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Rural Development Policy and Villager Organizations

This chapter will examine how rural development policies emanating from outside the village affected villager organizing. The meaning of “rural development policy” as used in this chapter is defined as “groups external to the village supplying some sort of resources to the villagers with the intention of bettering the economic and social life of the latter.” This means that not only government activities in rural development but also those of nongovernmental organizations (NGOs) will be included within the scope of inquiry.

Initial Stage of Rural Development Policy and Villager Organizations

The Thai government began a more systematized approach to rural development policy at the end of the 1950s with the establishment of an office to take charge of administrating rural development (Suvitya 1966, p. 33), but at least until the start of the 1970s its primary focus was on developing infrastructure and maintaining social order. At the time Thailand had begun to achieve high rates of economic growth, and the economic gap between the urban and rural areas was continuing to widen. Meanwhile communist forces strengthened their influences in the neighboring countries, and the Thai government, fearing the penetration of antigovernment ideas into the rural areas, poured its efforts into developing infrastructure. It took this course because the results of its efforts brought about readily visible changes and because it was pos-

sible for government bodies to carry out such a course of action in an authoritative top-down manner. Moreover, such infrastructure development, particularly road and bridge construction, made it easier for the government's local offices and agencies to gain access to the villages. Thus it was not by chance that the first project that the government undertook was to organize Mobile Development Units using military personnel.

These MD Units were organized around army engineer detachments and received manpower and financial support from the United States which feared the communization of Thailand. These units went out directly into the villages where they primarily undertook the construction of infrastructure (such as roads, bridges, wells, and ponds) and provided medical services (Huff 1967, pp. 454–56; Judd c1989, pp. 49–50; Wanrak 1988, pp. 145–46).

Government rural development policy at the time did not neglect the matter of villager organization. There already existed such organizations as women's groups (*klum maeban*), youth groups (*klum yaowachon*), and occupational groups (*klum achip*) which had been set up under government guidance during the 1960s. But most of these villager organizations had been set up to mobilize the villagers for government-directed projects or to function as intermediaries disseminating information and resources that the government wanted conveyed to the villagers. As organizations they had no control in any ongoing way over the resources they received, and as a consequence the villagers who formed the organizations had very little incentive to determine for themselves how to run the organizations. There were other organizations, such as credit cooperatives and farmers' groups (*klum kasetrakon*), where villagers accumulated and utilized resources (money for credit) received from the government, and which were expected to operate under the villagers' own discretion. However, from the end of the 1960s, credit cooperatives were reorganized and consolidated following a change in government policy, and it no longer became possible for villager to participate in their operation. As for farmers' groups, these were organized at the *tambon* (subdistrict) level, a broad geographical level where the villagers felt no strong sense of local solidarity. For this reason there was little interest among the villagers for running these groups, and their only function was as recipients of low-cost fertilizer from the government (Siri 1985; Suwanni 1982).

Villager Participation and Cooperative Organizations Using Private Resources

In the mid-1970s a major change occurred in government rural development policy. The government began placing much greater emphasis on villager

participation when implementing development projects. In 1975 the Tambon Project was started under the initiative of Prime Minister Kukrit Pramoj. The government drew up an emergency budget in which it decided to distribute a grant of some 500,000 baht to each of the *tambon* (subdistricts) and allowed the *tambon* councils (organizations made up primarily of the headmen of the villages within the subdistricts) to decide how to use the money with the proviso that its use be limited to the building and repair of infrastructure (Krirkkiat 1975, pp. 22–28). In the Tambon Project the pertinent villager organizations (the *tambon* councils) were not just delegated to function as intermediaries distributing resources from the government, they were also given decision-making power, even with the limiting provisos, to decide how to use the grant. Nevertheless, the action of the government still exerted a limiting influence on villager organizing for the following reasons. One was limiting the usage of the granted resource to infrastructure development. This meant that villager participation in the decision making was largely confined to the process of deciding how to use the provided funds, and once the designated project of the funding had been completed, there was no longer any role for organized villager participation to play. Another limiting influence was making the subdistrict the unit for villager organization. At this broad geo-social level, the villagers could not find any sense of solidarity, and what was called “villager participation” became essentially the participation of a portion of the local leadership in the decision-making process.

In 1974, a year before the start of the Tambon Project, another project was begun that turned decision making over to villager organizations. This was a project promoting the establishment of savings groups undertaken by the government’s Community Development Department (Phonphimon 1984, p. 106). As discussed in detail in Chapter 2, under the savings group scheme, villagers voluntarily deposit a small amount of money each month with the group, and the accumulated money can be lent at low interest to members of the group. This project had a pivotal effect on the course of Thailand’s rural development policy. For one thing, government and other groups outside the village provide only the idea and the know-how for setting up and operating the savings groups; the monetary funding which is the basic resource of the groups is contributed wholly by the villagers. For another, the management and use of the funds are left totally to the collective decision making of the villagers themselves. In other words, it is a policy whereby the villagers promote economic development through the cooperative management of their own private resources.

The first savings group set up under the government’s guidance was in Kuamung Subdistrict (in Saraphi District of Chiang Mai Province), a site

where the government-sponsored Saraphi Project (*khrong kan saraphi*)¹ had been put into practice. The savings group idea was put forward by Yuwat Vuthimedhi, an official in the Community Development Department, who looked at the experiences of Japan, the Republic of Korea, the Philippines, and those of the Credit Union League of Thailand, an NGO involved in savings group organization.² As seen in Chapter 3, central government administration reaches down to the level of the district; villager self-governing starts at the subdistrict level. For this reason, the government of the time saw the subdistrict as the level for implementing its rural development policy, and according to Yuwat, the original intention was for the savings groups also to be set up at the subdistrict level. But it was soon realized that savings groups would not succeed where villagers could not form relationships of mutual trust, so organizing was shifted down one step to the level of the administrative village. The savings group differs from the former credit cooperative in that the money of the members themselves is used as the group's resource. In 1977, 213 savings groups existed with an average membership of forty-two people which made them rather large-scale organizations when compared with the less than twenty members that had formed the credit cooperatives (CDD 1978, p. 67; Yuphawan 1956). In sum, while the credit cooperatives were organized within a small locale where dyadic relationships functioned as the element assuring a joint liability amongst the members, the savings groups can take in members from a much wider locale extending beyond the effective range of dyadic relationships.

In 1976, following the introduction of savings groups, the government started organizing rice banks (*thanakhan khao*) as another part of its rural development policy. The idea goes back to the early 1970s when in a village in Lamphang Province a group of villagers on their own had organized a mutual funding scheme for paddy; later by order of the king, the project was taken up and promoted by the government (Kingkaeo 1987). In undertaking a rice bank, villagers decide on the volume of paddy that they will jointly contribute to the organization. This paddy is cooperatively managed and lent out at low interest (payable in paddy) to households who find themselves with insufficient rice to eat. Following the next harvest, the borrower pays back in kind the amount of paddy he borrowed along with the extra portion in interest. In this way the amount of paddy collectively maintained by the organization continues to grow. The rice bank has thus become a means to lower interest rates for villagers who previously had to borrow paddy at high rates at times when rice was in short supply. As with the savings group, the basic resource of the rice bank, paddy, is the privately owned commodity of the villagers themselves, although the storehouse for keeping the paddy is a fa-

TABLE 5-1
VILLAGER ORGANIZATIONS SET UP UNDER THE DIRECTION OF THE COMMUNITY
DEVELOPMENT DEPARTMENT BY REGION (1987)

Regions	Savings Groups		Rice Banks		Village Cooperative Shops		Total No. of Administrative Villages
	No. of Groups	% of Total Administrative Villages	No. of Banks	% of Total Administrative Villages	No. of Shops	% of Total Administrative Villages	
Northeastern region	3,538	14.3	4,853	19.6	1,470	5.9	24,706
Upper	1,789	14.5	1,473	12.0	799	6.5	12,314
Lower	1,749	14.1	3,380	27.3	671	5.4	12,392
Northern region	1,075	17.2	814	13.0	275	4.4	6,259
Central region	1,815	8.8	956	4.6	420	2.0	20,625
Northern	608	10.5	400	6.9	159	2.7	5,796
Southern	461	8.2	129	2.3	123	2.2	5,616
Eastern	376	8.2	257	5.6	70	1.5	4,559
Western	370	8.0	170	3.7	68	1.5	4,654
Southern region	1,071	15.0	315	4.4	179	2.5	7,141
Upper	506	14.2	80	2.3	78	2.2	3,555
Lower	565	15.8	235	6.6	101	2.8	3,586
Whole Kingdom total	10,385	12.0	8,209	9.5	2,943	3.4	86,497

Sources: Kingkaeo and Wirasak (1989, p. 3) and NSO (c.1990).

Note: The total of all regions and the nationwide total cited from the original table are not in agreement. The totals per region were used here. The number of administrative villages does not include those in Bangkok.

cility of a prescribed standard furnished by the government to the village.

Another project begun around the same time as the rice bank was the village cooperative shop (*sun sathit kan talat*). In forming this organization villagers voluntarily pool their money to raise capital which they use to purchase stocks of daily goods which are then sold at the cooperative shop. The organization supplies daily goods at an inexpensive price to the villagers, and it can also return a profit to the villagers who invested capital in the project. In some cases the money for building the shop is furnished by the government, but the pool of funds for purchasing the stocks of goods is procured from the villagers who invest their own money.

The extent that these sorts of organizations using the villagers' private resources have spread through the villages of Thailand is shown in Tables 5-1 and 5-2. Table 5-1 shows the ratio of the number of villager organizations set up under the direction of the Community Development Department as of 1987 compared with the number of administrative villages in the country that year. The table does not show the number of villager organizations set up through other government agencies and NGOs. Table 5-2 is based on information taken from the 1990 Village Basic Data Survey (Ko Cho Cho 2 Kho) and shows the ratio of administrative villages answering that such villager organizations were active in the village compared with the total number of administrative villages surveyed.³ In all likelihood the figures in the table also include the numbers of villager organizations set up under the direction of bodies other than the Community Development Department.

Looking at the data presented in Table 5-1, it can be seen that the rate of villager organizing in central Thailand is low compared to that in the Northeast and North. In the northern part of the central region the rate for organizing savings groups and rice banks is rather high, but it is still rather low when compared with the rate in the North. In the South the rate of organizing savings groups is at a high level comparable with that in the Northeast and North, but other organizations are at a low level comparable with that in the central region. Looking at Table 5-2 and the percentage of administrative villages reporting to have villager organizations, 16 per cent said they had savings groups, 23 per cent had rice banks (the Northeast reported 37 per cent), and 14 per cent had village cooperative shops (the Northeast reported 24 per cent). Table 5-2 indicates a higher than expected rate of savings groups in the central region when compared with the rate shown in Table 5-1, but this may be due to the fact that in this region one savings group often covers a number of administrative villages resulting in the double counting of savings groups. Nevertheless, with more than 30 per cent of the administrative villages in the Northeast having rice banks and 16 per cent in the central region having mem-

TABLE 5-2
 ADMINISTRATIVE VILLAGES HAVING VILLAGER ORGANIZATIONS BASED
 ON THE VILLAGE BASIC DATA SURVEY (1990)

Regions	Savings Groups		Rice Banks		Village Cooperative Shops	
	No.	% ^a	No.	% ^a	No.	% ^a
Northeastern	3,754	15.3	9,150	36.8	5,860	23.6
Northern and Upper Central	1,581	15.3	3,015	25.2	1,088	9.1
Lower Central	2,183	16.3	664	4.9	626	4.6
Southern	1,431	20.0	334	4.6	539	7.5
Whole Kingdom	8,949	15.7	13,163	22.9	8,113	14.1

Source: Internal documents of the National Economic and Social Development Board, calculated from the Village Basic Data Survey (Ko Cho Cho 2 Kho).

^a The ratio of villages reporting "having" the organizations compared with the total number of villages reporting "having" or "not having" them.

bers in savings groups, just these rates alone indicate that such collective villager organizations have come into existence to no small degree in all of the regions of the country.

The shift in rural development policy discussed above not only took place in government, but occurred in NGOs as well. The first effort by an NGO at rural development was a project undertaken in Chai Nat Province in 1969 by the Foundation for Thailand Rural Reconstruction Movement (TRRM) which had been founded in 1967. Its activities focused on raising villager income by improved productivity which it endeavored to bring about through developing the villagers' agricultural techniques as well as their skills in sideline jobs, and through disseminating information on public sanitation, and through other forms of social education. The premise of the TRRM's efforts was that the unit of production in the village was the individual farming family. This meant in effect that the role expected of the villager organizations was that of intermediaries passing on the skills and information brought in by the NGO. In this way the efforts of the TRRM took the same course as the government's rural development policy in its early stage. As Seri Phongphit noted in his recollection, NGOs of the 1960s focused their activities on economic assistance to the villagers (Gohlert 1991, pp. 105-6). From the 1970s they gradually shifted their emphasis to villager organizing. But a problem with the NGOs, like that with the government, was that they could not get away from the attitude that they were in the higher position of "directing the villagers" (CCTD and CEBEMO 1990, p. 25). Then in 1976 with the government's

suppression of democracy and its forces, it became almost impossible for a time for NGOs to work in the country (Phumtham 1984, p. 107; McNabb 1978, pp. 107–22; Lili and Worawan 1984, pp. 101–2).

Full-fledged NGO activity resumed again near the end of the 1970s, and a big change now took place in their development strategy. They began to see importance in village culture, and they shifted policy toward setting up organizations run by villagers themselves through the application of community resources and the villagers' own knowledge (Gohlert 1991, pp. 105–6). The TRRM, for example, introduced a rule that it would not take any leadership in villager organizing after the crisis of 1976 had died away, and it began a project in which villagers themselves took initiative in its implementation (Lili and Worawan 1984, pp. 127–28). The Catholic Council of Thailand for Development (CCTD) took note in a report that even after NGO assistance disappeared after 1976, villagers continued to carry on organizational activities themselves. In the same report the CCTD itself acknowledged that the continuance of such activities showed that villagers themselves were capable of self-management (CCTD and CEBEMO 1990, p. 26). Thus NGOs "have come to see the importance of the role played by the villagers and NGO emphasis is now on the villagers making decisions for themselves" (Phumtham 1984, p. 110).

The major projects that NGOs have carried out since taking their new direction have been rice banks and savings groups, for the most part the same kinds of projects as the government's. In 1977, for example, the CCTD started projects encouraging rice banks, and by the end of 1978 it had succeeded in getting such groups organized in sixty villages (Chalat 1980, p. 24). Regarding savings groups, along with those organized under the direction of the government there are also those that have been set up by the Credit Union League of Thailand (CULT), which had begun promoting the establishment of these groups even before the government began such action. The first efforts of this NGO were in the slums of Bangkok, then from the 1970s it extended the sphere of its activities into the villages as well, and by 1980 it had helped in the organizing of 202 savings groups throughout of country (CULT 1989).

Community Resource Management and the Input of Communally Held Resources

From the mid-1970s the Thai government began to recognize that at the administrative village level the villagers had the ability to cooperatively manage privately owned resources. As a result, during the 1980s the government

started projects that furnished resources to the administrative villages for the villagers' organizational activities. In 1982 the Ministry of Public Health set up a village drug fund (*kong thun ya lae wechaphan pracham muban*) under which villagers jointly contribute money to make up a fund which the government supplements with 700 baht's worth of medicines (Chamran 1989). The villagers use the fund for purchasing and selling medicines, and in this way it is possible to maintain a continuous supply of medicines at a low price in the village.

Also in 1982 a village fish breeding project (*khroong kan pramong muban*) was begun by the Ministry of Agriculture and Co-operatives. In the Northeast villagers have always cooperatively used the village ponds and swamps, and during the dry season it is the custom for all of them to go fishing together. Taking note of this practice, the Department of Fisheries began a fish breeding project in 1982. Under this project the government undertakes to improve the ponds and swamps in the village and then stock these with fry. Management of the fish breeding is in the hands of an operations committee organized by the residents of the administrative village, and the proceeds from the sale of fish go into the village's common fund (Phonphimon 1984, pp. 109–10).

In 1983 the Ministry of Public Health set up a village public health fund (*kong thun satharanasuk muban*) to be used for manufacturing improved toilets and water jars for storing rainwater to drink. This fund is provided to the subdistrict or the administrative village, and the villagers can use it for making toilets and water jars. Following the harvest when they have money, the beneficiaries pay back to the administrative village the amount they used from the fund, and the village can lend that money out to another villager (Phonphimon 1984, p. 108). In this way the villagers can gradually improve the toilets and drinking water in their villages. During the five years from 1987 to 1991, a total of 620,000 water jars and 2.5 million toilets were supplied as a result of this project (DOH 1987, p. 11). These figures when compared to the total number of farming families in 1990 came to 8 per cent and 32 per cent respectively for water jars and toilets. A similar project was begun by the Community Development Department in 1984, and by 1987 about 34,000 villages had received funds from this project (CDD 1988, p. 51).

In 1984 the government set up a fund to provide money to projects drawn up by the administrative villages themselves. Known as the Rural Development Fund (*kong thun phatthana chonnabot*), it is money that the government lends without interest to the administrative villages (Wilaiwan and Suksan 1987, pp. 90–91). Under the scheme the village committee is the final recipient of the money from the fund and is also the body responsible for its control. However, because of the fund's strict oversight and other difficulties, not

many villages have borrowed from this fund (Pornpilai 1988, pp. 25–29).

In all of the projects discussed above, the administrative village is the intended recipient of the resources furnished by the government. From its experience helping to organize such activities as savings groups, the government became aware of the villagers' ability to manage resources at the level of the administrative village. This differed from the Tambon Project in that the externally provided resources had to be used in an ongoing manner, and for this reason it seems the government selected the administrative village, where the villagers' spirit of mutual assistance and mutual oversight function most readily, as the administrative unit for implementing the projects.

Summary

Thai rural development policy underwent a substantial change in the mid-1970s in its approach to villager organizing. Villager organizations prior to that time were bodies for mobilizing the villagers to carry out government projects, and did little more than act as intermediaries for dispensing resources made available from outside agencies. In such organizations there can only be an extremely limited scope for villager participation in decision making. With organizations set up after the mid-1970s, total decision-making authority over the use of resources was delegated to the villagers. At first the villagers mobilized their own private resources, and the government furnished the know-how for setting up cooperatively run organizations (savings groups, rice banks, and village cooperative shops). After seeing the success of these organizations, the government began to furnish money and materials to the administrative villages. In the beginning the government learned through trial and error that the administrative village was the level at which the villagers could cooperatively manage resources. In a similar fashion, NGOs, after weathering the political setbacks of 1976, began to follow development strategies that relied on the organizational ability of the villagers themselves.

In this sense, entrusting the management of resources to villager organizations means that the actions of the individual villagers must be under the control of the villagers as a collective. As shown in Chapter 2, however, this is by no means an easy thing to accomplish. Therefore outside groups who can step in to ease the villagers' anxieties when organizing and who can offer advice when difficulties arise have been needed for setting up organizations in the Thai village. NGOs have been careful about this, and they maintain close communication with villagers and supply them with the information needed for setting up and maintaining their organizations. The government has not been as careful about maintaining support after villager organizations

have been set up, but its efforts too need to be appreciated because of the large amount of resources it has put into the villages and because of its project range over the entire country.

Notes

- 1 The Saraphi Project was a rural development undertaking started in 1965 in the subdistrict of Saraphi in Chok Chai District which was in Nakhon Ratchasima Province. The original purpose of the project was to give the farmers needed technology for raising their productivity, but later the same type of projects were started in other areas, and the project's development goals became more comprehensive (Suphatra 1990, p. 6; Kong 1974, pp. 27–28).
- 2 From an interview with Yuwat Vuthimedhi on April 26, 1994.
- 3 The Village Basic Data Survey was begun in 1984 and is a survey of the general economic and social conditions at the level of the administrative village. The Community Development Department gathers data from interviews with village executives. The survey covers all of the administrative villages in the country and is carried out once every two years (NESDB 1990, pp. 3–4).