FINANCIAL STATUS OF LOCAL ADMINISTRATIVE ORGANIZATION: A CASE STUDY OF BANGKOK, ANNUAL BUDGET 2008-2012

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Abstract- This research article aims to study income and expense of Bangkok and compare the proportion of Bangkok's income and expense in the annual budget of 2008-2012. The research is qualitative study applying documentary research method. The study found that income of Bangkok for 2008-2012 annual budget came from Shared Taxed the highest, followed by Local Levied Tax and Subsidy respectively. It also can be seen that the Shared Taxed and the Local Levied Tax tend to be increasing steadily while the Subsidy tends to fall steadily. Moreover, the expense budget of Bangkok varied according to related factors. In 2012, Bangkok had the highest rate of expense while it had lowest rate of expense in 2010. The research also revealed that Bangkok had more income than expense every year.

Key word- Income Expense Bangkok

I. INTRODUCTION

The important main principle of local government is local autonomy which can be classified into autonomy judgement, autonomy administration, and also widely accepted among the local administration academician that one of the most important autonomy is financial autonomy. This can be supported by the saying "Without autonomy administration, local self-government is hardly promoted. But without financial autonomy, local self-government cannot be happening at all" [1]

In Thailand, the local financial autonomy had been approved for the first time after the promulgation of Constitution of the Kingdom of Thailand, B.E.2540 (1997) and became more practical and clearer after the announcement of Act Prescribing Plan and Process for Decentralization, B.E.2542 (1999). Bangkok is categorized into special model which its financial status is stronger than other types of local administration organization. Therefore, the study of Bangkok's financial status in this research is very important and be useful for the development of other types of local administration organization in the future.

II. LITERATURE REVIEW

The study applied at least 3 approaches and theories which are 1) Fiscal Local Autonomy 2) Approach about Budget and 3) Approach about special local government : Bangkok.

III. METHODOLOGY

This research is qualitative study applying documentary research method that collect and study all related documentary data from involved textbooks and documents, for example, 1) Data from Bangkok Finance Department, for instant, Annual Expenditure Law, Bangkok Financial Report of 2008-2012, and websites presenting data about Bangkok's finance and budget process, 2) Data from related academic documents, for instant, fiscal decentralization plans, theses, researches, etc.

IV. RESULTS AND DISCUSSION

The study found that financial status of Bangkok can be classified into 3 groups which are 1) income 2) expense and 3) comparison of income and expense as following details.

1. Income

Bangkok's income can be separated into 3 types which are 1) Local Levied Tax, 2) Shared Taxed, and 3) Subsidy as presented in Table 1.

Table 1: Bangkok's income (Unit: million Baht)

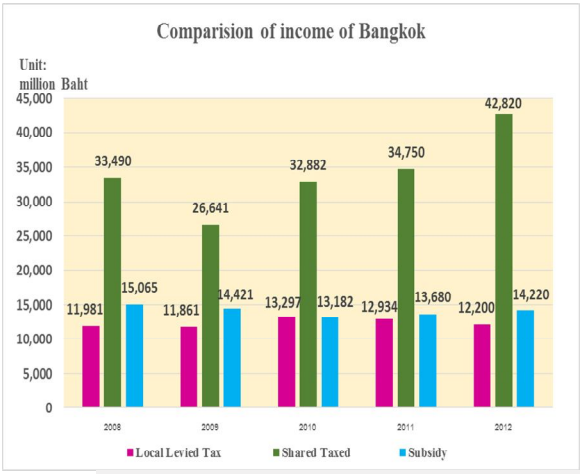
Type of revenue	2008	2009	2010	2011	2012
Bangkok statement	45,470.63	38,502.26	46,179.49	47,683.76	55,020.00
percentage	75.11	72.75	77.79	77.71	79.46
Total Local Levied Tax	11,981.10	11,861.12	13,297.28	12,933.76	12,200.00
percentage	26.35	30.81	28.79	27.12	22.17
Total Shared Tax	33,489.53	26,641.14	32,882.21	34,750.00	42,820.00

percentage	73.65	69.19	71.21	72.88	77.83
Subsidy	15,064.90	14,420.84	13,182.14	13,679.57	14,219.70
percentage	24.89	27.25	22.21	22.29	20.54
Total statement and subsidy	60,535.53	52,923.10	59,361.63	61,363.33	69,239.70

Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

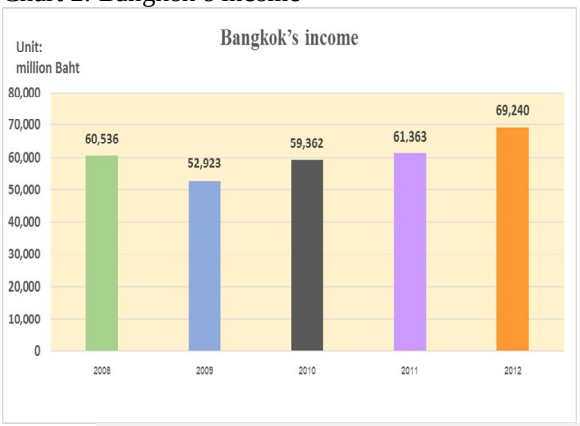
From Table 1, it can be seen that Bangkok got highest income from Shared Taxed and it tends to increase continuously, while Local Levied Tax was not high due to narrow tax base. Subsidy given to Bangkok also decreased continuously. However, Bangkok still has strong financial status because it has a large amount of Local Levied Tax and Shared Taxed. Comparing to other local administration organizations, Bangkok got more Subsidy in 2012 because of flood disaster in 2011.

Chart 1: Comparison of income of Bangkok



Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

Chart 2: Bangkok's income



Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

2. Expense

Bangkok's expense can be separated into 2 types which are 1) Categorization by expense annual budget, and 2) Categorization by organization and mission as presented in Table 2.

Table 2: Bangkok's expense budget (Unit: million Baht)

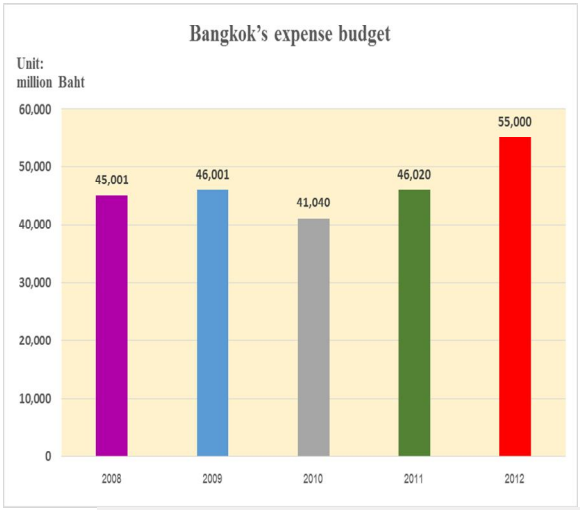
Total Expenditure	2008	2009	2010	2011	2012
Other offices	30,900.12	30,250.02	25,929.87	29,562.60	38,257.77
District office	14100.6480	15,750.88	15,110.13	16,457.40	16,742.39
Total	45000.7721	46000.8994	41039.9999	46020.0000	55000.1598

Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

The data from Table 2 presented that Bangkok's expense increased continuously except in 2010 due to The Great Depression or well known as "Hamburger Crisis".

Moreover, the data also showed that expense in 2012 tends to have a steep increase according to the flood recovery expense in 2011. It can be concluded and presented in Chart 3.

Chart 3: Bangkok's expense



Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

3.Comparision of income and expense of Bangkok

The comparision of income and expense of Bangkok presented the details in Table 3 below.

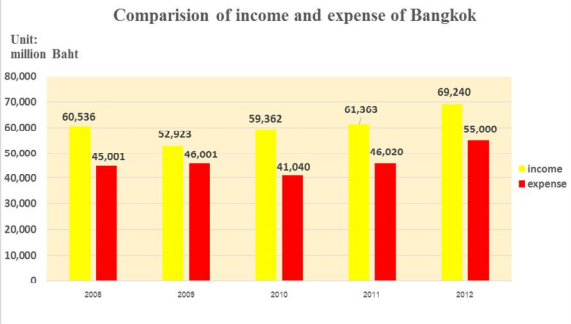
Table 3 : Comparision of income and expense of Bangkok (Unit: million Baht)

Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

	2008	2009	2010	2011	2012
Total Revenue	60,536	52,923	59,362	61,363	69,240
Total Expense	45,001	46,001	41,040	46,020	55,000
Current	15,535	6,922	18,322	15,343	14,240

It can be found from Table 3 that even Bangkok had higher expense steadily, Bangkok had steady income. The proportion of income was also much higher than expense which can be concluded in Chart 4 below.

Chart 4: Comparison of income and expense of Bangkok.



Source : Finance Department, Bangkok. (2009; 2010; 2011; 2012; 2013)

CONCLUSION

It can be concluded from the study that Bangkok is local administration organization that has strong financial status. This is the result of the ability for collecting various taxs and its own model which has advantage over other types of local administration. However, to encourage higher level of Bangkok's financial autonomy, it is suggested to increase Local Levied Tax by extending the tax base.

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