

Microeconomic Analysis in Thailand's Public Policy Decision-Making: Efficiency, Equity, and Institutional Mediation

Tsabita Tahta Aurelia Syaifudin¹, Marza Syalsa Adzani²,
Apri Molica Sihombing³, Cahaya Angel Sagala⁴

^{1,2,3,4}Universitas Maritim Raja Ali Haji. Tanjungpinang, Indonesia

Correspondence: tsabitatahtaurelia77@gmail.com¹



Received: April 25, 2026 | Revised: June 11, 2026 | Accepted: August 30, 2026



<https://doi.org/10.69812/jgs.v3i2.257>

ABSTRACT

Microeconomic analysis offers a systematic basis for public policy decisions by clarifying scarcity, opportunity costs, incentives, externalities, distributional consequences, and fiscal implications. However, its contribution depends on the institutional conditions under which evidence is generated, interpreted, and applied. This article examines how microeconomic reasoning informs public policy decision-making in Thailand and how the country's policy-analysis institutions shape its practical application. Using a structured qualitative literature review and conceptual synthesis of 40 scholarly sources published between 2016 and 2025, the study integrates cost-benefit analysis, the Marginal Value of Public Funds, distributional assessment, behavioral responses, policy capacity, and evidence-informed policymaking. The findings indicate that economic appraisal is most effective when used to support, rather than replace, political and administrative judgment. Its effectiveness is conditioned by analytical competence, reliable data, organizational coordination, transparent assumptions, and meaningful stakeholder participation. Thailand's bureaucratic, managerial, academic, and participatory policy-analysis traditions create distinct opportunities and constraints for translating economic evidence into policy choices. In response, the article proposes a six-stage appraisal framework encompassing problem diagnosis, policy alternative development, economic assessment, institutional and stakeholder evaluation, decision transparency, and ex-post policy learning. The framework connects efficiency with equity, behavioral effects, fiscal sustainability, and implementation feasibility while explicitly accounting for uncertainty and contested public values. This approach provides a context-sensitive basis for improving the quality, transparency, and accountability of policy appraisal in Thailand without treating technical indicators as substitutes for legitimate public deliberation. It also identifies priorities for future empirical testing across specific Thai policy sectors and different levels of government.

Keyword: Public Policy, Microeconomic Analysis, Cost-Benefit Analysis, Policy Capacity



INTRODUCTION

Public policy is inseparable from choices under scarcity. Governments must decide how limited fiscal, administrative, and political resources should be allocated across competing objectives, which instruments should be used, and how costs and benefits should be distributed across groups and over time. Microeconomic analysis contributes to this task by making trade-offs explicit and by examining the incentives and behavioral responses generated by policy instruments. In this sense, economics does not determine public choices; rather, it provides a structured language for assessing efficiency, opportunity cost, market failure, externalities, incidence, and welfare consequences. Contemporary welfare analysis further extends conventional cost-benefit reasoning by incorporating fiscal externalities and causal evidence through the Marginal Value of Public Funds (MVPF) framework (Bastani, 2025; Finkelstein & Hendren, 2020; Hendren & Sprung-Keyser, 2020).

The usefulness of economic analysis nevertheless depends on the broader policy process. Evidence does not enter government as a neutral input that automatically produces a preferred decision. Public organizations filter evidence through institutional mandates, professional routines, political priorities, stakeholder claims, and administrative capacities. Research on evidence-informed policymaking therefore emphasizes that policy analysis is simultaneously technical and institutional: analytical tools can clarify uncertainty, but they cannot eliminate contested values, ambiguity, or political choice (Cairney, 2016; Head, 2016; MacKillop & Downe, 2023). The policy-design literature similarly shows that substantive instruments such as taxes, subsidies, regulation, or public provision depend on procedural arrangements, including consultation, advisory bodies, evaluation rules, and information systems (Bali et al., 2021; Peters, 2018).

Thailand provides a particularly relevant setting for examining this interaction. The contemporary literature describes Thai policy analysis as a field shaped by a long-standing bureaucratic tradition alongside managerial, academic, and participatory approaches. Central government remains highly influential, while local governments, parliaments, advisory bodies, political parties, civil society, and universities also participate in the production and contestation of policy knowledge (Boossabong, 2023; Poocharoen & Boossabong, 2023; Ungsuchaval, 2023b). Thai policy-analysis methods can be classified into bureaucratic, managerial, academic, and participatory orientations, with the analytical method applied in practice depending on institutional location and the values attached to policy knowledge (Santhitiwanich, 2023). This context means that microeconomic tools may be technically sound but still weakly influential if analytical capacity, data access, organizational incentives, or channels for deliberation are insufficient.

Previous discussions of microeconomic policy analysis often emphasize efficiency tools such as cost-benefit analysis, while studies of Thailand frequently focus on policy styles, institutions, political dynamics, participation, or administrative capacity. The resulting gap is not the absence of economic analysis or institutional analysis in isolation, but the limited integration of the two. A policy appraisal can estimate net social benefits while overlooking distribution and institutional feasibility; conversely, an institutional analysis can explain who participates and how authority is structured without identifying the opportunity costs and behavioral effects of alternative instruments. Recent Thai and regional studies reinforce the importance of integrating quantitative and institutional approaches, including data-driven policy evaluation and public expenditure

analysis (Imani et al., 2024; Zakaria et al., 2025). Accordingly, this article asks two questions. First, how can core microeconomic concepts be translated into a coherent analytical framework for public policy decision-making? Second, how do Thailand's policy-analysis institutions condition the application and interpretation of those tools? The article contributes by linking welfare economics, policy capacity, evidence-informed policymaking, and Thailand-specific policy-analysis scholarship into one integrated framework. Rather than treating efficiency as the sole criterion, the framework combines efficiency, equity, behavioral response, fiscal sustainability, institutional feasibility, participation, and learning.

A useful microeconomic framework begins with the policy problem rather than with a predetermined instrument. The analyst first identifies the relevant market or coordination failure, the baseline against which change will be assessed, and the groups whose behavior is expected to change. This step is essential because policy instruments work through incentives. Taxes alter relative prices; subsidies change private returns; regulation changes constraints; information interventions change beliefs; and public provision changes access and the effective budget set faced by households or firms. Behavioral public policy adds that responses may not conform fully to standard assumptions of stable preferences and perfect optimization, which makes empirical evidence and institutional context important complements to theory (Chater, 2024).

Efficiency analysis then asks whether a proposed intervention generates social benefits that exceed social opportunity costs. Conventional cost-benefit analysis provides a common monetary metric, but its interpretation should not be reduced to a mechanical benefit-cost ratio. Distributional weighting matters when gains and losses accrue to groups with different income levels or welfare positions, and the ethical assumptions behind those weights should be made transparent (Nurmi & Ahtiainen, 2018). The MVPF framework extends welfare analysis by relating beneficiaries' willingness to pay to the policy's net fiscal cost, including behavioral effects on future taxes and transfers (Hendren & Sprung-Keyser, 2020). The approach is particularly useful when fiscal externalities and distributional concerns are analyzed explicitly rather than treated as secondary considerations (Bastani, 2025).

The second layer is policy capacity. Economic models can inform decisions only when institutions have the skills and resources required to commission, interpret, challenge, and communicate analysis. Policy-capacity scholarship distinguishes analytical competences from organizational and system-level capabilities. Empirical work shows that analytical capacity is unevenly distributed across governments and policy units, which affects the quality and use of policy advice (Migone & Howlett, 2023; Newman et al., 2022; Setthasuravich & Pukdeewut, 2024). Capacity deficits can therefore create a gap between the formal availability of analytical tools and their actual influence on decisions (Howlett & Ramesh, 2016).

The third layer is evidence use. Evidence-informed policymaking is more realistic than a model in which scientific findings directly determine policy. Policymakers operate under bounded attention, time constraints, uncertainty, and competing interpretations of problems. Effective analysis therefore requires both methodological quality and communication that is sensitive to the decision context (Cairney & Kwiatkowski, 2017). The evidence-policy relationship also depends on how actors define credible evidence; survey-based research demonstrates that policy actors may hold pragmatic, inclusive, or explicitly political understandings of what counts as relevant evidence (MacKillop & Downe, 2023).

Taken together, these perspectives suggest that microeconomic analysis should be embedded in a broader appraisal architecture. Economic evaluation clarifies scarcity and welfare consequences; distributional analysis makes equity effects visible; policy-capacity analysis tests whether institutions can deliver the proposed intervention; and stakeholder analysis reveals whether implementation depends on groups whose incentives, information, or legitimacy concerns have not been incorporated. This combined approach is particularly relevant to Thailand, where the policy-analysis literature documents the coexistence of bureaucratic, managerial, academic, and participatory traditions (Santhitiwanich, 2023).

Uncertainty should be treated as a substantive component of the framework rather than as a technical appendix. Ex-ante policy appraisal commonly relies on uncertain forecasts of take-up, behavioral elasticities, administrative costs, future prices, and long-term benefits. Where estimates are sensitive to these parameters, a single point estimate can create a false impression of precision. Scenario analysis, sensitivity testing, confidence intervals where appropriate, and explicit reporting of non-monetized effects provide a more transparent basis for comparison. The same principle applies to discounting and distributional weighting: different defensible assumptions may change the ranking of alternatives, and those changes should be visible to decision-makers (Bastani, 2025; Finkelstein & Hendren, 2020; Nurmi & Ahtiainen, 2018).

Table 1. Integrated Microeconomic Framework for Public Policy Appraisal

Analytical Dimension	Core Question	Decision-Making Contribution
Scarcity & opportunity cost	What is displaced when resources are committed?	Makes trade-offs explicit before an instrument is selected.
Market failure & externalities	What private incentives diverge from social costs or benefits?	Justifies intervention only where a defined problem exists.
Efficiency & welfare	Do social gains exceed social opportunity costs?	Supports comparison across alternatives without treating one metric as decisive.
Distribution & equity	Who gains, who pays, and when?	Prevents aggregate efficiency from hiding unequal effects.
Behavioral response	How will households, firms, officials, or providers react?	Tests whether intended effects survive real behavioral responses.
Institutional feasibility	Can agencies implement, coordinate, monitor, and evaluate?	Connects economic desirability with deliverability.
Participation & legitimacy	Which affected actors possess relevant knowledge or bear risks?	Improves information quality and implementation legitimacy.
Learning & evaluation	Did outcomes match assumptions and forecasts?	Turns policy analysis into an iterative rather than one-off exercise.

Source: Authors, 2026

Table 1 operationalizes microeconomic appraisal as a set of linked questions rather than a ranking based solely on net benefits. The first five dimensions establish why intervention is warranted, what alternative uses of public resources are displaced, who experiences gains and losses, and how anticipated behavioral responses affect welfare and the budget. In this structure, efficiency remains necessary but is not sufficient: a proposal with positive aggregate benefits can still carry inequitable incidence or uncertain fiscal consequences. Keeping these distinctions visible allows evaluators to compare feasible instruments without disguising normative choices as technical results (Hendren & Sprung-Keyser, 2020; Nurmi & Ahtiainen, 2018).

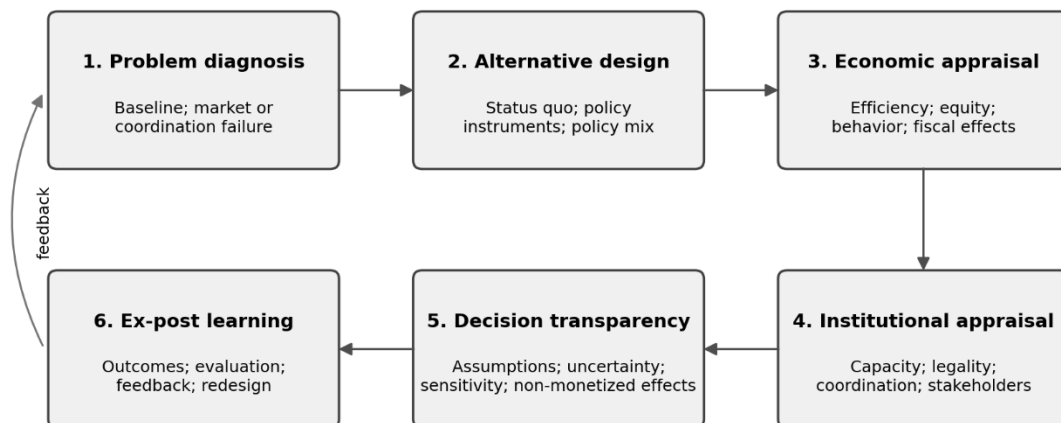


Figure 1. Integrated Microeconomic-Institutional Policy Appraisal Sequence

Source: Authors, 2026

The remaining dimensions clarify how a technically plausible policy can become an implementable and reviewable decision. Institutional feasibility directs attention to the personnel, information systems, coordination arrangements, and authority required to apply an instrument, whereas participation can uncover practical constraints and costs omitted from administrative datasets. Learning and evaluation close the process by comparing observed outcomes with the assumptions used at appraisal, so that subsequent decisions can adjust both instruments and analytical methods. For Thailand, applying the dimensions jointly is consistent with the coexistence of bureaucratic, managerial, academic, and participatory orientations documented in policy-analysis scholarship (Santhitiwanich, 2023).

RESEARCH METHOD

This study uses a structured qualitative literature review and conceptual synthesis. It is designed as an integrative review rather than a statistical meta-analysis because the research question concerns how economic concepts interact with institutional arrangements, policy-analysis styles, and evidence-use practices. The analytical corpus consists of 40 scholarly references published between 2016 and 2025. Sources include peer-reviewed journal articles, scholarly books, and chapters addressing at least one of four domains: (1) microeconomic welfare analysis and public expenditure appraisal; (2) evidence-informed policymaking and policy design; (3) policy analytical capacity; and (4) Thai policy-analysis institutions and sectoral policy experience.

Source identification was purposive and iterative. Priority was given to publications with clear relevance to the research questions, identifiable publication

metadata, and substantive analytical content. Thailand-specific materials were used to establish the institutional setting, while international public-policy and public-economics scholarship was used to construct the analytical framework. Two studies from the Journal Governance Society archive were included because they illustrate complementary forms of quantitative policy evaluation: principal-component-assisted policy diagnosis and panel-data analysis linking public expenditure to human-development outcomes (Imani et al., 2024; Zakaria et al., 2025). The final bibliography contains 40 sources published from 2016 to 2025, thereby keeping the review within the most recent ten-year publication window while retaining sufficient conceptual depth.

The synthesis proceeded in four stages. First, each source was coded according to its primary contribution: efficiency/welfare, distribution, behavioral response, policy capacity, evidence use, Thai policy institutions, participation, or sectoral application. Second, recurring relationships among these categories were mapped. Third, Thailand-specific findings were compared with the microeconomic framework to identify where economic analysis is likely to be facilitated or constrained by institutional arrangements. Fourth, the resulting relationships were organized into a policy-appraisal sequence from problem definition to ex-post evaluation. Because this is a literature-based study, it does not claim to measure the actual frequency with which Thai agencies use particular tools, nor does it infer the motives of specific political actors. Its contribution is conceptual and analytical: it identifies a structured way to connect economic appraisal with the documented characteristics of Thailand's policy-analysis system.

Methodological rigor was strengthened through source triangulation and analytic memoing. Claims about Thailand's policy-analysis arrangements were not inferred from a single institutional account; instead, the synthesis compared chapters on central government, local government, political parties, advisory systems, civil society, and policy-analysis methods with peer-reviewed research on policy capacity, participation, social protection, and sector-specific governance. During synthesis, contradictory or non-equivalent claims were retained as contextual differences rather than forced into a single causal narrative. The study does not claim statistical representativeness of all Thai policy processes, because the evidence base is heterogeneous and includes conceptual as well as empirical scholarship. Its purpose is analytical generalization: to develop a framework that can be evaluated in subsequent case studies using administrative data, interviews, or program-level evaluation. This limitation is important because the strength of the proposed framework lies in transparency and transferability, not in estimating a population parameter from the reviewed literature.

RESULTS AND DISCUSSION

1. Thailand's Policy-Analysis System and the Place of Economic Reasoning

The most comprehensive recent account of Thailand's policy-analysis system emphasizes that policy analysis has developed through multiple institutional channels rather than through a single technocratic model (Poocharoen & Boossabong, 2023). Historically, policy analysis was embedded in bureaucratic planning and later diversified through managerial reforms, expert advisory systems, academic services, civil-society participation, and new governance arrangements (Boossabong, 2023). This diversity is important for microeconomic analysis because each setting creates different incentives for the production and use of economic evidence. At the central-government level, bureaucratic institutions remain pivotal in national policy development, even as non-state

actors have become more visible in governance processes (Ungsuchaval, 2023b). In local government, formal autonomy is constrained by central rules, resource dependence, and standardized planning requirements, which can shift attention from open-ended policy design toward compliance with prescribed procedures (Chamchong, 2023). Parliamentary committees and support agencies provide additional venues for policy advice, but the literature notes constraints on information and analytical support that can limit the depth of legislative scrutiny (Sudhipongpracha, 2023). These institutional patterns do not imply an absence of analysis; rather, they affect where analysis is produced, who can contest assumptions, and how evidence enters authoritative decisions.

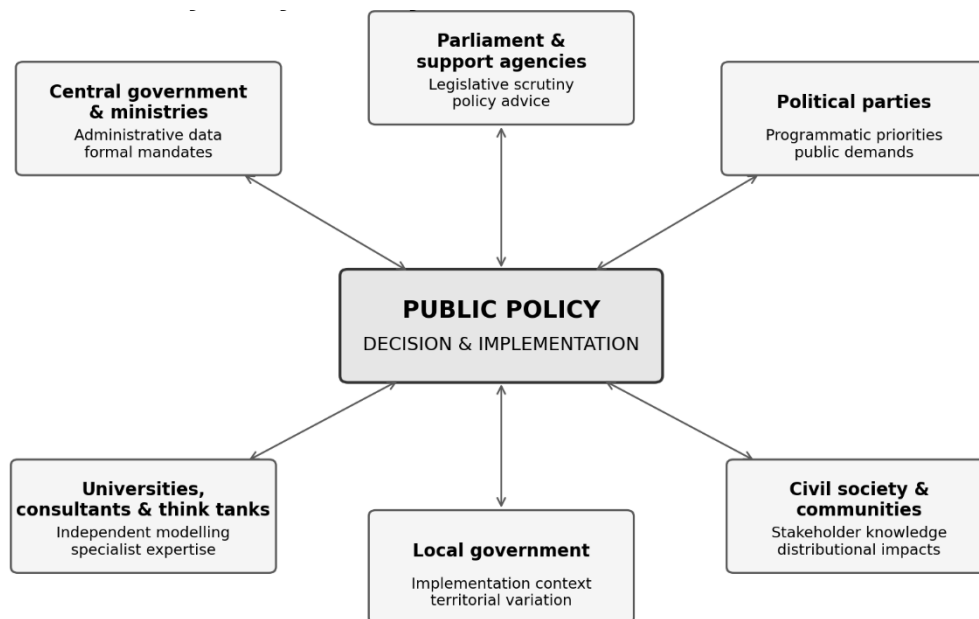


Figure 2. Thailand Policy-Analysis Ecosystem and Channels of Economic Evidence
 Source: Authors' synthesis based on Thailand policy-analysis scholarship
 (Poocharoen & Boossabong, 2023).

Thailand also has an extensive advisory ecosystem involving consultants, advisory boards, think tanks, universities, and other experts (Poocharoen et al., 2023). Political parties constitute another site of policy analysis, particularly when policy proposals are linked to electoral programs and public demands (Pensute, 2023). Civil society and community organizations contribute policy advocacy, implementation knowledge, and monitoring, while their relationship with the state and access to resources shape the form of participation (Ungsuchaval & Ariyasirichot, 2023). Policy-analysis education has expanded across public-administration programs, but the literature identifies continuing questions about the balance between descriptive policy studies and prescriptive analytical skills (Whangmahaporn, 2023). Non-traditional policy studies have further encouraged interdisciplinary, governance-oriented, critical, and interpretive approaches that challenge a purely technocratic understanding of policy knowledge (Ungsuchaval, 2023a).

For microeconomic analysis, the implication is straightforward: a technically sophisticated appraisal may still have limited impact if it is disconnected from the institutional venue in which a decision is made. Conversely, institutional processes may generate more legitimate choices but still understate opportunity costs or fiscal risks if economic consequences are not quantified. The analytical task is

therefore to combine economic tools with institutional mapping rather than to privilege one form of knowledge over another.

2. From Cost-Benefit Analysis to Distributional and Fiscal Appraisal

Traditional cost-benefit analysis is useful because it translates heterogeneous policy effects into a common framework of social gains and costs. However, the criterion of aggregate net benefit alone is insufficient for many public decisions. Distributional effects matter when a policy imposes costs on lower-income groups while generating gains elsewhere, or when the timing of benefits and costs differs across generations. Distributional weights provide one transparent method for incorporating social concern about who receives benefits and who bears costs, although the selection of weights necessarily embeds normative assumptions that should be disclosed rather than concealed (Nurmi & Ahtiainen, 2018).

The MVPF framework strengthens this analysis by incorporating fiscal externalities. A policy may change future tax payments, transfer receipt, labor supply, service use, or other behaviors that affect the public budget. These effects can be integrated into a unified welfare metric (Hendren & Sprung-Keyser, 2020). Welfare analysis can also be linked more directly to causal inference (Finkelstein & Hendren, 2020). The relationship between the MVPF and traditional concepts such as the marginal cost of public funds has also been clarified (Bastani, 2025). For Thailand, the relevance is not that one imported metric should replace existing appraisal procedures, but that long-run fiscal and behavioral effects should be considered whenever credible evidence exists.

This perspective is especially important when policy debates concern social transfers, public services, or spending programs whose effects extend beyond immediate budget outlays. Thailand's social-pension experience illustrates how program expansion can alter the income composition and welfare position of older people, while leaving questions about adequacy and inequality that cannot be answered by fiscal cost alone (Teerawichitchainan, 2021). Evaluation of Thailand's State Welfare Card similarly demonstrates the value of causal methods for testing the actual effects of a large-scale cash-transfer program rather than relying only on stated objectives or aggregate expenditure (Durongkaveroj, 2025). More broadly, analyses of Thailand's policy challenges and demand-side populist policies show why short-run political attractiveness, macroeconomic objectives, productivity, distribution, and long-run fiscal effects need to be assessed together rather than through a single criterion (Nikomborirak, 2020; Phumma & Vecksuruck, 2022).

Comparative evidence from Indonesia is also instructive for the design of analytical routines. Panel-data analysis has been used to examine how education and health expenditure relate to human-development outcomes, illustrating how fiscal inputs can be connected to measurable social outputs (Zakaria et al., 2025). SWOT analysis has also been combined with principal component analysis in public-health policy evaluation, showing how quantitative reduction of complex variables can be integrated with strategic interpretation (Imani et al., 2024). These examples support a broader methodological point: microeconomic reasoning is strongest when theoretical expectations are paired with empirical measurement and explicit uncertainty.

Distributional analysis is also essential when labor-market vulnerability or social protection affects how policy costs and benefits are experienced. Research on migrant fishers in Thailand shows that formal protection does not necessarily

eliminate precarity where workers face occupational risk, weak bargaining positions, and uneven access to social protection (Chantavanich & Jitpong, 2023). From a microeconomic perspective, such cases illustrate why average program effects can be misleading. A policy may appear efficient in aggregate while leaving concentrated risks on groups with limited capacity to avoid or insure against them. Appraisal should therefore distinguish aggregate welfare effects from incidence across workers, households, regions, and firms; identify whether policy instruments create or correct risk externalities; and examine whether administrative rules affect take-up or effective coverage. This does not require monetizing every social consequence. It requires analysts to report heterogeneous effects explicitly and to explain how those effects alter the interpretation of efficiency and fiscal sustainability.

3. Analytical Capacity, Evidence Use, and Institutional Mediation

The quality of microeconomic analysis depends on policy analytical capacity. Capacity includes individual skills, organizational routines, data systems, and the ability of a policy system to mobilize expertise. Analytical capacity should be measured more systematically rather than inferred from the formal existence of policy units (Migone & Howlett, 2023). Research examining West Java also demonstrates the value of studying what public-sector analysts actually do rather than assuming that non-Western governments follow a distinct or uniform analytical style (Newman et al., 2022). Policy-capacity research has similarly been synthesized around analytical, operational, and political capabilities across multiple levels (Setthasuravich & Pukdeewut, 2024).

This matters because weak capacity can distort economic appraisal in several ways: data may be incomplete, assumptions may go untested, alternatives may not be compared consistently, and ex-post evaluation may be disconnected from ex-ante forecasts. Critical capacity deficits are vulnerabilities that can undermine otherwise appropriate governance arrangements (Howlett & Ramesh, 2016). For Thailand, studies of public administration identify long-run tensions between modernization, imported management tools, and centralized decision-making (Pengsuwan & Choonhaklai, 2019). State capacity can be uneven across sectors and between center and periphery, which cautions against assuming uniform implementation capability across agencies or territories (Nam, 2024).

Evidence use is equally important. An evidence-informed rather than evidence-determined approach to policy recognizes that research interacts with organizational and political judgment (Head, 2016). Policymaking similarly operates under complexity, bounded attention, and ambiguity (Cairney, 2016). Effective communication requires analysts to synthesize and frame evidence without overwhelming decision-makers (Cairney & Kwiatkowski, 2017). Understanding the policy process and sustaining relationships between researchers and policymakers are also important (Oliver & Cairney, 2019). Policy actors also differ in what they consider valid evidence, ranging from pragmatic and inclusive positions to more explicitly political interpretations (MacKillop & Downe, 2023).

These insights explain why a technically correct economic model may not influence a decision if it is poorly timed, poorly communicated, or institutionally disconnected. They also imply that analysts should separate the quality of an economic estimate from the legitimacy of the final policy choice. The analyst's task is to clarify assumptions, uncertainty, incidence, and expected responses; elected

and administrative decision-makers remain responsible for balancing those findings with legal mandates, public values, and political accountability.

4. Participation, Stakeholders, and the Limits of Purely Technocratic Appraisal

Economic analysis can identify incentives and welfare effects, but stakeholders often possess implementation knowledge that is difficult to recover from administrative data alone. Thailand's participation literature shows that formal participation does not automatically guarantee substantive influence. Comparative work on decentralization describes a continuing tension between centralized authority and broader participation in policy processes (Chaichakan & Khampeng, 2020). Research on energy policy similarly shows that participation can be designed in ways that improve representative, process, and influence legitimacy rather than treating consultation as a procedural endpoint (Chaiyapa et al., 2021).

Environmental impact assessment provides a particularly clear example. A stakeholder-analysis framework includes context exploration, stakeholder identification and categorization, selection of participation levels, and appropriate participatory techniques (Kantamaturapoj et al., 2023a). A related study finds that legal-political context, actor capacity, environmental awareness, participation rights, and cultural conditions shape the quality of participation in Thai EIA processes (Kantamaturapoj et al., 2023b). For microeconomic policy analysis, these findings suggest that stakeholder engagement should be used to test assumptions about behavior, identify unmeasured costs and benefits, reveal distributional concerns, and improve the feasibility of implementation.

Participation should not replace economic appraisal, and economic appraisal should not be used to close deliberation prematurely. Procedural policy tools influence who is included, what information reaches decision-makers, and how substantive instruments are calibrated (Bali et al., 2021). The stronger approach is sequential and iterative: preliminary economic analysis identifies key trade-offs; stakeholder engagement tests assumptions and uncovers omitted effects; the model is revised; and decision-makers receive both quantified estimates and a transparent record of uncertainty and distributional implications.

Table 2. Thai Policy-Analysis Orientations and Their Implications for Microeconomic Appraisal

Orientation	Typical Venue	Analytical Strength	Microeconomic Integration
Bureaucratic	Planning divisions, administrative hierarchies, legal mandates	Access to administrative data; continuity; standardized procedures	Require explicit baseline, alternatives, assumptions, and sensitivity analysis.
Managerial	Performance management, strategic tools, program targets	Outcome orientation; emphasis on efficiency and measurable results	Add welfare, distributional, and long-run fiscal measures to performance metrics.
Academic / expert	Universities, consultants,	Methodological specialization;	Pair independent analysis with

Orientation	Typical Venue	Analytical Strength	Microeconomic Integration
	think tanks, advisory boards	external expertise; causal and statistical methods	administrative data and implementation testing.
Participatory	Public hearings, civil society, communities, stakeholder forums	Local knowledge; identification of hidden costs; legitimacy and acceptability	Use stakeholder evidence to test assumptions, distribution, and behavioral response.

Source: Authors' synthesis, 2026

Table 2 demonstrates that the four policy-analysis orientations contribute different, complementary types of evidence to microeconomic appraisal. Bureaucratic processes offer formal mandates and continuous access to administrative records, while managerial systems organize targets and measures of performance. Universities and experts can expand methodological range and provide independent examination, whereas participatory venues can identify effects and behavioral assumptions not readily visible in formal datasets. Their respective limitations suggest that no single venue should define policy quality on its own: compliance, narrow performance targets, technical isolation, and uneven participation can each leave a material part of the policy problem unexamined (Santhitiwanich, 2023).

The practical implication is to assign analytical tasks across these venues while maintaining a common framework for comparing policy alternatives. Administrative units can set baselines and document implementation constraints; external analysts can test welfare estimates and sensitivity to assumptions; and affected groups can assess the credibility of predicted behavior, distributional incidence, and access barriers. Deliberation can then examine disagreements openly before a final decision is made, rather than using participation simply to endorse an already selected option. This arrangement connects procedural policy tools with substantive policy appraisal and keeps stakeholder engagement relevant to the quality of evidence as well as legitimacy (Bali et al., 2021; Kantamaturapoj et al., 2023a).

5. An Integrated Appraisal Model for Thailand

The synthesis supports a six-stage appraisal model. Stage one is problem diagnosis: define the baseline, identify the market or coordination failure, and explain why public intervention is being considered. Stage two is alternative generation: include at least the status quo and more than one feasible instrument so that analysis does not merely rationalize a predetermined choice. Stage three is economic appraisal: estimate costs, benefits, incidence, behavioral responses, and fiscal externalities using cost-benefit analysis or MVPF-type reasoning where data permit. Stage four is institutional and stakeholder appraisal: assess administrative capacity, legal authority, coordination requirements, implementation burden, and the distribution of information and influence among affected actors. Stage five is decision transparency: present assumptions, uncertainty, sensitivity tests, and distributional consequences in a form that decision-makers and the public can understand. Stage six is ex-post evaluation: compare observed outcomes with ex-ante predictions and feed the results into future policy design.

This model is compatible with Thailand's mixed policy-analysis system because it does not require one institution to monopolize expertise. Bureaucratic units can provide administrative data and continuity; managerial systems can supply outcome indicators; universities and advisory bodies can undertake independent modelling and evaluation; and participatory mechanisms can reveal implementation knowledge and distributional impacts. The model also responds to the critique that economic policy analysis can become detached from institutional reality. Policy appraisal becomes a structured conversation among different forms of evidence rather than a contest in which one discipline is assumed to have final authority.

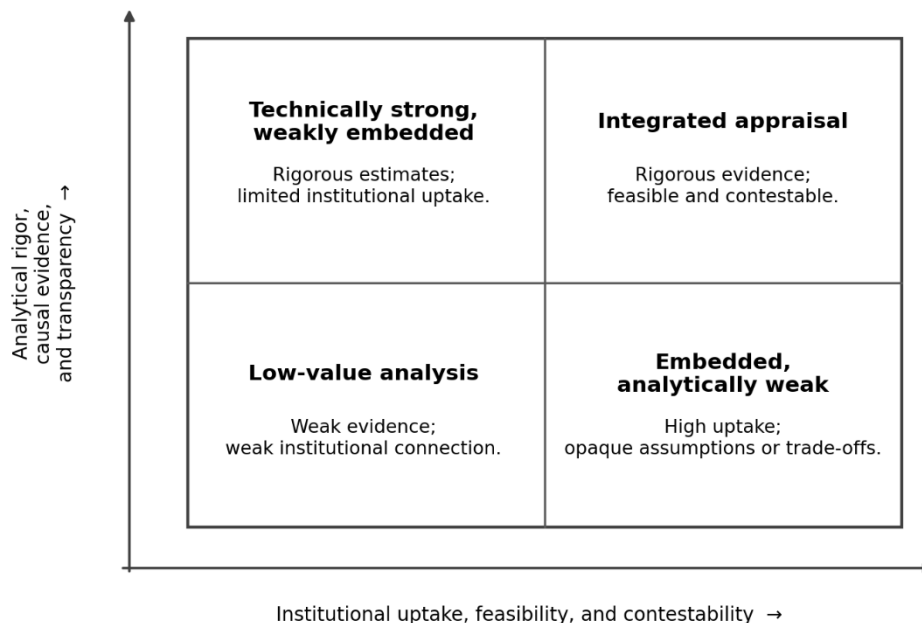


Figure 3. Evidence-to-Decision Integration Matrix
Source: Authors' conceptualization, 2026

The model also places explicit limits on what economic analysis can claim. Efficiency estimates should not be presented as objective social choices when they depend on discount rates, valuation methods, welfare weights, or uncertain forecasts. Distributional effects should be shown separately from aggregate net benefits. Where reliable monetization is not possible, analysts should report non-monetized effects instead of assigning artificial values. Behavioral estimates should be drawn from contextually relevant evidence, and sensitivity analysis should make visible how conclusions change under plausible alternative assumptions. These practices improve analytical integrity and reduce the risk that technical language obscures value judgments.

6. Policy Implications for Strengthening Appraisal in Thailand

First, economic appraisal should be institutionalized as a comparison of alternatives rather than as a post-hoc justification for a selected program. Standard appraisal templates can require the status quo, alternative instruments, opportunity costs, distributional effects, behavioral assumptions, and sensitivity analysis. This would strengthen both bureaucratic and managerial policy-analysis routines while remaining compatible with existing administrative structures. Second, analytical independence and contestability should be strengthened. Internal policy units need the capacity to challenge assumptions, while external

researchers, universities, and advisory bodies can provide complementary expertise. A transparent distinction between evidence, assumptions, and political value judgments would help decision-makers use analysis without overstating its certainty. This aligns with the evidence-informed approach, which recognizes that research contributes to but does not replace public authority and political accountability (Cairney, 2016; Head, 2016).

Third, distributional analysis should accompany efficiency analysis. Aggregate net benefits can obscure who bears transition costs, which regions benefit, or whether low-income groups experience disproportionate burdens. Where monetized distributional weights are considered controversial, agencies can still publish disaggregated incidence tables and scenario analyses. This makes equity visible without pretending that economic analysis can settle normative questions by itself.

Fourth, participation should be connected to analytical tasks. Stakeholder processes are more useful when participants are invited to validate behavioral assumptions, identify omitted costs and benefits, assess administrative burden, and test implementation scenarios. Thailand-specific research on EIA and energy policy demonstrates that the quality of participation depends on context, actor capacity, process design, and whether participation has meaningful influence (Chaiyapa et al., 2021; Kantamaturapoj et al., 2023a, 2023b).

Fifth, ex-post evaluation should be linked to future budget and design decisions. The expansion of social protection and other large expenditure programs creates opportunities for causal evaluation, while comparative public-expenditure research shows the value of connecting fiscal inputs to measurable outcomes (Durongkaveroj, 2025; Zakaria et al., 2025). An institutionalized feedback loop can gradually improve parameter estimates, policy models, and implementation design instead of treating each appraisal as a one-time exercise.

Sixth, governments should treat analytical infrastructure as a shared institutional asset rather than a collection of isolated project tools. Comparable administrative definitions, interoperable data, documented assumptions, reproducible code where feasible, and clear rules for access can reduce the cost of repeated policy appraisal and make independent scrutiny easier. The objective is not to centralize every analytical function, but to create common standards that allow evidence generated by ministries, local governments, universities, advisory bodies, and evaluators to be compared and reused.

This is especially valuable where analytical capacity is uneven across organizations or territories. A shared evidence architecture can also improve continuity when political or administrative priorities change because the underlying data, methods, and evaluation records remain available for reassessment. Such institutionalization complements rather than replaces human expertise: standardized data and appraisal templates are useful only when analysts retain the professional capacity to question assumptions and explain uncertainty (Howlett & Ramesh, 2016; Migone & Howlett, 2023; Setthasuravich & Pukdeewut, 2024).

Table 3 translates the conceptual appraisal model into recurring administrative practices that can be embedded at different points in the policy cycle. An explicit baseline and comparison of options protect problem definition from becoming an ex-post justification for a preferred instrument. Joint assessment of efficiency, distribution, and behavioral response then broadens the interpretation of predicted benefits beyond a single aggregate indicator. Institutional assessment and stakeholder evidence test whether the policy can be delivered under actual

legal, staffing, and coordination conditions. Reporting assumptions and non-monetized effects makes the basis of selection open to scrutiny, including where evidence is incomplete or valuation is contested (Head, 2016; Hendren & Sprung-Keyser, 2020).

Table 3. Priority Revisions to the Policy-Appraisal Process

Policy-Process Element	Recommended Analytical Practice	Expected Contribution
Problem definition	Require an explicit baseline and causal rationale for intervention	Reduces instrument-first policy design.
Option appraisal	Compare status quo plus feasible policy alternatives	Makes opportunity cost visible.
Economic evaluation	Combine CBA/MVPF logic with distributional and behavioral analysis	Avoids efficiency-only interpretation.
Institutional feasibility	Assess data, staffing, coordination, legal authority, and administrative burden	Tests whether a theoretically desirable policy is deliverable.
Stakeholder evidence	Use participation to test assumptions and identify omitted impacts	Adds contextual information and implementation knowledge.
Transparency	Publish assumptions, uncertainty, sensitivity, and non-monetized effects	Improves contestability and accountability.
Evaluation	Link ex-post results to future program design and budgeting	Builds cumulative analytical capacity.

Source: Authors' synthesis, 2026

Equally important, the proposed revisions are mutually reinforcing rather than independent checklist items. Data standards and analytical capacity affect whether alternatives can be estimated consistently; stakeholder participation can reveal uncertainties requiring new scenarios; and evaluation results can update models used in future budget decisions. The expected contribution is therefore not a claim that Thailand already employs each procedure uniformly, but a set of priorities that could guide the design of transparent and adaptable appraisal routines. Implementation should be assessed against organizational capabilities and through observable policy outcomes, while preserving the distinction between empirical findings and legitimate public value judgments (Howlett & Ramesh, 2016; Migone & Howlett, 2023).

CONCLUSION

Microeconomic analysis can improve public policy decision-making in Thailand by making scarcity, incentives, opportunity costs, distributional effects, and fiscal consequences more explicit. Its strongest contribution is not to provide a single numerical answer but to discipline comparison among alternatives. Contemporary welfare tools such as cost-benefit analysis and the MVPF become more useful when they are combined with distributional analysis, behavioral evidence, institutional feasibility, and transparent uncertainty. The Thailand-specific literature shows why this integration is necessary: policy analysis is distributed across bureaucratic, managerial, academic, advisory, parliamentary,

local-government, and participatory settings, each of which shapes how evidence is produced and used (Poocharoen & Boossabong, 2023). The proposed appraisal sequence therefore connects economic reasoning with policy capacity and institutional context rather than treating them as separate domains. Theoretically, the article contributes an integrated framework linking public economics to policy-analysis institutions. Empirically, it synthesizes recent scholarship on Thailand without making claims beyond the available literature. Practically, it proposes a decision process based on alternative comparison, distributional transparency, stakeholder-informed assumptions, capacity assessment, and ex-post learning. The principal limitation is that the study relies on secondary literature and does not directly observe how Thai agencies apply microeconomic tools in day-to-day policy work. Future research should therefore examine specific ministries and policy sectors using interviews, document analysis, and case-based comparison to measure how economic evidence is commissioned, contested, and translated into authoritative decisions.

The central contribution is an institutionalized interpretation of microeconomic policy analysis. The article does not argue that Thailand should replace political, legal, or participatory judgment with welfare calculations; rather, it shows how economic reasoning can make trade-offs more transparent when combined with policy capacity, stakeholder knowledge, and explicit treatment of uncertainty. Credible appraisal should separate empirical estimates, modelling assumptions, distributional choices, and normative judgments, and it should connect ex-ante analysis with ex-post learning. Because the study is based on a structured qualitative review, future research should test the framework in specific Thai policy sectors using administrative data, interviews with policy analysts, and mixed-method or quasi-experimental evaluation. Such studies can determine which institutional arrangements most consistently convert analytical quality into better-informed public decisions.

ACKNOWLEDGEMENT

-

REFERENCES

- Bali, A. S., Howlett, M., Lewis, J. M., & Ramesh, M. (2021). Procedural policy tools in theory and practice. *Policy and Society*, 40(3), 295–311. <https://doi.org/10.1080/14494035.2021.1965379>
- Bastani, S. (2025). The marginal value of public funds: A brief guide and application to tax policy. *International Tax and Public Finance*, 32(4), 919–956. <https://doi.org/10.1007/s10797-024-09860-x>
- Boossabong, P. (2023). History and styles of policy analysis in Thailand. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 11–27). Policy Press.
- Cairney, P. (2016). *The politics of evidence-based policy making*. Palgrave Macmillan. <https://doi.org/10.1057/978-1-137-51781-4>
- Cairney, P., & Kwiatkowski, R. (2017). How to communicate effectively with policymakers: Combine insights from psychology and policy studies. *Palgrave Communications*, 3, Article 37. <https://doi.org/10.1057/s41599-017-0046-8>
- Chaichakan, C., & Khampeng, D. (2020). Public participation in decentralization policy making: A comparative study of Thailand and UK. *Political Science and Public Administration Journal*, 11(Suppl.), 53–76.

- Chaiyapa, W., Hartley, K., & del Barrio Alvarez, D. (2021). From end-users to policy designers: Breaking open the black box of energy technocracy in Thailand. *Energy Research & Social Science*, 73, Article 101912. <https://doi.org/10.1016/j.erss.2021.101912>
- Chamchong, P. (2023). Policy analysis in Thai local governments. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 67–87). Policy Press.
- Chantavanich, S., & Jitpong, W. (2023). Precarity and social protection of migrant fishers in Thailand: Case studies of death and disappearance at sea. *Marine Policy*, 155, Article 105743. <https://doi.org/10.1016/j.marpol.2023.105743>
- Chater, N. (2024). What is the point of behavioural public policy? A contractarian approach. *Behavioural Public Policy*, 8(2), 197–211. <https://doi.org/10.1017/bpp.2022.2>
- Durongkaveroj, W. (2025). Cash subsidies for the poor: Evaluating Thailand's State Welfare Card Programme. *Asian-Pacific Economic Literature*, 39(2), 134–146. <https://doi.org/10.1111/apel.12452>
- Finkelstein, A., & Hendren, N. (2020). Welfare analysis meets causal inference. *Journal of Economic Perspectives*, 34(4), 146–167. <https://doi.org/10.1257/jep.34.4.146>
- Head, B. W. (2016). Toward more “evidence-informed” policy making? *Public Administration Review*, 76(3), 472–484. <https://doi.org/10.1111/puar.12475>
- Hendren, N., & Sprung-Keyser, B. (2020). A unified welfare analysis of government policies. *The Quarterly Journal of Economics*, 135(3), 1209–1318. <https://doi.org/10.1093/qje/qjaa006>
- Howlett, M., & Ramesh, M. (2016). Achilles' heels of governance: Critical capacity deficits and their role in governance failures. *Regulation & Governance*, 10(4), 301–313. <https://doi.org/10.1111/regg.12091>
- Imani, R. A. G., Sari, N. P., & Wulandari, S. P. (2024). SWOT analysis of Indonesian public health policy using PCA method. *Journal Governance Society*, 1(2), 112–121. <https://doi.org/10.69812/jgs.v1i2.72>
- Kantamaturapoj, K., Chanchitpricha, C., Hongsuwan, P., Suebsing, P., Thaweesuk, S., & Wibulpolprasert, S. (2023a). A framework of stakeholder analysis for public participation in EIA process: A case study of Thailand. *Impact Assessment and Project Appraisal*, 41(6), 444–462. <https://doi.org/10.1080/14615517.2023.2261748>
- Kantamaturapoj, K., Chanchitpricha, C., Hongsuwan, P., Suebsing, P., Thaweesuk, S., & Wibulpolprasert, S. (2023b). Contextual attributes associated with public participation in environmental impact assessments in Thailand: Perspectives obtained from authorities and academics. *Heliyon*, 9(11), Article e21786. <https://doi.org/10.1016/j.heliyon.2023.e21786>
- MacKillop, E., & Downe, J. (2023). What counts as evidence for policy? An analysis of policy actors' perceptions. *Public Administration Review*, 83(5), 1037–1050. <https://doi.org/10.1111/puar.13567>
- Migone, A., & Howlett, M. (2023). Assessing policy analytical capacity in contemporary governments: New measures and metrics. *Australian Journal of Public Administration*, 82(1), 3–25. <https://doi.org/10.1111/1467-8500.12564>
- Nam, I. (2024). The uneven state: Center and periphery in shaping state capacity in Thailand. *World Politics*, 76(1), 38–87. <https://doi.org/10.1353/wp.2024.a916341>

- Newman, J., Patmisari, E., & Widianingsih, I. (2022). Policy analytical capacity and "Eastern" styles of policy analysis: Evidence from West Java Province, Indonesia. *Policy Sciences*, 55(3), 469–485. <https://doi.org/10.1007/s11077-022-09470-6>
- Nikomborirak, D. (2020). Thailand's policy challenges. *Asian Economic Policy Review*, 15(2), 284–300. <https://doi.org/10.1111/aepr.12293>
- Nurmi, V., & Ahtiainen, H. (2018). Distributional weights in environmental valuation and cost-benefit analysis: Theory and practice. *Ecological Economics*, 150, 217–228. <https://doi.org/10.1016/j.ecolecon.2018.04.021>
- Oliver, K., & Cairney, P. (2019). The dos and don'ts of influencing policy: A systematic review of advice to academics. *Palgrave Communications*, 5, Article 21. <https://doi.org/10.1057/s41599-019-0232-y>
- Pengsuwan, P., & Choonhaklai, S. (2019). Paradigms of public administration and development of Thai modern bureaucracy over five decades. *Kasetsart Journal of Social Sciences*, 40(1), 105–112.
- Pensute, C. (2023). Political parties and policy analysis. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 203–218). Policy Press.
- Peters, B. G. (2018). *Policy problems and policy design*. Edward Elgar Publishing.
- Phumma, N., & Vechsuruck, T. (2022). Economic paradigm and demand-side populist policies in Thailand. *TRaNS: Trans-Regional and -National Studies of Southeast Asia*, 10(2), 161–172. <https://doi.org/10.1017/trn.2021.23>
- Poocharoen, O.-O., & Boossabong, P. (Eds.). (2023). *Policy analysis in Thailand*. Policy Press. <https://doi.org/10.46692/9781447367109>
- Poocharoen, O.-O., Jongruck, P., Chattragul, P., & Khumsupa, M. (2023). The role of expert policy advisory boards, consultants and think tanks in policy analysis. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 170–185). Policy Press.
- Santhitiwanich, A. (2023). Methods of policy analysis in Thailand: Bureaucratic, managerial, academic and participatory orientations. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 28–46). Policy Press.
- Setthasuravich, P., & Pukdeewut, A. (2024). Policy capacity: A scoping review of definitions, conceptual frameworks, applications, and future research directions. *Local Administration Journal*, 17(2), 261–294.
- Sudhipongpracha, T. (2023). Parliamentary committees, legislative supporting agencies and policy advice. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 155–169). Policy Press.
- Teerawichitchainan, B. (2021). Expansion of Thailand's social pension policy and its implications for family support for older persons. *International Journal of Social Welfare*, 30(4), 428–442. <https://doi.org/10.1111/ijsw.12481>
- Ungsuchaval, T. (2023a). Non-traditional policy studies in Thailand. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 286–302). Policy Press.
- Ungsuchaval, T. (2023b). Policy analysis in central government. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 49–66). Policy Press.
- Ungsuchaval, T., & Ariyasirichot, W. (2023). The role of the community sector and civil society in policy analysis. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 230–247). Policy Press.

- Whangmahaporn, P. (2023). Policy analysis instruction in Thailand. In O.-O. Poocharoen & P. Boossabong (Eds.), *Policy analysis in Thailand* (pp. 273–285). Policy Press.
- Zakaria, M. R., Rahmawati, F., & Sulaiman, N. F. C. (2025). The effect of education expenditure, health expenditure, Islamic bank financing, and economic growth on the Human Development Index in Indonesia. *Journal Governance Society*, 2(3), 179–194. <https://doi.org/10.69812/jgs.v2i3.195>