ABSTRACT
For most of its history, the Thai-Burmese border region of Mae Sot and Myawaddy has been peripheral to the concerns of the Thai and Burmese authorities. However, growing economic connectivity in mainland Southeast Asia promises to transform it into a regional economic crossroads, and it currently has the highest GDP of any region on the Thai-Burmese border. Rather than increasing the control of the central governments of Thailand and Burma, these economic changes have strengthened the Mae Sot-Myawaddy region’s character as a border economy. A heavy and increasing military presence has led Thai and Burmese soldiers to join local non-state actors as one of the region’s major interest groups, and has led to a proliferation of military-owned businesses and enterprises. This study examined trust in government actors and their support for the Tak Special Economic Zone based on social exchange theory and institutional theory of political trust. The findings indicated a significant relationship between trust in government actors and resident’s support for the Tak SEZ. The results also revealed that resident’s perceptions of the benefits and costs of the Tak SEZ were significant determinants of resident’s support of government. Considering the unstable nature of military governments and the eventuality of a democratic election, it is important that the planning and development of the Tak SEZ be overseen by local interests, both military and civilian, rather than the national government.

Keywords: trust in government, military interest groups, Tak province

Introduction
On the region of the Thai-Burmese border surrounding the towns of Mae Sot and Myawaddy, military governance prevails. Military interest groups in the Mae Sot-Myawaddy border region can be divided into three general categories. These are, respectively, the Thai military interest group, the Burmese military interest group, and the Karen military interest group. Each of these three groups consists of soldiers who have spent a considerable amount of time in the border region and have developed a personal economic stake in cross-border trade and conflict.

This region is also a border economy, and home to the Tak Special Economic Zone (hereafter, Tak SEZ). The border is porous and loosely controlled, with frequent unauthorized movement back and forth. The Thai government, rather than controlling the border directly, focuses much of its effort on controlling the highways from the border region to the Thai heartland. This necessitates a large law enforcement and military presence in the border region itself, with numerous army checkpoints between the border and the major highways, and police checkpoints along the highways. On the Burmese side, government control remains tenuous and subject to the whims of ethnic militias, which still retain considerable power.

Special Economic Zones (SEZs) can be compared to their predecessors, Free Trade Zones and Export Processing Zones, in that they are aimed at stimulating foreign direct investment (FDI) and rapid, export-led, industrial growth. The essential characteristic of such schemes is that they allow the bypassing of particular social legislation or tax provisions which are perceived to be an impediment to
progress or the competitiveness of an export-oriented activity. For Thailand, Special Economic Zone is a development method that has been studied for a long time. The idea to develop an area into a special economic zone aims to expand development into different areas through various economic activities as the core of the development. This brings about some investment and improvement of the quality of life of people in a specific area and other areas nearby. However, the method to develop and mobilize the Special Economic Zone to be concrete has received a clearer development direction after the National Council for Peace and Order (NCPO) managed the country. The National Council for Peace and Order (NCPO) has issued an order no. 72/2014 to appoint the Commission of Special Economic Development Zone Policy. In the meeting no.1/2014 of the Commission of Special Economic Development Zone Policy on 15 July 2014, chaired by Gen. Prayuth Chan-Ocha—the head of National Council for Peace and Order (NCPO), an approval was made on the areas with suitable potential to be a special economic zone in the initial period of Thailand. Among five areas that were approved, one of the most important areas is Special Economic Zone of Mae Sot District, Tak Province.

Although, despite the huge rate of approval and establishment of SEZs, and thus their apparent success around the world, the development of SEZs has faced considerable opposition and is stalling in some cases. This resistance has arisen because of various controversial aspects regarding the establishment of SEZs. At the heart of the problem is the resistance from the communities that are directly affected. Moreover, researchers need to consider trust as an important ingredient for cooperation among stakeholders in SEZ development studies. One of the gaps of existing studies on government policies and community political support is that the majority of them have omitted trust as a key component in the structural relationship. Hence, to contribute to the existing literature, the study attempts to develop a comprehensive model and examine the underlying relationship among resident’s perceptions, trust in government, and support for SEZ development based on social exchange theory and institutional theory of political trust in Tak province, Thailand.

Literature Review

Public trust in government is considered essential to political support. Political scientists state that high level of public trust leads to reduced administrative costs and citizens’ greater compliance with laws and regulations (Levi 1998; Tyler1998). Trust in government also helps reconcile the need for political accountability and the demand for the discretionary power needed to create a flexible administration by encouraging citizens to accept expanded government authority (Kim 2005). Indeed, trust is central to a modern society and is essential for social, political, and community relations. Consequently, the notion of trust has attracted the attention of several social science researchers. To them, trust allows a government to maintain effective legitimacy and authority in decision-making and is important for good governance, sustainability of the political system, and democratic consolidation (Christensen & Lægreid, 2005; Park & Blenkinsopp, 2011). Thus, maintaining citizens’ trust is an important political objective of any government in power.

The growth of Burmese military interests in the border region dates back to the start of Burmese military rule in 1962. In this period, Burma attempted to become a socialist state, with the military leaders controlling both state security and nationalizing industries as state-operated enterprises. Both Burmese and Thai military leaders in this period had a need to do business in resource-rich areas of the border which were controlled by ethnic minority militias, many of whom were hostile to the government. As such, the military leaders would form relationships with businessmen living in the border region, who would in turn serve as middle-men between the ethnic minorities and the military. Through arrangements such as this, Thai and Burmese authorities were able to obtain resources such as timber and minerals from areas which would otherwise have been inaccessible (Ukrist, 2014).

Military factions turn into military interest groups in times of peace. This means that soldiers in the area, regardless of affiliation, have two occupations. They defend themselves in time of war, and in peace they are tasked with providing economically for themselves, their families, and those under their protection. This means that military organizations, as well as individual soldiers with long-standing ties to the region, need to form businesses and build economic assets in order to survive. The presence of ethnic insurgents exacerbates all of this, with ethnic insurgency being one of the major barriers to international cooperation and domestic unity in Southeast Asia. The separatist ideology of ethnic insurgents requires them to be reject cooperation with the state. At the same time, the need to survive forces pragmatic participation in domestic economies (Thitiwut, 2007).

In addition to all of this, the presence of militaristic ruling cultures in both Thailand and Burma means that even in the national heartlands, there is a strong connection between business interests and the military. As such, the Thai and Burmese militaries are more sensitive to economic needs than the
military leadership of many other countries. This proves a deterrent to direct international conflict, and means that both national governments are motivated to quickly end conflict with ethnic minority militias such as the KNU.

Research Methodology

A self-administered questionnaire was developed for the purpose of this study. The questionnaire comprised two main sections. The first concentrated on generating a demographic profile of the respondents, including district, gender, age, level of education, occupation, and level of income. The second section contained statements assessing resident members’ perceptions of local government actor and the impacts that Tak SEZ may have in their community. Participants were asked to rate each statement on a nine-point Likert-type scale. A value of one denoted a negative response (strongly disagree) and a nine represented a favorable response (strongly agree). Some items were reverse coded during data entry for consistency.

To purify the scale items, the questionnaire was tested empirically using pilot study with a series of on-site interviews (n = 30) to ensure its clarity, reliability and comprehensiveness. The pilot study allowed for the opportunity to gain feedback on the clarity of the directions, the chance to check the face validity of the statements, and establish a baseline for the length of time needed to complete the questionnaire. Then, an exploratory factor analysis (EFA) using a principal component method with varimax rotation was performed on each construct. The purpose of the EFA was to group together correlated variables (Tabachnick & Fidell, 2001). In each EFA, attributes that had factor loadings of lower than 0.40 and attributes that loaded on more than one factor were eliminated from the analysis as recommended by Chen and Hsu (2001). The items that remained after these steps and the results of the EFA are presented in Table 1. The measurement scales were revised based on these results and the survey was sent to the research team in Tak province.

Respondents were requested to demonstrate their perceptions toward the benefits and costs of Tak SEZ on their community, plus their perceptions toward government performance and trust in government actors by using the 9-point Likert-type scale for each statement (1 = strongly disagree, 5 = neutral, and 9 = strongly agree). Factor analysis was conducted to assess the dimensionality of the 14 items (indicators). All exploratory factor analyses were initially performed using the principal axis factoring method and varimax rotation with the Kaiser Normalization. The Bartlett test of sphericity was significant (Chi-square = 3359.318, p < 0.000) (Bartlett, 1954). The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was computed to quantify the degree of intercorrelations among the variables, and the results indicate an index of 0.839. Since the KMO measure of sampling adequacy was larger than 0.60, it showed that the use of factor analysis was appropriate (Kaiser, 1970; 1974).

Table 1. Exploratory Factor Analysis (N = 400)

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Factor loadings</th>
<th>Eigenvalue</th>
<th>% of variance explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived benefits of SEZ (PB)</td>
<td></td>
<td>7.64</td>
<td>39.23</td>
</tr>
<tr>
<td>1. Employment opportunities</td>
<td>0.88</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Opportunities for local business</td>
<td>0.79</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. More investment</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived costs of SEZ (PC)</td>
<td></td>
<td>5.49</td>
<td>20.04</td>
</tr>
<tr>
<td>1. Environmental pollutions</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Landloss</td>
<td>0.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Crime rate</td>
<td>0.70</td>
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</table>
For scale development, a cut-off factor loading of 0.30 and an eigenvalue greater than or equal to 1 were used (Pallant, 2007). The principal component analysis (with varimax rotation) of the 14 items resulted in a six-factor solution that explained 83.46% of the total variation (explaining 39.23%, 20.04%, 7.67%, 6.77%, 5.74% and 3.99% of the variance respectively). Each of the items loaded strongly on one of the six factors. An inspection of the screeplot revealed a clear break after the sixth component. As a result, using Catell’s (1996) scree test, it was decided to retain six components for further investigation as the six-component solution explained a total of 83.46% of the variance.

Cronbach’s internal consistency reliability is the most widely used reliability test methods in designing a reliable instrument. Nunnally and Bernstein (1994) recommended that a score of 0.7 or higher is desired reliability while 0.6 or higher is an acceptable reliability coefficient for research at the early stage of the scale development. Cronbach’s alpha coefficients for the six factors ranged from 0.58 (lowest) to 0.81 (highest) with a total scale reliability of 0.86. This indicates that the variables exhibited a strong correlation with their factor grouping and thus were internally consistent. Table 1 illustrates the items, factor loadings, and % of variance explained for each item in the model.

### Findings and Discussion

Four hundred responses from residents of Mae Pa, Mae Ku, Mae Kasa sub-districts in Mae Sot district, Tak province were obtained from the survey team. The data were first analyzed to present a description of the participants in the study and provide a description, computed as averages, for each statement on the survey instrument. The data obtained were then subjected to a confirmatory factor analysis (CFA) and the model was tested using SEM.

This study tested a model that predicted residents’ perception of perceived benefits, costs, government performance, political power for SEZ project development with trust in government and political support. H1 that proposed a direct positive relationship between the perceived benefits of Tak

<table>
<thead>
<tr>
<th>Perceived government performance (GP)</th>
<th>3.26</th>
<th>7.67</th>
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<tbody>
<tr>
<td>1. Local government effectively uses SEZ to improve the local economy</td>
<td>0.87</td>
<td></td>
</tr>
<tr>
<td>2. Local government is responsive to the needs of the residents in SEZ project</td>
<td>0.77</td>
<td></td>
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<tr>
<th>Perceived political power (PP)</th>
<th>2.80</th>
<th>6.77</th>
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</thead>
<tbody>
<tr>
<td>1. Personal influence in planning and development of SEZ</td>
<td>0.93</td>
<td></td>
</tr>
<tr>
<td>2. Opportunities to participate in planning and development of SEZ</td>
<td>0.88</td>
<td></td>
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</tbody>
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<tr>
<th>Trust in government (TG)</th>
<th>1.69</th>
<th>5.74</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Trust in decisions made by local government</td>
<td>0.94</td>
<td></td>
</tr>
<tr>
<td>2. Trust in local government officials</td>
<td>0.82</td>
<td></td>
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</tbody>
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<tr>
<th>SEZ Project Support (PS)</th>
<th>1.59</th>
<th>3.99</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I support Tak SEZ</td>
<td>0.98</td>
<td></td>
</tr>
<tr>
<td>2. I support the current local government in Tak SEZ management</td>
<td>0.96</td>
<td></td>
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</tbody>
</table>
SEZ project and residents’ trust in government actors and H2 that proposed a direct negative relationship between the perceived costs of SEZ project and residents’ trust in government actors were both supported ($\beta = .24, t = 2.53; \beta = .34, t = -2.56$). H3 that postulated a direct positive relationship between residents’ perceptions of the performance of government actors and their trust in government actors was also supported ($\beta = .49, t = 3.79$). Moreover, H4 that proposed a direct positive relationship between residents’ perceptions of their level of political power and their trust in government actors was supported ($\beta = .56, t = 5.49$). These results consistent with the institutional theory of political trust (ITPT) which suggested that residents who perceived that they had a strong influence in decision-making were more likely to trust the government.

Moreover, the results provided support for H5 that proposed a direct positive relationship between residents’ trust in government and their support for SEZ project ($\beta = .64, t = 10.87$). This finding is consistent with the study of Nunkoo & Smith (2013). The results also suggest that Tak residents who trust local government are convinced that officials will act in the interests of the community, which prompt them to support and will select the same candidate again when election come. Therefore, from a theoretical perspective, these results provide support for SET and ITPT as it suggested that the model explained 66% of the variance in trust in government and 41% in political support in the specific context of SEZ development.

The direct positive relationship between residents’ perceived benefits and trust in government indicates that local residents believed that SEZ project will create employment opportunities, generates economic benefits to local people and business, and attracted more investment in their community. On the contrary, the direct negative relationship between residents’ perceived costs and trust in government indicates that local residents believed that SEZ project would create environmental pollutions, landloss, and higher crime rate. On the other hand, a direct positive relationship between residents’ perceptions of the performance of government actors suggests that local residents believed that government effectively uses SEZ to improve the local economy and very responsive to the needs of the residents. Furthermore, the direct positive relationship between residents’ perceptions of their level of political power and their trust in government actors suggests that the local residents believed that they have personal influence and opportunities to participate in the planning and development of SEZ. Lastly, the direct positive relationship between residents’ trust in government and their support for SEZ project indicates that the local residents would support the current government and willing to support in the future as long as the government have their trust.

**Conclusion**

This study tested residents’ perceptions, trust in government, and support model based on two different theories: SET and ITPT. All of the study’s findings reinforce the results of previous research. The study also provides new theoretical perspectives on the determinants of residents’ perceived benefits, costs, government performance, and political power in Tak SEZ, with trust in government actors and SEZ policy support. The study found SET and ITPT to be highly relevant because the level of perceived benefits and perceived costs were found to be significant predictors of trust in government actors. However, at the moment, this is the early stage of Tak SEZ project. Hence, it is possible that the local residents have yet to realize the true benefits and costs of Tak SEZ. To sum up, this research demonstrates that the perception of benefits, costs, government performance, and political power were important determinants of trust in government and political support within the development context.

The study clearly shows that residents’ trust in government actors and their level of political support are complex issues that are determined by several factors. A single theory is unlikely to provide a comprehensive understanding of residents’ trust and political support under Tak SEZ project context. Based on the results of this research, future researchers are urged to avoid using a single theoretical perspective when investigating public trust and support for local development and planning. Adopting more than one theoretical perspective in such studies is likely to provide a broader and deeper analysis of findings, prevent premature acceptance of plausible explanations, increase confidence in developing concepts or constructs in theory development, and reduce potential biases in and improve the credibility of research findings.

While the findings suggest trust is a key ingredient of a democratic and sustainable development, more rigorous testing of the model is required with different samples. In addition, researchers should further identify and examine other factors that may influence local residents trust in government and political support under SEZ project context, such as government competency, openness and transparency, bureaucratic politics, and political ideology. Integration of these constructs into the model might help researchers and practitioners further grasp the factors that influence local residents support for Special Economic Zone projects.
The Mae Sot-Myawaddy border region is a rare example of an area in which all of the most influential interest groups are military in nature, and in which there are numerous influential interest groups. This is a result of a combination of domestic military rule in Thailand and Burma. It is exacerbated by a history of ethnic insurgency in the border region (Smith 2013), and the presence of numerous armed insurgent groups in the vicinity of Mae Sot and Myawaddy. Even most of the ostensibly non-military interest groups in the area have connections with the Thai and Burmese militaries or the Karen insurgents.

While this would conventionally be considered cause for alarm, it should instead be seen as a feature of the political landscape of the Thai-Burmese border. It has potential benefits, as the alignment of military and business interests can help avoid lasting conflict. However, it has potential drawbacks, as it threatens to keep the region militarized for an indefinite period of time. Regardless, it is a factor that the international community and the national governments of Thailand and Burma must keep in mind when planning for the region's development.

References


