

Research Report On

**THAILAND-JAPAN TECHNICAL COOPERATION
IN RURAL DEVELOPMENT AT THE GRASSROOTS LEVEL**

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Research Report On Thailand-Japan Technical Cooperation In Rural Development at the Grassroots Level



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Forward

Despite the relatively high economic growth rate in the last two decades, development benefits have been unevenly distributed among the Thai people. There has been a great disparity in income distribution. This ingrained problem has been continuously tackled by the government since the fifth national development plan. Expected outcomes, however, have yet significantly achieved. There has been less apparent improvement in the poverty situation. As an attempt to assist the Thai government to alleviate the problems, the Japan International Cooperation Agency (JICA) commissioned a study to explore alternatives for technical cooperation in rural development at the grassroots level. It is realized that strong and capable people's organizations are a most important impetus of development in every aspect of local communities.

This study would have been impossible without assistance and warm cooperation of numerous people and organizations. The utmost important was the people of rural villages in Chiangmai, Kon Kaen, Sakon Nakorn, Lopburi and Songkla from whom we learned people's ways of development. Senior executives and planners of concerned government agencies, both at central and regional, had been kind enough to share with us experiences and ideas regarding local development. Leading NGO people and academics also made us sensitive to new visions and ways of going about solving critical rural problems. Mr. Panaros Malakul Na Ayudya and Mr Techapol Titayaraksa and two research assistants as well as the project secretary had together made the course of this study enjoyable. Last but not the least, I would like to sincerely thank JICA Thailand Office for warm cooperation and support.

Chartchai Na Chiangmai
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Executive summary

Major findings of the study can be summarized as follows :

1. Development achievements in the last three decades have not significantly mitigated ingrained problems of rural poverty and inequalities. Among others, there has been a greater disparity in income distribution between urbanites and ruralites, and between those in industrial and service sectors and those in agricultural. The ratio of people whose income are under poverty line increased from 23.0 percent in the early year of the fifth national development plan period (1981-1985) to 23.7 percent in the beginning of the sixth national plan period. The rapid economic development have led to massive exploitation of natural resources. The current situations of income disparity and depletion of natural resources and environment as well as the deteriorating quality of rural people's life are indeed alarming.

2. It was in the fifth national development plan that the government for the first time formulated a separate rural development plan. A new rural development policy based on an integrated rural development and basic minimum needs approaches has been applied. Improvement of income and quality of life of rural people have been given first priority.

The plan consisted of two distinct sets of programmes, that is, the rural employment generation programme and the rural development programmes of five concerned ministries. The former aims to encourage and support rural people through the Tambon Council to development their localities on their own. The latter

intends to strengthen coordination of concerned departments in delivering of basic services and development activities to rural people.

The structure and process of rural development administrative system were reformed and has been adjusted from time to time to implement new rural development priorities and guidelines initiated by the subsequent governments. A national information system for rural development has been put into operation to facilitate development planning at every level of administration.

Improvement of production and income distribution as well as quality of life of rural people have continued to be the prime objectives of rural development in the sixth and seventh national plans. In 1991, the Anand government launched a provincial development programme. The sum of about 6,000 million baht was proportionally distributed to 73 provinces to solve urgent problems of unemployment, water shortage and deteriorating natural resources. The present government of premier Chuan Leekpai has also given top priority to income distribution and decentralization. The government allocates the total of Baht 54,378 million in the 1993 fiscal year to develop more economic infrastructures and businesses in rural areas.

3. Although more resources and services have been distributed into rural areas of every region, many rural poverty problems still persist and some became aggravated. Most of government's rural development projects are designed to deliver basic infrastructures, social services and technologies to general

rural people. There are few that specifically aim to empower and strengthen capacities of the rural poor. As decision-making and budgetary management authority rest mainly with central authorities, provincial and district authorities cannot efficiently respond to problems of the rural poor which differ from one area to another. Participation in rural development planning at the local level has been rather symbolic and minimal. People's organizations have been treated by local authorities more as their service recipients than as principal actors in developing local communities. Most grassroots organizations are too weak to facilitate a systematic interactive learning process and capacity building of rural people.

4. Non-government organizations (NGOs) have been in existence in Thailand since the reign of King Rama V. The development - oriented NGOs have emerged in the 1960s and grown up rapidly after the 1973 student uprising. NGOs' activities have rapidly expanded and gained more recognition of the government and the public. A large network of rural development - oriented NGOs called the NGOs-Coordinating Committee on Rural Development (NGO-CORD) was founded in 1985. In 1991, the government has set up a sub-committee on GOs-NGOs cooperation in rural development to lessen legal constraints on NGO's formation and operation and facilitate NGO's rural development activities. NGO's major rural development activities include 1) strengthening the development process of rural people 2) promoting rural development alternatives and 3) articulating people's demands and influencing the government's policies in vital rural problems and issues.

A good member of NGOs have strong potentials and capabilities of solving rural poor people's problems. Their management approaches are more flexible, less expensive, and relatively free from political constraints. They work very well in the development at grassroots level and the promotion of community self-help programmes. However, the most important weak point of NGOs at present is funding. In recent years, foreign assistance has drastically decreased as a result of news about the wealth of Thailand. To support and promote NGOs, the government should seek JICA technical cooperation to support NGOs in undertaking rural development at the grassroots level.

5. Technical cooperation in rural development in the sixth national plan between Thailand and major donors was up to 171 projects with the value of about US\$ 164 million baht. The majority of them were concerned with training, seminars and research and equipment. A number of donors concentrated their efforts in the north and the northeast. Some donors were been on solving water resource and cropping system management, while others concentrated on human capital build up of stocks and flows.

Donors were interested in seeing Thailand in transition from an agricultural to industrial society and made every effort to promote future linkages including extra-governmental entities like NGOs and agro-industry businesses. A large amount of aid flows was channeled through official channels to redress income disparity and equity problems.

6. To reach the rural poor effectively there appears a need for the government and donors to reconsider the definition,

perspectives and strategies in rural development, especially at the grassroots level. The boundary of rural development should be redefined clearly to correct hitherto policy biases against the rural people. Rural development should be defined as a process of continuing changes in the economic, social and political conditions of the country, which is primarily intended to improve the quality of the rural people's life.

To facilitate and enhance the effectiveness of rural development activities of GOs and NGOs at the local level, three main strategies are suggested, that is, empowerment of people's organizations; promotion of rural development alternatives; and encouragement of GOs and NGOs collaboration in the local-level rural development.

7. With reference to current rural situations and rural development management capabilities of GOs and NGOs, four major areas of development activities at the local level should be emphasized, that is, human resource development; promotion of production, marketing, income and employment; natural resource management and environment protection; and improvement of the quality of life.

8. Three basic characteristics of sustainable rural development projects for JICA cooperation are

- 8.1 Projects should be small-scale based on indigenous wisdom
- 8.2 Projects should be harmony with the local environment
- 8.3 Projects should be participated by the people

9. Concrete characteristics of projects JICA should give consideration for technical cooperation are

- 9.1 encourage and facilitate self-help
- 9.2 have identifiable beneficiaries who are disadvantaged groups
- 9.3 use innovative approaches to problems solving
- 9.4 promote sound environment and ecological practices
- 9.5 assist women as well as men to develop the capacity to assume their own development
- 9.6 have clearly stated objectives and a reasonable timetable and program for implementation
- 9.7 are financially and economically sound and sustainable in the long run

10. JICA should not support projects focusing on only one component of the development process which are unlikely to be self-sustaining, i.e., pure training projects, welfare projects, and pure research projects.

11. JICA should seek technical cooperation with GOs and NGOs in two main types of projects

- 11.1 Problem-oriented projects aim to solve specific poverty problems in rural communities
- 11.2 Process-oriented projects focus on promotion of cooperation and collaboration process among GOs, NGOs, private firms and people's organizations in development of local communities.

12. Activities of the problem-oriented projects can be classified into four sub-types, that is,

- 12.1 Revolving funds for production and marketing of agricultural products and handicrafts.
- 12.2 Provision of knowledge and skills in management of production and marketing
- 12.3 Promotion of production and marketing networks at district provincial, and regional levels
- 12.4 Promotion of appropriate management of natural resources and environment

13. Activities of the process-oriented projects are

- 13.1 Strengthening of the development management capabilities of GOs, NGOs and people's organizations
- 13.2 Development of patterns and techniques of collaboration among concerned government organizations, private firms, NGOs and people's organizations is solving agreed upon problems in particular areas

14. Based on a comparison of advantages and disadvantages of GOs and NGOs in rural development at the grassroots level, JICA should give more priority to the following order of projects in cooperation with GOs

- 14.1 Transfer of technologies in agriculture, agro-industry, and rural small-scale industry
- 14.2 Non-formal education for all and job skill
- 14.3 Strengthening of the capacity of people's organizations

15. As for NGOs, JICA should support the following order fo projects.

- 15.1 Promotion of production and marketing in full cycle of agricultural and agro-industrial products
- 15.2 Management of natural resources and environment in local communities
- 15.3 Networking of farmers' groups and rural people's organizations based on particular issues and products

16. In addition, JICA should give more attention to promotion of the collaboration between GOs and NGOs and people's organizaitons as well as private firms in conducting small-scale, local-level rural development projcets such as management of critical natural resources and environment in a cluster of local communities.

17. Based on the existing models of technical cooperation between Thailand and major donors, there are four alternative models of technical cooperation formation between Thailand and Japan in rural development at the grassroots level.

- 17.1 Provision of technical cooperation to GOs and NGOs through DTEC
- 17.2 Provision of technical cooperation to GOs and NGOs through DTEC's Foundation for NGOs
- 17.3 Provision of technical cooperation to GOs and NGOs through a project advisory committee

17.4 Provision of technical cooperation to GOs
and NGOs through Japanese NGOs

18. The study team recommend that the model of project advisory committee consisting of representatives of various organizations will be more efficient in promoting the collective problem-solving and shared visions in appropriate strategies of rural development at the grassroots level.

Chapter 1 Introduction

1.1 Background of the study

The overall outcome of economic development in Thailand during the sixth national development plan period was remarkably impressive. The average growth rate was 10.5 per annum. The per capita income increased from 21,000 baht in 1986 to 41,000 baht in 1991. The relatively high growth is optimistically expected to sustain in the seventh national development plan period during which the average growth rate is forecasted to be 7.5. Upon a closer look, however, recent development achievements have been unevenly distributed to the people. There has been a great disparity in income distribution between urbanites and ruralites and between those in industrial and commercial sectors and those in agricultural. Income of the top 20 per cent highest earning households had increased from 43.9 per cent of GNP in 1976 to 55.6 per cent of GNP in 1986, while that of the bottom 20 per cent lowest earning households had decreased from 6.05 per cent of GNP in 1976 to 4.6 per cent in 1986. There has been no apparent improvement in the poverty situation of the country. The ratio of people whose income are under the poverty line was 23.0 per cent in the beginning of the fifth national plan period and 23.7 per cent in the early years of the sixth plan period.

To correct the unintended consequences, the government since the fifth national development plan period has given priority to the improvement of income distribution and the quality of rural people's life. A so-called rural poverty eradication programme was launched in the fifth national plan.

Poverty-stricken villages all over the country were targeted as the first priority development areas. The programme has been continued in the sixth and seventh national development plan periods under different titles. Development programmes of concerned ministries and departments have also been systematically initiated, revised and funded. A national information system for rural development has been put into operation for the first time to facilitate planning and monitoring and evaluation at every level of administration. The rural development administration system from the national down to village level has been incrementally reformed to improve intersectoral coordination among concerned government agencies and to facilitate popular participation in rural development planning. Cooperation between government agencies and non-government agencies (NGOs) in rural development both at policy and field levels has been encouraged as well.

The implementation of these well-intended rural development policy and programmes have yet brought about expected outcomes. Although more development resources and services have been distributed into rural areas of every region, many rural poverty problems still persist and some become aggravated. Studies indicate that public services and development benefits have not substantially reached the rural poor. Many development activities do not fit the rural poor's real needs. Most of government's rural development projects are designed to deliver basic economic infrastructures and production technologies to general people. There are few exclusively aiming to empower and strengthen production capacity of the rural poor. In fact, the development targets set by the government are backward villages rather than the poor in those villages.

Participation in rural development planning at the local level has been rather minimal and symbolic. People's organizations have been treated by many government agencies more as their service recipients than as their development partners and as core decision-making bodies in development of local communities. Most grassroots organizations have yet been provided sufficient supports to function effectively. They are too weak to facilitate a systematic interactive learning process among villagers, especially the poor. In short, policy makers and planners have geared rural development more as an extra policy instrument to mobilize rural people and natural resources into the country's economic mainstream than to upgrade the capacity and improve the quality of life of the rural disadvantages.

The current situations of income disparity and ingrained problems in rural areas as well as the deteriorating quality of rural people's life have prompted a concern of the Japan International Cooperation Agency (JICA) to seek an alternative direction of technical cooperation in rural development. The situations suggest that more development efforts be given to development at the grassroots level. Policy makers and planners pay much more attention to the empowerment and development of grassroots organizations' capacity. More cooperation and collaboration between concerned public agencies and non-government organizations as well as business organizations in undertaking development activities at the grassroots level be strengthened. JICA thus commissions the Consulting Center of National Institute of Development Administration to conduct a study from 1 December 1992 to 30 March 1993 to prepare a set of guidelines for strengthening technical cooperation with concerned government agencies and local NGOs in rural development at the grassroots level.

1.2 Objectives of the study

The main objectives of the study are fourfold.

1) To analyze current situations of rural development in order to identify strengths and weaknesses of rural development implementation in general and socio-economic development at the grassroots level in particular.

2) To describe past and present contributions of major donors in rural development, especially in community development at the local level.

3) To identify a set of guidelines for JICA in expansion of technical cooperation with government agencies in rural development with respect to socio-economic and people's organizations development at the grassroots level.

4) To identify future directions and alternatives for technical cooperation between JICA and other potential organizations in the people-centered rural development.

1.3 Scope of the study

The study encompasses the following areas of concern:

1) Current situations of rural development in Thailand in terms of

-development activities conducted by concerned government agencies;

-technical cooperation in rural development provided by major donors;

-rural development activities of Thai NGOs.

2) Potential development activities for JICA cooperation to improve income distribution and the quality of life at the grassroots level.

3) Approaches to strengthen the cooperation and participation of government agencies, NGOs, local people's organizations and women in rural development project planning.

4) Alternative patterns and criteria of technical cooperation project formation between JICA and government agencies and non-government organizations.

1.4 Methodology

This study employed six different methods of data collection, namely, review of literature, in-depth interviews, rapid rural appraisal, small group meeting, case study and workshop. To analyze the current situations of rural development undertaken by concerned government agencies and NGOs, and technical cooperation in rural development between Thailand and major donors, a review of official documents, minute of meetings, research reports and statistics was made. The researchers intensively interviewed senior executives and middle-level officials of the Office of National Economic and Social Development Board, Department of Technical and Economic Cooperation, concerned ministries and departments, NGO Coordinating Committee in Rural Development, leading and local NGOs, and local leaders as well as academics to gain knowledge and information regarding development in general and rural development at the grassroots in particular, and international cooperation in rural development.

The researchers paid a visit to the following rural communities in the four regions.

The north

-Village 6, Tambon Rim Tai, Mae Rim, Chiangmai

- Village 2, Tambon Sa Luang, Mae Rim, Chiangmai
 - Village 2, Tambon Inthakil, Mae Tang, Chiangmai
 - Village 12, Tambon On Nue, San Kamphaeng, Chiangmai
- The northeast
- Two villages under a production development project of the Nam Oon Irrigation Scheme, Sakon Nakorn
 - Village 1, Tambon Tha Nang Neaw, Wang Noi, Kon Kaen
- The central
- Village 4 and 7, Tambon Pone Tong, Baan Mee, Lopburi
- The south
- Village 1 and 6, Tambon Baan Kao, Ra Noad, Songkla

A rapid rural appraisal technique and small group meetings of local leaders, villagers, local NGOs and local government officials were conducted to map out current poverty problems, villages' development experiences, development potentialities of local communities, potential rural development activities for JICA technical cooperation and approaches to strengthen cooperation and participation of GOs, NGOs, business organizations, people's organizations and women in the local-level development planning. A feasibility case study of Soybeans Collection and Marketing of farmers' groups in Mae Rim district, Chiangmai was undertaken to provide an example of project design and organization that JICA should take into consideration in cooperation with concerned government and non-government organizations.

Two workshops were held in February 5 and March 12 1993 at the Regent hotel and Novotel hotel, respectively, in Bangkok to solicit ideas, comments and consensus among planners and

executives of concerned central planning agencies, departments, NGOs, academics and JICA (Thailand) on approaches and strategies of the local-level rural development, and guidelines for technical cooperation project formation between JICA and government agencies and non-government organizations.

1.5 Organization of the report

Chapter two presents an assessment of rural poverty situations and development efforts of the government and non-government organizations (NGOs) in solving the problems since the fifth national development plan. Strengths and weaknesses of rural development management of these two types of organizations are outlined. Technical cooperation in rural development between Thailand and major donor countries in the sixth national plan is briefly observed.

Alternative definition, perspectives, strategies in rural development at the grassroots level, and approach to strengthen collaboration among GOs, NGOs and business organizations in local-level rural development, as well as aspects of institutional building of people's organizations are presented in Chapter 3 to provide a conceptual framework in which JICA should consider in engaging technical cooperation with GOs and NGOs in local development.

In Chapter 4, a set of guidelines for JICA technical cooperation in the local-level rural development with GOs and NGOs as well as people's organizations is recommended. Models of technical cooperation formation between JICA and concerned Thai organizations are described in Chapter 5. The Annex presents a

case study of feasible local development project JICA should give an attention to in providing technical cooperation in rural development at the grassroots level.

Chapter 2

Current situations of rural development in Thailand

To present a comprehensive review of rural development in Thailand, this chapter begins with an overview of rural poverty situations. An examination of rural development undertaken by the concerned government agencies and non-government organizations is followed. Some observations on the strengths and weaknesses in rural development management of these organizations are also made. The chapter ends with a discussion on the technical cooperation in rural development between Thailand and major donors in the sixth national plan period.

2.1 An overview of rural poverty situations

The current situations of rural poverty problems can be seen from two perspectives, that is, the external and the internal views. The external point of view represents a macro-level perception of rural poverty problems from the eyes of policy makers, planners and technocrats, while the internal perspective reflects a view the rural people have on their own problems at the micro level. This section will outline both perspectives on the rural poverty problems. The external view will be highlighted by the following topics, namely, the income disparity between urban and rural areas, the ratio of poverty-stricken villages and some critical economic and social problems inhered in the rural villages. The data collected from intensive interviews of the rural people in every region are discussed to reflect an internal view towards the rural poverty problems.

2.1.1 Income disparity between urban and rural areas

The remarkable development achievements over the past three decades have generated a serious negative consequence. In spite of the rapid economic growth rate, the distribution of development benefits has been so inequitable. The income distribution among the population, especially between the rich and the poor has been worsen every year. The income of the 20 per cent richest people has steadily increased from 1976 to 1986, while that of the 20 per cent poorest on the contrary has continuously plummeted (Table 2.1).

Table 2.1: Income Distribution in Thailand (1976-1986)

Quintile	1976	1981	1986
Richest 20 %	49.26	51.47	55.63
Rich 20 %	20.96	20.64	19.86
Moderate 20%	14.00	13.38	12.09
Poor 20 %	9.73	9.10	7.87
Poorest 20 %	6.05	5.41	4.55

Source: Thailand Development Research Institute

The income disparity among regions is also in the similar vain as can be seen in Table 2.2 in which the per capita income of those who live in Bangkok is nearly ten times higher than that of those rural people in the northeast. Although the proportion of the rural people who live their lives under the poverty line is somewhat decreasing in every part of the country (Table 2.3),

about 30 per cent of the population is still living in absolute poverty and almost a half of the villagers in the northeast (44.5 per cent) are still living in this desparate condition.

Table 2.2: Per Capita Income by Region (1981)

Region	Per Capita Income (Baht)
Bangkok Metropolitan	71,566
Eastern	31,094
Western	19,795
Central	18,742
Southern	17,506
Northern	13,185
Northeastern	8,343

Source: National Economic and Social Development Board

Table 2.3: Percentage of People Living under Poverty Line
Unit: Per Cent per People

Region	1976	1981	1986	1988
Northern	36.4	23.3	27.7	23.6
Northeastern	48.5	37.9	50.5	45.5
Central	14.3	14.2	17.4	11.6
Southern	33.8	22.2	31.2	27.5
Total	36.2	27.3	35.8	30.6

Source: Chalongpop Susangarakarchana, Income Distribution, Poverty and Long-term Development, 1988

According to the Office of National Economic and Social Development Board (NESDB), in 1990 there were about 11,608 villages classified as the so-called backward villages that need intensive development efforts in almost every aspect of life (Table 2.4).

Table 2.4: Rural Village Development Statuses

Unit: Villages

Development Status	1986	1988	1990
Backward	13,532	16,537	11,608
Intermediate	30,330	29,889	31,155
Progressive	10,825	9,889	15,294

Source: National Economic and Social Development Board

2.1.2 Critical economic and social problems in rural areas

According to the Village Baseline Data (NRD 2 C) surveyed by NESDB, the top ten critical problems facing the rural villages from 1986 to 1990 as shown in Table 2.5 can be categorized as follows:

2.1.2.1 Agricultural production

About 44 million out of Thailand's 55 million people live in rural areas, with 35 million involved in agriculture (Yaron, 1992: 103). Nevertheless, the GDP growth of Thailand's agricultural sector has not been impressive (Table 2.6). This can be attributed to the following factors.

Firstly, the inadequacy of economic infrastructures such as irrigation and transportation to support the agricultural pro-

duction can be found in many parts of the country. According to

Table 2.5: Critical rural problems from 1986 to 1990

Rank	1986		1988		1990	
	Indicators	Villages	Indicators	Villages	Indicators	Villages
1	Wage	45,910	Agri. Water Supply	32,654	Second Cropping	31,426
2	Knowledge	32,212	Second Cropping	31,584	Public Health	28,221
3	Farmer Organization	33,781	Household Watersupply	28,737	Household Watersupply	28,165
4	Household Watersupply	33,686	Quality of Life	26,457	Quality of Life	27,039
5	Second Cropping	33,207	Knowledge	26,178	Knowledge	23,824
6	Religion	29,466	Migration	25,046	Horticulture	23,468
7	Supplemen. Income	27,436	Public Health	22,958	Migration	22,421
8	Public Health	26,900	Supplemen. Income	22,799	Agri. Water Supply	22,214
9	Hygiene	25,722	Hygiene	22,731	Supplemen. Income	21,055
10	Migration	24,153	Information	21,425	Information	19,275

NESDB, about 32,954 villages do not have sufficient water supply for agriculture. Moreover, in those villages where roads and

irrigation structures have been provided, the people are unable to organize themselves effectively to operate and maintain the such structure to its full potential.

Table 2.6: GDP Growth by Sector (1986-1993)

	1986	1987	1988	1989	1990	1991	1992	1993
GDP	4.9	9.5	13.2	12.0	10.0	7.5	7.0	7.4
Agriculture	0.3	0.2	10.2	6.6	1.8	3.0	2.7	2.9
Industry	7.9	12.8	17.4	16.2	14.6	9.6	8.6	9.2
Service	5.0	11.1	11.6	11.1	10.7	7.2	7.0	7.3

Secondly, the ability of the farmers to acquire appropriate technologies to improve their agricultural productivity is quite limited due to the relative lack of education and access to concerned information. Inefficient land use, for example, has covered around 33.7 million rai or 22.9 per cent of the total cultivated land. Most of the farmers are relying upon the costly compound fertilizer. The rice yield per area in Thailand as a result has recently been one of the lowest among the rice-exporting countries.

Thirdly, access to credit and loan, especially among small-scale and landless farmers, who do not have enough collateral, is very limited. About 18,301 villages or 36.6 per cent have to rely on local money lenders who not only charges the interest at an exorbitant rate, but also more often than not are the middle men who sell agricultural supplies at unusually higher

prices and buy agricultural produces at a lower price.

Finally, the marketing capability of the farmers to sell their produces at a reasonable price is also hindered by the relative strong marketing system of middle men, and the inability of the farmers to sell their produces collectively. Only a few agricultural cooperatives and farmers' associations have managed to withstand the market pressures quite successfully.

2.1.2.2 Supplementary income

The government has been trying for some time to promote supplementary income generating activities, such as handicrafts and household industry in rural villages to hold the rural people from migrating to the cities. Nevertheless, only a few can be admitted as being successful. Most of the rural people's groups set up by concerned government agencies to run those activities have to cease their operation due to the lack of cash flows or the inability to market their products. This situation often occurs when the supports of the concerned government offices have been withdrawn. Therefore, the villagers have to make ends meet, especially in the dry season, by migrating to find jobs in the over-crowded major cities.

2.1.2.3 Natural resources and environment

Natural resources and environmental degradation is another alarming problem of the rural areas. Extensive forest encroachment to expand the cultivating land, for example, has damaged about 65,580,132 rai or 36.33 per cent of the national forest reserve. Therefore, Thailand in 1985 has only 89,877,182

rai of forest land or 28.03 per cent of the total area of the country (Royal Forestry Department, 1985). It has been estimated that in 1987 soil erosion, from moderate to extreme degrees, has covered the area of 107 million rai which is about 33 per cent of the country's total area. The misuse of land and fertilizer has accounted for about 33.7 million rai or 22.9 per cent of the total cultivated land (Land Development Department, 1988). These critical problems are definitely threatening the survival of the rural people and society as a whole in the long run.

2.1.2.3 Quality of life

Two aspects of the quality of life, that is, public health and education, are discussed here to exemplify the living conditions of the rural people. In 1988, the village baseline data (NRD 2 C) revealed that of 5,692,062 rural households surveyed, 31.7 per cent did not attain adequate sanitation; 39.1 per cent or more than 2 million rural households did not have sufficient clean drinking water supply. These conditions had led to such health problems as diarrhea and parasitic diseases. Moreover, in 1987 different degrees of malnutrition were found among 575,801 children of age 0-5 years throughout the country.

In terms of education, according to the 1988 village baseline data (NRD 2 C), 89.9 per cent of the rural people completed the compulsory education but only 1.25 million or 5.9 per cent were able to enroll in the secondary school. Only 2.8 and 1.4 per cent could complete the high school and higher education, respectively. This indicates the relative lack of local educated people in rural villages to help lead the villagers out of the state of destitute. People's organizations set up to mobilize the

rural poor to fight against the poverty have unfortunately failed one after another due partly to the lack of local qualified personnel and leaders.

2.1.3 Rural poverty from the rural people's views

From the intensive interviews with a number of rural people and community leaders in the course of this study, the informants admitted that causes of rural poverty have resulted from four major weaknesses of the rural people.

Firstly, there are the rural people are weak in the social aspect of their lives which can be seen in their lack of adequate knowledge, occupational skills and information; critical self-awareness and self-development attitudes and values; disintegrated families and indigenous institutions; and organizational skills.

Secondly, another weakness of the rural people lies in their political inefficacy. This stems from their lack of enough political resources and skill in organizing themselves to articulate demands for more equitable policies and more responsive development programmes for their communities.

The third kind weakness is the technological. The lack of up-to-date production know-how and the poor ability to acquire appropriate technologies to improve the production have left the rural poor with such ingrained problems as low production yields, deteriorating soil quality, and the ever-increasing cost of production.

Finally, the rural people are economically poor. They simply lack sufficient capital fund and other factors of production to earn a decent living.

To overcome these weaknesses, the rural people have to go through an intensive learning process of working together to untangle poverty problems of their communities in a bit by bit fashion. This learning process inevitably requires certain assistance and facilitation from outsiders, especially government agencies and NGOs. Such assistance can be ranging from costly irrigation projects to merely a few words of consultation and motivation. Whatever an assistance will be, it must be aimed at the improvement of the rural people's ability to solve their own problems and learn from past experiences in order to uplift their abilities to cope with other problems in the future. Finally, such learning process will gradually enable the rural poor to be self-reliant and able together with other people to contribute to a sustainable development of the rural sector and society.

2.2 Rural Development Policy and Implementation in the Fifth to the Seventh National Development Plan

2.2.1 Rural development policy and programmes in the fifth plan

The fifth national economic and social development plan (1982-1986) marked the beginning of the new approach to rural development of the Thai government. The new approach aimed at eradicating income disparity and creating more opportunities for the rural poor to entertain development benefits. The government declared the following five major policy guidelines for rural development programmes to be undertaken (NESDB, 1982).

- 1) An area-based approach to rural development was to be adopted by giving the poverty-stricken villages the first priority of development.

2) Improving the standard of living in the poverty-stricken villages to the subsistent level by delivering more public services to these areas.

3) Promoting more self-help abilities among the rural people.

4) Encouraging the application of low cost, indigenous technologies.

5) Encouraging the rural villages to rely on themselves in solving their own problems.

To implement these policies more effectively, a new rural development administrative system was established at every level of administration from the national down to the village to coordinate development planning, implementation and evaluation. A combination of top-down and bottom-up approaches in rural development planning was adopted to promote intersectoral coordination among four major participating ministries, namely, Ministry of Interior, Ministry of Agriculture and Cooperatives, Ministry of Education and Ministry of Public Health. The rural development planning was supported by a new rural development information system. A village baseline data (NRD 2 C) and a set of development indicators have been developed to facilitate the formation of rural development policy and planning. Rural development during the fifth national plan period was undertaken by the implementation of four major development programmes with the total budget of approximately Baht 8,593 million (NESDB, 1981).

- 1) Productivity Improvement Programme
- 2) Basic Services Delivery Programme
- 3) Rural Village Activities Programme
- 4) Rural Income Generation Programme

2.2.2 Rural development policy during the sixth national plan (1987-1991)

Rural development policy in the sixth national plan was in essence a continuation of what had been done during the previous national plan with some modifications as follows:

Firstly, the target areas were expanded to encompass all rural villages.

Secondly, more emphasis was put on to the encouragement of community participation in the process of rural development planning at the local level (NESDB, 1987).

During the first half of the plan, rural development efforts were concentrated on the development of basic infrastructures to support agricultural production and marketing together with the improvement of the rural people's quality of life. In the latter half of the plan more development resources were devoted to adjust the income distribution through crop diversification and natural resource management and environment protection. In addition, cooperation of the private sector and people's organizations in rural development was also promoted.

Rural development activities and projects during the sixth plan were grouped under five major programmes as follows:

1) Infrastructure development programme

This programme consisted of road construction and rehabilitation projects to create more linkages between local roads and the main highway networks. The total budget of this programme was 23,067.42 million baht (Table 2.7)

Table 2.7: Budget Allocation of Rural Development Programmes during the Sixth National Plan

Unit : million baht

Programme	Annual Budget				
	1987	1988	1989	1990	1991
1. Infrastructure	2,503.8	2,276.32	3,732.0	6,966.0	7,589.3
2. Employment and Income	2,901.23	1,691.67	3,693.3	3,196.4	4,250.0
3. Public Health	4,209.68	4,443.78	4,982.72	6,659.0	7,796.9
4. Water Supply	2,432.71	3,757.15	5,591.8	8,016.0	11,408.5
5. Knowledge and Education	832.81	805.4	704.2	859.9	1,290.3
Total	12,880.2	12,974.3	18,704.0	25,687.3	32,335.0

Source: National Economic and Social Development Board

2) Employment, income and productivity improvement programme

The activities in this programme were aimed at improving agricultural productivity and building capacity of farmers' organizations together with conserving natural resources and environment. The sum of 15,722.6 million baht was appropriated to the programme.

3) Public health programme

This programme contained such activities as primary

health care, child care, family planning, village sanitation and elimination of malnutrition and communicable diseases. The budget of 28,092.06 million baht was allocated to the programme.

4) Water supply development programme

This programme was characterized mainly by the irrigation scheme development, village water reservoirs and the provision of clean drinking water. This programme received more budget than the other programmes at 31,206.16 million baht.

5) Knowledge and education provision programme

The programme consisted mainly of non-formal education projects and vocational training for both agricultural and non-agricultural occupations. The prime objectives were to improve the quality of human capital in the rural areas by developing their technical and managerial abilities. The total budget of 4,492.61 million baht was allocated.

2.2.3 Rural development policy in the seventh national development plan

Rural development policy during the seventh national economic and social development plan (1992-1996) is still a continuation of what has been doing in the previous plans with more emphasis upon income distribution, promotion of production and human resource development and natural resource management. The rural development programme structure has been accordingly modified into three major programmes in responding to the new policy direction (NESDB, 1991).

1) Rural development programmes of six participating ministries

2) Provincial development programme

3) Tambon development programme

1) Rural development programmes of the six participating ministries

The rural development programmes undertaken by the six participating ministries are in essence those that had been implemented during the sixth national plan period. In 1992, the first year of the seventh plan, there were altogether 256 projects with the total budget about 32,585.2 million baht. These projects fall under seven rural development programmes implemented by six ministries and two government agencies (Table 2.8).

(1) Quality of life development programme

This programme aims at improving the standard of living, public health conditions, public safety and prevention of development-related diseases, i.e AIDS and heart diseases. The programme consists of 33 projects with the total budget of 2,790.8 million baht.

(2) Human resource development programme

With 8,484.0 million baht allocated to 27 projects, this programme is to improve the potentialities and value of rural human being regarding occupational skills and abilities to cope with personal and communal problems.

(3) Production, marketing and employment development programme

The programme covers 112 income generating projects and activities with the total budget about 2,907.4 million baht.

(4) Natural resources and environment development programme

This programme consists of 43 projects aiming mainly at

Table 2.8: Budget Allocation for Rural Development
Programmes of concerned agencies in 1992

Ministry/Agency	Budget (Million Baht)
1. Agriculture & Cooperatives	8,764.6
2. Interior	11,971.9
3. Education	870.6
4. Public Health	10,483.1
5. Industry	670.3
6. Commerce	100.9
7. Sports Authority of Thailand	5.1
8. Office of the Attorney General	18.7
Total	32,585.2

conservation of water resource and national forest as well as land rehabilitation. The amount of budget is up to 4,567.7 million baht.

(5) National security promotion programme

The amount of 36.3 million baht is allocated to support four development projects to be implemented along the borderline to strengthen the national security.

(6) Improvement of rural development administrative system programme

This programme, with 102.4 million baht budget, consists of three projects to improve the efficiency of rural development administration. A strong emphasis is placed on the decentralization of the administrative authority to the

provincial agencies.

(7) Infrastructure development programme

Rural electrification, rural roads and irrigation schemes among others are grouped into 34 project types with the total budget of 13,696.6 million baht.

The government of premier Chuan Leekpai in 1992 declared rural development as a country's developmental goal. Rural development policies stated in the seventh national plan are continually supported with more emphasis on a decentralization of economic decision-makings to regional administrative units and local autonomous governing agencies. More investment in the rural areas are promoted by means of tax measures, a special credit scheme for rural industry and a joint venture capital. The National Rural Development Committee, chaired by the premier, was renamed as the National Rural Development and Decentralization Committee to reflect the commitment of the government in this regard.

2) Provincial development programme

The provincial development programme has been initiated in 1991 as a measure to cope with urgent needs of provinces which could not be met effectively through the existing budgetary process. The total of about 6,000 million baht was allocated to the programme in 1991 and 5,900.4 million baht in 1992. The prime objective of the programme is to promote and facilitate all provinces to conduct their own projects and activities in the three main areas of regional problems, namely, water supply for household consumption, promotion of occupation and employment, and natural resources and environment conservation. In 1992 the total

of 8,627 development projects and activities were implemented by 73 provinces (Table 2.9).

Table 2.9: Number of Projects and Budget Allocation of the Provincial Development Programme in 1992

Type of Project	Project		Budget	
	Number	%	Baht	%
1. Water Supply	4,820	55.87	3,664.407	62.11
2. Occupation	2,492	28.89	974.295	16.51
3. Natural Resources and Environment	1,315	15.24	1,261.654	21.38
Total	8,627	100.00	5,900.356	100.00

Source: National Economic and Social Development Board

The majority of projects and most of the budget were in the development of water supply for household consumption. Upon a closer look, most of the project activities under the occupation and employment promotion programme were short-term occupational skill training courses. The marketing skills of the rural villagers was given rather less emphasis. Activities under the natural resources and environment development and management programme were surprisingly concentrated on the environment protection of urban area, i.e. garbage and sewage handling and

recreational park building. A few reforestation and land rehabilitation projects were carried out. In the 1993 fiscal year a programme on primary health care is added into the programme structure.

3) Tambon Development Programme

This development programme, formerly known since 1975 as "Rural Employment Generation Programme", was designed to generate more income and employment for the rural people in the dry season by employing the villagers in construction works of public facilities that in turn facilitate agricultural production and marketing as well as development of rural communities. The Tambon Council is the core actor in initiating, designing and implementing projects. This programme is claimed to be most effective in promoting community participation in rural development. In the 1992 fiscal year, 1,826.6 million baht was allocated to fund 8,901 projects; 6,732 projects or 77.8 per cent of which were road, bridge and public facilities construction projects, while 1,861 projects or 20.9 per cent of the total projects were the water supply projects. The rest concerned with occupational development activities.

2.2.4 Effectiveness of rural development programmes

The effectiveness of major rural development programmes is briefly assessed here from two points of view. A macro picture of changing rural situations in the past six years (1984-1990) depicted from the longitudinal survey of village baseline data (NRD 2 C) is presented to give an overview picture. The comments of senior executives of concerned government agencies on the pro-

grammes' effectiveness gained from the intensive interviews are subsequently highlighted.

A comparison of the village baseline data collected in 1984 and 1990 reveals a positive change in some aspects of the rural villages. The number of the poverty-stricken villages is decreased from 5,560 in 1984 to 180 in 1990 (NESDB, 1992). Socio-economic aspects of the rural villages have been improved in the following order.

1) Education is the area that was foremost developed. The number of villages with critical educational problems was decreased from 30,361 in 1984 to 353 in 1990.

2) Economic infrastructures is the secondly most developed. Rural electrification, for instance, has covered 45,566 villages or 94.2 per cent of the total rural villages in 1990.

3) The thirdly most improved aspect is public health and hygiene. Infant malnutrition (0-5 year) has decreased to 0.2 per cent and 97.6 per cent of children in rural areas have been immunized.

4) Problems regarding productivity, income and employment have relatively remained stable. Rice productivity in 28,171 villages fell under the minimum standard of 2,000 kilograms per household and 31,511 villages were unsuccessful in their horticultural activities.

5) The number of rural villages being shortage of water supply for household consumption has dropped from 17,908 in 1984 to 738 in 1990. However, water resource development for agriculture was still one of the most pressing problems.

Despite achievements in some areas, there were many

ingrained problems to be tackled, namely,

- 1) the deterioration of rural roads
- 2) the decreasing agricultural productivity resulted mainly from the depletion and degradation of natural resources
- 3) the environmental depreciation caused by over-exploitation and misuse of natural resources
- 4) about 22,380 villages or 32.09 per cent of the total rural villages faced with insufficient water supply for agriculture
- 5) Rural labors in 3,389 villages were underpaid (30-49 baht daily pay)
- 6) about 552,977 households lacked enough land for cultivation, many of them spend more than half of their annual income on rent.

With reference to comments of senior executives and planners on effectiveness of rural development programmes during the fifth and sixth national plan period, it is found that on the whole rural development programmes have been steered to respond more to the overall economic and social development of the country than the real needs and problems of the rural people. Although the budget allocation of rural development programmes of six concerned ministries have been based on the rural socio-economic conditions as indicated by the village baseline data, there has no systematic review mechanism to ensure that the programmes and projects have been appropriately designed and revised to fit real needs of the rural people in each area. Most of rural development programmes implemented by six concerned ministries are aimed to tackle specific problems in some basic aspect of rural villages. They are expected to provide a basis for socio-economic development of rural areas in the long run. In

this regard, development benefits of these programmes have certainly not reached the rural poor effectively. Taking the spending of the programmes' annual budget of about 40,000 million baht into account, approximately 80 per cent went to salary, wages and other administrative costs of central agencies, only about 20 per cent was spent in carrying out development activities in the fields.

As for the provincial development programme, while government agencies at provincial and district levels have been able to respond to local problems more efficiently in terms of project planning and management, few rural poverty problems have been solved. Most of the development funds in every province went to projects undertaken in municipality areas and more developed rural villages areas. In addition, most of project activities were less likely to benefit the rural poor.

The tambon development programme, as compared to the other two programmes, is more efficient in promoting community participation in local development. In recent years, the programme, however, could not generate as much rural employment as expected in many areas, especially in the central region, due to the relatively shortage of local labor, lower wages offered and short period of employment. Many Tambon Councils turned to local contractors and machines in the construction of public facilities. The rural disadvantages have therefore had less chances to earn money from taking part in such development activities.

2.2.5 Strengths of rural development management

- 1) The administrative system of rural development under

supervision of the National Rural Development Committee (NRDC) was established and has existed since the beginning of the fifth national development plan period in favorable political and administrative environments. Every government since the fifth development plan period has given priority to solving rural poverty problems, especially during the fifth plan the government under the leadership of General Prem Tinsulanonda determined that rural development policy was its most important one.

2) The administrative system of rural development under NRDC is not only an important mechanism for effective implementation of the government's rural development policies, but also an attempt to coordinate implementation of various rural development policies and measures of the government. Besides, it is an important for the unity of the previously diverse rural development structures and processes in order to consolidate efforts of concerned government agencies in solving rural poverty problems.

3) The principles of the administrative system under NRDC are clear and appropriate to national economic, social and political conditions and to capacities of the public sector. The important principles include people's participation in rural development, integration of bottom-up and top-down planning approaches, and taking into account problems of rural villages as the basis for allocating resources for development.

4) The administrative structure and process of rural development, which was established in the fifth national plan, has been adjusted from time to time to undertake new development guidelines and tasks.

5) Under the administrative system of rural development under NRDC, more attention has been given to the collective decision-making of all parties concerned. In other words, it is an integrated rural development approach with a rural development information system (the Kor Chor Chor (NRD) information system) as a major tool for collective decision-making by all concerned government agencies at each level of administration.

2.2.6 Weaknesses of rural development management

1) Rural development having been undertaken so far is an administrative process in which activities are initiated and implemented mainly by the bureaucracy. It is not a political process in which people in rural areas initiate and undertake activities by themselves with assistance and support from concerned government agencies. Although an opportunity is open for a bottom-up planning, it is still development planning by rural people under the rural development directions of government agencies. As a result, the goal of enabling the rural people, especially the poor, to attain self-reliance and undertake development activities on their own is far from success.

2) The administrative system of rural development under NRDC is based on the Thai bureaucracy which contains a structure of centralized power and was established principally for enforcing laws and performing routine works of basic government's functions. Rules and regulations are thus inflexible and control-oriented. On the contrary, the administrative system of rural development under NRDC requires a decentralization of authority and power to allow the rural people to participate in the decision-making process and to enable local government officials

to have more flexibility and autonomy in solving rural problems. Consequently, the administrative system of rural development cannot function as efficiently as it is expected.

3) The goal of rural development has often not been clearly identified by the government how much the number of rural poor will be reduced at each period of development plan and there has been inappropriate framework for analyzing rural poverty problems. As a consequence, NRDC has been unable to determine the amount of budget for rural development appropriate to current rural problems. An annual budget of rural development programmes usually depends upon the guidelines and budget of each concerned ministry in the preceding year.

4) Concerned departments are principal agencies to determine rural development projects and budget in the programming process. They have usually developed projects and activities based principally on their respective technologies, skills and perceptions of rural problems. As a result, rural development projects and activities are diverse without systematic solutions to problems of the rural poor. In fact there are few development projects designed exclusively for the rural poor. In addition, there have been no relatively reliable and valid criteria for identifying the rural poor.

5) Almost all rural development projects and activities are often undertaken in a given village on a uncontinual basis and for a short period of time. There are often conditions and rules which exclude the poorest in villages from taking part in and truly benefitting from projects and activities. These projects have provided no systematic mechanism for building up the

capacity of the rural poor to carry on development activities by themselves.

6) The service delivery system, including the structure of levels of command, manpower and operational process, of concerned departments' provincial and district offices are oriented towards controlling of office's management and personnel's job performance rather than efficiency and effectiveness of services delivered to the rural people.

7) Preparation of rural people, especially the poor, to be critically aware of their own problems and relative potentials, to be able to participate actively in development projects has been less systematically and efficiently done by local officials in spite of the presently widespread availability of knowledge and experiences derived from relevant case studies. Local officials of concerned departments have set up people's groups rather as recipients of service delivery than as principal actors in local community development. These people's groups are therefore and relatively ineffective unsustainable.

8) Community participation in rural development has thus existed intermittently and the rural poor, particularly those who are women, are not sufficiently encouraged and facilitated to be aware of real needs and problems and actively involved in solving their own problems and those of the communities.

2.3 Rural development activities of non-government organizations (NGOs)

2.3.1 Historical development of Thai NGOs

Despite the fact that volunteered development activities of private, non-government organizations in Thailand have appeared since the reign of King Rama V, the role of Thai NGOs in rural development has been prominent since 1973. The year that marked the beginning of modern political democratization. The brief historical development of NGOs' involvement in rural development can be described in three consecutive periods.

The first period (1973-1980) began after the overthrow of a military regime in 1973. A considerable number of NGOs was set up to fight against various problems faced by the rural poor. Most of NGOs then had stressed the eradication of social injustice and inequality in the society, especially between the rural poor and the privileged in the cities. Many NGOs' activities were seen by government agencies as disrupting the national security as some of NGOs' leaders were engaged in several protests and demonstrations. Rural development activities of NGOs were rather sporadic. The period ended with the bloodshed coup of 9 October 1979 after which many college students, activists and intellectuals fled to the forest.

The second period of NGOs involvement in rural development was from 1981 to 1991. Learned from the recent development experiences and domestically and internationally economic and political conditions during that period of time, many NGOs assessed and adjusted their development strategies.

Three main rural development strategies NGOs employed can be characterized.

1) Almost all NGOs put an emphasis on the mobilization of rural people to fight against the external economic and social pressures. Such terms as "local wisdom" and "the answer lies in the village" were often voiced to promote such alternative development activities as natural, integrated farming and community forest. Critical self-awareness, conscientization and self-development of the rural people, especially the poor, have been the major activities of the so-called progressive NGOs.

2) A number of NGOs had played a policy advocacy role. Through the mass media, case demonstrations and, in some cases, mass demonstrations, some NGOs had been relatively successful in promotion of child and women rights protection, environmental conservation. The recognition of NGOs' role in rural development has been more apparent as the NGO Coordinating Committee on Rural Development (NGO-CORD) was jointly set up to represent rural development oriented NGOs in cooperation with the government and in facilitation of capacity building of these NGOs.

3) The third strategy adopted by many development NGOs in the latter part of this period was the emphasis on tangible effects of their development activities. This would not only be the prove of evidence for their donors, but also strengthen the capacity of their people's organization counterparts.

In the third period (from 1992 to present), the majority of NGOs have still employed the three strategies of rural development only that some NGOs have begun to express a need for self-sufficiency as foreign assistance has been drastically decreased in recent years. A number of NGOs have sought to develop development alternatives to be able to sufficiently con-

tinue their operations. Networks of NGOs in various development issues, i.e. natural resources conservation, alternative farming systems, human rights, have sprung up to encourage exchanges of ideas, information and development experiences as well as support each other in undertaking development activities. A demand has been loudly voiced by networks of rural development NGOs for more government support in terms of both favorable policy measures and laws, and financial assistance in form of a NGOs fund. However, the government, especially the present one, has yet expressed any concrete policy measures in promoting the development of NGOs and supporting NGOs' role in areas of development.

2.3.2 Rural development activities of NGOs

On the whole, rural development activities of NGOs cover a wide range of issues that directly affect the well being of the rural people, especially the poor. These rural development activities of NGOs can be grouped into six main areas as follows (Nakabutra, 1991):

1) Promotion of agricultural development

Since agriculture is a major source of income of the farmers, the majority of the population, many NGOs have engaged in promoting agricultural production in such aspects as farm management, procurement of agricultural supplies, technological transfer and storage, conversion and distribution of agricultural products. Most of NGOs' development activities have usually been done by giving careful attention to local conditions and wisdom. The target groups are always encouraged to make collective decisions by themselves in the production and marketing processes. The collective action of the rural people is of utmost importance

in the course of NGOs' agricultural development activities.

2) Promotion of supplementary income

Many NGOs have encouraged the rural people to organize themselves in undertaking various supplementary income generating activities, i.e. cloth weaving, handicraft and household industries. The activities have been relatively going on quite well since they are rather small scale and NGOs' workers can provide regular consultancy and timely assistance to people's organizations. The Suwannaphumi cloth weaving groups of suwannaphumi district, Roi Ed, and Pone Tong women's group of Baan Mee, Lopburi are among the effective rural people's organizations supported by NGOs in earning supplementary income.

3) Promotion of public health

A number of NGOs have been set up to handle primarily with primary health care problems in rural areas. Most of them have sought to fill gaps in the governmental public health service delivery systems, i.e. prevention of communicable diseases, drug abuses, family planning, nutrition and clean drinking water supply. Some NGOs have initiated innovative health care development activities such as the promotion of traditional Thai massage to replace the abuse of pain-killing drugs among the rural workers. Most of the public health activities conducted by NGOs usually require an intensive community participation. In Sri Boonrueng, Udon Thani, for example, the Foundation for Handicapped Children has been rather successful in bringing about community concerns over the problem of handicapped children in the villege. Some of its target communities have set up their own rehabilitation centers for the formerly neglected disabled children.

4) Child and women development

The majority of NGOs have been established to help the disadvantaged groups of people. Children and women in rural areas constitute the two largest target groups of NGOs. A large number of NGOs have emphasized on the role of women as leadership in rural development. Important local development activities are in the hands of these rural mothers such as savings groups, child daycare centers, rural small businesswomen's groups. As for rural youngsters, NGOs' services have encompassed such areas as health care, nutrition, sports and recreation and non-formal education.

5) Natural resources and environment conservation

NGOs have placed more emphasis on local ownership of natural resources, i.e. forest, mangrove and coastal areas, and watershed areas. Community participation in ecological-oriented projects which include community forest, Fuguoga agricultural techniques or natural, integrated farming and non-pesticided vegetable growing has been heavily promoted all over the country. Critical awareness over natural resources and environment conservation among rural people has gradually developed as dissents over mismanagement of natural resources have been increasingly voiced by groups of rural people in recent years.

6) Human rights protection

Movements aiming to draw more serious concerns of the government and create widespread public awareness regarding violations of human rights in various aspects of the general public, especially the rural poor, have been continuously conducted by a number of NGOs. Disadvantaged groups of people, that is, handicapped children and homeless elderly who are often neglected

by the government and the general public are concerned by some NGOs as well.

2.3.3 Management capabilities of NGOs

The organization and management of NGOs vary upon missions, target areas, target groups and size of operations. NGOs can broadly classified into three categories according to the size of their budget (Table 2.10):

1) Large-scale NGOs

Large-scale NGOs are those that operate about 5-10 million baht of fund annually. Prominent organizations in the

Table 2.10: Financial Sources of NGOs

Source Size	Foreign	Domestic	Both	Unknown	Total
Large (5 m.Baht up)	20	12	2	1	35
Medium (1-5 m.Baht)	61	20	6	1	88
Small (under 1 m. Baht)	72	86	13	2	173
Unknown	30	32	7	10	79
Total	183	150	28	14	375

Source: Social Research Institute, Chulalongkorn University, Directory of Public Interest Non-government Organizations in Thailand (1990)

category are, for example, the Population and Community Development Association (PDA), Children's Foundation and Thai-German Development Foundation. NGOs of this size are operated by a systematic management system. Some have even developed a rather formal administrative system of bureaucratic organization.

Many large-scale NGOs are funding agencies that provide support to small NGOs and people's organizations. Some also serve as focal points in small networks of NGOs that provide and coordinating activities of the members. Although NGOs of this scale have field operations in rural areas, they are more apted to fund-raising. Most of these agencies are very keen in acquiring financial assistance from NGOs and government agencies abroad.

2) Medium-scale NGOs

NGOs of this size normally operate within the annual budget of 1-5 million baht. Some have their headquarters in Bangkok and a few field offices in the countryside. Others have only on-site project offices. Medium-scale NGOs are often members of networks of NGOs in the same geographical and development sectors. They tend to rely primarily on foreign funding that are obtained either by themselves or through large-scale NGOs. The management and operational systems of NGOs of this size are more likely to be less systematic than those of the large-scale NGOs. They are frequently in shortage of manpower supply, especially the professionals such as accountant and project manager. They have therefore sought for assistance in this regard from donor agencies and their networks of NGOs.

3) Small-scale NGOs

A small NGO usually employs less than 10 personnel and operates within the annual budget less than one million baht. Most of them depend primarily upon funding from larger NGOs. Their operations are more flexible and close to the grassroots. However, their activities are often restricted by the relative fluctuation of staff and project funds.

In sum, regardless of size, almost all Thai NGOs have to depend on foreign assistance to support their activities. Domestic funding either from the government or private donors constitutes only a small part of their operating budget. In recent years, many foreign donors have gradually reduced their financial support to Thai NGOs. This has definitely affected the scale of operation of many NGOs. Some have to cease their activities in certain areas. NGOs of any size have presently struggled to seek for more domestic sources of financial assistance. Self-reliance is becoming a most crucial agenda Thai development NGOs have to bring into reality.

2.3.4 Government's recognition of NGOs

NGO is an alternative, voluntary mechanism to provide services to and redress grievances of the disadvantages caused by the relative ineffectiveness of government's policies and services for the betterment of the society. During 1973-1980, many NGOs were formed to off-set the inequitable distribution of public goods and services in the society. Some NGOs aggressively voiced the rural poor's problems to the government. Mistrustful and antagonistic feelings had been common between the government officials and NGOs workers in the 1970s.

In the later years of the fourth national development plan period, the government, however, express more recognition of NGOs' role in rural development. The NGO-Coordinating Committee on Rural Development (NGO-CORD) was thus set up in 1985 to facilitate cooperation between government agencies and NGOs in rural development. In 1990, the NGO-CORD membership was over 200 (Suwanna-adth, 1991: 17). Representatives of the NGO-CORD have been invited to participate in the formation of rural development policy in the sixth and seventh national development plan. In 1989 a representative of NGO-CORD was appointed to be a member of the National Rural Development Committee. Besides, many NGOs have been invited to attend forums of rural development policy deliberations such as the community forest, diversified cropping systems and child and woman rights protection.

In addition to the involvement at the policy level, several NGOs have been cooperating with some government agencies in undertaking rural development projects. The Department of Agricultural Extension, for instance, has been working with a group of NGOs in the community preparation process in the small farmers development project. The ministry of public health has also engaged some NGOs as counterparts in the handicapped children rehabilitation project and family planning project. In 1992, the government's recognition of NGOs in rural development has been formally expressed as a sub-committee on NGOs promotion was set up under the National Cultural Affairs Board. About half of this sub-committee are appointees from NGOs.

2.3.5 Strengths of NGOs in rural development

Despite their diverse objectives and strategies, a large

number of NGOs possess the following advantages.

1) NGOs can be more effective in activities the government agencies can not do well. While government agencies have to render impersonal services in accordance with standard operating procedures, NGOs can efficiently adapt its services to fit different conditions and needs of different rural communities. NGOs can also reach special target groups that are normally not reachable by the government delivery system such as landless farmers, hilltribesmen and handicapped children.

2) NGOs are quite keen on mobilizing citizen participation in rural development process. NGOs personnel are usually trained to be more sensitive to problems faced by the rural people and have sufficient autonomy to respond adequately to such needs. People's organizations under intensive supports of NGOs are able to run their activities more efficiently. This facilitates the continuing learning process of people's organizations necessary for achieving the self-sustainable development of rural communities.

3) Without rigid jurisdictional restriction, NGOs are able to create networks of NGOs and people's organizations that span across villages, districts, provinces, regions and countries. These networks not only promote more frequent exchange of information and know-how, but also empower NGOs and people's organizations in bargaining with other social groups and voicing their demands to the government.

2.3.6 Weaknesses of NGOs in rural development

Inspite of their strong points, NGOs do have certain limitations in their operation.

1) It is generally accepted that the management system of many NGOs is less systematic. A number of NGOs are lacking of efficient management procedures in project planning, financial and personnel management. Without adequate systematic management and evaluation, it is difficult for NGOs to be accountable to donors and the people. Some networks of NGOs have tried to support and facilitate the development of NGOs' management skills, but the undersupply of qualified professionals in the fields is still a major hindrance among NGOs.

2) As mentioned earlier that the majority of NGOs depend in large part on foreign funding, a number of NGOs therefore have to compromise their cause to suit the requirement of their donors. This financial dependency also poses a number of limitations among NGOs. It is hard, for instance, to run a long-term development project when there is no sufficient guarantee of a long-term financial support. Without a financial self-sufficiency, a large-scale or costly project such as a full cycle production and marketing system is rather impossible.

3) With uncertainties in sources of funding, NGOs cannot provide job security for their personnel. Therefore, the turnover rate among NGO officials has been quite high in the past two years whereas the chance to recruit new qualified personnel is very dim. Shortage of experienced professionals is then a major problem of many NGOs, especially small and medium NGOs.

4) Given the shortage of qualified personnel, NGOs are often unable to evaluate the results of their development projects and publicize the findings to diffuse the lessons learned to the other NGOs, government agencies and the public.

5) Given the nature of NGOs which is autonomous and strongly committed to their own causes, efforts to set up coordinating networks among different groups of NGOs are unsuccessful. Government agencies often find hard time to seek cooperation with a number of NGOs in certain rural development areas.

These strengths and weaknesses are common among a large number of NGOs. However, when these points are considered in comparison with those of the government agencies, it can be seen quite easily that the strengths of NGOs, especially in its ability to facilitate the development people's organizations, do compensate the weakness of the government agencies in this regard. On the other hand, the strong points of the government agencies which include their systematic and credible administrative systems do compensate the loosely structured organization of NGOs. Therefore, collaboration between government agencies and NGOs is definitely required in rural development, particularly at the grassroots level.

2.4 Technical cooperation between Thailand and major donor countries in rural development in the sixth national development plan period

Technical cooperation for rural development under the sixth national plan can be grouped into five different programmes.

- 1) Programmes on improving management of rural development
- 2) Programmes on increasing income and employment in the rural area
- 3) Programmes on improving the quality of life
- 4) Programmes on natural resources and environment
- 5) Programmes on the development of specific areas

It should be noted that the number of projects and the values of technical cooperation under rural development are not definite or exhaustive but only approximations. The value of technical cooperation under the sixth national plan includes both technical cooperation that was initiated prior to 1987 or during the plan period and that was initiated during the sixth plan (DTEC, 1992: 113-116).

2.4.1 Value of official aid in rural development

The total value of technical cooperation for rural development during the sixth national plan, including projects already completed and those on-going as of July 1991, was about US\$ 165 million. The amount varied slightly from year to year as follows:

1987	US\$ 33,894.8	Thousand
1988	36,271.1	"
1989	36,769.5	"
1990	36,769.5	"
1991	20,993.5	"
Total	164,640.7	"

The resources required for the total of 171 projects under rural development and income distribution were made available by developed countries, the United Nations and non-

government organizations. A total of 72 projects were supported by NGOs followed by the United Nations, Canada and Federal Republic of Germany respectively (Table 2.11) Of the 64 in area development the majority were related to soil and water conservation and crop substitution for opium. Income and employment generation had a total of 57 projects. The value of technical cooperation by source is shown in Table 2.12. Out of the total US\$ 165 million, technical cooperation from the United States ranked the highest of about US\$ 53 million, followed by Australia at about US\$ 23 million, US\$ 21.6 million from Germany, US\$ 19.4 from the United Nations, and US\$ 18.1 million from Japan.

Of the total 171 projects representing technical cooperation amounting US\$ 165 million, about US\$ 129 million or 79 per cent is categorized as "others". This category includes support for training, seminars, evaluation, research and miscellaneous equipment. About 10 per cent was expended for experts and a similar amount for equipment mostly related to providing basic services, i.e., drinking water and health services (Table 2.13).

Table 2.11: Number of projects under technical cooperation
in rural development under the Sixth Plan

Source	Management	Income	Quality of Life	Area Development	Total
United States	1	1	4	5	11
United Nations	1	2	5	22	30
Japan	-	-	3	1	4
Australia	-	1	1	4	6
Canada	3	8	4	4	19
United Kingdom	-	2	-	1	3
New Zealand	-	4	-	2	6
Germany	-	2	3	7	12
Netherlands	-	4	-	1	5
France	-	1	-	1	2
Belgium	1	2	-	-	3
NGO	2	32	22	16	72
EC	-	2	-	-	2
Total	8	57	42	64	171

Table 2.12: Technical cooperation in rural development during the Sixth Plan classified by sources

Sources	Million Baht	Thousand US\$
United States	1,369.7	53,502.6
United Nations	498.0	19,454.0
Japan	463.1	18,088.9
Australia	594.4	23,220.7
Canada	387.9	15,151.0
United Kingdom	1.8	69.6
New Zealand	18.1	705.6
Germany	552.3	21,575.9
Netherlands	133.6	5,220.3
France	23.2	905.1
Belgium	42.9	1,677.6
NGO	108.0	4,218.3
EC	21.8	850.0
Total	4,214.8	164,640.6

Table 2.13: Technical cooperation in rural development during the Sixth Plan classified by type of cooperation

Programme	Value	Per Cent
1. Experts	17,496.3	10.6
2. Fellowship	773.0	0.5
3. Equipment	16,975.3	10.5
4. Volunteers	-	-
5. Others	129,397.3	78.6
Total	164,641.9	100.0

2.4.2 Some observations for future technical cooperation in rural development

These figures are accounted for by a NUMERAIRE established in DTEC calculating procedures and are quite different from the announced Official Development Assistance (ODA) obtained from individual donor governments. There exists an abnormality. Japan aid flows, for example, should have been much higher, while the US's should have been lower if one takes into account the disbursement level of technical cooperation flows alone. The figures do not differentiate between various components of aid flows. For example, in spite of numerous construction of physical infrastructures through the Japanese "Grant Aid", which runs into several hundred million of baht for each project, the Japanese ODA remains ridiculously "low". This

suggests an urgent need for DTEC to review all its ODA figures so that they conform more to reality, and to examine and review seriously its present calculation procedures which may need serious changes.

Upon interviewing with senior executives of concerned government agencies, NGOs and some donor agencies, the following observations on the current technical cooperation in rural development of major donor countries can be made as a preliminary for future assessments.

1) A number of donors has concentrated their efforts in the northeast and the north.

2) Strategies on rural development have been tied in with political uncertainties in the region as well as narcotic problems which affect the individual donor countries.

3) Some donors are keen on solving water resource and cropping system management, while others concentrate on human capital build up of stocks and flows.

4) Donors have been interested in seeing Thailand in transition from an agricultural to industrial society and made every effort to promote future linkages including extra-governmental entities like NGO's and agro-industry businesses.

5) A large amount of aid flows was channeled through official channels to redress income disparity and equity problems. Appropriate technology and blue prints for basic human needs were developed by government's initiatives and through development aid with considerable success. Institutional-building for agricultural and rural NGOs have also been initiated using various transfer of technology techniques. It contributes much to improve agricultural productivity and physical as well as social and economic infrastructures.

6) Problems of education and middle-level management remain in the rural areas. Every effort should be made to improve teacher's quality and provide more opportunities to the selected rural areas. There is a need to think more about transmigration from the agricultural sector and the dying breed of traditional farmer generations. This tends to exacerbate income distribution problems and regional gaps. There is a need to manage more efficiently rural based resources and environment. Empowerment of rural people to solve their own problems should run parallel to economic and fiscal decentralization. People should have more say and participation in uplifting their quality of life, income and management of natural resources and environment.

Chapter 3

Potential Rural Development Activities for JICA Technical Cooperation

This chapter will outline alternative perspectives, definition and strategies of rural development at the grass-roots level, potential areas of the local-level rural development, and an approach to strengthen cooperation between government and non-government organizations in local development, as well as aspects of institutional building of people's organizations that JICA should adopt in technical cooperation with concerned government agencies, non-government organizations, business organizations and local people's organizations in rural development at the local level.

3.1 Perspectives on rural development at the local level

Rural poverty problems, as said in Chapter 2, are so complex to understand and difficult to solve. They are multi-structured, multi-dimensional, and dynamic. Not only can they be explained in terms of numerous causes, namely, low income, low level of education and occupational skills, uncritical self-awareness, poor health conditions, lack of enough land and capital fund, inappropriate management of natural resources and technologies and relatively political powerlessness, but they are directly resulted from relative inequalities in resource allocation and less democratic power structures in every level of the society. In recent years, the rural poverty problems have been substantially aggravated by the depletion of natural resources as well. Competition over natural resources, especially

land and water, and ensuing conflicts over these resources in every region between the rural poor and landless people and the well-to-do and urban entrepreneurs have become one of the most critical political, economic and social issues. The issue actually affects whether the rural poor are to survive in the long run and hence the sustainable development of the rural areas and in effect the country as a whole.

Concepts in contemporary social sciences seem not to be powerful enough to explain the problems in the Thai countryside. Thai social scientists have yet done enough research to give adequate grounds for understanding current problems and recommending comprehensive solutions and directions of rural development, especially the local-level development. Kearns and Sato (1989) contend that the so-called social engagement approach to rural poverty problem-solving is obviously more adequate than the traditional rationalistic tradition.

Rural development is involved not only with physical change which can be handled by hard facts and personal ways of working, but also institutional change which contains soft facts and needs more social ways of working with others. To solve poverty problems of the rural poor people at local level effectively requires new perspectives to understand problems in local contexts and approaches or ways to develop local communities. This study contends that we need more concerted efforts of concerned government agencies, non-government organizations, business organizations, people's organizations and educational institutions to work together in developing rural communities.

The rural sector should be viewed as the most important sector of the country. Rural poverty problems have not emerged exclusively from circumstances within rural areas. They are directly generated by the development conditions of urban areas, especially those of the capital city. The development of the country should not lead to more inequalities between the modernized urban areas and the relative backward rural communities. The rural people have been made to sacrifice for the economic and social development of the country for over four decades. Economic growth is in itself desirable. Yet, economic growth should be made by putting the rural sector first so as to create more balanced development.

Since every aspect of the rural people's life has apparently been affected by domestically and internationally economic, social and political pressures, one can no longer limit his or her view to only rural communities per se. To get a more completed picture of rural situations and rural development, this study contends that a total system view of rural poverty is needed. Rural poverty problems should be perceived under the context of the existing unbalanced development between the agricultural sector and the industrial and service sectors which has been intentionally created by the biased policies of growth-oriented development, and the relative ineffectiveness of the state mechanisms in distribution of development benefits.

To develop the rural areas more effectively, all factors and their relationships affecting the well-being of the rural people should be brought into consideration as a total system. We can no longer examine problems of some groups of rural people apart from those of the rest of the country. We also cannot

afford to focus on some problems only at the micro level without a systematic consideration of their linkages with conditions and structures at the macro level.

We should shift our scope of view towards the rural poverty problems from being the personal or individual household problems to be a most crucial problem of the rural communities and our society. The conventional understanding of the rural poverty, that the rural poor are those who are in shortage of basic knowledge, skills and minimum needs to enable them to be productive and that the government must therefore fulfill their basic minimum needs, is no longer appropriate. Current domestic and international circumstances have obviously revealed that the rural poverty has been resulted mainly from the fact that the rural poor, households and communities, as compared to those in urban areas, have had less opportunities to access to wealth, statuses and power, and been less supported by the government to effectively materialize prevailing opportunities and significantly contribute to the development of the country.

From the foregoing perspectives towards the rural poverty problems, this study suggests JICA define rural development as a process of continuous economic, social and political changes in order to improve the quality of life of the rural people. The better quality of life here refers to better livings, more self-help capacity in management of natural resources and environment, more bargaining power and more security in life and properties. Just as there are many different perspectives on rural development, the term "local", as applied to rural development, has often been interpreted quite differently by government agencies, donors and academics. In some cases, it is used to

refer to provincial or district, as compared to national-level planning. In others, local may mean a village or small cluster of villages where there are opportunities for frequent face-to-face contact between heads of households, village leaders and government or non-government workers. This study accepts the definition of "local" adopted by the 1985 United Nations Centre for Regional Development (UNCRD) Expert Group Meeting. The local is "the first point of contact, interaction and negotiation between the people and government or non-government agencies" (UNCRD, 1985:7). This definition allows for variations not only between development issues, but also between different activities of government agencies and non-government organizations as well as people's organizations.

3.2 Strategies of rural development at the local level

To facilitate and enhance the effectiveness of rural development activities of government and non-government organizations undertaken at the local level, three main development strategies should be adopted by JICA.

1) People's organizations

Rural problem-solving strategies should be shifted from being rather passive or defensive to be more proactive. Instead of focusing mainly on some rather short-term economic development outcomes, that is, the fulfillment of basic minimum needs and promotion of production and income, more resources and efforts should be given to the strengthening of development capacity of people's organizations in rural communities to enable them to improve and sustain in the long run the employment, income and

quality of life of local people, especially the poor, and create more balanced development. In so doing, targeting of people's organizations is needed. People's organizations in rural communities should be clearly classified into three groups according to their respective levels of development capacity and level of support should be given by external development agencies.

(1) The first priority group is underdeveloped people's organizations.

(2) The second priority is local organizations that are less extensive or less experienced. They are less able to initiate activities, at least at the outset.

(3) The third priority group is people's organizations that are able to identify needs and problems, and to develop plans for dealing with these.

In developing organizational capacity of people's organizations for having productive and sustainable participation of rural people, the so-called learning process approach should be applied. The approach proceeds from the premise that neither ends nor means can be fully known in advance. Tentative plans must be made, but they need to be continually reviewed and revised in light of experience all the time developing both better understandings of the task and a more experienced, dedicated, innovative cadre at various levels (Korten, 1980).

2) Development alternatives

Since there are differences and variations among local communities in history, culture, geography, natural resources, production technologies and politics, the local-level rural development should be based upon local conditions and contexts.

The so-called blue print, rationalistic rural development programmes and projects designed by technocrats and planners of central development agencies are less likely to be responsive to local needs. Rural development must be relevant and congruent to conditions and potentials of local communities. Upon appraisal and analysis of prevailing socio-economic conditions of local communities, technologies and organizational capacity of local people, a set of development alternatives of each locality should be jointly formulated by external development professionals and local people. The development alternatives constitute a development framework from which people's organizations choose to guide the planning and implementation of their respective development projects and activities.

3) GOs and NGOs collaboration

It is generally accepted that the government is inherently constrained both in terms of resources and management capacity in planning and implementation of rural development, especially at the grassroots level. The government should therefore limit its own role in rural development to basic state's services only. More government efforts should be spent in encouraging and mobilizing business organizations and NGOs to share the task of rural development. The relationships between the government organizations and the private sector and NGOs in the local-level rural development can be in two interactive ways. At one end of the scale, the government organizations provide assistance and facilitation to the private firms and NGOs in conducting their own development activities. In the other end, the government organizations seek cooperation and collaboration with the private sector, NGOs and local people organizations in

solving particular rural problems. These interactive relationships will promote the collective experience sharing and enhance the learning process of all concerned parties.

3.3 Areas of rural development activities

With reference to current rural poverty problems and strengths and weaknesses of government organizations and non-government organizations in management of rural development programmes and projects as well as alternative definition, perspectives and strategies of rural development at the grassroots level outlined above, four major areas of activity in the local-level rural development are to be undertaken.

- 1) Human resource development
- 2) Promotion of production, marketing, income and employment
- 3) Natural resource management and environment protection
- 4) Improvement of the quality of life

1) Human resource development

Human resource development here refers to the development of the rural people to be capable persons who can initiate and lead their lives on their own with dignity and responsibility to themselves and others. This definition suggests two levels of development activity. The first level is the development of human resource at the individual level. The provision of education to all people to be well-informed and skillful persons in making rational decisions as well as possess appropriate beliefs and values based on indigenous philosophy of life. The education for rural people, whether formal or non-formal, should thus promote

the critical self-awareness and self-development so that the rural people can effectively apply the acquired knowledge and skills to earn their livings appropriate to local resources and culture as well as communal management capabilities. The second level is the development of human resource at the group level. This concerns directly with the the empowerment and capacity building of local people's organizations to gain more bargaining power in allocation and control of local resources and to participate more meaningfully with other groups in the development of local communities.

- 2) Promotion of production, marketing, income and employment

This area of activity can be done both at the macro and micro levels. While the macro level is concerned with an adjustment of the structures and policy measures of the economy to render more benefits to the rural poor, we will focus on the micro level which is the farm or local community level. The main idea here is the diversification of production to minimize risks and the appropriate management of technologies and natural resources to guarantee the stability of the rural people's income in the long run as well as the expansion of employment opportunities in rural areas, both the self-employed, small entrepreneurs and wage earners. The following are activities that should be performed.

- (1) Promotion of integrated farming system
- (2) Promotion of small-scale agro-industry and cottage industry
- (3) Promotion of rural self-employed small enterpreneurahip
- (4) Promotion of marketing planning both at farm and

farmers' groups levels

- (5) Formulation of production and marketing plans of certain commodities which encourages and facilitates cooperation between foreign and Thai business firms and farmers' groups
- (6) Modernization of water management systems to fit the changing patterns of agricultural production

3) Natural resources management and environment protection

The basic idea in this issue is the promotion and development of the capacity of rural people's organizations in managing natural resources and environment protection so as to enhance the sustainable development. Important activities that should be carried out are as follows:

- (1) Land use planning of the local community
- (2) Rehabilitation of land and implementation of a comprehensive land and water conservation and utilization in the village or a small cluster of villages
- (3) Promotion of the project on community forest

4) Improvement of the quality of life

The main objective is to guarantee that all rural people have access to basic government services. Activities in this area that should be supported include

- (1) Clean drinking water supply
- (2) Primary health care
- (3) Communal sanitation systems
- (4) Communal life safety protection

3.4 Approach to strengthen cooperation among GOs, NGOs, business organizations and people's organizations in the local-level rural development

3.4.1 Justification

In recent years we have witnessed dramatic social changes; the ever-increasing complexity of social problems; the rapid depletion of natural resources and deterioration of environment; the limitations of development management capacity of government agencies, non-government organizations, business organizations and people's organizations; the necessity of stakeholders' participation in solving collective problems; and the growth of popular democracy and humanity. All of these forces and movements apparently have made all of us aware that for the survival of all, every person must take part in collective problem-solvings and development of the society and the world because everyone is a part of the problems and everyone is able to solve the problems.

Rural development is in essence the change in attitudes, ways of thinking and development management capacity of the rural people and rural institutions in order that they can be efficiently adaptive to the ever-changing economic, social, political, technological and environmental circumstances. Not only are various perspectives, conceptions and initiatives required in creative solving of rural problems, but the participation and cooperation among concerned parties are indispensable. The collaboration approach to the local-level rural development is a most promising approach at present that aims to promote and strengthen cooperation among GOs, NGOs, business organizations

and people's organizations in planning and implementing development activities.

3.4.2 Features of the collaboration approach

It is very difficult to provide a single and simple definition of what collaboration entails. We are talking about collaboration in the context of socio-economic problems that our rural communities and society are facing. We are talking about collaboration across various parties and stakeholders as well as institutions. We are dealing with ways to promote and facilitate various parties to work together on specific rural poverty issues. There are three main features of the collaborative approach.

(1) Concrete boundary

Collaboration occurs around a particular issue or set of issues. The collaboration involves coming together of various parties to work together in solving a particular problem. Thus, each collaboration has a concrete boundary in time and space and around a specific problem.

(2) Multiple stakeholders

The second dimension of collaboration is about various parties coming together to solve a specific problem. These parties can be several: government and its agencies at various levels; funding organizations, private businesses, non-government organizations and people's organizations. These parties have a stake in the problem that is being worked on. In a collaborative effort, significant stakeholders come together in defining, framing and solving the problem. Collaboration entails bringing together stakeholders affected by the problem.

(3) Structure

Collaboration does not merely imply the coming together of a few individuals who, because they like each other, have decided to work together to solve a problem they think is important. Various parties in collaboration evolve, over time, a structural mechanism of coming together. Collaboration here refers to a multi-party, multi-institutional collaboration, and not merely an interpersonal collaboration across a few interested individuals.

3.4.3 Contributions of collaboration approach to rural development

The collaboration approach to rural development at the grassroots level have at least three significant contributions.

(1) Problem-solving

Most collaborations by most parties are started with the perspective of solving a specific problem of local communities, i.e, water management in a cluster of villages.

(2) Participatory

Collaboration facilitates and promotes the empowerment and capacity building of people's organizations and NGOs to continue to solve problems. In such collaboration, where empowerment of people's organizations, strengthening their capacities, enhancing their scale of influence beyond micro levels and strengthening the capacities of their support structures like NGOs occurs, then it is participatory collaboration. It is participatory collaboration because those most affected by the problems, the poor, take on a central,

active and key role in framing, analyzing and solving the problem in collaboration with other parties.

(3) Partnership

Development partnerships go beyond solving specific rural problems and enhance empowerment or capacity building of the people's organizations and their collaborating NGOs. They reflect a shared vision. Various parties involved in the collaboration share a common vision about a desirable future of rural communities and society as a whole and thereby a desirable resolution of the problem at hand. The nature of the relationship across parties is one which is long-term and not merely built around solving a specific problem, though it may start out in that fashion. The key dynamics of a development partnership are relationship across various parties that have more than an immediate, instrumental character.

All collaborations, however, do not become, or result in, a development partnership. In many situations, collaborations start up by mere collaborations for problem solving. With a certain degree of attention and cadre and a broader purpose in mind, many collaborations can become participatory collaborations and result in the empowerment of people's organizations and NGOs. When a participatory collaboration develops further and acquires the character of a development partnership, then we have the making of a long run and strong relationship across parties based on a shared vision of how rural communities should be structured. This is the ideal for most collaborations, but need not be the one which occurs in reality most of the time.

3.5 Aspects of institutional building of people's organizations

A people's organization refers to a grouping of ordinary people who work together to achieve commonly desired objectives. In rural areas, there are various people's organizations responsible for communal activities, for example, labor exchanging groups of farmers and water users' groups. People's organizations are in fact a means of resource mobilization for the well-being of all in the community.

3.5.1 Forms of People's Organization

People's organizations can be classified into three distinctive forms.

(1) Natural people's organization

This form of grouping occurs out of a need of the local people to work together over a specific issue or problem. The organizational structure and process of the group are rather informal although some groups may develop a set of regulations in managing activities. They, however, are not registered under a law. The sustainability of the group is dependent mainly upon the need of working together among those affected by the problem.

(2) Formal people's organization

This form of people's organization is a group that is formally acknowledged by the government. In fact, some rural groups are set up by concerned government agencies, i.e., the irrigation water users' association, the farmers' group, the co-operatives society. The formal people's organization may occur

from a demand of a group of people who, upon working together for some time, realize a necessity of legal registration of the group in order to be able to operate systematically and engage in legal actions. However, some of this form of organization, i.e. the Tambon Council and the Village Development Committee, are set up exclusively by some government agencies without an extensive preparedness and involvement of local people. This sometimes creates a confusion whether those organizations are the organization of "the people" or of "the government".

(3) Semi-formal people's organization

This is the people's organization that the government encourages and supports the rural people to organize among themselves as the recipient of government's services and benefits accrued from the implementation of rural development projects and activities. These organizations include the village women's group and the village savings group. These groups are not required to have a formal registration, but they are bounded by a set of regulations set up by concerned government agencies.

These forms of people's organizations are different from each other in the degree of social acceptance and the legal status of the organizations. The first form entails the highest degree of social acceptance, while the second and the third are legal but unlikely to gain a high degree of social recognition from the local people. The development of people's organizations discussed here will focus on those that are widely accepted by the local people as their own organizations regardless of their formal or semi-formal character.

3.5.2 Structural components of people's organizations

A people's organization usually consists of the following structural components:

(1) Strong leadership

A strong leader is the one who can effectively manage and lead every aspect of the group's activities. He or she is the focal point of the group's decision-making process. The strong leader may be a formal leader such as the village chief or an informal leader, such as teacher, monk and local intellectual, who is well respected by the local people.

(2) Membership

A people's organization is comprised of members who realize and accept the purpose, objectives, regulations and working procedures of the group, and are willing to take part in various group's activities.

(3) Capital

The capital here refers to money, machine and other factors of production.

(4) Regulations

The functioning of a people's organization is regulated and proceeded along a set of working procedures which the members adhere to, i.e. an accounting system.

(5) Information

A people's organization should be equipped with a set of information concerning the local and national situations, and a

feedback on the group's past performance as compared to others. The information is necessary for the organization in making decisions and mobilizing external resources.

3.5.3 Guidelines for promotion of people's organization

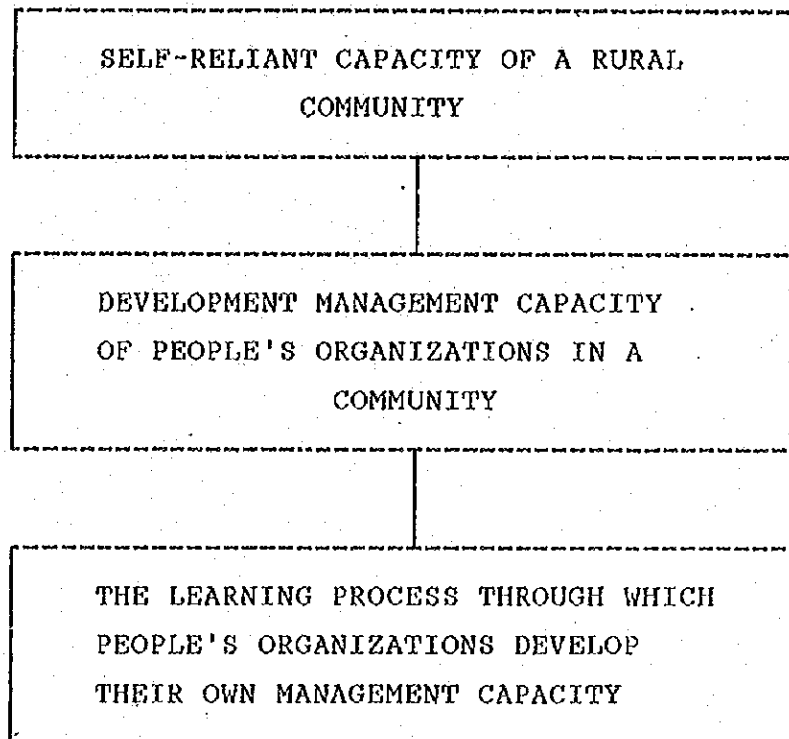
The ultimate goal of rural development at the grassroots level through community participation of people's organizations, is that the local community, in which people's organizations undertake development activities on their own, is more self-reliant in many aspects of development activities. In order to be a self-help rural community, the community must be going through a learning process in which its capacity and potentials are continuously developed (Figure 3.1)

The learning process through which a rural people's organization acquires the development management capacity and empowerment should be consisted of the following important steps (Figure 3.2):

- 1) Awareness of collective problems and the need to work together in solving the problems. Members of the people's organizations should be encouraged to intensively and extensively appraise and analyze the problems themselves and their communities are facing. This is an effective means to create a critical self-awareness among the members.

- 2) Awareness of viable and feasible ways to solve the local problems. The members should collectively examine the current management capacity of their community, the advantages and disadvantages of the area including sources of external assistance which can be mobilized to support the problem-solvings.

Figure 3.1
Development of a self-reliant rural community



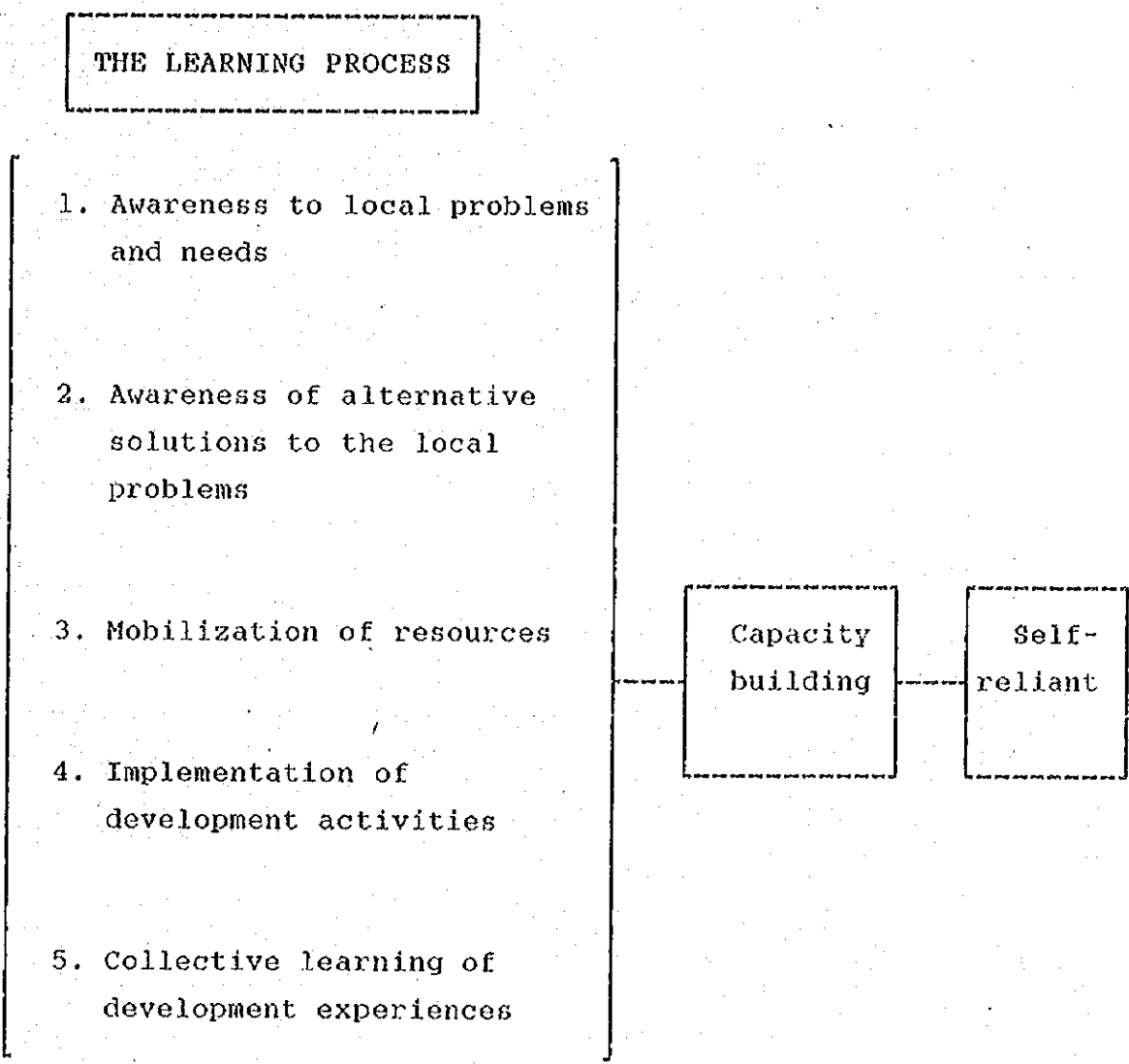
3) Mobilization of both internal and external resources such as capital fund, equipments, materials and labor, that are required in carrying out development activities.

4) Implementation of projects and activities as planned from the beginning stage to the last in a full cycle manner.

5) Collective learning of development experience. The members should be encouraged to review the outcomes of their development activities to find the weak points which should be corrected and the success factors that should be documented and

brought into consideration in the next round of project and activity planning.

Figure 3.2
Learning process of the people's organization



Chapter 4

Guidelines for Technical Cooperation Project Formation

4.1 Introduction

In response to definition, objectives, and approaches in local-level rural development as outlined in Chapter 3, this chapter will describe a set of guidelines for technical cooperation project formation between JICA and Thai government agencies, non-government agencies, and people's organizations. The guidelines include characteristics of local-level rural development projects JICA should pay attention to in provision of technical assistance and types of rural development projects JICA should give equal weight in the project formation. The chapter will end with examples of potential projects for technical cooperation between JICA and government organization; JICA and non-government organizations; and JICA and government organizations and non-government organizations.

4.2 Characteristics of rural development projects for JICA cooperation

The most important lesson learned from Thailand's experience in rural development at the grassroots level is that rural development cannot effectively be sustained by the so-called blue print or traditional rationalistic or top-down approach. Rural development is a learning process through which all concerned parties come to interact and adjust their actions so as to improve well-being of rural people and the rest of the

country with sound and balanced development. JICA and Thai government organizations and NGOs should strongly advocate this process by recognizing local communities as the focal point of the learning process. Sustainable development is, therefore, diverse and must be based on local wisdom and appropriate conditions. Three basic characteristics of sustainable rural development projects for JICA cooperation can be identified as follows:

- 1) Projects should be small-scale based on indigenous wisdom.

Appropriate rural development at the local level should be small-scale, flexible and sensitive to communities' needs and conditions. Large scale rural development projects such as irrigation schemes covering several provinces are often unfit to the needs of local communities as they are designed by technocrats in the capital to facilitate the production of cash crops for foreign exchanges. Whereas local community-based rural development projects ensure the local people are able to plan and control the process and direction of development of their communities.

- 2) Project should be harmony with the local environment.

Achievement of economic development in the last three decades has been made possible by a massive utilization of natural resources. The relatively ineffective management of natural resources at every level of administration has resulted in a rapid depletion of natural resources and environmental degradation. Local-level rural development projects should give

more attention to the rehabilitation of local ecology. There are enough evidents that conservation of natural resources and environment is sustained when local communities are involved in the decision of resource allocation and utilization.

3) Projects should be participated by the people.

Development process in the real sense is the bottom up process in which active participation of local people must be seen as indispensable. Participation has no meaning unless the people involved have significant control over the decisions concerning the organization to which they belong. Although the concept of people's participation has been widely accepted among policy makers, planners and academics, there are differences in the objectives for which participation might be advocated by different groups. Concerned government organizations usually view participation as an instrument to enhance efficiency of projects and as an end in itself. The study team defines community participation as an active process by which beneficiary groups influence the direction and execution of development project with a view to enhancing their well being in terms of income, personal growth, self-reliance or other values they cherish. This definition implies that the context of participation is the local-level rural development project. The focus is on the participation of beneficiaries, and not of government personnel or of donor staff. The joint or collaborative involvement of beneficiaries in groups is a hallmark of community participation. Lastly, community participation is an instrument of empowering the rural poor, building beneficiary groups' capacity, increasing project effectiveness, and sharing the costs of the project with the

people it serves.

To make the three basic characteristics of sustainable local-level rural development projects operational, the concrete characteristics of projects JICA should give consideration for technical cooperation are as follows :

- 1) encourage and facilitate self-help through community participation in project identification, implementation, and evaluation;
- 2) have identifiable beneficiaries who are disadvantaged groups within the community. These groups include women, landless agricultural workers, small farmers, and small fishermen, as well as hilltribesmen;
- 3) use innovative approaches to problem solving that have potential for wider application in other communities;
- 4) promote sound environment and ecological practices;
- 5) assist women as well as men to develop the capacity to assume or to strengthen key roles in their own development;
- 6) have clearly stated objectives and a reasonable timetable and program for implementation which will allow evaluation of achievements;
- 7) are financially and economically sound, and sustainable in the long run;

JICA should support community-based rural development projects that integrate community organizing, training, and involvement of beneficiaries. Projects should be viable and sustainable beyond the period of JICA technical cooperation. Projects that focus on only one component of the development

process are unlikely to be self-sustaining. Therefore JICA should not support projects of the following characteristics :

- pure training projects
- welfare projects
- pure research projects
- projects which request funds mainly for capital expenditures or infrastructures.

4.3 Potential local-level development projects JICA should provide technical cooperation

Rural development projects carried out by government organizations and non-government organizations are diverse in nature and scale of operation. With reference to the current critical problems in rural areas and the basic characteristics of viable and sustainable local-level rural development projects, the study team recommends JICA seek technical cooperation with government organizations and non-government organizations in the following two main types of projects.

1) Problem-oriented rural development project

They projects that aim to solve specific poverty problems in rural communities.

2) Process-oriented rural development projects

The projects that focus on promotion of cooperation and collaboration process among government organization, private firms, non-government organizations, and people's organizations in development of local communities.

The first type of projects is rather conventional projects addressing rural poverty problems caused by shortages

of needed resources. The latter, which is given less attention from many government organizations, private firms, and some donor agencies, encourages the capacity building of concerned parties, especially people's organizations, and facilitates the formation of shared visions among concerned organizations. The first type focuses primarily on immediate problems of rural communities, while the latter advocates a form of sustainable development in the longer term. JICA, however, should give equal attention to both types of project in cooperation with government organizations and non-government organizations.

1) Problem-oriented local-level rural development projects.

1.1) Objectives

This kind of project primarily aims at raising the living standards of the rural poor. They seek to solve problems or weaknesses the poor and or people's organizations in rural areas are encountered. The weaknesses that have made people's organizations unable to effectively develop their own capacity in management of local resources to improve well-being of their members and others in rural communities.

1.2) Project activities

Activities of the problem-oriented projects can be classified into four sub-types as follows :

1.2.1) Revolving funds for production, processing and marketing of agricultural products and handicrafts.

Capital funds for production and marketing is the critical factor that almost all the rural people lack of most. It has made

many technology-transferred projects of government agencies and non-government organizations fail to bring about intended outcomes. Projects that have an activity of provision of revolving funds have had a significant contribution to the development of involved people's organizations and their communities. The following are some "success" projects the study team made a visit during the collection of field data.

- (1) Project on soybeans marketing of a network of soybeans growers in 13 villages of Mae Rin and Mae Tang district, Chiangmai
- (2) Project on production and marketing of fermented fish of a women's group in Tambon Pone Tong, Baan Mee District, Lopburi
- (3) Project on expansion of production capacity of a cattle-raising group in Tambon Tha Nang Nell, Wang Noi District, Khon Khan
- (4) Project on rice processing and marketing of the Inthakil agricultural cooperatives in Tambon Inthakil, Mae Tang District, Chiangmai

- 1.2.2) Provision of knowledge and skills in management of production and marketing, as well as appropriate technologies in production and marketing.

The lack of sufficient knowledge and skills in management of production and marketing, and good understanding of market mechanisms is one of the most important causes for economic weakness of the rural people. Rural dwellers have hitherto been provided technical knowledges in production by many government agencies and NGOs. However, government organi-

zations have given relatively less efforts in building a systematic linkage between these technical knowledges and critical self-awareness building among the rural people. Many farmers have not been well equipped to be aware of their positions and relations to other groups in the process of production and marketing of the products they are involved. They are poorly informed of market information. The following are two good examples of this type of projects that cope with this problem.

(1) Project on dairy farm of the San Kumphaeng cow raising group (San Khumphaeng Milk, Co., Ltd.) Tambon On Nue, San Khumphaeng District, Chiangmai.

(2) Project on alternative farming or integrated and organic farming of Baan Hauy Hin Science and Technology Center led by Mr. Viboon Kemsawasdi, a former village chief, Tambon Lad Krating, Sanam Chaiket District, Chacheongsau.

1.2.3) Promotion of production and marketing networks at district, provincial, and regional levels

The exchange and transfer of knowledge, skills and experiences as well as information concerning production processing, and marketing among people's organizations in each production process, such as chicken raising groups, cattle raising groups, soybeans growing groups, and small fishermen groups etc, taken place under a network or an association is a most important factor contributing to development of production quality, determination of appropriate quality of production, and good marketing strategies. Networking of production groups has also promoted a more complete free market system for products

since small farmers or fishermen can organize themselves and gain more bargaining power relative to those of middlemen, exporters, and consumers. Strong networks of people' organizations in recent years are, for example, as follows :

(1) Association of northeastern cattle raising groups. This is a network of cattle raising groups in nine provinces of the northeastern region.

(2) Association of soybeans growers in Chiangmai. This is a network of soybeans growers' groups in eight districts of Chiangmai.

1.2.4) Promotion of appropriate management of natural resources and environment.

The provision of adequate knowledge and skills to the rural people in management of natural resources, both conservation and appropriate utilization for production, is one of the most urgent activities to be carried out in individual rural communities and inter-rural communities. The depletion of natural resources has reached a critical level beyond which the survival of the rural poor will be severely threatened. Recently, there are good examples of natural resources management projects that should be promoted and replicated.

(1) Project on community forest of Tambon Sila Lang, Pua District, Nan; and Tombon Thung Yao, Thung Huo Chang District, Lam Phoon.

(2) Project on sea grass, coastal resources rehabilitation of Si kao District, Trang.

(3) Project on highland conservation farming of Mae Chan District, Chiangrai.

(4) Project on conservation of coastal resources in Lake Songkla, Pak Payoon and nearby Districts, Pattalung.

1.3) Strengths and weakness of this type of projects

The major strength of the problem-oriented local level rural development projects is the ability to solve serious and urgent problems of groups of people in rural communities. They also strengthen, to a certain extent, the capacity of people's organizations. The critical weakness of these projects is that the collaboration or collective learning among people's organizations, government agencies, NGOs as well as educational institutions is generally limited on specific problems and in some particular local communities. Scaling up and replication of each way of problem-solving in each issue from one place to the other are rather difficult.

2) Process-oriented local-level rural development projects

2.1) Objectives

This type of projects is sought to find and strengthen ways and means of institutionalizing the collaboration process or partnerships among GOs, NGOs, private firms, and people's organizations in local-level development of a specific area. Not only can they solve serious problems in rural areas, they are regarded as a promising model of rural development management of Thailand and other developing countries.

2.2) Project activities

Activities of the process-oriented projects that JICA should provide technical cooperation can be classified into two sub-types.

2.2.1) Strengthening of the development management capabilities of government organizations, non-government organizations, and people's organizations.

Three areas of institutional building of these organizations include

- (1) internal organizational management
- (2) service delivery and community participation
- (3) networking with other organizations

Although government agencies involved in rural development have been continuously strengthened in area of internal organizational management, and most of NGOs' resources have been spent in equipping their capacities in delivery services and community organizing, many GOs and NGOs still need technical support in the two areas. In addition, both GOs and NGOs need more technical support on networking with other organizations to advocate development policies and practices.

2.2.2) Development of patterns and techniques of collaboration among concerned government organizations, private firms, non-government organizations and people's organizations in solving agreed upon problems in particular areas,

The following are some areas of rural development that

facilitate collaborative and participatory process in local level rural development.

(1) Awareness building and conscientization of the rural people concerning the conservation of natural resources and environment protection i.e. forest, land, and water

(2) Promotion of production, processing, and marketing of agricultural and agro-industrial products

(3) Promotion of women's development activities

(4) Promotion of appropriate education for all in a province

(5) Collaboration and cooperation between concerned government organizations and non-government organizations as well as people's organizations in one province or between two or three provinces in management of critical natural resources and environment protection.

2.3) Strengths and weaknesses of this type of projects

The process-oriented local level rural development projects advocating cooperation and collaboration of all concerned organizations or stakeholders in particular areas represent an effort to seek a more effective model of rural development management at local level. The management model will not only facilitate problem-solving of critical issues, it will also bring all stakeholders to reach peaceful conflict resolution and subsequently entail shared visions for development of particular problems and areas in the future. The most important weakness of these projects is that it is rather costly and time-consuming to mobilize collaborative efforts of all concerned parties in conducting development activities.

Various local-level rural development projects outlined above constitute a broad spectrum from which JICA should consider in provision of technical cooperation in the grassroots-level rural development projects. The study team, however, suggests that JICA give different priority to local-level development projects in cooperation with government organizations and non-government organizations. Based on a comparison of advantages and disadvantages of government organizations and non-government organizations in rural development at the grassroots level in terms of the nature of poverty problems to be solved, coverage of service delivery system, administrative resources, and knowledge and skills of personnel, the study team recommends JICA give more priority to the following order of projects in cooperation with government organizations.

- (1) Transfer of production technologies in agriculture, agr-industry, and rural small-scale industry
- (2) Non-formal education for all and job skills
- (3) Strengthening of the capacity of people's organizations

As for non-government organizations, JICA should support the following order of projects:

- (1) Promotion of production, processing, and marketing in full cycle of agricultural and agro-industrial products
- (2) Management of natural resources and environment in local communities
- (3) Networking of farmers' groups and rural people's organizations based on particular issues or products

In addition, JICA should pay more attention to promotion of the collaboration and cooperation between government organizations, non-government organizations, and people's organizations, as well as private firms in conducting small-scale, local-level rural development projects. Such projects are

(1) Promotion of production and marketing of important crops or products in particular localities

(2) Management of critical natural resources and environment in a cluster of local communities

(3) Provision of scarce occupational skills, management skills, and self-development skills to particular groups of rural people

The rest of the chapter will outline two brief cases of potential local-level projects JICA should provide technical cooperation with government agencies and with non-government organizations. A case of potential project JICA should cooperate with GOs and NGOs in order to promote collaboration between the two parties is quite lengthy, it will thus be presented in the Annex.

4.4 A case of potential local-level rural development project for technical cooperation between JICA and government organizations

Small-scale, integrated and organic farming project

1) Background and current problems

Like many other rural areas in the country affected by droughts in recent years, most of farmers in village no. 1 and 6

of Tambon Baan Kao, Ra Noad District, Songkla have, for the last four consecutive years, been unable to grow rice in the dry season. The used-to-be abundant supply of water for agriculture, which has been allocated by an irrigation scheme enabling the farmers to grow crops all year round, has come to an end. It is sadly so because the water supply in the upper part of Lake Songkla, from which the water was drawn to feed the villages, have been dried up. The water has recently also been contaminated as a result of the rapid increasing number of prawn raising farms in the lake. The farmers have faced difficult situations to make ends meet. Many have entered into more debts. Younger farmers have decide to leave the villages to find a would-be better life in cities. Village no.1 and 6 of Tambon Baan Kao have been passing through a process of social and economic uprootings similar to the fate thousands of villages all over the country have experienced in the past three decades of development.

Upon a rapid appraisal and closer analysis of the villages' situations, the following are critical problems of individual farmers.

(1) Farmers have insufficient knowledge and skills in rice-growing techniques with low costs.

(2) Most of them do not have enough capital funds and many are in debts.

(3) Besides being able to grow rice once a year, farmers have not engaged in any meaningful income generating activities in the dry season for they lack good occupational skills.

(4) The social relations among villagers are less closely tied together. They obviously possess poor experiences in working together as a team.

2) Possible solutions

An attempt to improve the well-being of villagers, the headman of village no. 6 and nine other farmers in village no. 1 and 6 have come up with an idea of a small-scale integrated farming. Each plot of land should have a water reservoir to feed various crops all year round by digging up small ditches surrounding the land. Fish will also be raised in the ditches to earn supplement income. To make efficient use of land, in addition to adequate techniques of cropping, organic fertilizers and materials will be applied.

The project aims to increase income of the first group of ten households at least 10,000 baht a year which will derive from selling seasonal vegetables and fish. It is expected that at least one new farming household will be financially supported by the fund earned by the project in each subsequent year. In addition, the project will not only strengthen the farmers' spirit and skills in cooperation for a better life, it will also facilitate a more balanced and sustainable development of the two villages. The project will continue and expand the scale of operation as the local people need.

Methods of project operation are as follows:

(1) Recruitment of the first ten households willing to join the project.

(2) Intensive dialogue among the project's members concerning techniques of integrated farming system and project management.

(3) Provision of capital funds of baht 24,950 to each member to be used in the integrated farming system of at least

three rai.

- (4) Monthly meeting of project members.
- (5) Annual repayment of loan by each member in the sum of baht 2,000 to the project funds.
- (6) Recruitment of at least one farming household at the end of each year of project operation.

Activities of the project include

- (1) Digging up ditches in each plot of land.
- (2) Planting seasonal vegetables, i.e., chili, cucumber, beans, and fruit trees i. e. mango and guava.
- (3) Raising fish that are marketable in the ditches.
- (4) Improving the quality of soil by applying natural fertilizers.
- (5) Marketing the natural, non-chemical agricultural products.
- (6) Non-farming training and field visits.

The total costs of the project are about baht 764,500 which can be classified into the following items.

Management costs	10,000 baht
Field visits	5,000
Procurement of a water pump	18,000
Procurement of raw materials	251,500
Wages of ditch digging	480,000

The project will be managed by an administrative committee consisted of four persons who will be elected from the members. A financial committee and an auditing committee will also be set up to manage the project funds and monitor the project spendings.

3) JICA technical cooperation

To facilitate and support the small-scale integrated farming system in local communities, JICA should technically support the following government agencies in conducting concerned activities.

- (1) Department of Agriculture Extension
 - Training in integrated farming system
- (2) Department of Land Development
 - Training in land rehabilitation and development
- (3) Department of fishery
 - Training in fish raising in ditches
- (4) Department of Cooperatives Promotion
 - Provision of revolving funds to rural people's organizations
- (5) Ministry of Commerce
 - Marketing of non-chemical vegetables and fruits or promotion of alternative markets for naturally grown agricultural products

4.5 A case of potential local-level rural development project for technical cooperation between JICA and non-government organizations

Project on "Promotion of full cycle production"

1) Background and current problems

The Pone Tong women's group is a group of about 120 active farm women who have organized themselves in the past five years to produce canned foods i.e. fermented fish, chili sauce,

and fermented soybeans, and Mud Mee cloth to generate supplement income for their families. Pone Tong is a Tambon near the Baan Mee district seat where the economic mainstay of the majority of people depends upon farming. Upon coming into office in the past six years, the head of Tambon, who is the first woman in the position, has realized the necessity of improvement of employment and income of her fellow villagers to stand against ever-increasing pressures of the market economy. She and some leading women began a development activity of the women's group by setting up a savings group. Two years later the group, with a seed money received from a governor and an amount of money earned from the savings group, was able to start the micro business of canned foods and Mud Mee cloth. The products are quite marketable as demands of them have been gradually increased.

The group wants to expand the scale of canned foods' operation to earn more income for the group members. They are, however, facing two problems.

(1) To get access to wider market, the canned food products need to be registered with the Food and Drug Department. The products meet certain requirements of the Department except for a production process. A new production process is needed as required by the Food and Drug Department and for market expansion and increase of production.

(2) The shortage of supply. Fish used for fermented fish is seasonal and sometimes there is a shortage of it.

2) Possible solutions

The Pone Tong women's group has reached a decision to conduct a two-year project in order to produce canned foods in a

full cycle manner. The raw material, the fish, will be produced by digging up a fish pond in a village's public land. A chicken pen will be built above the pond. Waste and manure will be used as food for fish. The group also earns income from chicken raising. A new production process of canned foods will be installed to enhance the expansion of production and marketing. The group needs a loan and consultancy from development agencies.

It is expected that at least 50 women in the group will earn income the whole year from wages and profit sharing of the group's business. Their knowledge and skills in business management and management of production will be improved. A demonstration effect among other women's groups is expected to occur. The project is estimated to gain profit and self-sustained after the sixth month of the second year of operation.

Activities of the project are:

- (1) Training of about 40 women in
 - Fish raising
 - Chicken raising
 - Business management
 - Marketing
- (2) Digging up a fish pond and building a chicken pen
- (3) Installing equipments for a new production line
- (4) Surveying the market to explore demand of products both in local areas and Bangkok
- (5) Production of canned foods according to market demands

The total costs of the project are about Baht 1,350,000.

Pond digging	100,000 baht
Chicken pen construction	100,000

Procurement of equipments	800,000
A revolving fund	200,000
Administrative expenses	100,000
Training	50,000

The project will be managed by a committee elected from members of the women's group. The committee is required to report the project implementation to the members every three months. Members who will be employed in the canned foods production and chicken raising will donate their labor in the construction of chicken pen and digging of the fish pond.

3) JICA technical cooperation

To support and promote an income-generating, self-help development project of the people's organizations, JICA should seek a technical cooperation with a non-government organization in provision of technical and financial assistance to the women's group in the following activities.

- (1) Training in fish raising, chicken raising, and business management in general and marketing in particular.
- (2) Capital investment. The fund should come from three parties. The ratio of investment should be:

The women's group	25 %
An engaged NGO	25 %
JICA	50 %
- (3) Training of the engaged NGO's personnel in project management and marketing strategy.
- (4) Provision of a loan to the women's group with the engaged NGO as the co-signer.

- (5) Provision of an administrative expense to the engaged NGO in giving consultancy to the women's group.

4.6 A case of potential local-level rural development project for technical cooperation between JICA and government organizations and non-government organization

Project on "Soybeans grading and marketing"

The project is an excellent example of a collaboration between provincial government offices, a non-government organization, private firms, and a group of people's organizations in marketing of soybeans to increase income of soybeans growers. The crop is so crucial for small and poor farmers in the central part of Chiangmai valley as it is a major source of income in the dry season. Another significant benefit of the project is to enhance and facilitate the empowerment of an emerging network of soybeans farmers. The network is definitely a most important basis for more self-help and sustainable development activities of the farmers and other people in their respective communities. The detailed description and feasibility analysis of the project is presented in the Annex.

JICA technical cooperation

JICA should provide support to the people's organizations, the engaged non-government organizations, and concerned government organizations in the following activities.

- (1) Department of Agriculture Extension
Training of the farmers in

- Soybeans growing, harvesting, and grading
 - (2) Ministry of Commerce
 - Training of the farmers in
 - Business management
 - Marketing of cash crops
 - (3) The engaged non-government organization
 - Training of the farmers' leaders in
 - Project management
 - Fund management
 - Community organizing and development
 - (4) Educational Institution
 - Training of the engaged NGO's personnel
 - Project management
 - Project monitoring and evaluation
 - Networking
 - Business negotiation
 - (5) Office of Rural Development Fund, Office of the National Rural Development and Provincial Modernization Committee
 - Provision a loan to the farmers' group
 - Setting up a Rural Development Fund in each province
-

Chapter 5

Models of Technical Cooperation between Thailand and Japan in Rural Development at the Grassroots Level

5.1 Introduction

To strengthen people's organizations in rural areas through the so-called learning process that enables them to be more self-reliant in solving their own problems and managing their communities' development projects, outsiders or catalysts are needed to motivate and provide assistance both materials, knowledge and technology to people's organizations. In the Thai rural context, the catalysts are the government's development workers, NGOs' personnel and volunteers from business organizations. However, from the past experience, each of these catalysts usually has acquired its own distinctive strengths and weaknesses in facilitating and promoting the learning process of people's organizations. Cooperation and collaboration between these catalysts in empowerment and capacity building of rural people to date have been rather minimal. Not only do they lack sufficient skills in working together, they also entail a feeling of distrust towards each other. In fact, we have yet developed enough alternative means and ways of working together among various parties in the grassroots level. Japanese technical cooperation is a most important mechanism to motivate and facilitate a systematic development of cooperation among these catalysts at this early stage.

5.2 Alternative models of JICA technical cooperation in the local-level rural development

In order that JICA's technical cooperation in rural development at the grassroots level can effectively promote the empowerment and capacity building of people's organizations and hence the improvement of rural people's quality of life, two important criteria should be reckon with in selecting an appropriate model of technical cooperation formation.

1) The model should enhance and facilitate the management of JICA's technical cooperation in adherence to the prime objective of promoting development activities at the local level through the collaboration among government agencies, non-government organizations, business organizations, and people's organizations.

2) The Department of Technical and Economic Cooperation (DTEC) should actively take part in the formation and management of JICA's technical cooperation.

Based on these criteria and the existing models of technical cooperation between Thailand and donor countries and international organizations, there are four alternative models of technical cooperation formation between Thailand and Japan in rural development at the grassroots level.

Model 1: Provision of technical cooperation to GOs and NGOs through DTEC

This model of technical cooperation entails the following major procedures (Figure 5.1):

1) JICA and DTEC should engage in a consultation and

develop an annual technical cooperation plan for the local-level rural development.

2) The Japan Section of International Cooperation Division 1, DTEC informs concerned government agencies and NGOs the objectives, scope, and criteria of the technical cooperation plan.

3) A project review committee is appointed by DTEC to screen project proposals of government agencies and NGOs, and submits them to JICA.

4) Upon JICA's approval of proposed projects, DTEC facilitates and monitors recipient organizations in implementing projects.

Strengths

The strengths of this model of cooperation formation are:

1) DTEC on behalf of the Royal Thai government is the sole agency, as it is at present, to see to it that the implementation of aid projects are kept in line with the objectives of the technical cooperation and official regulations. Principal government and non-government organizations implementing aid projects are made accountable directly to DTEC.

2) The technical cooperation can be effectively mobilized to fulfill certain needs of government agencies that cannot be obtained under the current bureaucratic constraints.

Weaknesses

The weaknesses of this model include:

1) In implementing aid projects, government agencies are certainly constrained by many regulations and red tapes. This

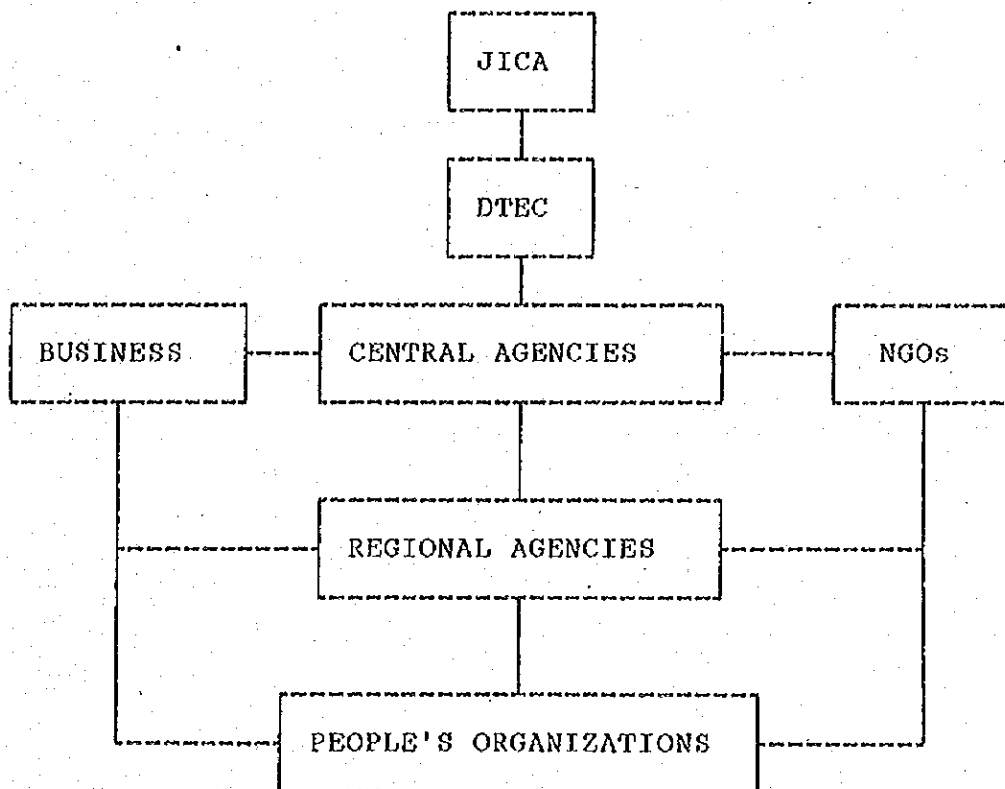
will inevitably result in a delay of project operations and hence be less able to meet urgent needs of the rural people.

2) Government agencies are likely to implement a project in many rural areas for the benefit of the economy of scale. This, however, sacrifices for the project effectiveness as rural communities are widely different from each other in ecological, economic, social and political conditions.

3) Cooperation between government agencies and between government agencies and NGOs may be less efficient since government agencies have long been used to carry out development activities exclusively on their own.

Figure 5.2

MODEL 1



Model 2: Provision of technical cooperation to GOs and NGOs through DTEC's Foundation for NGOs

The management procedures of this model are as follows (Figure 5.2):

- 1) JICA and DTEC should engage in a consultation and develop an annual technical cooperation plan for rural development at the grassroots level.
- 2) The technical cooperation plan is managed by the Foundation for promotion of NGOs recently set up by DTEC.
- 3) The Foundation reviews and approves projects proposed by GOs, NGOs, business organizations and people's organizations in accordance with the objectives and criteria set up by JICA and DTEC. Priority should be given to projects that promote cooperation among these parties in strengthening people's organizations. However, projects proposed by rural people's organizations should receive first priority.

Strengths

1) This formation of technical cooperation is more efficient than the first model since it entails less bureaucratic procedures. All concerned organizations can apply their project proposal directly to the Foundation. The Foundation is the only organization to review and approve the proposals.

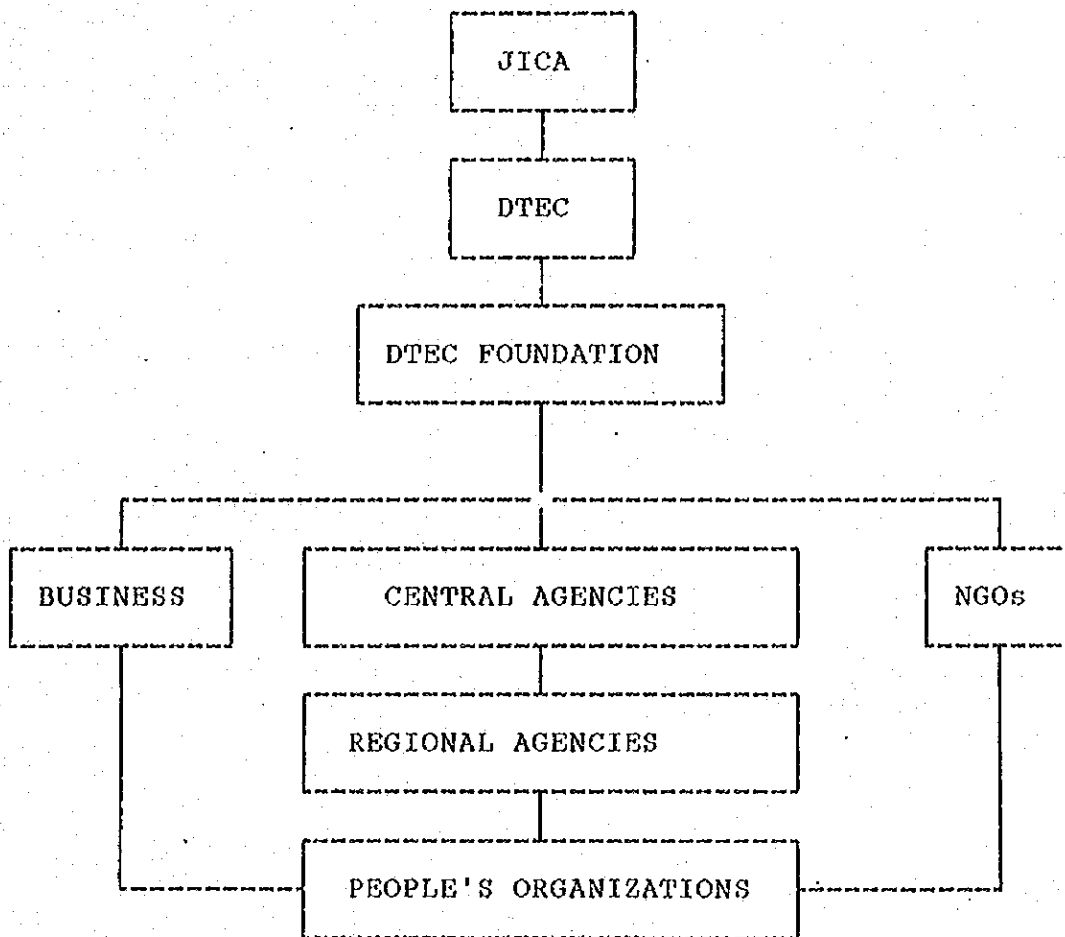
2) By setting up the Foundation responsible for managing the aid, the Foundation is more adroit and responsive to needs and problems of rural people's organizations and their counterpart organizations.

Weakness

Since the Foundation is an autonomous organization in managing JICA's technical cooperation, DTEC should be very much careful in holding the Foundation accountable. The tight control exercised by DTEC to keep the Foundation in line with aid conditions and criteria will make the Foundation another bureaucratic agency.

Figure 5.2

Model 2



Model 3: Provision of technical cooperation to GOs and NGOs through a project advisory committee

The main features of this model of project formation are:

1) JICA and DTEC should appoint an administrative committee to review, approve and monitor aid projects under a framework of guidelines developed by JICA and DTEC. The committee, chaired by a representative of JICA, consists of the representative of various organizations, namely, JICA, DTEC, concerned ministries and departments, NGOs, and educational institutions.

2) A secretary office of the committee should be set up at the office of JICA (Thailand) to perform the following activities:

2.1) register project proposals and provide technical assistance to potential organizations in developing project proposals.

2.2) conduct a preliminary assessment of project proposals and submit to the committee for approval.

2.3) facilitate the implementation of aid projects

2.4) monitor the on-going projects and report the project performance to the committee.

Strengths

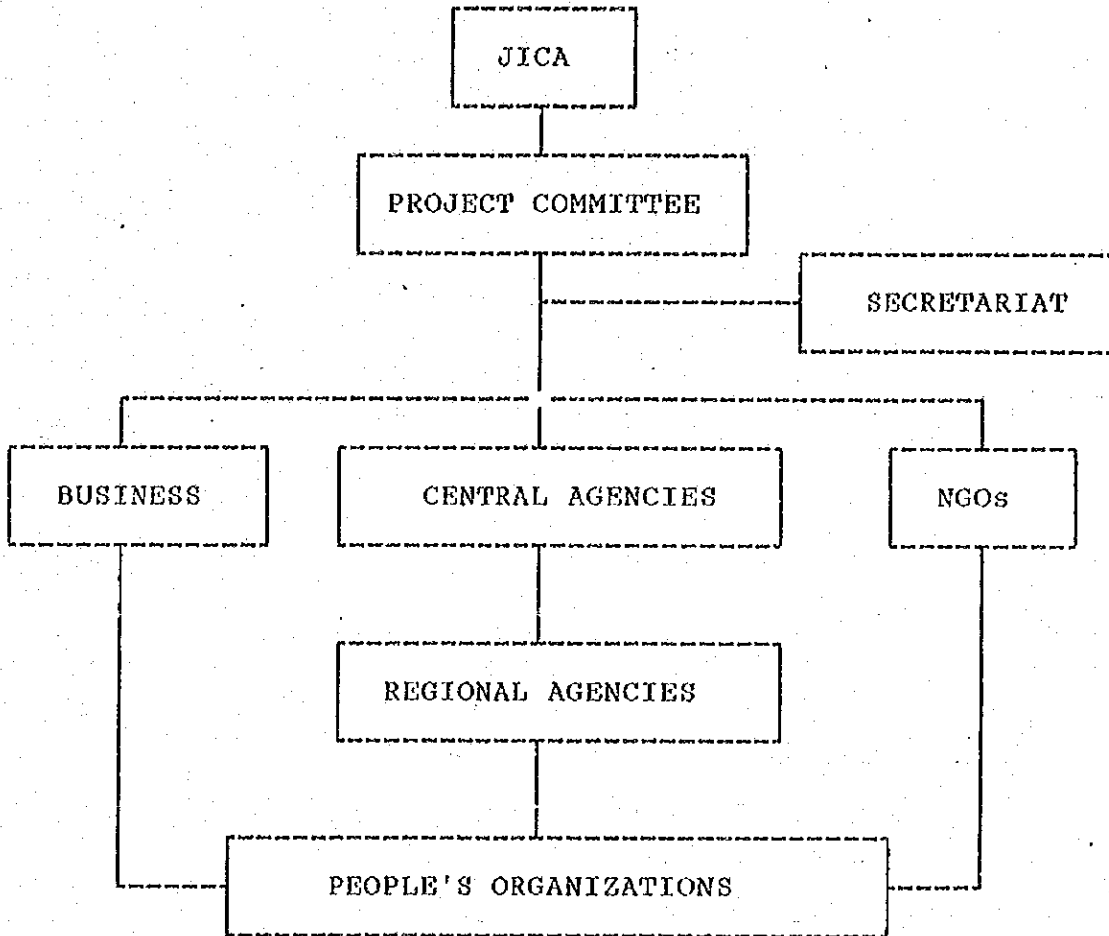
1) This model of technical cooperation formation is a most autonomous form of aid management. It is less bureaucratic and thus more efficient in facilitating the implementation of projects.

2) The committee is more flexible in adjusting priorities of assistance to be consistent with urgent problems and target areas as well as target groups.

3) The secretary office is manned with program officers

Figure 5.3

Model 3



assigned exclusively to give technical assistance to project proposers, especially small NGOs and people organizations, who are usually less capable in project design and proposal writing.

Weaknesses

1) From the Royal Thai Government point of view, this model allows a minimal involvement of DTEC in aid management. It makes DTEC an unusual burden to hold the projects accountable and responsive to the government's policies in rural development.

(2) Setting up a secretary office of the committee will add a considerable cost to the rural development project aid fund unless the office is kept small.

Model 4: Provision of technical cooperation to GOs and NGOs through Japanese NGOs

The model is characterized by the following steps of activities.

1) JICA in consultation with DTEC formulates a policy framework and an annual technical cooperation plan in rural development from which Japanese NGOs are invited to submit project proposals to be implemented in collaboration with Thai government agencies, NGOs and people's organizations.

2) Japanese project holding NGOs and Thai counterparts are accountable directly to JICA.

Strengths

1) The model promotes and facilitates the involvement of development-oriented Japanese NGOs in development activities in Thailand. It will enhance better understanding and closer ties between development organizations of the two countries.

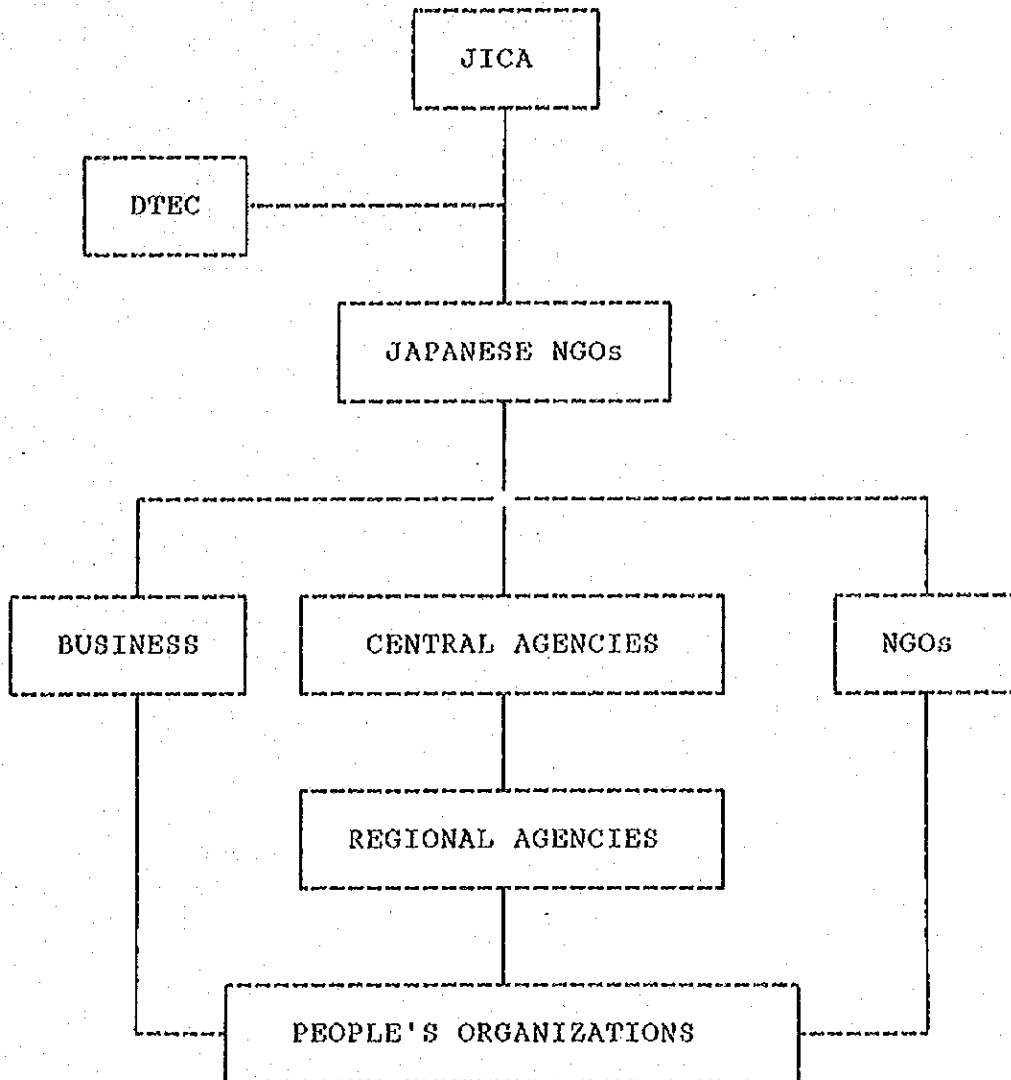
2) The management of aid will be more flexible than other models in response to problems of local areas.

Weakness

In the model, the Royal Thai government is rather unable to take part in the management of the aid fund and thus hold the project holding organizations accountable.

Figure 5.4

Model 4



5.3 Recommended model of technical cooperation formation

The above four models of technical cooperation formation entails different strengths and weaknesses. When, however, taking the prime objective of technical cooperation in strengthening the capacity building of people's organizations and improving the quality of rural people's life into account, the model of technical cooperation formation that is more flexible in project management and enhances the collaboration among various parties in a form of "partnership", is the model 3. The so-called advisory committee consisting of representatives of various organizations will be more efficient in promoting the collective problem-solving and shared visions in appropriate strategies of rural development at the grassroots level and in the future of rural communities as a whole.

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Annex

A Case Study of Project on Soybeans Grading and Marketing

1. Background and current problems

Soybeans is a major cash crop which has been promoted by the government as clearly stated in the agriculture development plan. In recent years, farmers in the north, especially in the Chiangmai valley, have depended upon soybeans as a major source of income in the dry season. In comparison to other cash crops in the dry season, soybeans has been the only crop that gives the highest return of investment to the farmer. Soybeans is also an important crop to the country's economy. It supplies a raw material of primary and processed foods for man and animals. Demands of soybeans have exceeded the domestic supply (Table 1).

Table 1: Demand, Supply and Import of Soybeans (1989-1992)

unit : Tonne

Year	Stock Remainings	Domestic Demand	Domestic Supply	Amount of Imported
1989/1990	6,765	526,992	508,975	11,252
1990/1991	36,948	566,700	529,752	-
1991/1992	40,000	542,000	422,800	80,000

A considerable amount of soybeans has been imported every year to meet demands of cooking oil factories and soy sauce factories. This has had a negative impact on the price of soybeans in domestic

markets. Soybeans growers in general have encountered the following three critical constraints.

1) Production problems. Farmers are usually poorly equipped with appropriate production technologies. They can hardly afford the unusual high prices of fertilizer, seed, pesticides and machines. Many possess no land or too small plots of land, and have to rent land from others. In recent years, many cultivated areas have been increasingly affected by insufficient amount of water to feed soybeans fields throughout the season.

2) Marketing problems. Prices of soybeans have been rather fluctuated resulting from the world market prices and the relatively low bargaining power of soybeans farmers in the domestic markets.

3) Capital fund problems. Like farmers elsewhere, most of soybeans growers are relatively small farmers who are in debts and lack of enough capital funds. They totally depend upon loans from both local financial institutions and local moneylenders.

Soybeans growers in Mae Rim and Mae Tang district of Chiangmai province have for many years faced such problems as their counterparts do in other areas. In January 1987, soybeans growers of 13 villages of Mae Rim and Mae Tang district organized themselves as the Mae Rim-Mae Tang Soybeans Growers' Association to collectively solve their problems, especially the marketing problem. They have applied basic concepts of cooperatives in marketing their products at a higher price. In the past five years, the Association have been relatively successful in solving

some of its problems. The Association has been able to facilitate its members in seed production and procurement of agricultural supplies at lower costs. It sometimes has extended these services to other non-members.

Nevertheless, one important problem that the Association has been unable to tackle effectively is the grading and marketing of soybeans. It is required about 5-6 million baht for the association to collect the total products in a season from the members. At this moment, the Association possesses only about 500,000 baht of revolving fund. The required amount of money is far beyond the ability of such a small association of soybeans growers to acquire. An indirect strategy the Association has employed to earn more income to its members is to join with Chiangmai Soybeans Growers' Association in putting demands on the government to guarantee a minimum price of soybeans in each year.

2. Possible solutions

The pricing problem of soybeans has been deeply concerned by the Foundation for Education and Development of Rural Areas (FEDRA), a local NGOs set up in 1975 by a famous monk of Chiangmai, aiming to solve problems of poverty or to promote rural development, especially to improve quality of life and to introduce self-help to the rural poor. In 1987 FEDRA began to support 429 soybeans farmers in eight villages of Mae Rim and Mae Tang to organize themselves as an association of 429 soybeans growers. Major activities of the Association have included procurement of agricultural supplies, transfer of production technologies in soybeans cultivation and collective marketing of the product.

In the past four years, FEDRA has been able to support

members of the Association to improve their capacities in some areas. The members have been able to produce soybeans seeds to be used among themselves and some amount were sold to non-members. Some local merchants have been contacting the Association to produce an amount soybeans seeds for sale. Members of the Association are provided with agricultural supplies at lower prices. Many of them have been able to raise yields from the locally averaged of 250 kilograms per rai to be about 300 kilograms per rai. The only major problem facing the Association and FEDRA at this moment is the declining price of soybeans in the local markets. Prior to 1989, farmers could sell their produce at 9-11 baht a kilogram. After the government has allowed imports of soybeans from abroad, the prices of domestic market in the last two years has been gone down to 6-8.50 baht a kilogram, the price that is below an average production cost.

Upon a series of intensive dialogues between FEDRA and members of the Association over causes and alternative solutions of the problems facing soybeans growers, especially the low price of soybeans, the Association in collaboration with FEDRA therefore initiate a project on soybeans grading and marketing. The project consists of the following important objectives.

- 1) To alleviate the shortage of capital funds among the members during the harvest during which they are usually in a desperate need of cash.
- 2) To buffer the members from the lowering prices of soybeans offered by local merchants.
- 3) To upgrade the quality of soybeans produced in order to get higher selling prices.
- 4) To facilitate the accumulation of the Association's revolving fund.

- 5) To promote farmers' participation in a self-help development activity.
- 6) To enhance knowledge and skills of members in concepts and operating procedures of an agricultural cooperatives.

The target group covers soybeans farmers in 24 villages of four districts, that is, Mae Rim, Mae Tang, Sa Maung and Phroud, who have already organized themselves in form of a farmers' organization facilitating and promoting the management of production and marketing of soybeans.

The target area can be classified into three areas as follows:

1) Target area A

They are villages in which FEDRA has organized a group of soybeans growers and provided supports regarding a revolving fund, soybeans seed production, a collection of products for collective sale and training in production technologies. These eight villages will be primarily strengthened in the managerial capacity of production and marketing. They are

- A1 Baan Sa Luang, Mae Rim
- A2 Baan Kaad How, Mae Rim
- A3 Baan Ooy, Mae Rim
- A4 Baan Tung Ha, Mae Rim
- A5 Baan Nong Kai, Mae Tang
- A6 Baan Sun Pa Tung, Mae Tang
- A7 Baan Sun Pa Yang, Mae Tang
- A8 Baan Nong Bua, Mae Tang

2) Target area B

These nine villages are those in which soybeans growers

have not organized themselves but FEDRA has provided supports to communal activities such as rice bank, buffalo bank, village revolving fund and women's groups. Soybeans growers in these villages will be primarily assisted to improve skills in production management.

- B1 Baan Na Faan, Sa Muang
- B2 Baan Mae Pae, Sa Muang
- B3 Baan Pa Muang, Mae Rim
- B4 Baan Mae Nai, Mae Rim
- B5 Baan Sun Pong, Mae Rim
- B6 Baan Muang Ka, Mae Riim
- B7 Baan Hauy Som Sook, Mae Rm
- B8 Baan Tung Daeng, Proud
- B9 Baan Mae Born, Proud

3) Target area C

These seven villages have yet received any assistance from FEDRA. Soybeans growers in the villages will be assisted to organize themselves as a group managing production and maketing the produce for members.

- C1 Baan Sa Luang Nok, Mae Rim
- C2 Baan Na Huk, Mae Rim
- C3 Baan Hauy Sai, Mae Rim
- C4 Baan Hua Fai, Mae Rim
- C5 Baan Don Jiang, Mae Rim
- C6 Baan Tha Kam, Mae Tang
- C7 Baan Sa Muang Nua, Sa Muang

The project is to be implemented from January 1993 to June 1997. The principal supporting organizations are

- 1) Office of Northern Agriculture

- 2) Chiangmai Commerce Office
- 3) Chiangmai Field Crops Research Center

Action plan of project activities in each year is as follows:

Activity	Jan.	Feb.	Mar.	Apr.	May	Jun.
1 Planning of soybeans collection	-----					
2 Training on process of soybeans collection		-----	-----			
3 Contacting buyers, i.e, vegetable oil and soy sauce factories		-----	-----	-----		
4 Management meeting of 13 groups			---	---		
5 Training and study tours of project managing committee on soybeans grading techniques			---	---		
6 Preparing materials to collect soybeans			---	---		
7 Collecting and grading soybeans				---	-----	
8 Assessing impact of activities						-----

The collection and grading of soybeans consists of two major steps.

Step 1: Village or group level

1) Administrative committee of each soybeans growers' group conducts a survey of the total area of soybeans growing and estimates the amount of yields in the village.

2) The committee obtains materials for soybeans collection, i.e., ropes and sacks from the Association's silos.

3) Individual members are given such materials.

4) The committee collects members' products and transfer them to the silos.

Step 2: Silo management

1) The silo managing committee registers the volume of products delivered by each farmers' group.

2) The committee inspects the quality of products and determining prices.

3) The committee submits documents to the accounting section from which farmers' groups receive disbursement.

4) The committee classifies the products into two categories, that is, the good grade and the poor.

5) The committee delivers the graded products to contracted merchants and vegetable oil and soy sauce factories.

The total budget of the project is estimated to be about 5,304,663 baht which can be broken down into the following items:

1) Meetings	13,000	Baht
2) Management expenses	67,500	
3) Collection of soybeans	4,826,090	
4) Transportation of produce	131,028	
5) Miscellaneous	267,050	

3. Project feasibility

Feasibility of the project is analyzed in the following aspects.

1) Target group

The project primarily aims at collecting soybeans products of 593 soybeans growers of 13 member groups of the Association in 24 villages in order to lessen costs of production and increase earnings through a method of production classification and direct sale to factories. The method was successfully employed in 1992 by FEDRA and 5 member groups of the Association.

2) Preparedness of the project

2.1) Cultivating land

Members of the Mae Rim-Mae Tang Soybeans growers' Association owns altogether about 1,747 rai.

2.2) Silo and machine

The Association is allowed to use a FEDRA's plot of land on which two silos , 30 x 60 metres each, are built with a soybeans grading machine.

2.3) Project management

The project will be managed by a managing committee and a number of sub-committee responsible for silo management and collection of the members' products in the target villages. Work plans and activities as well as operating procedures are laid out quite clearly and practical. FEDRA's personnel designated to give assistance to the project possess a good background of skills and experiences in community development and promotion of rural marketing. The soybeans grading machine contains a simple set of mechanism which is operated and maintained easily by the local people. Parts are available in the local market.

2.4) Marketing of the produce

The project committee with a strong support from FEDRA has conduct surveys of both local and Bangkok markets to estimate a production of the Association proportional to domestic demands. Initial contacts with potential buyers, i.e., vegetable oil and soy sauce factories have been made.

3) Economic and social impact

The project not only helps increase income of the farmers earned from soybeans production which is second to rice production, the mainstay of Chiangmai farmers, but also facilitates the empowerment and capacity building of the farmers' organizations to gain to bargaining power relative to local middlemen and other business groups. The project will also encourage farmers, especially the small and poor, not to migrate into big cities in the dry season.

4) Source of fund and method of investment

The Association requests a loan of 4,000,000 baht for project operation with a counterpart fund of 3,000,000 baht value of a FEDRA land and two silos to cover the total project expenses of about 5,037,615 baht. The estimated production of soybeans and funds needed for soybeans collection in the 1992-1993 season are as follows:

Member Groups	Cultivated Area (rai)	Production (kilogram)	Reserve Fund (Baht)	Fund for Soybeans Collection	Remarks
Sa Luaung	280	91,000	42,000	773,500	Reserve fund will be spent according to real members' demands. Some groups have their own funds.
Kaad How	224	72,800	33,600	618,800	
Sun Pa Tung	140	45,500	21,000	386,750	
Nong Kai	356	115,700	53,400	983,450	
Muang Ka	20	6,500	3,000	55,250	
Hauy Som Sook	15	4,875	2,250	41,438	
Nong Bua	120	39,000	18,000	331,500	
Baan Ooy	145	47,125	21,750	400,563	
Sun Pong	379	123,175	56,850	1,046,988	
Tung Ha	15	4,875	2,250	41,438	
Pa Muang	25	8,125	3,750	69,063	
Mae Nai	28	9,100	4,200	77,350	
13 groups	1,747	567,775	262,050	4,826,090	

Notes: Average yields 325 kilograms/rai
Reserve fund 150 baht/rai
Pricing is 8.50 baht/kilogram

5) Estimation of project earning

Types of Product	Production	Price per Kilogram	Earning (Baht)
-Mixed products	567,775 kg.	8.50 baht	4,826,300
-Graded products	Good Grade 454,275	11	4,996,200
	Poor Grade 113,500	8.60	976,960

Earning from selling the classified products is estimated to be about 5,973,160 baht which is higher than that of the mixed products about 1,146,860 baht. The total soybeans production will be sold for the following three purposes.

- (1) Seeds 20 %
- (2) Processed foods 60-70 %
- (3) Oil extraction 10-20 %

6) Financial return

Since the Association is allowed to use a FEDRA's land free of charge, the fixed cost of project, involving with building of two silos and buying a grading machine, is 1,200,00 baht. Should the Association is provided a five-year loan of 4,000,000 without interest from the Rural Development Fund operated by the National Rural Development and Decentralization Committee, the project's financial rate of return is as high as 15.6 per cent.

Project Financial Return (million baht)

Year	Fixed Cost	Earning	Differential
1993	1.2	0.67	-0.53
1994	-	0.94	+0.94
1995	-	0.94	0.64
1996	-	0.94	0.94
1997	-	1.20	1.20
5 Years	1.2	4.69	3.49

Internal rate of return 15.6 %

7) JICA technical cooperation

Details of JICA cooperation in this case study are outlined in Chapter 4 which concern basically with promotion of the collaboration among GOs, NGOs, business organizations and people's organizations in in this type of project.

