

**PART II**

**RECOMMENDATION**

# **Chapter 5**

## **Master Plan**



## Chapter 5 Master Plan

Past human resource development (HRD) policies have given emphasis on skilled worker development to meet the manpower demand of urban and industrial sectors rather than strengthening manpower base of the rural economies. Meanwhile, rural development policies have given emphasis on providing public facilities and services and fostering local communities and leaders as government agents rather than encouraging the local people to develop rural economies with local initiatives.

It is rather recent that the crossroads between HRD policies and rural development policies attract a government attention. HRD for rural economies need to emphasize on strengthening HR base and encouraging local people to develop rural economies with local initiatives, as shown in Figure 5.1.1.

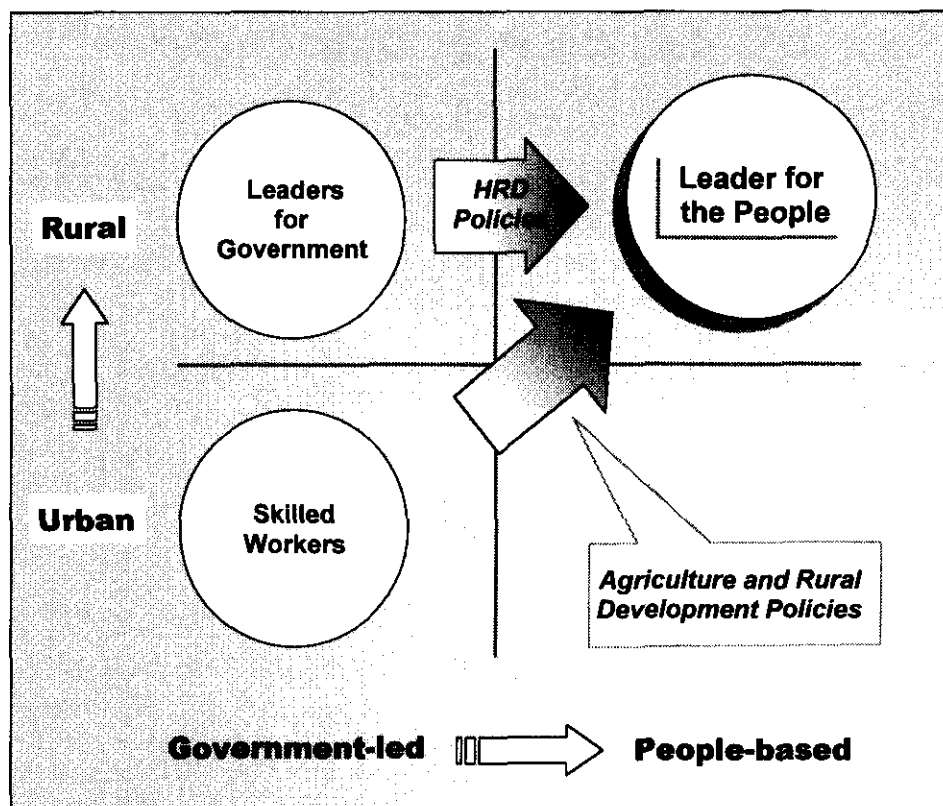


Figure 5.1.1 Changing Human Resources Needed

Bearing this in mind, this chapter first summarizes the analysis of HRD for rural economy based on sector analysis in Chapter 1, case analysis in Chapter 2, and HRD program analysis in Chapter 3. Second, it gives the strategies of HRD for rural economies. Then, it indicates the specific strategies and the framework for the actions taken for HRD with timeframe.

## 5.1 Overall Analysis on HRD for Rural Economy

This section undertakes the overall analysis on the HRD for rural economy in the form of SWOT analysis to work out strategies. This analysis is made based on the sector-, case-, and HR program-analyses in Chapter 1, 2 and 3, and the comparative analysis on the HRD for rural economies between Thailand and Japan in Chapter 4. The summary of HRD implication in these previous analyses are shown below.

### Summary of HRD Implications and Analysis in Previous Chapter

#### Leadership development

- Leader is a key to success. A capable leader can well utilize technical and financial assistance.
- Motivation is a base for leadership to be grown, then ability for leaders is needed. Motivation is coming from loving community.  
Leaders have two-type: U-turn leaders and homegrown leaders. For growing leaders, it needs: 1) Motivation development: motivation is from loving community; hometown awareness from the childhood; and 2) ability development: for home-grown leaders, abilities can be grown step by step; for U-turn leaders, abilities can be grown through one's experiences in the outside.
- To have a leader, 1) to get U-turners back through hometown education in the childhood, and 2) to foster Home-grown leaders through leadership experience according to one's life stages.
- Leaders need interaction with outside for wider vision.

#### Business/leader development

- Develop the base of entrepreneurship from the children: 1) self-reliance awareness from the children to grow a motivation to be entrepreneur, and 2) self-reliance education in the vocational education to grow a skill for self-support.
- Group leader network by effective facilitation  
Product Development Strategy of OTOP for survival in the future: 1) Product Development Strategy with concept of local specialties with a background of local and indigenous knowledge, culture and history to meet the market demand, 2) to able to meet these demand of the said concept for keeping quality of the products.
- Foster local leaders of business activities with market-oriented mind.
- Public sector support, especially in business skill, information network and research and development.

#### Agricultural development

- Local level approach in research and development.
- HRD programs to involve local communities in planning.

#### Rural development

- Fostering leader: 1) self-reliance and moral education from the children, 2) start from the young age: step-by-step approach and 3) identify and foster potential leaders.
- Foster core economic activities: get private sector involved.
- Region by region and case-by-case approach.
- Review successful cases.
- Let government officials field oriented.
- Promote grass-root level partnership.
- Secure fairness to avoid corruption.

#### Local administration

- Capacity building of TAO leaders and staff for strategic planning and administrative works.
- HRD programs given to TAOs to be practical and local demand-oriented.
- Collaborative works among TAOs.  
For TAO whose capacity to be enhanced, it needs: 1) TAO capacity building through full utilization of Village Fund, and 2) facilitation for self-reliant and local initiatives
- For capacitated TAO, it needs Two-step approach: 1) technical advice on the knowledge and skills beyond TAO, and 2) capacity building of Tambon to be able to provide better and wider range of facilitation to the peoples.
- Leadership of CEO provinces for better coordination.

#### Comparative Analysis between Thailand and Japan

- Prepare for the future for balanced development
- Work out strategy with local initiatives in the early stages.
- Leader/policy maker such as a governor to be field-oriented: policy derived from local initiatives.
- Leadership is fostered through activities.
- Select appropriate mayor (TAO leader) as a leader.
- Local administrative officers to be field oriented.
- Women are leading casts for rural business.
- Investment in research and development for the future.
- Marketing place in village to attract urban people.
- Competition grows value-added products.

SWOT analysis is the analytical framework to work out strategies based on the self-diagnosis of internal conditions and the perception of the change of the external environment. Strength (S) and Weakness (W) as internal conditions, and Opportunities (O) and Threat (T) as the changing external environment are identified as follows.

## **(1) Strength of HR in Thai Rural Economy**

### **1) Broad human resources base**

First, HRD for rural economy does not start from scratch. Thailand has already built up a broad human resource base. Thanks to a more or less favorable economic growth and continuous developments in the past several decades. Efforts have been accumulated especially in primary education, basic vocational training, government official training, and in the form of local wisdom. They have formed an important base for HRD in the future. Government, private enterprises, and non-governmental organizations (NGOs) all have contributed to the HRD for rural economy.

Many government agencies have expanded training programs in various fields. These programs have been doing a great deal to foster the local leaders as agents between the government and the community to deliver public services, such as, farm extension, irrigation maintenance and primary health care.

Private enterprises have been conducive to extending the practical techniques and skills for production among rural communities. They have increasingly been active in training rural people for contract farming, subcontracted processing and factory operation.

NGOs have been active in promoting innovative projects for rural development. Many of them have emphasized the capacity building of community organizations and groups for rural development, and thus contributed to the development of human resources at the local level, local leaders and women in particular.

### **2) Expanding economic group activities**

Next, rural areas are experiencing proliferation of groups such as those for credit, the collection and sales of certain products, cottage industries and the collective supply of primary commodities on a subcontract basis. These groups are an important breeding ground of human resources, because HRD makes good progress often with organizational development. In addition, these groups play a role of information channels and human networks between rural and urban, and between agriculture and non-agriculture. It is the contacts with external information and resource people that the rural economy needs very much.

### **3) Local wisdom and natural heritage**

Rural areas in Thailand have strength of rich local and indigenous wisdom and natural heritage. These are local knowledge, unique culture and history as well as natural heritage, which differ place to place. These are facing threat to depletion by the globalization. However, cultural and natural heritages can be resources for rural development if carefully managed. These can be resources for the development of tourism and local specialties. Tourism can be threat and potential to conserve those resources; it helps conserve the nations' unique natural and cultural heritage if organized to the right direction. Tourism is

recognized as an economic activity that has considerable impacts on a diverse range of other economic activities. Under the globalization, people get tired of uniform products by big suppliers, and then seek local specialties utilizing unique culture and heritage.

## (2) Weakness HR in Thai Rural Economy

However, the HRD so far have had basic weaknesses in the following points:

### 1) **HRD programs not demand-oriented of people: top-down training for effective administration**

First of all, it has emphasized **quantitative than qualitative human resource needs**. As such, HRD used to simply mean training. However, the effectiveness of training has been limited when government agencies carry it out in isolation from people's activities in rural area. They have tended to overlook how it is effective for HRD to exchange information and experience among people, groups and communities.

The past HRD has suffered from operational weaknesses. Firstly, many training courses have been conducted but only to provide **standard knowledge one-sidedly**, regardless of information needs which are different from one area to another. Such knowledge has been little useful to the rural economy. This weakness is increasingly serious because a rural area will have to further differentiate itself from other areas to survive intensified economic competition.

Secondly, many training courses, both public and private, have concerned mainly with techniques and information on the **production side rather than those on the market side**. However, rural groups often suffer from the lack of sufficient information on the market than the production.

Thirdly, the knowledge given by these training courses have **not fully been shared by rural groups and communities**, and thus lead to their capacity building only to a limited extent. This is because they have been carried out mainly for the benefit of individuals than groups.

Fourthly, HRD has **not effectively foster those local leaders who think about the development of their community** and gather opinions or feelings of village people, while many people have realized that such local leaders are essential to promoting rural economy. Government agencies have conducted leader training, but mainly with an aim at securing the manpower to help administrations maintain and extend public services at the local level. On the other hand, NGOs have been practicing training for the leaders not in terms of administrative agent but facilitator. However, it is natural that NGOs can less extensively undertake such activities from village to village than the government.

### 2) **Uncoordinated HRD programs without explicit policy**

Next, a variety of government agencies have committed to many training courses, but without fully knowing each other about which agency is conducting what training course in what place. Training of this type has comprised many **fragmented small-scale courses** and resulted in an inefficient use of the scarce financial and staff resources for HRD. There have been excessive duplications among courses as well. Information has not commonly been available on the period, place, content and executive agency of training courses either among

government agencies or among the beneficiaries like villagers and local authorities. In many cases, beneficiaries have been able to obtain the training information only in fragments and by chance.

The government has not established objectives, policies and organizational set-up for the HRD explicitly in the context of rural economy, and this is largely responsible for the basic weaknesses above.

### **3) Limited capacity of local administration to plan and do HRD and other responsibility**

Third. The local authorities have not effectively utilized administrative and financial power to plan and implement HRD programs in a way to respond to their own needs. At the same time, a greater flexibility is needed on the part of national government agencies so that training courses do not simply provide standard knowledge one-sidedly but adjust themselves to area-specific needs. In addition, the institutional and human capabilities, planning capability in particular, of the local authorities are not sufficient to make effective use of the autonomy and funds that have been given to them. Particularly, the Office of Provincial Governor and Tambon Administrative Organizations should be equipped with the capability to identify and coordinate HRD activities for their economy.

## **(3) Opportunity for HR in Thai Rural Economy**

Recent changes have given rise to new opportunities for the HRD in rural areas.

### **1) Expanding market opportunities**

Opportunities emerge for new investment and human resource utilization in the rural private sector. These opportunities have been brought by the domestic as well as international demand for high value commodities from rural areas. Other factors for these opportunities include external industrial investments in rural areas and local market expansion. The rural Thailand has long been a supplier of primary resources and seasonal workers for the capital region and foreign countries, but it is now a major place for investment and market in itself. The new opportunities have been made greater by the national economic policies that have paid increased attention to domestic capital and domestic market since the financial crisis in 1997.

### **2) Decentralization**

Another opportunity is the current decentralization of administrative and financial power. This has been encouraging rural communities to promote HRD based on the local needs and local aspirations. A special attention should be paid to a strengthened autonomy and financial base of Tambon. The strengthened local autonomy has been responded by the effort of some ministries to strengthen their one-stop service functions at the provincial and local levels, such as Technology Transfer Center of Ministry of Agriculture and Cooperatives. An equally important attempt is to strengthen the discretion of provincial governor as demonstrated by so-called CEO governors.

## **(4) Threat to HR in Thai Rural Economy**

The opportunities above associate themselves with the following threats against the rural



economy itself, while it will eventually be HRD that overcomes these threats:

### 1) Rural competition

Firstly, competition will be greater among rural economies. Rural people will find less chance to sell products at higher prices. The products will increasingly require identity, quality and reliable delivery to be competitive. Therefore, the HRD for rural economies will be a nonstop process for those in economic activities in the changing market.

### 2) Rural-urban disparities: unstable agricultural income and youth migration

Secondly, rural economies will have to maintain their growth in a self-reliant manner, because it would take some more time for the national government to be able to establish a financial base that is strong enough to protect the rural sector. Local leadership is essential to the self-reliant rural economic growth, which needs to be sustained in spite of inevitably expanding rural-urban disparities.

However, agricultural income remains to be much less stable than non-agricultural income though agriculture is a backbone of the rural economy and society. This relative instability will be more conspicuous as the rural-urban disparities will be widened. Without confidence in themselves to succeed to farming, some young people tend to leave for cities, while some others are infected with drug and other evils of the society. An important agenda for promoting rural economy and HRD will be to build a rural society in which young people can stay with their own dreams and expectations.

The result of SWOT analysis above is summarized in the table below.

**Table 5.1.1 Summary of the SWOT Analysis on HRD**

<b>Internal Factors</b>	<b>Strength</b>	1) Thailand has already broad HR base. <ul style="list-style-type: none"> <li>• Governments provide public services.</li> <li>• Private business provides practical training.</li> <li>• NGOs provide capacity building to community.</li> </ul> 2) Expansion of group economic activities.           3) Local wisdom and natural heritage
	<b>Weakness</b>	1) HRD not people's demand-oriented: <ul style="list-style-type: none"> <li>• Meet quantitative HRD needs as 'training' but not qualitative.</li> <li>• One-sided training</li> <li>• Production side only, no market side</li> <li>• Not shared knowledge and skill learnt within communities.</li> <li>• Not foster local leaders to think about their development with own initiatives.</li> </ul> 2) Weak coordination among training providers without explicit policy           3) Lack of administrative and financial power of TAO to plan and coordinate HRD.
<b>External Factors</b>	<b>Opportunity</b>	1) New opportunities for new investment and HR utilization: <ul style="list-style-type: none"> <li>• Demand for high value added product.</li> <li>• External industrial investment in rural areas.</li> <li>• Local market expansion.</li> </ul> 2) Decentralization of administrative and financial power.
	<b>Threat</b>	1) Competition among rural economies.           2) Widen rural-urban disparities: unstable agricultural income and youth migration

## 5.2 Strategies of HRD for Rural Economy

### (1) Cross Analysis of SWOT

Based on the SWOT analysis, strategies are worked out. The strengths and the weaknesses are the internal factors controllable to a certain extent. The opportunities and the threats are the external environment uncontrollable but one can prepare for these. Table 5.2.1 is the SWOT Matrix that shows the cross analysis of external and internal factors to induce the strategies according the following viewpoints:

- Upper left in the matrix (the combination of the opportunities and the strength): how to utilize and catch the opportunities with own strength.
- Upper right in the matrix (the combination of the opportunities and the weakness): how to overcome the threats with own strength.
- Lower right in the matrix (the combination of the threats and the strength): how to avoid missing the opportunities due to own weakness.
- Lower left in the matrix: how to avoid the worst scenario with the combination of the threats and the weakness.

**Table 5.2.1 SWOT Matrix: Cross Analysis**

			External factors			
			Opportunity		Threats	
			New Rural Business	Decentralization	Rural competition	Rural-urban disparities: unstable agriculture
Internal factors	Strength	<ul style="list-style-type: none"> <li>• Broad HR base</li> <li>• Expanding group activities</li> <li>• Local wisdom and natural heritage</li> </ul>	XX	XXX	X	XX
	Weakness	<ul style="list-style-type: none"> <li>• HRD not demand-oriented</li> <li>• Uncoordinated HRD without explicit policy</li> <li>• Weak capacity of Local Administration</li> </ul>	XXX	XXX	X	XX

How to make the most of the opportunities with strength.

How to overcome threats with strength.

How to avoid missing the opportunities due to weakness.

How to avoid the worst scenario.

Notes: X: significant factor, XX: more significant factor, XXX: the most significant factor.

Governmental interventions should place an emphasis on strengthening the weaknesses to get opportunities and avoid threats since the public sector should not abandon the people even if the people have weaknesses. This is not the case in private enterprise. Private enterprise often withdraws from the markets where there are threats and the company has weakness to survive in the market.

## (2) Developing Strategies

The cross analysis gives the followings results.

- Rural areas have **opportunities of market expansion**, which gives business chances to rural people. In order to catch these chances, it needs to have **local leaders** to lead people to develop rural economies with their own initiatives, however such local leaders are limited.
- Existing **HRD programs do not meet the diversified demand of people**, especially not fostering local leaders willing to develop rural economies with own initiatives.
- On the other hand, **decentralization gives another opportunity** for local people to develop themselves and rural economies with local initiatives. Local administration can support to foster local leaders according to local demand, however, a capacity of **local administration is limited**. Then, it needs to support and facilitate decentralization, especially, to **build capacity of local administration** such as TAO and province.

**Expansion of markets:** The team observed marketing problem of OTOP. Rural leaders claimed the training need of designing, packaging and marketing. These skills are important *factors of marketing problem but not critical factors*. OTOP has marketing problem because of the market situation where a lot of low quality copy products are flooded in the low quality OTOP market, however, the size of the market is limited. A competition within the small-segmented market causes the marketing problem. In addition, OTOP have to compete and survive in the global competition of the market against low cost Chinese products.

To solve the problem, rural businesses have to penetrate the other segment of markets: from low quality to value-added markets, and consequently from local to wider markets such as regional, national and international markets. In order to penetrate these markets, the critical factor is product development strategies to differentiate own products from others and add value of these. Rural areas in Thailand have strength of local and indigenous wisdom like knowledge, culture and history, which differ place to place. Rural people have chance to make the most of this local wisdom for developing original products differentiated from the others. Business leaders need to have the product development strategy that has the concept of local specialties with background of local and indigenous knowledge, culture and history to meet the market demand.

Based on the result of cross analysis above, the strategies are set as followings.

## (3) STRATEGY

- In order to get business chance in the expanding local and/or value added markets, **foster local leaders** with local initiative and market-oriented mind,
- In order to support fostering local leaders, make the most of decentralization by **strengthening local administration capacity**, and
- Strengthen **demand-oriented HRD** toward fostering local leaders and building capacity of local administration, in



Figure 5.2.1 Strategy

coordination among various agencies under the explicit policy.

In sum, the strategy is: *“Foster local leaders and build capacity of local administration by demand-oriented and coordinated HRD under the explicit policy.”*

#### (4) HUMAN RESOURCE NEEDED: “LOCAL LEADER”

Human resources to be developed in the strategy are identified as “Local leaders”. What kind of local leaders are to be developed? The HRD for rural economy should give its focus on the local leaders who are willing and able to:

- initiate and organize **new economic activities** such as community business and contract farming in rural areas,
- encourage rural people to **adjust themselves to external changes**, with receptivity of such changes,
- encourage rural people to **think for themselves about common issues** and collective solutions, and
- convince rural people of the importance of **sustainable agriculture and rural society**.

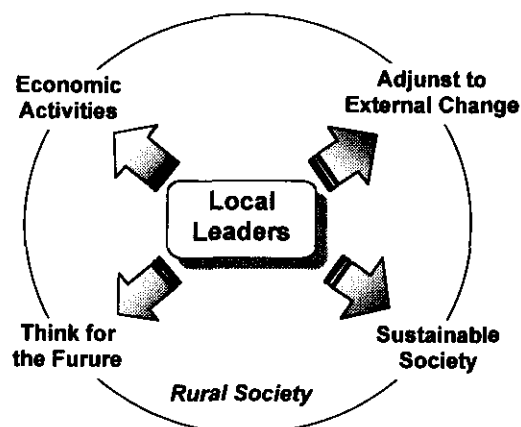


Figure 5.2.2 HR Demanded

For rural economy to be promoted, such leaders, both existing and potential are necessary especially in agriculture, community business, Tambon administration and educational institutions.

#### (5) NEW APPROACHES

To foster local leaders mentioned above, HRD systems should be incorporated with the target. Ongoing systems and efforts should fully be made use of for the HRD toward the target above. At the same time, the following new approaches should be incorporated into the systems:

1. Shifting the mode of HRD from one-sided provision of knowledge to the encouragement of mutual learning process, with special reference to:

- the training and finding of potential leaders through the support of group activities, and
- the exchange of information and experience among groups, leaders and Tambon.

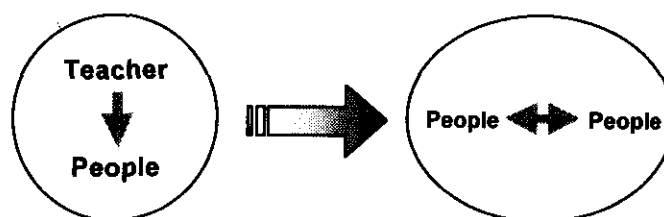


Figure 5.2.3 Mutual Learning Approach

2. Emphasizing outward-looking activities in HRD to encourage rural people to expose

themselves to new trends in market and technologies through more frequent participation in seminars, study tours, trade fares, etc.

3. Changing the contents of training from uniform to tailor-made on the basis of:

- the participatory design and evaluation of training contents which are specific to problems and potentials of respective communities, and
- the active participation of relevant NGOs and private enterprises.

4. Collecting and publicizing the success stories of rural organizations and their leaders, i.e. One-Tambon-One-Product.

5. Enhancing community awareness and leadership of school children, schoolteachers and young people in the rural areas through more intensive education at primary and secondary levels on such topics as local history, rural economy, environmental management, successful rural groups and methods of group discussion.

6. Introducing a two-level approach to the training consisting of those courses at:

- the village and Tambon level with an emphasis on facilitation and motivation, and
- the provincial level or above with an emphasis on technical advice and teaching of specific knowledge.

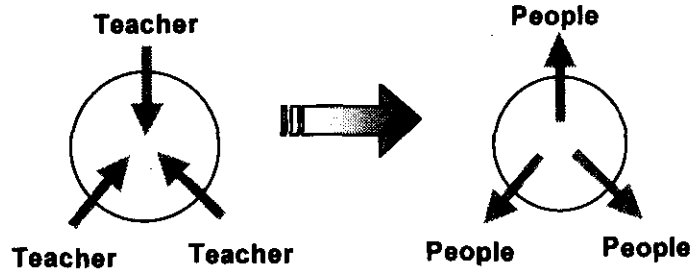


Figure 5.2.4 Outward Looking Approach

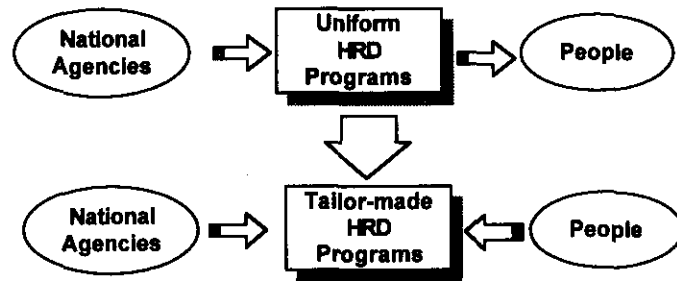


Figure 5.2.5 Tailor-made Approach

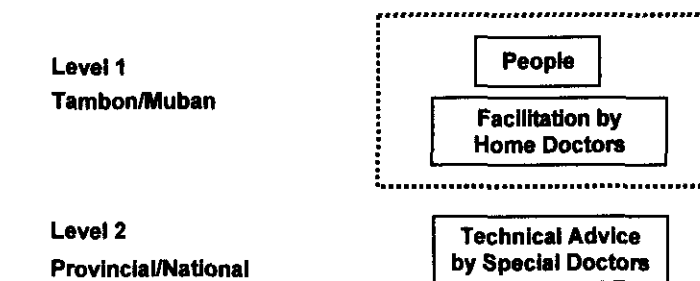


Figure 5.2.6 Two-level Approach

**(6) TARGETED ACTORS**

Local leaders have been identified as human resource demanded, and new approaches to foster local leaders are to be incorporated into HRD programs. Who are the actual targets among various actors? Various actors are actually involved in rural economies. Local leaders can be leaders of group economic activities, youth group leaders, women group leaders, community leaders, TAO leaders, facilitators, and educational institutions.

Above all, to foster local leaders, the targets of HRD among actual actors are:

- Leaders and potential leaders

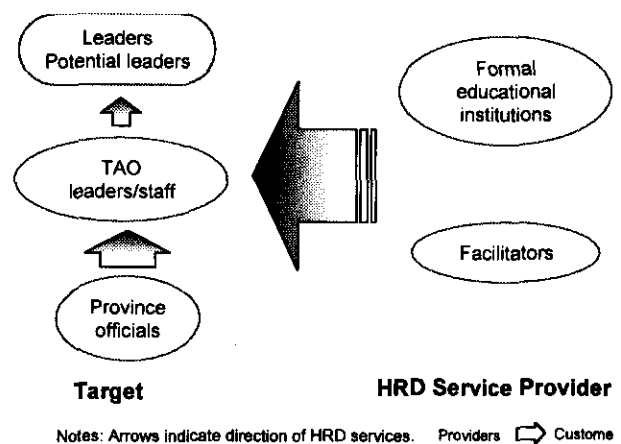
- Local administration: TAO leaders/staff and Provincial officials
- Facilitators and HRD providers

First targets are **rural leaders and potential leaders**. Rural leaders are leaders of women group, youth group, agricultural group, business group, and various kinds of occupational groups, and potential leaders are children and youth. These leaders eventually become leaders of community, and if capacitated enough, become leaders of Tambon in the future.

Next targets are **leaders and staff of local administration**. They are leaders and staff of TAO and provincial officials. Especially, TAO need capacity building to be a leader of community as well as service providers to the people. These services include HRD services to the people for leadership development. Leaders of Tambon are president of TAO and member of Tambon Councils. Provinces are to have a larger role of development under the administrative decentralization. Provincial officials are to play major roles in planning, implementing and evaluating the programs.

Then, **facilitators of line government agencies, NGO, businesses and educational institutions** as service providers are also targets. They need capacity building to provide better facilitation to meet people's demand. Facilitators of line agencies are Agricultural Extension Workers and Community Development Workers and so on. Educational institutions are under the process of transformation to meet the emerging demand.

The relationship among the targeted actors is as shown in Figure 5.2.7. For future leader development, **formal education** is the main function. Formal education is important since it fosters motivation of people at the young. Motivation development is easy for the young but difficult for grown-up, and then motivation development is centered in the formal education. For grown-up potential and current leaders, **mutual learning** is important since they already have knowledge and need chance to stimulate motivation. Interaction with outside people stimulates their mind and gives a lot of ideas and hints to them. However, even if they are motivated, without the knowledge and skill, they cannot do anything. Then, leaders need **technical advice**, knowledge and skills by facilitators.



**Figure 5.2.7 Relationship among Actors**

The strategic framework for HRD for rural economies that shows the linkage among strategy, HR target, targeted actors is shown in the figure below.

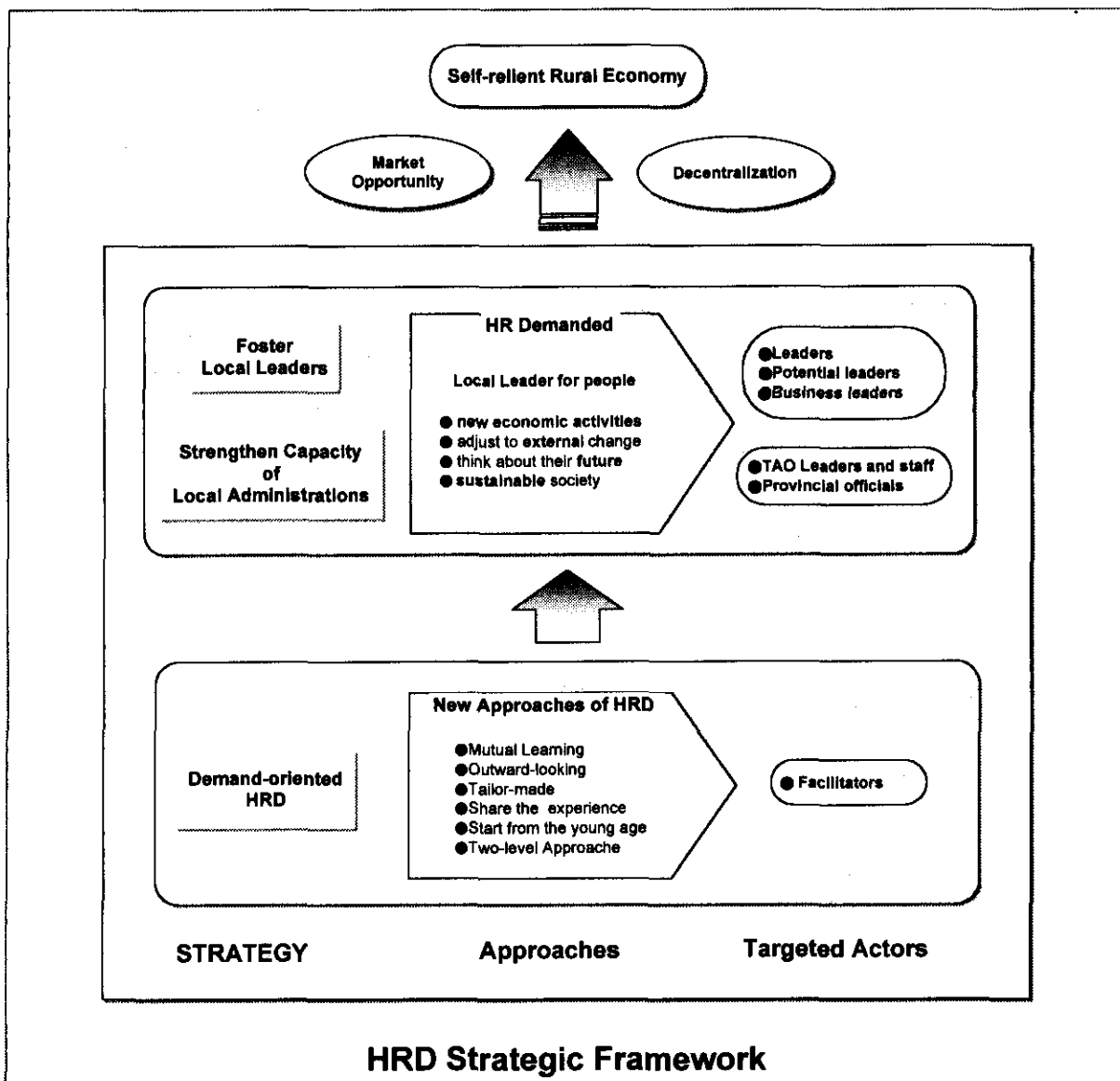


Figure 5.2.8 Strategic Framework of HRD for Rural Economy

### (7) HRD NEEDS BY TARGETED ACTORS

**HRD needs of actors** are followings, as shown in the Figure 5.2.9.

**A leader** such as business leaders and women needs capacity of leadership, strategic thinking, market-oriented mind and business skill, and wide vision. Especially, **business leaders** need market-oriented mind, business skill, and strategic planning, and product development strategy for community business like OTOP.

**Children and youth** need to be laid a foundation of HR for future leaders. They need moral education, environmental and hometown awareness, self-reliance mind and skill such as basic accounting, and wide vision as future leaders.

**TAO leaders and members** need capacity for leadership, strategic planning and responsiveness to people's demand. **TAO staff** needs capacity to undertake administrative works transferred from central ministries to provide better services to the people. **Provincial officials** need capacity building for strategic planning, providing technical advises to TAO,

coordination of various activities, and responsiveness to TAO in a people-centered manner.

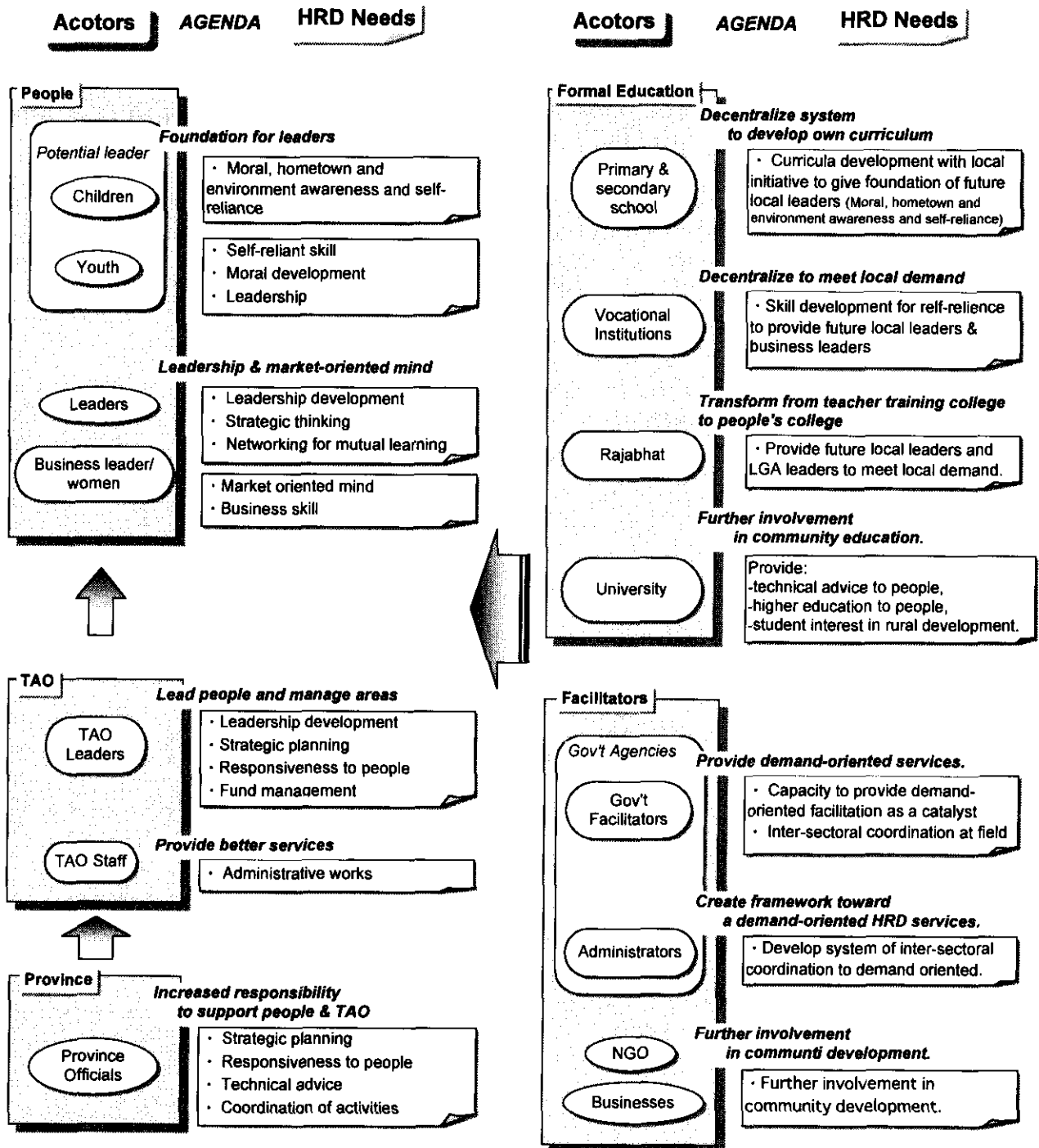


Figure 5.2.9 Targeted Actors and HRD Needs

Formal educational institutions are under the process of transformation to meet the emerging demand, which is to be accelerated. For **primary and secondary education**, curricula are to be developed with local initiatives where moral education, environmental and hometown awareness, and self-reliance are to be emphasized. **Vocational institution** is under the transformed into decentralized systems to meet the local demand of people, which



is to be accelerated. Vocational education is expected to provide future local leaders of communities and local administration equipped with self-reliance mind, skill and wide vision.

**Rajabhat** is transformed from teacher training college to the college for provincial people, which are expected to provide future leaders of communities and local administration like TAO and province. **University** is under transformed to be an autonomous body. The involvement in community education is to be strengthened for providing technical advice and higher education to community people, and getting students interested in rural development.

**Facilitators.** Facilitators of government agencies such as agricultural extension workers need capacity building to provide demand-oriented services as a catalyst and to coordinate HRD at field level. Facilitators of **NGO and businesses** need further involvement in community and rural development. Especially, businesses are to be encouraged to be involved in community business such as OTOP to support business skill.

### (8) Approach to leadership development: step-by-step according to life stage

So far, strategy, people demanded, targeted actors and their HRD needs are identified. Then, how to approach to leadership development? The case below explains necessary abilities of local leaders based on the case analysis. Step-by-step approach to leadership development is explained below.

#### 1) Children/youth to grown-up.

The two levels of approach are important to promote rural leadership. The first level is to establish a foundation of rural leadership. This level is promoted largely through the improvement of curriculum in basic education such as primary and secondary education. Motivation to contribute society is to be developed in this period as well as foundation for future leaders. These are morality, self-discipline, social manners, hometown awareness, environmental consciousness, and sense of self-reliance. The second level is to improve leadership ability and skills through experience of leader and HRD opportunities based on the foundation already established (Figure 5.2.10).

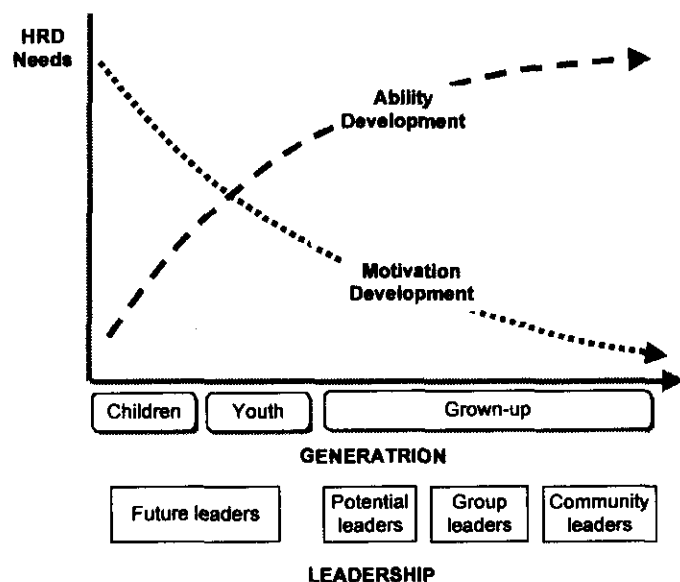


Figure 5.2.10 HRD Needs by Life Stage

#### 2) Step-by-step capacity development for grown-up leaders

Leaders are grown through actual experience of leader, and HRD programs have catalytic role to grow leader. Three necessary abilities for leaders are discussed in Chapter 3; those are

evolved step by step as follows:

- Leadership and group management in local areas to wider areas.
- Problem solving to strategic thinking,
- Business skill to community and social spirit.

These abilities are grown and evolved step by step through experiences. Leadership and group management ability is start with smaller group and local areas and grown to leadership for wider areas according to life stage. Business skill is necessary for coming

rural economy and developed through economic activities. However, only business skill is not enough to become a leader of community. A business leader who succeeded in economic activities has to contribute society with community and social spirit; otherwise members do not respect her/him as a leader of society. A good leader can solve problem arisen in groups. An excellent leader has future perspective of rural communities with strategic thinking and vision. With this vision, a leader can lead communities to right direction in the future. These evolving HRD by life stage is modeled in Figure 5.2.12.

Over-generation: Motivation development → ability development



Step by step ability development for grown-up

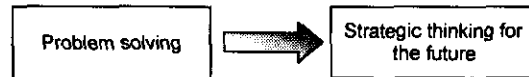
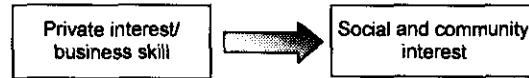
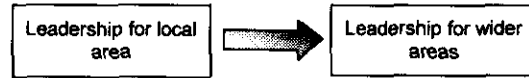


Figure 5.2.11 Step-by-step approach to leadership development according to life stage

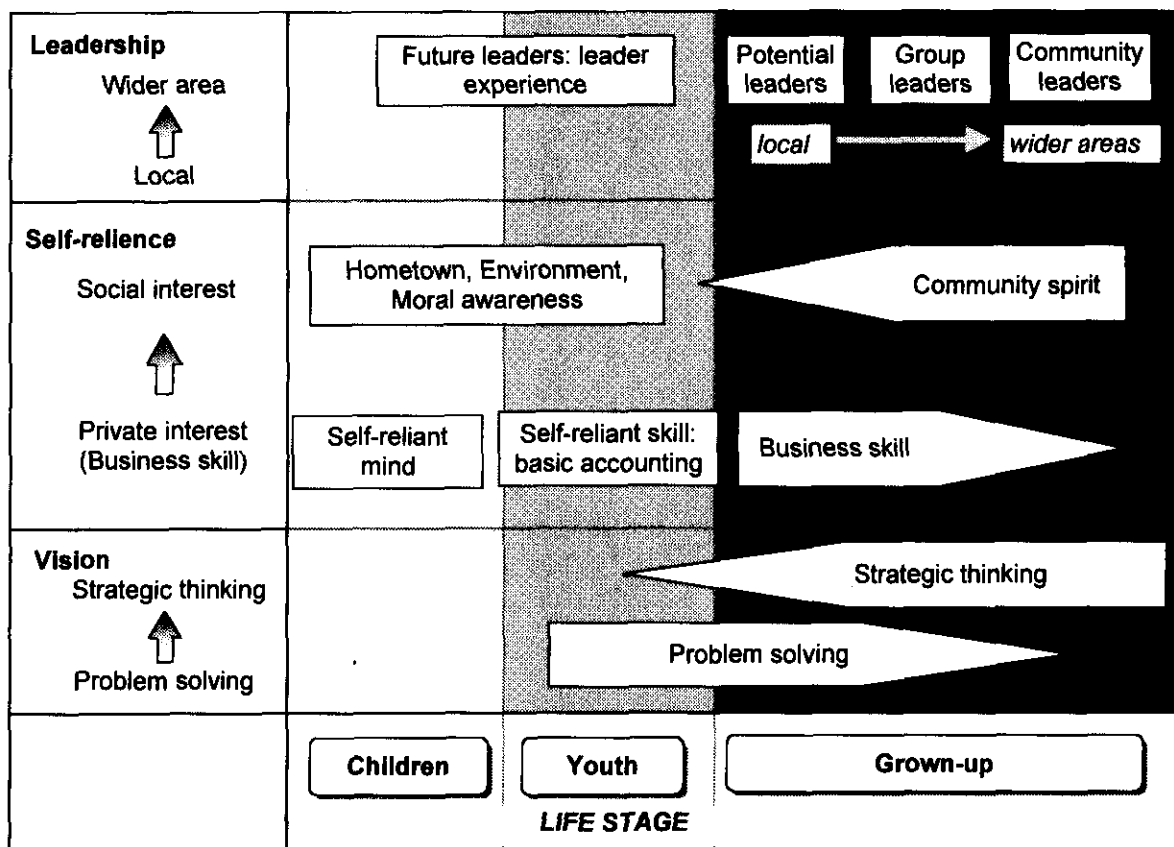


Figure 5.2.12 Model of HRD Needs by Life Stage

### Leaders in Case Study Areas

The team met a number of leaders in the case study areas. They have outstanding abilities as shown in the Table 3.2.5. Common features of the leaders are shown below.

#### Who are leaders, people or facilitators?

Successful cases in economic activities have good leaders who lead people rather than facilitators. However, for not advanced cases, facilitators such as agricultural extension workers are leading people as seen in the case in Buri Ram.

#### Evolving leadership and group management

A leader can motivate and mobilize people and resources for realization of own ideas. As seen in many of leaders, they can convince, motivate and finally mobilize people to realize her/his idea. Most of leaders in the case study areas have ability to mobilize people, otherwise not leaders. Some of leaders who have already succeeded in economic activities have further leadership. Leaders become those of wider areas as seen in the case in Kao Tan group in Lampang and Banana Processing group in Ang Thong. The Banana Processing leader also motivated people to be a next leader.

#### Problem solving to strategic thinking

A leader can find and solve the problems. As seen in the case study, leaders start with solving small problems of their daily life. Many of leaders in the case study areas have problem solving skill because this is the one of the motivation for them to become leaders. For example, Leather Bag group leader in Ang Thong starts her activities because she wanted to solve the people's problem of no job opportunity. Gradually, leaders solve a larger problems that many people are concerned with.

An outstanding leader can do strategic thinking to show future vision of the rural areas/communities. However, few of leaders have strategic thinking ability. In Nakhon Si Thammarat, leaders of Medicinal Herb Garden, Natural Color Batik and Noodle Processing worked out strategies for further success, even they started from problem solving. In Kiriwong Community, the leaders of community look at the outside environment and find the opportunity, next look at the internal resources of villages and find the strength. Then, they find out the potential direction of development of the rural areas as sustainable tourism.

#### Business skill to community/social mind

A leader can run economic activities as a base for self-reliance. Most of leaders in case study run economic activities since it is a base for self-reliance and have business skills in some extent.

Some leaders can do area management with community and social mind. These leaders succeed in their economic activities in the case study have community and social mind. Some of these leaders succeeded in economic activities become leaders of local communities. Leaders of Kao Tan in Lampang, Medicinal Herb and Banana Processing in Ang Thong have social mind evolved from business. Leaders in Nakhon Si Thammarat also have community mind for their cultural background. Some leaders become TAO leaders from business leaders as seen in TAO president in Buri Ram. She is young and run a store successfully introducing new initiatives. Then, people around her recommend her to be a TAO president.

Table 3.2.5 Leaders in Case Study Areas

Province	Tambon	Leader	Leadership to mobilize	Leadership to motivate or in larger areas	Problem solving	Strategic thinking for the future	Business skill	Community and social mind
Lampang	Ban Pao	Kao Tan	XX	X	XX		X	X
		Ceramic Doll	X		X			
	Hua Sua	Animal Fur Doll			X		X	
		Wood Carving	X		X			
		Artificial Doll	X		X		XX	
		Weaving	X					
	Cattle Raising							
	Extension worker for cattle raising.	X		X				
Buri Ram	Putthaisong	TAO President	X	X	X		X	XX
		Agricultural Extension Worker for mulberry and silk production.	X		X			
	Pa Kiab	Extension Worker for aquaculture.	X		X		X	
Ang Thong	Ban Hae	Banana Processing	X	X	X		X	X
		Leather Bag	X		X		X	
	Chai-Yo	Agricultural Extension Worker for Okura.	X		X			
		Medicinal Herb	X		X		X	X
		Bamboo Bag	X		X		X	
	Extension Worker for Agro-tourism.	X		X				
Nakhon Si Thammarat	Gam Loan	Natural Color Batik	X		XX		XX	
		Medicinal Herb Garden	XX		XX	X	XX	X
		TAO President	X	X	X			XX
	Thom Hong	Mangosteen	X					
		Rubber Cooperatives	X		X	X		
		Noodle Processing	X		XX	X	XX	X

Note: X: Good in corresponding ability. XX: Outstanding in corresponding ability.

## (9) Approaches to OTOP and Community Fund

OTOP and Community Fund are new initiative introduced in rural economy. HRD is needed for promotion OTOP and better utilization of Community Fund. On the other hands, human resources are strengthened through introducing and implementing these program and activities. Harmonizing both OTOP and Community Fund with HRD in rural areas has a synergy effect on rural development. Here, it tries to work out how OTOP and Community Fund are harmonized with HRD for further rural development.

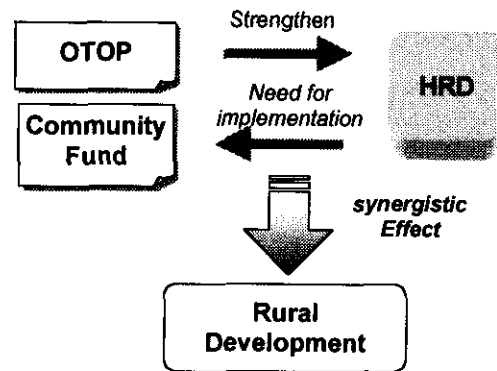


Figure 5.2.13 HRD and OTOP & Community Fund

### 1) HRD and OTOP Programs: survival in the globalization

#### Major development constraints of community businesses

In the context of today's fast evolution in economic globalization and information-oriented society, business leaders are required market-oriented mind as a critical factor of sustainable growth in the future. However, there are marketing problem of OTOP due to over supply of similar products. This is caused by the situation that people produce a lot of copy products and the market size of these product is limited. Major development constraints of community businesses in rural area observed through field survey are as follows.

- 1) Insufficient update and linkage on market information and demand,
- 2) Limited market outlets and little bargaining power,
- 3) Insufficient strategies, knowledge and technique in making designs of product and package, and
- 4) Lagging behind in Information Technology (IT) and networking.

#### OTOP programs: using nationwide information networks

Major OTOP (One Tambon One Product) programs and activities are as follows.

- 1) Establish local and national quality standards and issuing certifications,
- 2) Provide modern technological know-how in production, design and package,
- 3) Expand market channels and networks by festivals, exhibitions, contests, OTOP website, OTOP list and E-commerce.

OTOP programs assist community businesses in rural area to make their products adaptable to changing local, urban and export consumer demand by using nationwide information networks and services. To update information, sharing knowledge and information through networking is crucial to compete in local/global market. By doing so, business leaders can produce value added products with originality and/or differentiated from other products in the market and find out the niche market where their products can compete.

As for OTOP information network, they launched "Thaitumbon.com" website for giving some information about OTOP. It started July 2000 by emphasizing on local community information, local products, selling products and tourist attractions. There are some details of all 5,054 districts (from all over 7,255 districts in Thailand) and also have 16,797

categories of selling products in the system.

**To foster market-oriented local leaders of business activities**

OTOP programs and activities support a leader of community businesses so that one has more marketing knowledge and the understanding to be a professional entrepreneur/producer who can compete in the global market.

OTOP project helps each village to use their own local wisdom to develop special products. Also, in order to improve rural business activities by OTOP programs, the important factor is people in rural areas understand the target and concept of their activities and motivate not only just for economic reason but for social, cultural, healthy, environmental and traditional reasons as well.

OTOP programs and activities strengthen community leaders' capabilities of techniques, data collection, planning and preparation of development plans and implementation of development plans. As a result of learning by doing OTOP activities, it fosters local initiative entrepreneurs (business leaders) with leadership, strategic planning, customer and market focus, and information oriented.

The followings are the new concept and direction of higher quality and/or higher added value products in rural area and a new direction for human resources development through OTOP programs and activities. *The development model villages shown below are selected from studied cases by the field survey.*

- 1) Foster leaders who can work out product development strategies that differentiate own products from others: products with original design and concept of local wisdom adaptable to changing consumer demand.

The case of Kiriwong community is the good example where the leader of herbal products develop the products with the concept of local specialty, ecological products, indigenous knowledge, and cultural heritage. These products are sold in the value-added market in the nation as well as abroad. This is detailed in the box below. Another example is the case of Ban Huayteoy, Khon Kaen Province where business leaders developed herb products from natural materials with the new concept of good in quality and safe and healthy for eating. The case in Pa Kiab, Buri Ram Province is also the case that people prepared agro/eco-tourism program and hostels for home stay or long stay tourists are to be constructed.

- 2) Foster leaders who can transform their products to meet from only regional demand to urban and export demand.

An example is the case of Ban Don Luang, Lamphun Province where people developed quality weaved cotton cloth products and changed their market from local to export. Another is the case of Ban Hae, Ang Thong Province where business groups gained various wholesale and retail stores in big cities and Bangkok as their marketing outlets.

- 3) Establish public IT network and foster leaders who supports rural businesses to utilize knowledge and information obtained for producing value added products.

An example is seen in the case of Ban Pao, Lampang Province where leaders introduced

Internet system and established E-commerce network to expand the scope of their marketing.

### **HRD through OTOP contributes rural economic development**

Through promoting and implementing OTOP activities, leaders of local business activities are to be grown. These leaders have strategic and market-oriented mind. Once these leaders are grown to leaders of their business group, these leaders eventually can become leaders of community as seen in the case of Kiriwong community where the leaders of economic activities are also advisors to community. If these business minded leaders become community leaders, say Tambon president, they can manage local economy with business and strategic mind, which stimulates local economy, as seen in the case in Japan where a business leader is elected as a mayor.

#### **Product Development Concept of local specialty: Case in Japan and Kiriwong Community**

Currently, similar OTOP products such as banana chips, silk fabric and bamboo baskets are over-supplied in the market. Under the globalization, a flood of low cost products can come from China, as shown in the case study of Minabegawa village in Japan described in Chapter 4. At Minabegawa village in Japan, they succeed to produce value-added plum products with a high quality brand image, however, they face the threat of competition against low cost products from China. Generally, in the traditional food products market, foreign products is difficult to compete because of tastes, however, there is a global competition even in this market. Japanese trading companies invest and give technical advice to China to develop the traditional food to meet the taste of Japanese demand. So, rural products are to be differentiated to create brand of local specialty.

Questions is how to differentiate the products from others? And, what kind of products can compete and survive in the globalization of the market? The case of Medicinal Herb Garden group gives us a hint to answer these question. Their products have **Product Development Concept of local specialty, ecological products, indigenous knowledge, and cultural heritage**. Kiriwong community employs eco-tourism programs where their rural life style and production are exhibited and natural resources conservation are emphasized. The leader of the Group takes advantage of this potential. He employed product development strategy of the concept of ecological and environmentally-friendly products with indigenous knowledge. Their products are themselves ecological conscious, and their manufacturing process is also ecological, for example, mangosteen soap is produced with utilization of waste, i.e., mangosteen skin and rubber leaves. A mangosteen soup is beautifully packaged. On the package, it tells the story of the community-managed village of Kiriwong: *"Kiriwong village, the "Heaven on Earth" the community-managed village is situated amid the valley in kao Luang mountain Naitonal Park....."* These message conveys to consumers to have a good image of Kiriwong community.

The team observed that many people claimed the training need of designing, packaging and marketing. Even these skills are improved, a product itself needs to develop so that it can compete in the global competition in a sustainable manner. While these skills look like the real problems the people face, **the critical factors** to develop products marketable in a sustainable manner are other things. Some of the way to survive in the competition under the globalization are:

- **The Product Development Strategy that has the concept of local specialties with a background of local and indigenous knowledge, culture and history to meet the market demand, and**
- **Technology to be able to meet these demand of the said concept for keeping quality of the products.**

If rural products has these concepts and establish the brand, it is difficult for other people to imitate and beat these kinds of products. Off course, one needs to keep revising strategies to meet the changing market demand.

---

**2) HRD and Community Fund: Strategic utilization as a financial basis of Tambon Development Plan**

Currently various funds are available for local government and rural people under the decentralization of government function as discussed in Chapter 1.4. Mostly, the utilization of these funds are distributed individually and equally to people because of political reason. However, if these funds are utilized with strategy and priority without misusing, it helps local economic development.

On the other hand, TAOs are lacking in fund source to finance own activities. Currently, TAOs are struggling to work out their development plan. The problem is that most of these plans do not have a financial basis as seen in the case in Buri Ram province. Then, broader participation of people is difficult.

In stead that those funds are distributed to the people individually, the fund can be strategically utilized for their HRD and rural development. The investment in the strategic areas can stimulate rural economy. Those funds can be utilized as a financial bases of Tambon Development Plan. If those funds support a Tambon Development Plan, people are willing to participate and seriously discuss the future of Tambon. So, it can get more interest of the people for the process of preparation. This process can grow the capacity, especially strategic thinking and fund management of Tambon members and people, which contributing to the rural development.

However, the capacity and funds for one Tambon is limited. Then, Tambon-Tambon cooperation as discussed in Chapter 1.4 may be introduced, which enhances the potential of development of Tambons.

## 5.3 Framework for Action

Based on the strategies proposed above, the individual strategies for action, the prioritized project ideas corresponding these strategies to be addressed are proposed in Table 5.3.1. These project ideas are detailed in Chapter 6. Government decentralization is under progress where authorization is given increasingly to the Provincial Development Committee. The provincial government has become to play an important role in planning and implementing these projects.

**Table 5.3.1 Individual Strategies and Project Ideas**

STRATEGIES		PROJECT IDEAS
<b>Strategy 1: HRD programs to be more demand oriented.</b>		
1.1	Foster local leaders. - Create local leaders network for mutual learning and collective leadership. - Promote sharing of successful development experience. - Give a chance to people to get exposed to outside.	<b>PROJECT 3</b> National Rural Leader Network
1.2	Strengthen information support services. - Support information network for OTOP. - Support research and development at the local level.	<b>PROJECT 6</b> Community Business Development
<b>Strategy 2: Capacity building of TAO.</b>		
2.1	Strengthen the function of TAO to plan, do and monitor own HRD strategies and programs.	<b>PROJECT 4</b> Inter-Tambon Cooperation
2.2	More effective financial arrangements to promote locally initiated HRD. - Secure financial basis of Tambon Development Plan. - Strengthen capability of Tambon to use and monitor funds.	<b>PROJECT 2</b> Group Networking at Provincial Level
2.3	Encourage Inter-Tambon cooperation.	
<b>Strategy 3: Capacity building of provincial development committee and its technical staff.</b>		
3.1	Strengthen the function of provincial development committee to make strategy for integrated rural-urban development.	<b>PROJECT 1</b> Inter-sectoral Coordination at Local Level
3.2	Strengthen the function of provincial development committee to plan, do and monitor HRD.	
3.3	Coordinate the HRD at field level.	
3.4	Strengthen the ability in technical advice.	
<b>Strategy 4: Formal education to be more local-need-oriented.</b>		
4.1	Basic education: Curriculum development with local initiatives.	<b>PROJECT 8</b> Curriculum Development of Basic Education
4.2	Vocational education: Decentralized management to meet local needs.	<b>PROJECT 7</b> Capacity Building of Vocational Institutions for Rural Economy
4.3	Rajabhat: Further involvement in rural development.	
4.4	University: Further involvement in rural development.	
<b>Strategy 5: Institutional arrangements for HRD.</b>		
5.1	The Sub-committee on HRD for Rural Economy to be set up under the Prosperity Decentralization Policy Committee for effective monitoring and inter-departmental coordination of relevant programs and projects at the local, regional and national levels.	<b>PROJECT 5</b> University-Changwat Cooperation
5.2	The national HRD policy to be worked out.	
5.3	Government human resources to be decentralized in proportion to financial resource.	



These strategies are composed of institutional arrangements and actual project and programs. Although new institutional arrangements such as new policies, new regulation and organization are set up, it is difficult that these arrangements are institutionalized and operated well without a test run. For action, pilot projects are to be implemented first. In the meanwhile, these results are reviewed, and expanded to the region and nationwide, and fed back to the policies and institutional setting, as shown in the Table 5.3.2.

**Table 5.3.2 Timeframe for Action**

	9 th Plan Period				10 th Plan Period				
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Policy framework</b>									
Work out HRD Policy	████████████████████								
Review the results		████████████████████							
Revise Policy for 10th Plan				████████████████████					
New Policy					████████████████████				
<b>Institutional setting</b>									
Sub-committee on HRD for Rural Economy	████████								
Institutional arrangement for HRD	████████████████████								
Review the results		████████████████████							
Institutionalize the arrangement	████████████████████								
<b>Projects / programs</b>									
Pilot project	████████████████████								
Review pilot project		████████████████████							
Expansion to the nation				████████████████████					

**Take Action** (downward arrow) and **Feed Back to Policies and Institutions** (upward arrow)

## **Chapter 6**

### **Proposed Project Ideas**

## Chapter 6 Proposed Project Ideas

This chapter proposes a set of project proposals in accordance with the quick wins listed in the former chapter. These proposals have been selected to proceed with the new approach mentioned before:

- One side to mutual learning.
- Outward-looking.
- Uniform to tailor-made.
- Sharing success experiences.
- Start from the young age
- Two-step approach.

The proposed projects are shown below. These projects address the HRD needs of various actors/agencies as shown in the Table 6.1.1. Government decentralization is already under way where authorization is given increasingly to the Provincial Development Committee that is to be an implementing agency of these projects.

**Table 6.1.1 Project Ideas and Actors Addressed**

No.	Projects Proposed	Actors Targeted					
		Leader	Future leader	TAOs	Changwat	Facilitators	Educational Institutions
Project 1	Inter-sectoral Coordination at Local Level: Integrated Approach to Participatory Learning	X		X	X	XX	
Project 2	Group Networking at Provincial Level	XX		X	X	X	
Project 3	National Rural Leader Network	XX			X		
Project 4	Inter-Tambon cooperation	X		XX	X		
Project 5	University-Changwat Cooperation	XX	X		X		XX
Project 6	Community Business Development	XX			X	X	
Project 7	Capacity Building of Vocational Institutions for Rural Economy		XX		X		XX
Project 8	Curriculum Development of Basic Education: for self-reliance		XX		X		XX

Note: X denotes that the project addresses the HRD needs of corresponding actors.

XX denotes that the project addresses the HRD needs of corresponding actors significantly.

The brief outline of the Project Ideas are shown in the Table 6.1.2 and followed by the project descriptions.

Table 6.1.2 Brief outline of Project Ideas

No.	Projects Proposed	Objectives	Contents/ Activities
Project 1	Inter-sectoral Coordination at Local Level: Integrated Approach to Participatory Learning	To strengthen capacity of local administration for the improvement of HRD programs: - Capacity of TAO to plan and do own HRD programs, -Capacity of provincial administration to monitor and coordinate HRD programs.	1. Inventory study on HRD programs. 2. Needs assessment for HRD in Tambon. 3. Plan and implement pilot project of participatory learning in the selected Tambon. 4. Monitor and assess the performance of pilot project for further expansion of the project and feed back to national HRD policies.
Project 2	Group Networking at Provincial Level	To strengthen rural networking among groups to share information and experiences.	1. Inventory study of rural groups to identify successful cases. 2. Training needs assessment to work out systematic needs assessment. 3. Facilitation of HRD activities. 4. Monitor and evaluation of the result for further expansion of the project and feed back to national HRD policies.
Project 3	National Rural Leader Network	To foster rural leaders by establishing Nationwide Rural Leadership Association.	1. Exchange of success experience and information among leaders. 2. Building of rural leader network. 3. Provision of training to rural leaders. 4. Exchange of experience with ASEAN leaders and Japanese leaders.
Project 4	Inter-Tambon cooperation	To strengthen capacity of TAO by inter-tambon cooperated HRD programs for empowerment of people.	1. Establishment of Join HRD fund among Tambon. 2. Plan the HRD programs. 3. Conduct HRD programs. 4. Review the results of HRD programs for the improvement and expansion of the program.
Project 5	University-Changwat Cooperation	To build the system for university to participate in rural development for:  - providing higher education and technical advice to the people, - getting students involved in community development.	1. Review the current cooperation programs. 2. Establish the pilot system for university-changwat cooperation. 3. University-Changwat propose and undertake cooperation programs such as: (1) Curriculum for students staying and studying rural areas together with people. (2) Community college for people: training program for people. (3) Pilot project in selected areas. 4. Provide financial support for the programs. 5. Monitor and evaluation of programs for ranking systems.
Project 6	Community Business Development	To strengthen managerial and marketing skills of community business through: - Pilot project for fostering community business leaders, - development of provincial strategy to promote OTOP.	1. Review and assess the community business and HRD needs. 2. Develop a provincial strategy for community business development. 3. Undertake pilot projects aiming at fostering community business leaders. 4. Monitor and review the results of pilot projects. 5. Feed back the results to the improvement of programs and expansion of the programs.
Project 7	Capacity Building of Vocational Institutions for Rural Economy	To develop decentralized systems of vocation institutions to meet local demand for providing future leaders in rural economy.	1. Need assessment and analysis on vocational institutions. 2. Train the key personnel. 3. Work out possible strategy for improvement. 4. Undertake pilot project. 5. Review the result of pilot project to feed back to the improvement of the strategy.
Project 8	Curriculum Development of Basic Education: for self-reliance	To develop locally initiated curriculum of basic education to give a foundation for future leaders.	1. Review and analyze the current situation. 2. Train key personnel for curriculum development. 3. Develop curriculum. 4. Undertake project. 5. Review the result to feed back for the improvement of curriculum system applicable to the nation.

## PROJECT 1 Inter-sectoral Coordination at Local Level: Integrated Approach to Participatory Learning

### (1) Rationale

Some of the HRD programs by ministries have not effectively reflected people's needs. Inter-ministerial coordination of HRD programs for rural economy at the same time has not been fully effective and efficient. An integrated approach involving provincial administration, TAOs, and local people is necessary for these programs to be more effective.

The provincial administration is a key to the monitoring and coordination of HRD programs. The concept of CEO province has been adapted since October 2001 on a pilot basis in an attempt to promote the coordination of ministerial activities. This concept should be best applied to the coordination of HRD programs.

### Project Frame: Project 1 Inter-sectoral Coordination at Local Level

Project Frame	
<b>Overall Objectives</b>	Improved capacity of local administration provide better HRD programs to foster local leaders, which contributes to rural economic development.
<b>Project objectives:</b>	Capacity of local administration is developed, which improves own HRD programs and strengthen local leader network.
1	To reinforce managerial and technical capabilities of the people and TAOs to plan and implement their own HRD programs, with special reference to the strengthening of a network of local leaders in farming, business and administration.
2	To strengthen the capacity of provincial administration to monitor and coordinate HRD programs conducted by various ministries and departments.
<b>Output</b>	
1	Capacity of TAO personnel to plan and do own HRD programs is developed.
2	TAO's original HRD plan is developed.
3	Capacity of provincial administration to monitor and coordinate HRD is developed.
4	Inter-sectoral coordination is improved.
5	Capabilities of rural people are improved; Rural network among local leaders is strengthened.
<b>Activities</b>	
1	Review major findings and recommendations by the NESDB-JICA Study on Human Resources Training/Development in the Context of Economy in Rural Areas.
2	Prepare an inventory of all the ongoing HRD projects in the province of the project location.
3	Undertake surveys on the needs for HRD in all the Tambon in the province.
4	Plan and implement a demonstration HRD project on a participatory learning basis in selected Tambons of the province.
5	Monitor and evaluate the performance of the demonstration projects to help national HRD policies for rural area to be reinforced.
<b>External Inputs</b>	Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

Meanwhile, TAOs are in a good position to facilitate people's participation in planning of HRD activities and people's networking. By doing so, TAOs are also able to expand their capabilities to facilitate rural economic activities.

### (2) Objectives

- 1) To reinforce managerial and technical capabilities of the people and TAOs to plan and implement their own HRD programs, with special reference to the strengthening of a network of local leaders in farming, business and administration.
- 2) To strengthen the capacity of provincial administration to monitor and coordinate HRD programs conducted by various ministries and departments.

**(3) Project activities**

- 1) Reviewing major findings and recommendations by the NESDB-JICA Study on Human Resources Training/Development in the Context of Economy in Rural Areas.
- 2) Preparing an inventory of all the ongoing HRD projects in the province of the project location.
- 3) Undertaking surveys on the needs for HRD in all the Tambon in the province.
- 4) *Planning and implementing a demonstration HRD project on a participatory learning basis in selected Tambons of the province.*
- 5) Monitoring and evaluating the performance of the demonstration projects to help national HRD policies for rural area to be reinforced.

**(4) Time frame: 2003 to 2006****(5) Relevance to the current Thai society and economy**

In the rural areas of Thailand, the non-farm activities account for more 50 percent of the income of economically poor household, and are increasingly essential for rural livelihood. Recent attentions of Thai government to OTOP strengthen such non-farm activities to be sustainable.

This project will expand capacities of rural people in their economic activities with special reference to the strengthening of a network among local leaders. At the same time, it promotes the capabilities of leaders of TAOs in information dissemination, participatory planning and implementation of their own HRD programs. In addition, the provincial administration will be able to accumulate the experience of coordinating an integrated approach to HRD.

**(6) Points to be considered for implementation**

- 1) The project shall be implemented by the provincial administration with support of relevant national offices including NESDB concerned with inter-departmental coordination.
- 2) As a pilot, the project may be carried out in a province with strong leadership of governor.
- 3) Preparation of an inventory of all the ongoing HRD projects and surveys on the needs for HRD in all the Tambons shall be carried out by the provincial administration with cooperation of Tambon and villages.
- 4) HRD projects on a participatory learning basis shall be planned in a number of Tambon for demonstration purpose, jointly by the provincial administration, the reference Tambon and villages. Tambon are expected to lead implementation and monitoring of the projects.
- 5) The project shall encourage local NGOs to participate in the projects actively.

## PROJECT 2 Group Networking at Provincial Level

### (1) Rationale:

HRD in the context of economy in rural areas may be divided into two major sectors, namely, agriculture and non-agriculture. However, HRD programs should be carried out in various forms. Among them, network meeting is one of the participatory approaches in which the participants can share their success experiences with the other groups. It is well understood that there are many rural groups under several models promoted by various government agencies, such as farmer's group, women's group, occupational group and saving group.

Most rural groups are rather weak in their overall performance. However, some of them are successful with advanced knowledge and skills, but under the present conditions, networking among rural groups is relatively limited as far as to manage HRD activities. Hence, the establishment and/or the strengthening of rural groups within and outside Tambon at the provincial level shall be useful to transferring the knowledge and skills from more advanced groups to less advanced groupies. They can exchange and transfer the success experiences in similar interests among them. This project can strengthen the capability of local human resource to a

large extent under a participatory approach through the sharing of knowledge and skills, mutual assistance and the rapid generation of ideas to solve common problems.

### (2) Objectives:

To strengthen rural networking among groups to share information and experience.

#### Project Frame: Project 2 Group Networking at Provincial Level

Project Frame	
<b>Overall Objectives</b>	Established rural group network strengthen the capacity of rural people, which contributes rural economic development.
<b>Project objectives:</b>	To strengthen rural networking among groups to share information and experience.
<b>Output</b>	<ol style="list-style-type: none"> <li>1 Rural networking is strengthened.</li> <li>2 Experience sharing among rural groups is promoted.</li> <li>3 Capacity of rural groups are developed.</li> </ol>
<b>Activities</b>	<ol style="list-style-type: none"> <li>1 Preparing inventory of rural groups, including:               <ol style="list-style-type: none"> <li>(1) Collecting basic data of existing rural groups and classifying them on the basis of different activities and development level.</li> <li>(2) Analyzing overall performance of those groups into three levels, namely, advanced group, moderate group and backward group.</li> <li>(3) Compiling the advanced or successful groups and leaders in different activities.</li> </ol> </li> <li>2 Carrying out training needs assessment, consisting of               <ol style="list-style-type: none"> <li>(1) Dissemination of the relevant information about successful cases of rural groups and leaders to less advanced groups.</li> <li>(2) Formulation of systematic and effective measures for identifying training needs of each rural group</li> </ol> </li> <li>3 Facilitating HRD activities by government agencies concerned, including:               <ol style="list-style-type: none"> <li>(1) Provision of necessary supporting services, i.e., provision of the resource person, learning-teaching materials, group field trip, and meeting place</li> <li>(2) Compilation and arrangement of the request for HRD activities for rural group. The provincial administration should act as a coordinator under the Provincial Development Committee.</li> </ol> </li> <li>4 Monitoring and evaluation of project performance</li> <li>5 Review of present condition and outcome of networking activities among the existing rural groups in HRD aspect</li> </ol>
<b>External Inputs</b>	Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

**(3) Project activities:**

- 1) Preparing inventory of rural groups, including:
  - Collecting basic data of existing rural groups and classifying them on the basis of different activities and development level.
  - Analyzing overall performance of those groups into three levels, namely, advanced group, moderate group and backward group.
  - Compiling the advanced or successful groups and leaders in different activities.
- 2) Carrying out training needs assessment, consisting of
  - Dissemination of the relevant information about successful cases of rural groups and leaders to less advanced groups.
  - Formulation of systematic and effective measures for identifying training needs of each rural group
- 3) Facilitating HRD activities by government agencies concerned, including:
  - Provision of necessary supporting services, i.e., provision of the resource person, learning-teaching materials, group field trip, and meeting place
  - Compilation and arrangement of the request for HRD activities for rural group. The provincial administration should act as a coordinator under the provincial CEO committee.
- 4) Monitoring and evaluation of project performance
- 5) Review of present condition and outcome of networking activities among the existing rural groups in HRD aspect

**(3) Time frame: October 2004 to September 2006****(5) Relevance to the current Thai society and economy**

This project will focus on the improvement of knowledge and skills of rural people. The project is expected to accelerate a shift in the approach from teacher-to-people learning to people-to-people learning process. The rural groups have an opportunity to make a plan of their own HRD programs based on their needs and potentials. Finally, it will result in income generating and social security increase in their communities in line with the government policy.

**(6) Points to be considered for implementation**

This project emphasizes the encouragement of sharing success experience and mutual assistance among the rural groups to boost HRD activities in accordance with their needs and potentials. The government agencies concerned and NGOs should provide a strong technical and financial support, including facilitating rural groups to manage HRD activities by themselves based on their needs.



## PROJECT 3 National Rural Leader Network: National Association

### (1) Rationale

Fostering rural leaders is a key to stimulate rural economy. There are a number of successful experiences of rural development supported by NGOs and government sectors. These experiences, however, have not been fully analyzed and shared among rural leaders although Community Development Department (CDD) has some experiences in compiling such cases. To develop leadership, leaders need to exchange lessons from experiences among others. By sharing the experience among them and discussing the problems facing, they can digest lessons to their own situations, which can be one of the best ways to foster potential leaders.

Rural people, currently, exchange information and views and share their experiences among neighboring villages/ Tambons and with whom they have a personal connection. As seen in similar products currently prevail in the OTOP, exchanging experience is at the level of imitating products. Leadership development, however, needs to exchange experience in terms of methodology, views and the vision. As also seen in the case of the Youth Program for ASEAN supported by the Ministry of General Affairs of Japan, ex-participants of the programs have built a network and share and exchange the experience and problems that they face even for 10 years. The National Youth Council is another good example. Rural leaders also need chance to exchange the experiences among them. In this connection, a platform is needed to exchange and share their experience and to compete among them with their own initiatives.

### Project Frame: Project 3 National Rural Leader Platform

Project Frame	
<b>Overall Objectives</b>	The project aims at fostering local leaders by providing rural people the interaction and systematic access to success experience, which can give rural leaders and young potential leaders confidence, motivation, knowledge and wider vision, thus contributing to the development of rural economies.
<b>Project objectives:</b>	To foster rural leaders through support at various levels by establishing Nationwide Rural Leadership Civil Society aiming at: <ol style="list-style-type: none"> <li>(1) Exchanging and sharing experience of rural development among rural leaders at grass-root level,</li> <li>(2) Building network among rural leaders,</li> <li>(3) Proposing recommendations to the rural development authorities,</li> <li>(4) Providing training to rural leaders,</li> <li>(5) Sharing the experiences with ASEAN countries and Japan, then</li> <li>(6) Strengthening rural leadership.</li> </ol>
<b>Output</b>	<ol style="list-style-type: none"> <li>1 Nationwide rural leader network is established.</li> <li>2 Success experience and information is shared among rural leaders.</li> <li>3 Rural leaders are capacitated through training and information sharing.</li> <li>4 Rural leaders are capacitated through exchange of experience with ASEAN leaders and Japanese leaders.</li> <li>5 Rural leaders are fostered with internationally wide view and abilities.</li> </ol>
<b>Activities</b>	<ol style="list-style-type: none"> <li>1 Review existing successful cases and the current system of sharing the experiences.</li> <li>2 Establish a system to exchange and share experiences among various levels of rural leaders by undertaking the following activities:               <ol style="list-style-type: none"> <li>(1) To collect rural development experiences,</li> <li>(2) To share and exchange experiences of good competency of rural leaders,</li> <li>(3) To build a platform for competition for Rural Development Award/Rural Leader Award</li> <li>(4) To encourage a network to be developed among rural leaders,</li> <li>(5) To share experiences of rural development among rural leaders in ASEAN countries and Japan,</li> <li>(6) To propose recommendations for the rural development authorities,</li> <li>(7) To plan and provide training to rural leaders.</li> </ol> </li> </ol>
<b>External inputs</b>	Technical and some financial support from external resources are encouraged for sharing experience with ASEAN countries and Japan such as the pilot development study project providing expertise.

**(2) Objectives**

To support rural leaders at various levels by establishing Nationwide Rural Leadership Civil Society aiming at:

- 1) Exchanging and sharing experience of rural development among rural leaders at grass-root level,
- 2) Building network among rural leaders,
- 3) Proposing recommendations to the rural development authorities,
- 4) Providing training to rural leaders,
- 5) Sharing the experiences with ASEAN countries and Japan, then
- 6) Strengthening rural leadership.

**(3) Project activities**

The activity sequence of this project is:

- 1) Reviewing existing successful cases and the current system of sharing the experiences.
- 2) Establishing a system to exchange and share experiences among various levels of rural leaders by undertaking the following activities:
  - To collect rural development experiences,
  - To share and exchange experiences of good competency of rural leaders,
  - To build a platform for competition for Rural Development Award/Rural Leader Award
  - To encourage a network to be developed among rural leaders,
  - To share experiences of rural development among rural leaders in ASEAN countries and Japan,
  - To propose recommendations for the rural development authorities, and
  - To plan and provide training to rural leaders.

**(4) Time frame: 2003 to 2006****(5) Relevance to the current Thai society and economy**

The project can provide chances to various levels of leaders: younger leaders, women's leaders, and potential leaders. Potential leaders and young leaders can be grown to the real leaders.

**(6) Points to be considered for implementation**

The system should be linked with ongoing rural group activities. This system can coordinate and get technical support from universities.

## PROJECT 4 Inter-Tambon Cooperation

### (1) Rationale

Local administration such as TAOs and municipality are expected to undertake increased administrative functions entrusted by central ministries under decentralization. However, many of TAOs are not ready to undertake the responsibilities because of their limited managerial and financial capacity. It is an urgent need to build capacity of local administration to meet increased responsibility to provide better services to the people.

To overcome limited resources and capacity, it needs to encourage Tambon-to-Tambon cooperation to undertake their function by gathering limited HR and fund. Especially, Joint HRD programs designed by TAOs can provide demand-oriented training for rural people and administrative training to TAO people. Furthermore, the implementation of Joint HRD programs gives a good experience to TAO people, which can build capacity of TAO leaders and staff to plan, do and assess these programs.

At the field survey by NESDB-JICA Study Team in May 2002, many of rural people wish to learn actual practices of marketing, designing or packaging from the businessmen having such expertise. One of the solutions is that local officials prepare practical training programs with those businessmen, upon request of these rural people. Joint HRD programs among neighboring municipality and TAOs are recommended because of the scale of economy. Joint HRD programs can not only allow more local people to attend, but also reduce the cost burden of each municipality and TAO. The central government or provincial administrative organization (PAO) can bear a part of the cost with subsidy.

Joint HRD programs are also targeted local officials to obtain administration expertise such as strategic rural planning, tax collection, and garbage collection. An effective method of such training would be that local officials with such expertise provide practical training to other local officials. The assessment of the Joint HRD programs is conducted for the feedback and further expansion of the programs to other areas. Joint HRD programs should be

### Project Frame: Project 4 Inter-Tambon Cooperation

Project Frame	
<b>Overall Objectives</b>	Strengthen the capacity of TAO to provide better services to the people, which contributing the empowerment of rural people.
<b>Project objectives:</b>	<ol style="list-style-type: none"> <li>1 To undertake Joint HRD program by Inter-Tambon cooperation aiming at:               <ol style="list-style-type: none"> <li>(1) empowering rural people according to their needs such as business skills, and</li> <li>(2) building capacity of TAO leaders and staff to undertake administrative works.</li> </ol> </li> <li>2 HRD programs is strengthened through learning by doing and interaction with other Tambon people.</li> <li>3 Lesson learnt from the experience of Joint HRD programs makes it possible to expand the programs to other areas and institutionalized.</li> </ol>
<b>Output</b>	<ol style="list-style-type: none"> <li>1 Rural people are trained according to their demand.</li> <li>2 TAO leaders and staff are trained for administrative works.</li> <li>3 TAO leaders and staff are capacitated to plan and do HRD programs.</li> <li>4 Experience of Joint HRD programs gives lessons for further expansion of the programs to other areas.</li> </ol>
<b>Activities</b>	<ol style="list-style-type: none"> <li>1 Establish a Joint HRD Fund.</li> <li>2 Plan Joint HRD programs by participatory process to assess the people's demand.</li> <li>3 Conduct Joint HRD programs for rural people.</li> <li>4 Conduct Joint HRD programs for TAO leaders and staff.</li> <li>5 Review the results of HRD programs after the programs.</li> </ol>
<b>External Inputs</b>	Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

implemented under a concept of redirecting the rural HRD:

- From nationwide to local-based training
- From supply-based to demand-based training
- From theoretical to practical training

## (2) Objectives:

- 1) To undertake joint HRD program by Inter-Tambon cooperation aiming at:
  - empowering rural people according to their needs such as business skills, and
  - building capacity of TAO leaders and staff to undertake administrative works.
- 2) By implementing of joint HRD programs, the capacity of TAO to plan and implement HRD programs is strengthened through learning by doing and interaction with other Tambon people.
- 3) Lesson learnt from the experience of Joint HRD programs makes it possible to expand the programs to other areas and institutionalized.

## (3) Project Activities

The project consists of the joint training to local people and the one to local officials. The activity sequence of the joint training is as follows:

- 1) The Office of Governor takes the initiatives in establishment of a Joint HRD Fund (herein after called as the "Fund") by neighboring municipality and TAOs.

- 2) The Fund forms a board, consisting of one or more representatives from each municipality and TAO (herein after called as the "Member").

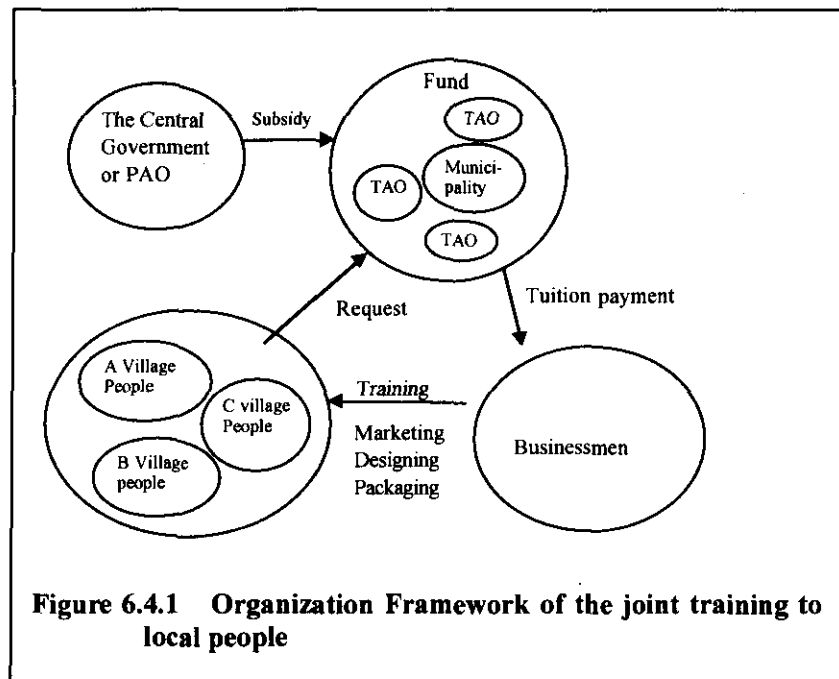
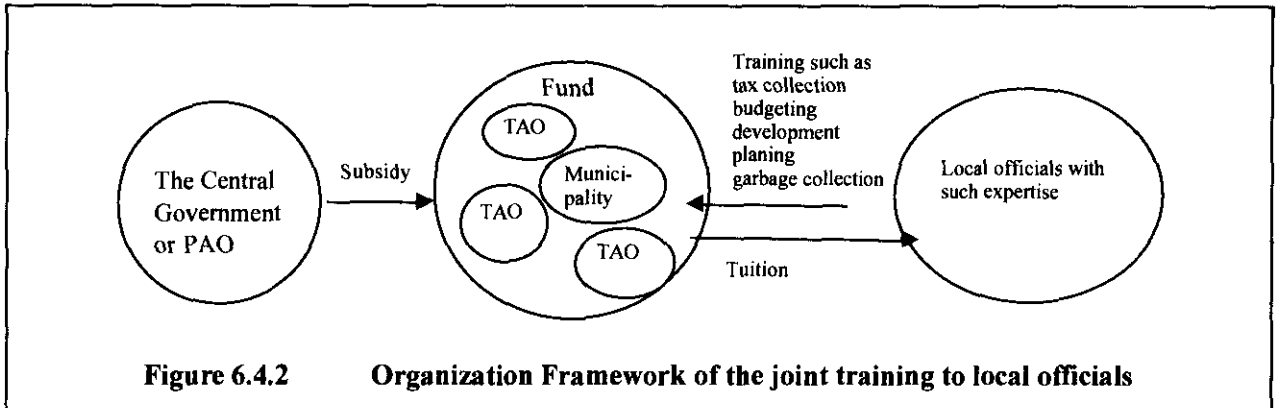


Figure 6.4.1 Organization Framework of the joint training to local people

- 3) These Members share the initial capital and operation cash by financing, for example, 1% of their annual budget, to the Fund.
- 4) The Members request for the board to conduct some specific training or seminar programs such as marketing, designing or tax collection. The board discusses and makes a decision on what training to be implemented.
- 5) The board enters into a contract with appropriate businessmen or local officials having such expertise. These instructors may be invited outside Province.
- 6) Upon the seminar completion, the Fund pays tuition to those instructors.
- 7) The board requests PAO or the central government to pay subsidy for the joint seminar.
- 8) The Office of Governor evaluates the Joint HRD programs to draw lessons for further improvement and further expansion of the programs to other areas as well as feedback to

the national policies to strengthen human resources and administration at the local level.



**(4) Time frame: from the October 2003 to September 2005**

**(5) Relevance to the current Thai society and economy**

The Joint HRD programs are the preparation for joint work implementation among the members such as garbage collection and road preparation. In addition, this pilot project implementation would contribute to advancement of the income generating activities currently represented by OTOP. The project implementation would empower local officials to meet the decentralization. Furthermore, the assessment of the Joint HRD programs provide further expansion of the programs to other areas.

**(6) Points to be considered for implementation arrangement**

Expected issues is:

- 1) Inequality among the members; the more developed members shoulder heavier burden, paying larger initial capital and operation cash.
- 2) Shortage of funds to conduct seminars

To cope with the first issue "inequality among the members", the members could set a ceiling on their shares. For the second issue "shortage of funds", the central government could increase or decrease the subsidy amount, depending on the total annual revenues of the members.

## PROJECT 5 University-Changwat Cooperation

### (1) Rationale

There is a huge demand among rural people to have technical advice and knowledge to solve their problems that is addressed by neither government nor private sectors. On the other hand, universities and colleges have a number of professional staff who have advanced technical knowledge/skills and a plenty of young and vital educated human resources (students).

Currently, few of villages have channel to contact universities. Some villages are luckily selected as extension sites of universities. Another trial also has started to link universities and rural areas such as One Student One Village program where students stay in village to support people to make development plan and get credit as a formal course. However, the number of villages that universities reach is limited, and there is a need to have systematic way to link rural areas and universities.

The project establishes the system that link universities and rural areas, by which universities can support rural areas systematically, keeping each university's autonomy and uniqueness, and rural people can have an opportunity to contact universities to meet their demand. Linking to the demand in rural people, universities as service providers can benefit both rural people and universities in social, cultural and economic aspects. Professors and students can have chance to understand the actual situation and problems of rural areas through exchanging views and thinking together with rural people. Especially, young students have a chance to think the problems of rural areas and take these as the major agenda for further development of the Kingdom.

### Project Frame: Project 5 University-Changwat Cooperation

<b>Project Frame</b>	
<b>Overall Objectives</b>	The programs gives rural people the interaction with outside and higher education, which can foster rural leaders and young potential leaders with motivation, knowledge and wider vision, thus contributing to the development of rural economies.
<b>Project objectives:</b>	To establish the system that universities participate in rural development for research and education such as: <ol style="list-style-type: none"> <li>(1) Providing necessary technical advice and knowledge to rural people.</li> <li>Giving rural people a chance to higher education to solve their problems, especially</li> <li>(2) encouraging children and youth to think their future positively by exposing them to higher education for intellectual stimulus,</li> <li>(3) Getting full involvement of rural people into higher education to enhance intellectual level of rural people</li> <li>(4) Encouraging university people to study and promote the economy of rural areas.</li> </ol>
<b>Output</b>	<ol style="list-style-type: none"> <li>1 The cooperation system is established between university and province.</li> <li>2 Rural people can have access to technical advice of university for technological solution.</li> <li>3 Rural people can have access to higher education within rural areas.</li> <li>4 University professors and students can have chance to study rural development.</li> </ol>
<b>Activities</b>	<ol style="list-style-type: none"> <li>1 Review the current cooperation programs between university and rural people.</li> <li>2 Establish the pilot system for University-Changwat cooperation</li> <li>3 University-Changwat propose and undertake cooperation programs such as:               <ol style="list-style-type: none"> <li>(1) Curriculum for students staying and studying rural areas together with people.</li> <li>(2) Community college for people: training program for people.</li> <li>(3) Pilot project in selected areas.</li> <li>4 Provide financial support for the programs.</li> <li>5 Monitor and evaluation of programs for ranking systems.</li> </ol> </li> </ol>
<b>External Inputs</b>	Technical and some financial support such as providing expertise to the project under the pilot project development study.

On the other hand, rural people can get necessary technical advice, knowledge and skill, such

as community skill and have chance to exchange views and think together with educated personnel. Furthermore, exposing young people and children in rural areas to university people gives a good experience and intellectual stimulus, which encourage these youth and children to think about their future positively.

## **(2) Objectives**

To establish the system that universities participate in rural development, through education and research such as:

- 1) Providing necessary technical advice and knowledge to rural people.
- 2) Giving rural people a chance to higher education to solve their problems, especially encouraging children and youth to think their future positively by exposing them to higher education for intellectual stimulus,
- 3) Obtaining full involvement of rural people into higher education to enhance intellectual level of rural people, and
- 4) Encouraging university professionals and students to study and promote the economy of rural areas.

## **(3) Project activities**

The activity sequence of this project is as follows:

- 1) The current university programs conducted by each university shall be reviewed.
- 2) The cooperation system between university and province is established to link rural areas and universities/ colleges. This system is to provide advisory contract between Provinces and Universities: under the program, province and university propose programs to meet the people's and university demand.
- 3) The following programs or project will be conducted:
  - One Village One Student Program:  
Develop curriculum for credit: students stay in villages for 1 year to study actual rural situation for writing thesis. Students work, think together and exchange views with rural people.
  - Community Colleges for rural people: training program for rural people and sending technical advisor.
  - Pilot Project in selected rural areas: pilot project proposed by province/university.
- 4) The project unit gives financial support to provinces/universities to undertake the programs.
- 5) The project unit also undertakes monitoring and evaluation to assess the effectiveness of the each program, then establishes the University Ranking for Rural Development for Award.
- 6) Implementation of the pilot project is recommended prior to full scale execution.

## **(4) Time frame: From the year 2003 to 2005**

## **(5) Relevance to the current Thai society and economy**

This project is to give rural people an opportunity to higher education to solve their problems, especially encourage children and youth to think their future positively by exposing them to higher education for intellectual stimulus, then to get full involvement of rural people into higher education to enhance intellectual level of rural people to think their future and live

positively. The project can produce motivated and knowledgeable young leaders with wider vision.

The project also gives chances to professors and students to understand the actual situation and problems of rural areas through exchanging views and thinking together with rural people. Especially, young students are to be encouraged to think the problems of rural areas and take these as the major agenda for further development of the Kingdom. Then, the project gets young educated human resources involved into rural development, contributing to the balanced development.

**(6) Points to be considered for implementation**

University autonomy and individuality is to be ensured to create original and unique ideas.



## PROJECT 6 Community Business Development

### (1) Rationale

There are potentials of rural businesses for expansion as follows: 1) making value-added products to transform agricultural material into industrial products to provide rural people additional income, 2) linking between industry and tourism to provide additional income and to conserve local culture, history and life style. Rural areas have advantages to promote value-added products with local resources and linkage between business and tourism since they are endowed with local resources such as cultural/traditional heritages.

However, people engaged in rural community business commonly have the constraints such as: 1) marketing problems, 2) limited knowledge and skill of business activities, 3) limited fund to invest in business, and 4) weak business relations with other areas which is the key element for business. Especially, marketing is serious problem. They cannot sell their products well because of the competition where there are many similar and copy OTOP products in the market. This is not only problems of designing, packaging and marketing skills as people claimed. The market of low quality and copy products are limited in size and flooded with these products. A competition within the small-segmented market causes the marketing problem. In addition, under the current rapidly changing market environment, even for

rural businesses, they have to compete and survive in the global competition in the market against low cost Chinese products. Under such a situation, a gap is widening between enterprises in Bangkok Metropolitan areas and community businesses in rural areas because of their difference in catching up with the changing required technical, informational and

### Project Frame: Project 6 Community Business Development

Project Frame	
<b>Overall Objectives</b>	To develop and improve managerial and marketing skills of community businesses through fostering community business leaders, which contributes to the rural economic development.
<b>Project objectives:</b>	To develop and improve managerial and marketing skills of community businesses through: pilot project aiming at fostering community business leaders with leadership to (1) motivate people, strategic planning, managerial skills of business, market and information oriented mind and skills,  (2) development of provincial strategy and programs for HRD .
<b>Output</b>	1 Provincial strategy for community business is developed. 2 Community business leaders are fostered in the pilot project areas.. 3 Community business development programs are improved through the experience of pilot project.
<b>Activities</b>	1 Review and assess the community business and assess the HRD needs. 2 Develop a provincial strategy for community business development 3 Undertake pilot projects aiming at fostering community business leaders consists of a combination of following components. (1) Financial support to rural businesses for revolving fund with low interest rate. (2) Advisory services in business skills. (3) HRD programs to share the experiences and to support rural businesses to develop networking. (4) Establish information network hub accessible to local (potential) entrepreneurs (5) Develop the system to keep updating training programs of managerial and business skill to meet the changing demand, (6) Research and development to meet the local demands, and study on the analysis of the cases of community business, and (7) Capacity building of public officers to provide technical advice to leaders on business development. 4 Monitor and review the results of pilot projects. 5 Feedback to the results of pilot project to the improvement of community business development programs, and expanded application of the projects to wider areas.
<b>External inputs</b>	Technical and some financial support from external resources are considered such as the pilot development study project providing expertise.

management abilities.

To solve the problem, community businesses have to penetrate the other segment of market: from low quality market to value-added market, and consequently from local to wider market such as regional, national and international market. In order to penetrate these markets, the critical factor is product development strategies to differentiate and add value of own products from others. Rural areas in Thailand have strength of local and indigenous wisdom like knowledge, culture and history, which differ place to place. Rural people have chance to make the most of this local wisdom for developing original products differentiated from the others. Community business need to have the product development strategy that has the concept of local specialties with background of local and indigenous knowledge, culture and history to meet the market demand.

For developing community business, it needs to foster community business leaders with 1) strategic planning ability, 2) leadership to motivate group, 3) managerial skill of business, and 4) market and information oriented mind to compete in the changing markets. Especially, market-oriented mind is the one of the hardest tasks and key factors for them to meet changing demand of customers/markets under the current evolving market environment. Even once succeeded, there is a need to build capacity that one can continuously catch up the demand and update information and technologies to meet the demand. To update information, sharing knowledge and information through networking is crucial to compete in the business. By doing so, business leaders can produce value added products with originality and/or differentiated from other products in the markets, and also find out the niche markets where their products can compete under the segmented markets.

Community businesses in rural areas are not only economic activities but also social group activities seeking sustainable development. In this sense, community businesses have clear a difference in their characters from the existing SMEs, and their managerial foundations are so fragile. Specific supportive measures are required for their survival in coming high competitive and fast changing market under the economic globalization.

## **(2) Objectives:**

To develop and improve managerial and marketing skills of community businesses through:

- pilot project aiming at fostering community business leaders with leadership to motivate people, strategic planning, managerial skills of business, market and information oriented mind and skills,
- provincial strategy and HRD programs development.

## **(3) Project Activities:**

- 1) Review the community business and assess the HRD needs.
- 2) Develop a provincial strategy for community business development.
- 3) Undertake a pilot project by experts (management, marketing) to support community business to develop business model.
- 4) Feed back the result of the pilot project for the improvement of the programs for community business development, and expanded application to wider areas.

### **Pilot Project**

The pilot project aims at foster community business leaders with leadership to motivate

people, strategic planning ability, managerial skills of business, and market and information oriented mind to compete in the changing markets.

The pilot project consists of a combination of the following components.

- 1) Financial support to rural businesses for revolving fund with low interest rate.
- 2) Advisory services in business skills such as product design strategy, information networking, management, production, marketing, designing, packaging, and advertisement,
- 3) HRD programs to share the experiences and to support rural businesses to develop networking among them for cooperation in technical and marketing development,
- 4) Establish information network hub accessible to local (potential) entrepreneurs, and foster leaders who support rural businesses to utilize knowledge and information obtained for producing value added products.
- 5) Develop the system to keep updating training programs of managerial and business skill to meet the changing demand,
- 6) Research and development to meet the local demands, and study on the analysis of the cases of community business, and
- 7) Capacity building of public officers to provide technical advice to leaders on business development.

**(4) Time frame: From the year 2003 to 2005**

**(5) Relevance to the current Thai society and economy:**

Local people and community initiative development is indispensable. So not only study or advisory service but joint study or work with local people will be required. Community business development means not only the development of rural economy and businesses but the development of the rural quality of life and culture in the following social aspects.

- 1) Sustainable development in terms of social stability, capacity and life style.
- 2) Rural and local people and community initiative development.
- 3) Natural resources based development/ environmental preservation.
- 4) Promotion of senior people and women's activities.
- 5) Promotion of young generation to stay in rural area.
- 6) Linkage and cultural exchange between urban and rural people.

**(6) Points to be considered for implementation:**

As mentioned before, community businesses have clear difference in their character from existing SMEs especially in terms of following aspects.

- 1) Informal organization/ group activities and leader-member relations.
- 2) Mostly farmers' side job and not full time job/ not always sales and profit growth oriented/ in many cases they have no factory ( in house works).
- 3) Mostly initiated and supported by public sector such as DIP, DOAE, CDD.
- 4) Basically small lot and hand made production (no production standard) with seasonal fluctuation, using local natural resources as materials .
- 5) Weak business relations with urban and overseas/ located in remote area.
- 6) Limited linkage with market and information/ lagging behind in IT.
- 7) Limited fund raising source/ little bargaining power with wholesaler or retailer/ no credit rating (quite frequently no book-keeping and no financial recording) .

## PROJECT 7 Capacity Building of Vocational Institutions for Rural Economy: Provide Future Leaders

### (1) Rationale:

Thailand has 413 vocational institutions in the nation that consists of 116 Technical Colleges, 46 Vocational Colleges, 48 Agricultural Colleges, and 203 Industrial and Community Colleges. Currently, 600,000 students are enrolled in 2001 academic year, which accounts for 30% of students who finished lower secondary education. The mission of these vocational institutions is to meet the need of the labor market and national economic growth according to the HRD policy and National Economic and Social Development Plan, through formal and short courses training programs. These institutions provide formal educational services to at the levels from upper secondary to bachelor degree according to the students' demand.

According to the change of the policies and labor demand, vocational institutions create new programs such as 1) Special Vocational Education Programme for Young Farmers, and 2) Industrial and Community Education Colleges for potential rural businesses to meet the emerging demand of rural economies. Especially, vocational institutions provide outreach program to rural areas, namely "One College 20 Villages program". Under the program, each college is responsible to support 20 villages.

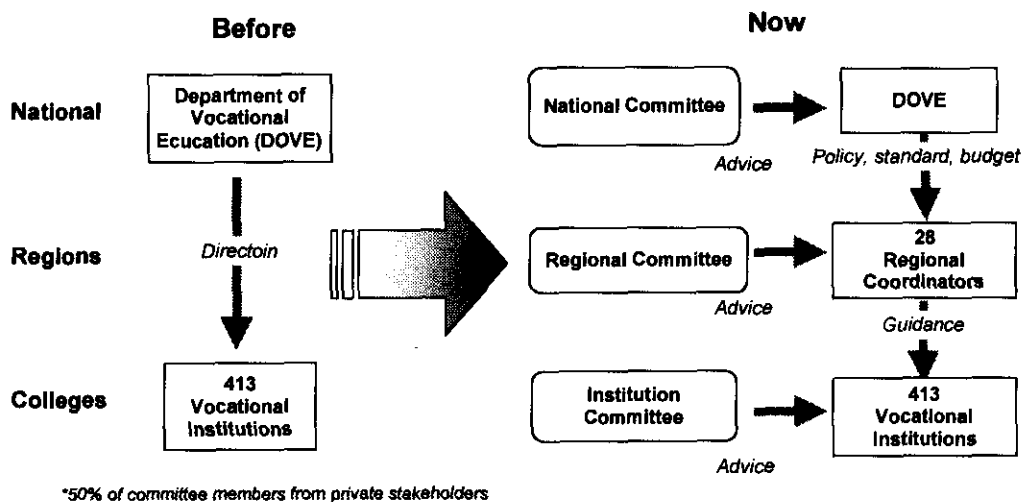
### Project Frame: Project 7 Capacity Building of Vocational Institutions for Rural Economy

Project Frame	
<b>Overall Objectives</b>	Vocational training institutions are transformed to demand-oriented, which provides future leaders in rural areas, thus contributes to rural economic development.
<b>Project objectives:</b>	<p>The project aims at institutional building of vocational training institutions to transform their systems into decentralized to meet the local demand.</p> <p>(1) To build capacity of regional leaders of vocational institutions,            (2) To learn how to meet the local demand, and            (3) To provide future leaders in rural economy.</p>
<b>Output</b>	<p>1 The capacity of vocational institutions is developed in pilot projects.            2 Future leaders are developed.            3 The strategy is developed for demand-oriented services.</p>
<b>Activities</b>	<p>1 Preparation stage            (1) Establish project management unit.            (2) Review the current system.            (3) Undertake preparatory study.</p> <p>2 Identification stage            (1) Identify the pilot areas to undertake pilot projects.            (2) Review the students needs and needs of rural sectors.            (3) Review the current vocational institutions to analyze the constraints and identify the capacity building needs.            (4) Train key personnel (regional coordinators) in Japan to study the experiences and to find out the implications applicable to Thailand.            (5) Work out the possible strategy, work plan, and program to make system functioned.            (6) Work out plan to improve current programs for students.</p> <p>3 Pilot project stage            (1) Undertake pilot project according to the proposed systems.            (2) Review and analyze the result of the pilot project.</p> <p>4 Strategy development stage            Work out the revised strategy, system and programs workable in the country.</p>
<b>External Inputs</b>	Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

The vocational institutions have been operated under the direction of the central government, Department of Vocational Education (DOVE). These institutions are, however, under the

transformation from the top-down operation system into the decentralized system in order to meet the local demand of the labor market as shown in the Figure below, which has just started in October of 2002. Under the new system, each institution and regional coordinator is given greater responsibility for institutional management, especially how to work with local people to meet local demand is a big issue. Currently, DOVE undertakes training for regional coordinators for better understanding of their mission and role, while, it is difficult to change their mind and behaviors and to materialize the mission.

The students of vocational institutions are young people some parts of whom are successors of farm household; they have possibility to return hometown. The transformation into decentralized management of vocational institutions supplies a number of future rural leaders to contribute to rural economic development. To make this transformation successful, technical assistance to capacity building and institution building of institution managers are needed. Technical assistance includes providing expertise to develop strategy and undertaking action research and providing a chance to study Japanese experiences for institution managers.



**Figure 6.7.1 Transformation of Vocational Institutions Operation into Decentralized System to Meet Local Demand**

## (2) Objectives:

The project aims at transforming the management systems of vocational institutions into decentralized to meet the local demand.

- 1) To build capacity of regional leaders of vocational institutions,
- 2) To learn how to meet the local demand,
- 3) To provide future leaders in rural economy, and
- 4) To promote rural economic development.

## (3) Project activities:

- 1) Preparation stage
  - Establish project management unit.
  - Review the current system.
  - Undertake preparatory study.
- 2) Identification stage

- Identify the pilot regions to undertake pilot projects
  - Review the students needs and needs of rural sectors.
  - Review the current vocational institutions to analyze the constraints and identify the capacity building needs.
  - Train key personnel (regional coordinators) in Japan to study the experiences and to find out the implications applicable to Thailand.
  - Work out the possible strategy, work plan, and program to make system functioned.
  - Work out plan to improve current programs to students.
- 3) Pilot project stage
- Undertake pilot project according to the proposed systems.
  - Review and analyze the result of the pilot project.
- 4) Strategy development stage
- Work out the revised strategy, system and programs workable in the country.

Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

**(4) Time frame: October 2003-September 2005**

**(5) Relevance to the current Thai society and economy:**

This project gives knowledge and philosophy for rural economy development to young human resources who can be leaders of rural economic activities in the future. This project is also to give good example of decentralized system to meet peoples and rural demand.

**(6) Points to be considered for implementation:**

College autonomy and individuality is to be ensured to create original and unique ideas.

## PROJECT 8 Curriculum Development of Basic Education: for self-reliance

### (1) Rationale:

Human resource is a key to national development. Basic education gives a foundation to children who leads the country in the future. Currently, under the globalization, young people suffer from falling into a moral problem such as drug addiction. Young people need moral, cultural identity, and environmental awareness not give in such a problem. Basic education such as primary and secondary education plays an important role to provide human resources development in rural areas. Basic education gives a foundation to children and provide future leaders in rural areas. It takes long time to grow future leaders, then it needs to start immediately.

Primary and secondary education systems are in the process of decentralization. So far, curricula of primary and secondary education have been in consistent with the instructions designed by the central government, however, Changwat can design 60% of curricula by 2003. Provincial governments are working out curricula with their initiatives. This project supports and strengthens their effort to develop curricula to supply future local leaders in rural areas.

### (2) Objectives:

The project aims at curriculum development of basic education with local initiatives to give a foundation to future leaders.

- 1) to develop capacity of provincial personnel for curriculum development,
- 2) to develop curriculum of basic education with local initiatives, and
- 3) to lay foundation of future leader for young people.

### Project Frame: Project 8 Curriculum Development of Basic Education: for self-reliance

Project Frame	
<b>Overall Objectives</b>	Curriculum is developed with local initiatives, which provides a foundation of future local leaders.
<b>Project objectives:</b>	<p>The project aims at curriculum development of basic education with local initiatives to give a foundation to future leaders.</p> <p>(1) To develop capacity of provincial personnel for curriculum development,            (2) To develop curriculum of basic education with local initiatives, and            (3) To give foundation of future leader to young people.</p>
<b>Output</b>	<p>1 Capacity of provincial personnel is developed.            2 Curriculum of basic education is developed with local initiatives.            3 Future leaders are developed through new curriculum.</p>
<b>Activities</b>	<p>1 Preparation            (1) Establish project management unit.            (2) Review the current situation.            (3) Undertake preparatory study.</p> <p>2 Identification            (1) Identify the regions to undertake a project.            (2) Review and assess the need of curriculum developed.            (3) Train key personnel for curriculum development.            (4) Develop curriculum.</p> <p>3 Implementation            (1) Undertake a project which introduce new curriculum into basic education.            (2) Monitor, review and assess the result of the project.</p> <p>4 Feed back            (1) Feed back the result of the project to improve curriculum development applicable to nation wide.</p>
<b>External Inputs</b>	Technical assistance are considered to provide expertise and training opportunity to the project under the pilot project development study.

**(4) Project activities:**

- 1) Preparation
  - Establish project management unit.
  - Review the current situation.
  - Undertake preparatory study.
- 2) Identification
  - Identify the regions to undertake a project.
  - Review and assess the need of curriculum developed.
  - Train key personnel for curriculum development.
  - Develop curriculum.
- 3) Implementation
  - Undertake a project which introduce new curriculum into basic education.
  - Monitor, review and assess the result of the project.
- 4) Feed back
  - Feed back the result of the project to improve curriculum development applicable to nation wide.

**(4) Time frame: October 2003-September 2005****(5) Relevance to the current Thai society and economy:**

The project tries to strengthen the ability of curriculum development, then gives a foundation for future leaders in rural area with emphasizing development of moral, cultural identity, hometown and environmental awareness. It takes long time to grow future leaders, then it has to start immediately for healthy development of the nation.

**(6) Points to be considered for implementation:**

Curriculum of basic education depends on each local areas. It needs to emphasize to respect identity and uniqueness of each area.