THE CONFLICTS OF INTERESTS IN RESOURCES ALLOCATION FOR
ELECTRICITY GENERATION IN THAILAND: SOCIAL INSTABILITY
AND ENERGY POLICY CHANGE

By

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ABSTRACT

Title of Dissertation : The Conflicts of Interests in Resources Allocation for Electricity Generation in Thailand: Social Instability and Energy Policy Change

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This research provides an analytical characterization of the conflict in allocation of resources for electricity generation, where the urban group and rural group have bounded knowledge on each other's internal states and have to rely on observable strategic choices and behaviors in adjusting their own internal states to achieve a societal equilibrium. The result is a unique Nash equilibrium where the society is waiting for further decision, which is costly to the society as a whole. The key feature of the theory is the adjustment of groups' internal attitudes through the revelation of perceptions and beliefs in an organization of communicative action, that the participative groups can reach agreement on their ideologies and institutionalize these into practical rules. This organization will correct the prediction of each other's internal states and lead the society into an equilibrium involving better justice.

An empirical study was performed on a rural group in the Mae Mo area, where the largest lignite power generating station is located. It is found that their motivation is self-interest for their welfare, and their internal affects are active and participative in the allocation of resources. On the other hand, the urban groups are identified as being industrial and business groups and their self-interest attitude results in minimum cost electricity prices and greater expansion of electricity generation. It is also found that the current organization of communicative action between the two opposing groups through the governmental bureaucratic system is not effective. The choices and behaviors of both groups converge to the theoretical prediction of waiting for a further decision, which is a unique Nash equilibrium similar to the well-known prisoner dilemma situation.
The data suggest that some of the conflicting subjects require interpersonal comparison of utility and critical value judgment between the two opposing groups. Thus, it is proposed that a local organization of communicative action should be created to facilitate the discourse of these groups and internalize the agreements into a practical electricity pricing formulae. These localized agreements imply the multi-electricity pricing system depending on the local stability conditions. This will fairly allocate the resources and take the society into a social justice equilibrium position.
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Prachak Sapmanee
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