureaucratic approach to collaborative governance (Ansell and Gash 2008) or network governance (Rhodes 1997) was expected. Klijn (2008) defined network governance as public policymaking and implementation through a web of relationships between government, business and societal actors, which is similar to that of Emerson *et al.* (2011) who referred to network governance as the processes and structures of public policy decision making and management that engage people constructively across the boundaries of public agencies, level of government, and/or the public, private, and civic spheres in order to carry out a public purpose that could not otherwise be accomplished. Thus, the roles of the involving agencies were expected to change according to this new structure. Within the CRSPO structure, state agencies are supposed to collaborate across organizational boundaries and work on an issue-and-area basis and involve other non-state actors in the policy decision-making process. The attempt at a coordinated approach represented a bureaucratic innovation on behalf of the authorities, and a recognition that the context in which illegality occurs in Omkoi is too complex for any one agency to manage. This example of network governance, which is recognized as a more efficient way to address "wicked" problems, continues to evolve and expand beyond the original security focus as ways to address, not just state security, but human security, become more apparent in Omkoi.

This newly established network-structured organization was mandated by the National Council for Peace and Order (NCPO) through a traditional top-down approach, however. The network did not stem from the voluntary collaboration of actors at the periphery, or from a self-governing network, as

manifested in most cases studied in network literature. In other words, the state agencies in the CRSPo were *ordered* to collaborate.

## **Roles of CRSPo**

The initial roles and duties of the CRSPo committees as stated in the NCPO's order (2012) were relatively vague, for example; planning, directing, coordinating and integrating all activities relating to opium reduction in Omkoi district; operating other relating tasks within Omkoi as assigned by the directing committee.

In 2015, Chiang Mai University, Faculty of Political Science and Public Administration -in consultation with the ONCB and other CRSPo members- created the CRSPo 5-year master plan (2017-2021). The plan has 6 strategies namely:

1. *Intelligent database*: developing up-to-date cultivating area, involving individual, and developing Omkoi socio-economic databases.
2. *Effective control*: Effective suppression strategies and law enforcement.
3. *Easy access for treatment*: extensive treatment to reach more opium users and experiment with alternative forms of treatment as well as enhancing the monitoring effectiveness.
4. *Comprehensive prevention*: extending opium prevention to youth both inside and outside schools, as well as adults in the area.
5. *Active community*: providing food security for living; promoting alternative crops with complete market mechanism; encouraging sustainable natural resource reservation; local leader capacity building.
6. *Modern management*: promoting the flexibility and focusing on result-based management, together with constant performance evaluation.

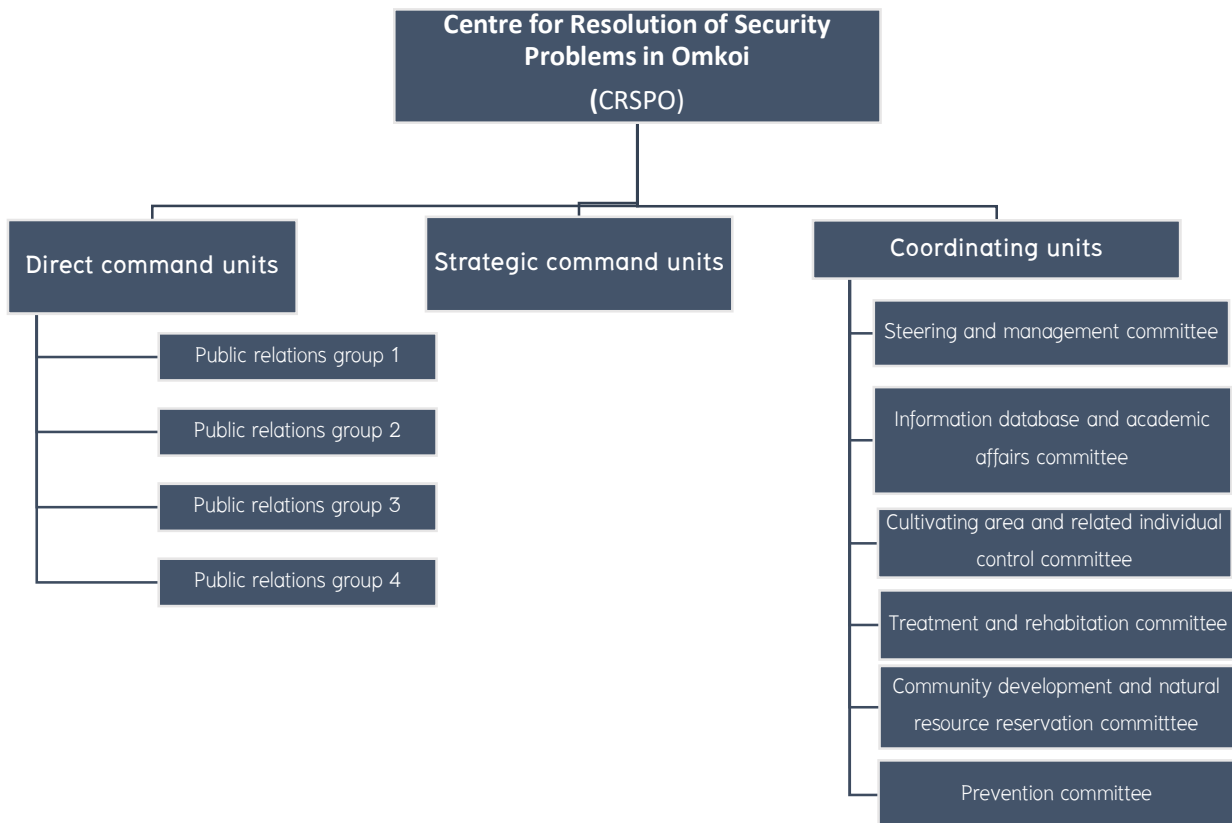
Although the content of this plan is hardly a departure from earlier CRSPo activity, but the difference is found in multi-year planning as opposed to previous plans by agency which were fiscal year-bound and not developed according to the above listed foci. The stakeholders in the network are identified according to the missions of CRSPo, which will be illustrated next.

## **Structure of CRSPo**

The CRSPo initially consisted of 17 ministries in 7 working groups in 2012. It was top-heavy with security actors. As the CRSPo has more clearly discerned the complexity of the area, it has expanded and

modified its approaches; the number of ministries and departments represented in the CRSPo increased to 22 organizations in December 2015. The current structure of CRSPo is still organized hierarchically. It is chaired by the Thai 3<sup>rd</sup> army and comprises of 6 working groups, as is shown in the figure below.

**Figure 4 Structure of CRSPo**



Source: CRSPo meeting document (2015)

The agencies under the CRSPo are from different ministries, and they are supposed to co-ordinate with other agencies within and across the working group. The table below demonstrates the variety of state agencies within the CRSPo structure, along with their affiliated ministries.

**Table 1 example of agencies under CRSP0**

Working Committee	Organization	Ministry
<b>Steering and management</b>	<ul style="list-style-type: none"> <li>Internal Security Operations Command (3<sup>rd</sup> Area)</li> <li>ONCB Region 5</li> <li>Chiang Mai University</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of defense</li> <li>Ministry of Justice</li> <li>Ministry of Education</li> </ul>
<b>Information database and academic affairs</b>	<ul style="list-style-type: none"> <li>Narcotics Crops Survey and Monitoring Institute</li> <li>Omkoï District office</li> <li>Omkoï Hospital</li> <li>Chiang Mai University</li> <li>Highland Research and Development Institute</li> <li>ONCB Region 5</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Justice</li> <li>Ministry of Interior</li> <li>Ministry of Public Health</li> <li>Ministry of Education</li> <li>Public Organization</li> <li>Ministry of Justice</li> </ul>
<b>Cultivating area and related individual control</b>	<ul style="list-style-type: none"> <li>Internal Security Operations Command (3<sup>rd</sup> Area)</li> <li>Omkoï Police Office</li> <li>Forest protected units in Omkoï</li> <li>Omkoï District office</li> <li>ONCB Region 5</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of defense</li> <li>Royal Thai Police</li> <li>Ministry of Natural Resource and Environment</li> <li>Ministry of Interior</li> <li>Ministry of Justice</li> </ul>
<b>Treatment and rehabilitation</b>	<ul style="list-style-type: none"> <li>Omkoï Hospital</li> <li>Thanyarak Hospital</li> <li>ONCB Region 5</li> <li>Highland Research and Development Institute</li> <li>Local Administrative Organization in Omkoï</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Public Health</li> <li>Ministry of Public Health</li> <li>Ministry of Justice</li> <li>Public Organization</li> <li>Ministry of Interior</li> </ul>
<b>Community development and natural resource reservation</b>	<ul style="list-style-type: none"> <li>Highland Research and Development Institute</li> <li>Chiang Mai Rural Road Unit</li> <li>Office of non-formal and informal education</li> <li>Office of irrigation</li> <li>Omkoï community development unit</li> </ul>	<ul style="list-style-type: none"> <li>Public Organization</li> <li>Ministry of Transport</li> <li>Ministry of Education</li> <li>Ministry of Natural Resource and Environment</li> <li>Ministry of Interior</li> </ul>
<b>Prevention</b>	<ul style="list-style-type: none"> <li>Omkoï District office</li> <li>Schools in Omkoï</li> <li>Office of non-formal and informal education</li> <li>Highland Research and Development Institute</li> <li>Local Administrative Organization in Omkoï</li> </ul>	<ul style="list-style-type: none"> <li>Ministry of Interior</li> <li>Ministry of Education</li> <li>Ministry of Education</li> <li>Public Organization</li> <li>Ministry of Interior</li> </ul>

A list of some participating organizations under CRSPO presented above shows the complexity of actors in the network in terms of both number and affiliation. This newly arranged body requires the participating organizations to work altogether far beyond the scope of network in their own ministries and focus instead on the area and issue basis. Also, the CRSPO is considered as a relatively large governmental network and, thus, requires good network management skills to operate. Besides, participants in the CRSPO are entirely governmental. The fact that non-state stakeholders are not represented is the challenge that CRSPO encounters, which will be discussed later on.

### **Challenges of network approach as a contemporary opium solution**

The previous section illustrated the Thai government attempt to tackle the contemporary opium problem that gradually strike back in recent years. This endeavor is aimed at substituting the prior opium eradication approach that was successful over the past 40 years but is currently faced a limitation- the lack of the committed project champion. Perceiving the network form of governance as a promising approach to solve, the Thai state established the networked body to deal with this particular issue in Omkoi as mentioned earlier. However, in order to re-achieve the past success, some key challenges faced by the new body are needed to be aware and prepared for, which is the point that this paper tries to make and contribute.

The analysis of the challenges faced by CRSPO is based on the interviews of stakeholders and literature on conditions supporting network governance formation. A number of approaches and theories have attempted to explain inter-organizational network formation, namely organizational sociology, game theory, organizational economics, industrial marketing and purchasing, population ecology, institutional theory, social network approach, and resource dependence theory. Some of these approaches partially overlap and partially compete (Ebers 1997). Resource interdependence; trust; goal congruence; perception of advantage of networking; and contextual factors are essential for network formation and such factors are still being challenges in the CRSPO.

#### *Resource interdependence*

Resource interdependence is among the most important contingencies that are related to cooperative behavior of organizations. The possibility of collaboration will be higher in the situation of mutual dependence where organization A needs resources from organization B and vice versa (Lundin 2007). In situations of resource scarcity or performance distress, organizations are 'forced to enter into more

cooperative activities with other organizations' (Aiken and Hage 1968) in order to gain access to the needed resources and reduce their dependence on other organizations or enhance their competitive positions (Ebers 1997). In other words, resource interdependence is a fundamental condition for 'voluntary' network. However, in the case of CRSPO, actors that come into network were 'mandated' by the coercive pressure from the government. The involved agencies were ordered to collaborate and the sense that they rely on one another for resources was little. They have both their functional budget and a CRSPO-specific budget, of which to undertake work in Omkoi. Without the CRSPO budget, they can still work on their functional budget from the parental ministries. Regarding the CRSPO-specific channel, before the end of every fiscal year, each agency submits the Omkoi projects they plan to undertake in the next fiscal year to the CRSPO. ONCB Region 5 bears responsible for combining other agency proposals into an overall plan and budget request to ONCB Bangkok. However, respective agency seems neither aware of nor to rely on other agency's resources: for example, the ONCB Narcotic Crops Survey and Monitoring Institute was undertaking a census in working areas of Omkoi and was unaware that Highland Research and Development Institute already possessed such information<sup>12</sup>. This is a waste of scarce resources and hinders the possibility of network governance.

### *Trust*

Trust is another contingency that is found to have a positive impact on inter-organizational collaboration. Bardach (1998) also found that on policy implementation, mutual trust is important in terms of allowing agencies to work together. In CRSPO, mutual trust seems not so strong among stakeholders. Some evidence illustrated in the interview of one officer in the suppression committee that he wanted agency in community development team to implement alternative development program at the villages that their opium field was eradicated by his agency. However, such agency was not willing to do so and thus posed a problem for his organization as the lack of a livelihood would force the villager to continue cultivate opium for a source of income<sup>13</sup>. Building trust among stakeholders is obviously still a key challenge for CRSPO.

### *Goal congruence*

Lundin (2007) proposed that mutual trust alone cannot enhance cooperation. Trust and goal congruence must exist simultaneously. In CRSPO, conflicting goal can be seen, for instance, the ONCB and the

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<sup>12</sup> Interview, Narcotic Crops Survey and Monitoring Institute officer, Chiang Mai, March 2016.

<sup>13</sup> Interview, 3<sup>rd</sup> Army officer, Chiang Mai, March 2016.

suppression team aimed at getting rid of all opium cultivation in Omkoi, whereas the community development and treatment team were more sympathetic to the opium cultivators and users for medical reason by arguing that the opium use for medical is acceptable in the condition where the access to health care service is limited<sup>14</sup>. Moreover, CRSPO also faced the challenge of goal prioritization from each participating agency with different prioritized organizational goal because the perceived advantage of being part of CRSPO is unclear.

### *Perception of advantage of networking*

According to Oliver (1990), the expected benefits of inter-organizational collaboration are: efficiency; stability; and legitimacy. Efficiency refers to when organizations achieve higher input or output ratios through collaboration. In CRSPO, involved agencies gained benefit from getting extra budget from the CRSPO channel to execute their work in Omkoi. However; in terms of stability, which means the situations where organizations can better forestall, forecast, or absorb uncertainty affecting their activities, participating in CRSPO did not yield such advantage to the involved stakeholders. The CRSPO could not guarantee the amount and continuity of budget that respective agency would receive in each fiscal year. The 5-year master plan was launched to solve the problem of stability but the result has not manifested yet. Legitimacy is probably the most advantage of participating in CRSPO, however; this intangible advantage might not encourage enough to tie the stakeholders in the network. Additionally, most of stakeholders in CRSPO did not receive direct benefit from the success of opium eradication policy. The ONCB seems to be the most benefited actor from the successful outcome, while other actors gain merely an indirect advantage. Consequently, many agencies were reluctant to put much effort for the advantage of ONCB.

### *Contextual factors*

Raab (2002) indicated that the institutional precondition is important for the development of policy networks. In Thailand, the traditional bureaucracy has been prominent for several decades (Riggs, 1966) that it shapes up the organizational culture and the mindset of government officers in a bureaucratic way. In terms of organizational culture, the bureaucracy is process-oriented that is not facilitate, if not obstruct, the policy implementation in network manners. Governmental agencies hardly break through the silo and the bureaucratic rules and procedures generally do not allow for resource sharing among agencies. Regarding the mindset, Thai state officer are often perceived to have superior position to the

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<sup>14</sup> Interview, Public Health Official/HDRI, Chiang Mai, March 2016.

non-state actor ones. This perception restricted the involvement of the non-state actor in the CRSPO network and, thus, it cannot be considered as network governance that refers to public policymaking and implementation through a web of relationships between government, business and society actors (Klijn 2008).

## Conclusion

This article has presented the case of contemporary opium problem in Thailand. Although it can be claimed that the country was successfully defeat the opium problem in the past four decades by alternative development, the current situation has changed that the previous approach has no longer applicable. The Thai state has currently endeavored to find a new approach to tackle the return of the opium problem. Network approach is expected to be a solution for this complicated problem. Although network form of governance is believed to be a sound approach to deal with 'wicked' problem in literature, this case has illustrated that in practice solving drug problem through network is not easily achieved and thus quest for further studies on this issue.

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