Final Report

The Process of Formulating Poverty Reduction Strategies in Thailand

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Introduction

1.1 Background

The National Economic and Social Development Plan or the Five Year Plan can be seen as Thailand's development agenda or mandate for government agencies to follow. In the First Five-year Plan that began in 1960's, economic development issues, particularly infrastructure development was the central theme of the plan. As the nature of Thailand's economic and social development progressed the issue of sustainable use of natural resources and environmental conservation began to surface and found its place in the Five-year Plan around mid 1980's. The issue of natural resources utilisation and environmental conservation further evolved to contain dimensions beyond that of natural science alone. The complexity between economic activities, natural resource utilisation and environmental conservation has been widely observed in Thailand. This relationship also has social implications as well. At this point, it is now well understood that attempt to maintain Thailand's long-term development momentum or to embark on a sustainable development path must involve effort that address economic, social and environmental dimensions in an integrated manner.

Thailand has more than a decade of sustainable development experience—some with more success than others. Various national strategies have been employed to raise family income while conserving the environment at the same time. For instance, large investment projects have to undergo Environmental Impact Assessments as a means to reduce environmental impact, or the promotion of ecotourism as a means to raise income while conserving the environment at the same time. Other environmental conservation strategies also contain social dimensions, namely, organisation of village groups to oversee environmental conservation. While many of these sustainable development strategies yielded positive outcome, others were implemented with limited success. It has been recognised that for sustainable development strategies to become fruitful they must be derived from a sound planning process. For instance, top-down mechanism can be an ideal process for certain types of sustainable development strategies, namely taxation or spending strategies. On the contrary, bottom-up mechanism has proven to be a successful sustainable development process for many local issues. For this reason there is a need to examine the process of formulating sustainable development strategies in order to guarantee positive outcome.

The higher poverty incidence and growth in inequality are also observed in a large number of developing countries. At the Earth Summit in 1992, the governments of the world, therefore, have agreed to introduce a national strategy for sustainable development (nssd) to tackle the problem. As a consequence, the OECD has introduced a new strategy for development

cooperation which commits donor agencies to support developing countries to introduce these strategies. However, there is a general awareness that blueprint strategies across the world should be avoided. This project, therefore, will provide key inputs on the appropriate nssd processes from the perspective of a developing country to the need of the OECD DAC as a donor agency.

1.2 Poverty Reduction Strategy

Thailand's successful development which is based on the growth strategy has helped improve the average income and the overall standard of living of its citizen. Nevertheless, there are still as many as 12 per cent of the population who still live in poverty. Poverty issue in Thailand has implications beyond that of economics.[1] In many instances, poverty has been a cause of natural resource exploitation and environmental degradation as the poor has no alternatives but to resort to natural resource exploitation in search for income. Poverty also led many rural families to leave their villages in search for urban jobs. This rural urban migration eventually led to a breakdown of village social mechanism that has for long been a pillar of rural livelihood. It can, therefore, be surmised at this point that poverty is not purely an economic issue but it encompasses both the social and environmental aspects as well.

As a developing country, Thailand has a long experience of formulating and implementing poverty reduction programs. Programs employed to date range from program approach that is under the responsibility of ministries and line agencies and project approach that is carried out on ad hoc basis. More recently, efforts to reduce poverty are seen from the NGOs as well as the private sector. As was illustrated above, strategies used to reduce poverty cannot be developed in an isolated manner. These strategies need to recognise that poverty reduction has to be approached from the sustainable development viewpoint, that is, they must contain an integration of all the three elements: economic, social and environment. And, for poverty reduction strategies to contribute towards sustainable development it is essential that they be based on a sound planning process.

1.3 Objectives

(3) To review the current status of the planning process of the NESDB with special reference to poverty reduction strategy. The review will cover the process of formulation of the eighth and the ninth national economic and social development plans, and the impact of the eighth plan.
(4) To develop the appropriate process of formulating poverty reduction strategy in line with notion of sustainable development. The project

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[1] This study also ask the stakeholders to assess the appropriateness of such a criteria. It should be noted that there are already new studies that propose new criterion.

will also cover issues of implementation, monitoring and adaptation of the process of sustainable developments.

(5) To draft an appropriate process of implementation of the nssd that will be parts of the inputs of the OECD-DAC's new strategy for development cooperation with Thailand.

1.4 Approach and Activities

To achieve the objectives, this study conducts the activities in two phases. Tables 1.1 and 1.2 summarize the details of all activities for this project.

1.4.1 The First Phase "Status Review"

The objectives of the first phrase of the project are as follows:

(1) To review the national development strategies since 1960 and the factors explaining the changes in strategies. The review focuses on the growth-oriented strategies and the recent sustainable development strategies.

(2) To review the processes of development, with special emphasis on both the changes in the national processes since the first national plan, and the parallel processes initiated by the NGO's in the last two decades.

(3) To carry out dialogue with stakeholders on the following issues: (a) the Thai concept of nssd and its existence; (b) the development process and role of people participation; (c) the stakeholders' management technology and knowledge of the state of the economy, social and political context of the country; (d) the stakeholders' political commitment. The role of donor has only been lightly dealt with at the moment, and further work to be done.

Six approaches were employed to meet the objectives of the project's first phase. The approach and related activities are as follows:

a) Literature review

This is necessary because there have yet been any systematic studies of the nssd processes in Thailand.

- Issues of review
  - Concept and existence of the so called "nssd" in Thailand
  - Historical development of the national plans and the development processes, with respect to economic, social, environmental and political issues as well as rural and urban development aspects
  - Roles of NGOs and people's participation
  - Poverty issues
- Activities

- Reviewing the studies of both the development process and poverty. Both academic and semi-academic books and journals were reviewed .

b) Consultation with steering committee

Since the development strategies and process involve multi dimensions, it is necessary to consult some development experts. A steering committee, which consists of 8 experts in social, economic, environmental and political development, was established.

- Activities
  - One formal brain-storming session
  - Personal consultation with some steering committee members
- Issues
  - Existence of nssd and processes
  - Appropriate concept of nssd
  - Role of NGO's and grass-root organization
  - Poverty issues and concept
  - Identification of stakeholders

c) Interviewing stakeholders :

The researchers have interviewed more than 14 stakeholders in all areas of development. The detailed work is as follows.

- Issues
  - Role of NGO's and people participation
  - Poverty issues in Thailand
- Activities
  - 10 personal interviews
  - telephone interviews
- Persons interviewed
  - Two planners
  - Four NGO leaders
  - Two academicians
  - One journalist
  - Two government officers
  - Two politicians

d) Panel Discussions and Special Lecture

In addition to interviews, this study also conducted two panel discussions and a special lecture on sustainable development in Thailand.

- Activities
  - One special lecture by a former secretary general who initiated the people participation planning process
  - One panel discussions
  - One session of paper presentation

- Issues
  - Dharma and development (the issue of the King's Buddhist concept of "sufficiency economy" and "moderate path").
  - Panel Discussion on "Formulation of the nssd: Process and Performance
  - Paper presentation on "Thailand Development Strategies" and "Thailand's National Planning Approach: towards Sustainable Development"

e) Group discussion and brain storming among lead team members

- 4 meetings among members from TDRI, NESDB, MOSTE
- 5 meetings among TDRI researchers

f) A one-day workshop of stakeholders

A one-day workshop of 60 stakeholders was held in September.

- Participants
  - 60 stakeholders from CSOs, NGOs, academics, government officials, politicians, journalists and community leaders from 5 regions
- Approach
  - Appreciation-Influence – Control method (AIC)
  - Using Mind–Map Technique

1.4.2 The Second Phase "Developing the process of poverty reduction strategy"

In this phase, the project has conducted six dialogues on natural resources and environment management, coping social problems, NGOs' role in poverty reduction, the poverty reduction strategy and constrain of acceptable grant and loan (see Table 1&2). The objectives of the second phrase of our project are as follows:

(1) To draw lessons from existing strategies.
(2) To identify areas of best practices.
(3) To identify common constraints

Six approaches were employed to meet the objectives of the project's second phase. The approach and related activities are as follows:

a) Literature review

- Issues of review
  - Poverty Studies including knowledge of poverty, poverty incidence, poverty measurement, causes of poverty and so on.
  - Poor targeting program provided by government agency and NGOs

- Roles of NGOs and people's participation in poverty reduction process
- Natural resources and environment management strategy in Thailand
- Activities
  - Reviewing the writings of both the academicians and other authors in the development process. Both academic and semi-academic books and journals were reviewed.
  - Writing 12 papers

b) Interviewing 32 key informants:

- Issues
  - Role of NGOs and people's participation
  - Poverty issues in Thailand
  - Natural resources and environment issues in Thailand
- Activities
  - 32 personal interviews
- Persons interviewed
  - Five academicians
  - Three politicians
  - Three newly elected senators
  - Four NGO leaders
  - Ten community leaders
  - Four government officers
  - Three private sectors

c) Focus group interviews

- Issues
  - Role of people participation in coping the poverty.
  - Poverty issues in Thailand
  - Natural resources and environment issues in Thailand
- Activities
  - 4 groups interviews
- Groups interviewed
  - Two urban groups
  - Two rural groups

d) Panel Discussions

- Activities
  - Seven panel discussions
  - Two sessions of paper presentation
- Issues
  - Panel Discussion on
    (1) How should the poverty reduction policy be?
    (2) Natural resources and environment management strategy
    (3) The social problems and coping strategy

(4) How did the community leaders cope the poverty problem?

(5) How was NGOs' strategies and process in reduction poverty?

(6) How are the poverty reduction strategies and process in Thailand?

(7) What are the Constrains of acceptable a grant and loan from international organization?

– There are four papers presentation on Academic workshop and National workshop

– The problems and consideration of the poverty in Thailand and the tendency of coping strategies in poverty reduction

– The poverty studies in Thailand: the knowledge and tendency in the future

f) Group discussion and brain storming among lead team members

- 6 meetings among TDRI researchers

g) One and half day National Workshop of stakeholders on 31 January – 1 February 2000.

- Participants
  – 62 stakeholders from CSO's NGO's, academics, government officials, politicians, journalists and community leaders from 5 regions
- Approach
  – Small working group

1.5 Completed Activities

a) Completed activities in the first phase

- Four papers on status review (see Table 1.1)
  – Strategies for Sustainable Development : An Overview
  – The Eighth and Ninth National Planning Process
  – Thailand development strategies
  – The Movement and Process of Development
- Interviews and dialogues on status review of the nssd processes
- An AIC Workshop on Thailand's Development Strategy : Equilibrium and Sustainable Development
- Compiling the name list of stakeholders and resource persons

b) Completed activities in the second phase

- Twelve papers on poverty reduction strategy (see Table 1.1)
  – A framework for action in natural resources and Environment Management
  – The Natural Resources and Environment Management on Sustainable Strategies Development

- The Summary of the Natural Resources and Environment Management Strategies on Sustainable Development.
- The Summary of the Strategies of Coping the Social Problems on Sustainable Development.
- The problems and consideration of the poverty in Thailand and the tendency of coping strategies in poverty reduction
- The poverty studies in Thailand: the knowledge and tendency in the future.
- The Summary of the poverty reduction strategies for the poor in the locality intellect vision.
- The Summary of poverty reduction strategies for the poor: From the conceptual framework towards the policy
- Non Government Organization with coping the poverty problem
- The poverty reduction strategies and process in Thailand
- The Constrains of acceptable a grant and loan from international organization.
- The Summary of the poverty reduction strategies and process in Thailand and The Constrain Management of acceptable grant and loan from international organization
- Posting the nssd studies on TDRI website
- Press conference to disseminate the results of the project on 1 February 2001.

Since all the papers written for this projects and the meetings are in Thai, appendices A-E provides the English summary of all the dialogues and meetings with stakeholders.

1.6 Organization

This report is the final output of the dialogues and papers on the nssd process by the Thai team.

The report consists of 5 chapters. After the introduction, chapter 2 discusses the development strategies and the evolution of the national planning process in Thailand. Chapter 3 describes the parallel NGO movements that have major influence on both Thailand's development strategies and planning process. The informal political movements, which have resulted in the constitutional reform, are analysed in chapter 4. The last chapter provides an assessment of the nssd (or more appropriate "the strategies on SD") process in Thailand.

One may question the relevancy of chapter 4. The results of our dialogues with stakeholders provide the rational to explicitly discuss the strategic informal movements of the network of NGOs, POs, CSOs and academia. The movements of the network have not only resulted in the constitutional reform in 1997, they have also put serious efforts to influence the country's development strategies and development agenda. Recently, the movements have concentrated in the activities of poverty reduction and health care reform.

Table 1.1 Summary of Nssd's Workshop, workshop's objective and workshop's paper

Workshop	Workshop's Objective	Workshop's Papers
1. The Conceptual Framework of studying the poverty reduction strategies in Thailand Workshop	1. To identify the conceptual framework of studying the poverty reduction strategies in Thailand.	1. The Summary of the Conceptual Framework of studying the poverty reduction strategies in Thailand
2. The Strategies for Country Development: Equilibrium and Sustainable Development Workshop	1. To review the national development strategies since 1960 and the factors explaining the change in strategies. 2. To review the current status of the planing process of the NESDB with special reference to poverty reduction strategy.	1. Thailand's National Planning Approach : towards Sustainable Development 2. Thailand Development Strategies 3. The summary of the movement and process of country development.
3. The Midterm Review Workshop	1. To review progress in participating countries; 2. To develop a draft framework for policy guidance (aimed primarily at donors) on strategies for sustainable development; 3. To exchange information and ideas on on-going strategy approaches, on emerging opportunities and challenges, and on international developments in the area of sustainable development strategies; 4. To consider ways to improve and continue networking amongst project participants; 5. To consider next steps in the project.	1. The process of Formulating Poverty Reduction Strategies in Thailand
4. The Natural resources and Environment Management Strategy on Sustainable Development	1. To review the strategy and the planing process of natural resources and environmental management. 2. To identify To identify the process of natural resources and environmental management towards sustainable development.	1. A framework for action in natural resources and Environment Management 2. The Natural resources and Environment Management Strategy on Sustainable development 3. The Summary's the natural resources and Environment Management Strategy on Sustainable Development.
5. The Strategies of coping the social problems on sustainable Development	1. To review the process of coping the social problems in the past and present. 2. To identify the process of coping the social problems on sustainable development in the future.	1. The Summary of the Strategies of coping the social problems on sustainable Development.
6. The poverty reduction strategies in Thailand: Past Present and Future	1. To review the poverty reduction strategies of Thailand in the past and present. 2. To identify the proper poverty reduction strategies in Thailand	1. The problems and consideration of the poverty in Thailand and the tendency of coping strategies in poverty reduction 2. The poverty studies in Thailand: the knowledge and tendency in the future

Table 1.1 Summary of Nssd's Workshop, workshop's objective and workshop's paper (Cont.)

7. The poverty reduction strategies for the poor in the locality intellect vision	1. How did the community cope the poverty problem in the past?	1. The Summary of the poverty reduction strategies for the poor in the locality intellect vision
8. The poverty reduction strategies for the poor: From the conceptual framework towards the policy	1. How was NGOs' strategies and process in poverty reduction ? 2. How was the implementation policy in poverty reduction in the future?	1. The Summary of poverty reduction strategies for the poor: From the conceptual framework towards the policy 2. Non Government Organization with coping the poverty problem
9. The poverty reduction strategies and process in Thailand and The Constrain Management of acceptable grant and loan from international organization	How are the poverty reduction strategies and process in Thailand? What are the Constrains of acceptable a grant and loan from international organization?	1. The Strategies and process of poverty reduction in Thailand 2. The Constrains of acceptable a grant and loan from international organization. 3. The Summary of the poverty reduction strategies and process in Thailand and The Constrain Management of acceptable grant and loan from international organization

Table 1.2 Organizer, Venue, Date and Total participants of Nssd workshop

Workshop	Organizer	Venue	DATE	Total Participants
10. The Conceptual Framework of studying the poverty reduction strategy in Thailand	TDRI	TDRI's Meeting Room	22 Jun 2000	20
11. The Strategies for Country Development: Equilibrium and Sustainable Development	TDRI & NESDB	Prince Palace Hotel	15 Sep 2000	65
12. The Midterm Review Workshop	TDRI & IIED	Novotel Corolia Hotel	9 – 14 Oct 2000	47
13. The Strategies of natural resources and Environment Management on Sustainable Development	TDRI	TDRI's Meeting Room	1 Dec 2000	38
14. The Strategies of coping the social problems on sustainable Development	TDRI	TDRI's Meeting Room	1 Dec 2000	28
15. The poverty reduction strategies in Thailand: Past Present and Future	TDRI	TDRI's Meeting Room	22 Dec 2000	48
16. The poverty reduction strategies for the poor in the locality intellect vision	TDRI & Local Development Institute	Local Development Institute's Meeting Room	18 Jan 2001	24
17. The poverty reduction strategies for the poor: From the conceptual framework towards the policy	TDRI & Local Development Institute	Local Development Institute's Meeting Room	19 Jan 2001	26
18. The poverty reduction strategies and process in Thailand and The Condition Management of acceptable grant and loan from international organization	TDRI	The Regent Cha-Amm Hotel	31 Jan – 1 Feb 2001	62

Chapter 2

National Strategies and The Process of National Planning in Thailand

National planning has been a part of the Thai society for centuries. Modern national planning can be dated back when His Majesty King Rama V embarked on the modernisation stage for Thailand during 1800's. At that time when Thailand was under monarchy ruling, the top down planning approach was relevant. His Majesty King Rama V transformed Thailand from a rural state into one that was characterised by hospitals, universities and ministries. The top down planning was initiated by the Kings, executed by the public servants and the Thai people felt its impact. Overtime, this top down planning approach became imbedded as part of the Thai culture and some of it is still reflected in the Thai national process today.

As for today, many facets of the Thai society have changed. The rice economy gave way to tourism, the monarchy ruling gave way to democracy, and the military governments gave way to civilian administration. Furthermore the top-down policy planning is beginning to be replaced by the bottom up approach. To a large extent, these changes have demonstrated that many aspects of the Thai society are flexible enough to allow for new changes. Nevertheless, there are still many areas that will remain as the backbone of the Thai society and will take a few more decades yet for them to begin changing. Patronage is perhaps considered as one of Thailand's most valuable inheritances and this strong culture phenomenon has often turned into an obstacle for planning process. Ready-made-textbook-type planning processes that fails to recognise the inherit characteristics of the Thai culture will in itself be ineffective – let alone its sustainability.

The structure of the Thai society is an important factor that will determine the appropriate process of policy planning. There are factors and influences that tend to move Thailand away from top-down towards bottom-up policy planning and from bureaucratic to public participation. Even though this trend is desirable for any successful sustainable development there is, however, a need to ensure that any changes that will take place operate within the acceptable parameters of the Thai culture. For this reason, it is vital that in order to assure that the process of policy planning be an important part of sustainable development it ought to be well integrated within the Thai culture and the Thai way of reasoning.

From time to time, Thailand has undergone changes in the political setting and hence the strategies and the process of national planning. Some of these changes were brought about in a peaceful manner but others were the results of bloodshed. Nevertheless, the fact that Thailand has demonstrated

to achieve a reasonable economic performance and social harmonisation, there must exist some mechanisms that helps ensure a continued evolution of the Thai national planning. For this reason this chapter intends to describe the background of the Thai society and the evolution of the Thai national planning process. The four sections that will be covered are the structure of the Thai society and the impact of an open society ; the national strategies of development ; the process of national planning in Thailand; and an evaluation of the policy planning process.

2.1 The Structure of the Society and Impact upon Open Society

There are three important pillars that govern the Thai culture and its way of thinking: village society, cultural beliefs and social differences. The rich natural resource endowment has enabled the Thais to base their livelihoods on the agricultural sector. Historically, small clusters of agricultural villages have been scattered throughout most parts of Thailand with only Bangkok being the centre of public administration. Since the livelihoods of the majority of the people are rural and village-based, many Thai customs and culture have been based on the concept of "smallness." In a small rural village, there are exchanges of goods and services, trust, accountability, or even patronage.

Influence of the Patronage Culture

Since the early 20th Century, Thailand began to adopt a more western approach towards development. Highways, irrigation dams, and electricity began to replace the traditional lifestyle and for the first time the concept of large-scale urbanisation began to replace the concept of small rural villages. As the Thai society becoming more urbanised and various parts of the country became integrated, there was a need for Thailand to establish a new set of customs and modern institutions designed for managing a large society. Unfortunately, the kind of institutions that are needed to manage a large society were neither envisioned nor instituted in Thailand. Malaysia, Singapore, and Hong Kong, did not have such problems because the British did it all for them.

Even though democracy was adopted in Thailand in 1932 and a Constitution was in use thereafter, the Thai society was still lacking the necessary modern institutions needed for a large and more complex society. For instance, the concept of patronage that was considered a very valuable social capital at the village level turned out to be a hindrance for sustainable development at the national level. As the society becomes larger and more complex, each individual needs to recognise his/her obligations to the society at large and be able to put aside personal favouritism that one may have with others. In Thai society, this is rarely the case. Very often, personal relationships received higher priority than abiding to one's social obligations. Box 2.1 shows an example of the impact of patronage on sustainable development.

Although nearly 70 years have passed, and the Constitutions have been rewritten several times, the concept of living together sustainably in a large modern society has not yet been established in the Thai culture. Components that are missing include transparency in public administration, decentralized public administration to meet the needs of the people, accountability at the national level and the commitment to maintain national interests even at the expense of personal gains. It was not until 1997 when the new Constitution was promulgated that these components began to surface and begin to operate in Thailand.

In terms of cultural beliefs, many of these beliefs turn out to be detrimental for a sustainable society. For instance, a sustainable society ought to be one where the state is obligated to respond to the needs of the people on an equal treatment basis. Any civil servant that fails to deliver according to the need of the people is considered undesirable. However, according to the Thai culture, those who are the victims of irresponsible civil services tend not to demand an equal treatment but rather blame themselves for lack of good deeds done in their past life. As for those who benefit from favouritism, they tend to get away easily, as those who were made worse off did not recognise their rights retaliate. The worse off tend to reason that because of all the good deeds that was accomplished in the past life these

beneficiaries therefore have the rights to better public services and hence a better standard of living. For the unfortunate, instead of demanding for a more efficient and equal treatment from public servants, they prefer to turn to religious activities in the hope that, in the next life, they will be born in a better socio-economic environment. In short, many aspects of the Thai values or beliefs can lead to an inefficient public sector and hence an unsustainable society.

On the other hand, other aspects of Thai values, particularly those influenced by Buddhist teachings, have taught the Thais to live a modest life and in harmony. Recently, such Buddhist concepts have been revitalized and made popular by His Majesty the King. Box 2.2 also demonstrates another example of the impact of another form of the Thai culture regarding sustainable development.

Box 2.2 Thai Culture and Expanded Concept of Sustainable Development

The existing social movement and planning process has emphasised the concept of people centred and the King' theory of "Sufficiency Economy." Thus, the sustainable development concept has been expanded from the social-economic-environmental development to include political reform and Buddhist ways of thinking. Because of the Asian currency crisis, the main focus of the Thai development is to build a shock-resistant institution to cope with both internal and external shocks. The King's Sufficiency Economy, which is founded upon the Buddhist concept of middle path, calls for the self-reliance development approach, in which excessive consumption and investment should be avoided. At the same time, political reform and corruption, which are one of the causes of the crisis, have become the main focus of our development effort during the last decade.

These are examples of some of the characteristics of the Thai culture that will have an impact on sustainable development and the planning process. The process of proposing a policy agenda in Thailand will be discussed in the subsequent section. It will be shown that many policy agendas and planning efforts cannot arise from the bottom. Rather, many policies that came into effect are the result of personal relationships among the elites in Thai society. On the more formal planning process, the issue of policy planning that aim to provide services in response to the need of the people is a new in Thailand. However, there are signs of changes where the public administration is responding more to the needs of the people and the planning process is becoming more transparent and participatory.

Influences of an Open Society on Social and Economic Development

Modern economic and social development in Thailand can be said to begin in 1932 when Thailand had its first democratic constitution. With political instability, resulting from the change in the political system, from monarchy to democracy during the early periods, formal national planning did not begin until 1959. Even then, the military governments at that time carried out much of the planning.

The notion of "openness" has been an important feature of the Thai society and has an important bearing on the course of development in Thailand. Thailand first opened its door to free trade after the signing of the Bowring Treaty in 1855. Then, King Rama V, who reigned from 1868 to 1910, introduced western development models by establishing the modern civil service. Formal schools and universities, public health care, division of the military, and establishment of ministries followed that of the European system. An event of considerable external influence for subsequent Thailand's modern economic history was the arrival of the World Bank mission in 1957. Thereafter, the Bank experts became instrumental in many forms of development agenda from the development of infrastructure to the establishment of national income accounts. Towards more recent times, the 1980's saw the external force from the International Monetary Fund (IMF) that helped liberalise the Thai economy, namely, capital account liberalisation, which resulted in both positive and negative impacts on the economy.

Aside from the economic front, this notion of openness is also observed in other areas as well. Foreign organisations whose mandates are to serve their interests are welcome to establish their operations in Thailand. For instance, during the 1980s' anti-drug organisations (NGO's) from various developed counties were established in Thailand in the attempt to reduce opium plantation in the northern region of Thailand. Towards, the 1990's these foreign-development NGO's were scattered throughout Thailand, each with their own external funding and agenda. Due to the national sovereignty, the operations of these foreign organisations are less frequently observed in other Southeast Asian countries but they tended to flourish much more freely in Thailand. The establishment of these foreign organisations would then have an impact on the course of economic and social development in Thailand.

People participation is another aspect that has an impact on the policy formulation process in Thailand. People participation or the role of the public in the national development agenda was practically absent until after the blood shed student riots that took place in 1973 and 1976. And it was not only after the end of 1970's that the Thai policy makers, the technocrats and the bureaucrats began to realise that there is a need to tailor national policy to serve the need of the people. The more recent example of people participation in the development agenda was the drafting and the enactment of the 1997 Constitution. As opposed to all of the previous constitutions that

were drafted by the ruling politicians, the 1997 Constitutions were drafted with extensive involvement of the people throughout the country. Public hearings, meetings, representations were carried out in every province to hear what people want to see in their new constitution. And it was the first time that the Thai constitution began to reflect important elements that are essential for maintaining a sustainable society: transparency, accountability, public participation, public sector that is geared to serve the needs of the people, and decentralisation. (See further discussion in chapter 4). Box 2.3 summarizes the important factors that led to changes in the Thai society.

Box 2.3 Factors explaining changes in Thailand.

- Thailand has been an open society for centuries, allowing them to be more receptive to adopt and adapt new ideas and imported technology.
- Both Buddhism and the monarchy institute are important institution shaping the Thai's compromising behavior.
- People politics and free press, which are the unique characteristics of Thai politics, have enabled peaceful political movement, leading to political reforms.
- The NESDB has been highly adaptive to changes by quickly transforming planning processes. This is partly because it does not have administrative power. (see more discussion below).
- Being the open society, NGO's activities, most of which are influenced by foreign NGO's, are widely diverse. Though most of them share a common attitude about the development process, they are far from being dictated by a single political or economic ideology. (see chapter 3).
- Although most PO's and NGO's are small and do not have many resources, they have been successfully forming network with each other, resulting in increased strength and development capabilities. The support of two prominent elites-Mr. Aanand Panyarachoon and Dr. Praves Wasi, as well as financial support from international agencies, have enabled the network to expand continuously and become the instrumental force behind some political changes (see more details in chapter 4).

2.2 National Strategies of Development in Thailand

National strategies for development are usually the heart of central-planned economies or countries where the public sector plays the central role in development. Moreover, to successfully agree on and implement a set of long-term strategies in a country requires continuations in politics and public policies. Compared to many other countries in Asia in the post WWII period—such as Japan, Taiwan, Singapore, South Korea, and Malaysia-- Thailand is certainly not among the top candidates where long-term national strategies of development could be formulated and carried out in a concerted way by all of the government agencies and private institutions.

Nonetheless, there have been many competing ideologies floating around in Thailand, each of which could became a national strategy should it be carried out with full force on a long-term basis. Among them are growth and stability development, socialism, participatory development, nationalism, and Buddhist Economics. Although the Thai political arena has always been dynamic, the bureaucratic system has been very stable. Therefore, during the periods where Thai politics were stable, such as in the 1960's, early 1970's and in the 1980's where the prime ministers were rather powerful, technocrats played a very important role in planning and received full support from the prime ministers. Through this process, these technocrats had chosen "growth and stability" as a national strategy for development.

However, what is referred to in Thailand as "growth and stability development" has not been based on a single idea or policy. Rather, it derived from several blueprints borrowed from western contemporary development economics during the past four decades. During these years, emphasis had been shifted quite a few times, albeit slowly. Import-substitution policy gave way to export-oriented and economic liberalization policies, at least up until the onset of this crisis. Despite the shifts, growth has always been the priority strategy, which has significantly resulted in a sharp reduction in poverty (see Appendix E and table therein for this line of argument and evidences).

Since the late 1980's, the issues of the income inequality, social problems and deterioration of natural resources and environment have been recognized by the planners and there have been various programs to tackle the problems (see more discussion below). However, growth and stability were still the over-riding national strategies even after the 1997 economic crisis. This is not surprising since the process of national planning had been dominated by the top-down approach. The participatory process, claimed by the NESDB, was at most an involvement of the bureaucrats, some academics, and the business association. More important, the budgetary determination process has still been determined by the four government agencies whose primary responsibility is macroeconomic stability and growth. Although the elected governments have taken control of the policy decision-making power and budget determination since the late 1980's, the politicians are only interested in the allocation of budget at the departmental level. Their main concerns are still influenced by the need to patronize their rural voters and

their parliamentary role in the budgetary determination process is still constrained by the budgetary laws that emphasize fiscal conservatism.[2]

The growth and stability strategies have not been adopted without challenge. Being unhappy with the consequences of rapid economic development, a growing number of social scientists, social critics and NGOs have begun to criticize National plane and its strategies. The bloodshed in the 1992-May political violence has rivitalized the Thai political consciousness and more peaceful systematic political movements (see more details in chapter 4). In response to the new political winds, the NESDB Secretary General decided to change the process of drafting the Eighth National Plan (see more details below). The national strategy of "people as the center of development" has replaced the growth strategy. But the new strategy was more nominal than real.

It was not until the 1997 economic crisis that most Thai people, including the bureaucrats and the politicians, began to recognize the weakness of the growth strategy. After the King's speech on his birth-day in December 1997-98, the Buddhist concept on moderate path, under the King's notion "sufficiency economy," has become popular. A volume of papers on this issue was published and series of seminars were organized. As a result, the Ninth National Plan has adopted the concept of "sufficiency economy" as one of the main development strategies.

The sufficiency economy cannot be literally translated. It is a concept that addresses the importance of the Buddhist's moderate path of carrying out economic activities. Over-consumption and over-investment can result in undesirable consequences. The concept does not call for the state of autarky but emphasizes the balance of domestic production and trade. In short, the objective of the sufficiency economy is to establish shock-resistant institutions that could effectively prevent a future crisis.

2.3 The Thai Economy and its Planning Process

Economic development in Thailand has led to higher income, increase in employment a sharp reduction in poverty (see appendix E), and improvement in the standard of living. Over the past 30 years the Thai people also experienced better public health services, expansion in transportation and communication, and public utilities such as electricity and clean water. Along with these achievements, however, have been undesirable social outcomes (Ammar 1996), that led Thailand to rethinking its past economic development plans and strategies. The past economic development in Thailand was realised at the expense of increased family break down, drug problems, prostitution and public safety. In addition, past economic achievement was made possible partly through the exploitation of natural resources and the environment–a process that cannot be characterised as sustainable. The past economic development in Thailand can, therefore,

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[2] The current government has begun to change the existing budgetary determination process because it was the first time that a single party has the majority votes in the parliament.

be connoted as *"improved economic wellbeing along with increasing social problems and lacking sustainability"*.

The past economic performance led Thailand to realise that abundant resources and cheap labour will no longer act as our comparative edge for exports or sources of income. The past achievements led Thailand into a situation of "an increasing cost" for the overall economy. These increasing costs include, for instance, the administrative costs of centralisation and inefficiency, the costs arising from the lack of good governance both in the public and the private sector, social costs, increasing labour costs as well as long-term costs in terms of deteriorating natural resources and environment.

For Thailand to adequately address the fundamentals of economic development such as maintaining competitiveness, sustainable development and equitable distribution of opportunities it is essential that the overall cost structure of the economy be contained. More importantly, it is now realised that in order to put Thailand on its sustainable path, the *"quality of the people and the promotion of a civil society"* need to be central to our development agenda. Enhancing the quality of the people and promoting a civil society involves many elements and requires many supporting factors. To effectively orchestrate resources and efforts it is essential that the planning process of development shift gear from the old central planning bureaucratic approach to a decentralised participatory approach.

Over the past 30 years, the Thai planning process has undergone changes. This section will outline the dynamism of the Thai planning process and the conditions that gave rise to these changes. It is envisioned that the flexibility of this planning process may be instrumental in maintaining the momentum of long-term economic and social development in Thailand.

Since the early 1960's Thailand has gone through eight National Economic and Social Development Plans (often known as Five-year Plan). The agency in charge of preparing these Five-year Plans is the National Economic and Social Development Board (NESDB). The following section illustrates how the Thai Five-year Plans have changed over the past 35 years in response to the nature of the problems as well as the socio-political situations in Thailand. The 1st-7th Plan share a common theme in that they are Five-year Plans that can be characterised as being top down. The 8th Plan and the forthcoming 9th Plan contains more elements of people participation.

Changes in the National Development Plans: Responses to Social, Economic and Political Conditions

During the past 40 years, which include eight development plans, the state's development programs in Thailand have been general rather than specific (or tailored for specific groups). Since the first plan, the emphasis was to "develop" the country to catch up with the "civilized nations." The programs therefore focused on basic infrastructure--such as roads, electricity, water supply, dams and hospitals. Although some programs were

occupation-specific such as irrigation and agricultural extension, the programs were not tailored for specific regions or groups.

During the early 1960's, a military government adopted the top down approach and relied on the Five-year Plan as a blue print for national social and economic development. At that time when Thailand still lacked many essential infrastructure developments, the 1st Plan became a master plan for public investment in infrastructure. The weakness of the 1st Plan was the lack of evaluation on the impact of these investment projects.

The 2nd Plan became more sectoral where planning analysis was carried out for each economic sector in order to define problems and investment projects were designed accordingly. The sectors that were in focus at that time were manufacturing and services. During the 2nd Plan emphasis was still in the Bangkok area without much diversification to other provinces.

After the first decade, there were criticisms on unevenly distributed fruits of development. The Third Economic and Social Development Plan (1972-76)—the first one that added social elements to the development plan, began to address the uneven development between rural and urban areas and between Bangkok and cities in other regions. However, like the first two plans, the third plan was still written by technocrats using top-down approach. Therefore the plan constituted no major changes from the previous ones. The most significant and most successful element in this plan was to reduce population growth, which was viewed as a major factor that impeded the struggle to escape from the vicious circle and rural poverty.

In addition to the income inequality problem and social development issues, a population policy was also initiated during this Plan. Growth objectives were still maintained in the 3rd Plan and investment in manufacturing and servicing sectors continued especially in the urban areas. For this reason the redistribution objective of the Plan could be effectively achieved.

During the third plan, a dramatic political upheaval took place in October 1973, with a historic student demonstration that put an end to the military government and the stability that came with it. Under the parliamentary system, political parties attempted to secure votes by proposing several welfare programs for the poor, including free health care. An attempt was also made to implement a paddy price guarantee scheme that would benefit rice farmers. However, after three years of freedom and political turmoil, a coup de tat took place in October 1976 that suppressed left-wing movements in the cities. Thousands of students, farmers, and workers then fled to the jungle and helped fueling the insurgency led by the Communist Party of Thailand (CPT).

The Fourth Plan (1977-81) was drafted at the time of instability. The plan therefore differed from the previous plans in that it did not go into projects in detail. Rather, it summarized problems arisen from development such as uneven income distribution, deterioration of natural resources and

environment. The major new element was a health care provision in the rural areas, the concept which was influenced by the WHO's flag "Health For All By the Year 2000." By now, at the turn of the new millennium, this last element turned out to be most successful part of this plan and subsequent health care program in rural Thailand.

The 4th Plan also saw a change in the conceptual framework of national planning to reflect the change in the political setting in Thailand. Following decline of military ruling and the beginning of democratic government Five-year Plan took a change from being a blue print for infrastructure investment to problem oriented planning cum planning to address important development issues. Since then, the national plan has been dubbed the "indicative plan". The reason of the change in the conceptual framework of the Plan was to make sure that Five-year Plan could be as a tool for the elected government to address the country development agenda.

The early 80's witnessed the state of communist insurgency in rural Thailand. In order to win the heart and soul of the poor over the Communist Party of Thailand, the government then made some adjustments in the drafting of the Fifth Plan (1982-86) to include specific programs for poor rural areas. The plan stated the need to have development with full participation—the concept initiated by a World Bank mission that visited rural Thailand in 1980 and by several academics. Two separate development plans using area-approaches were introduced. First was the Development Plan for Poor Rural Areas, which aimed at poverty eradication in backward areas by the joint efforts of key ministries and the private sector. The plan included village rice banks and buffalo banks, village fish-ponds, etc. The other area-specific plan was the Eastern Seaboard Development Plan to support heavy and light industry development that would make use of the discovery of natural gas in the Gulf of Thailand.

The Sixth Plan (1987-1991) aimed to maintain growth and stability, as well as addressing education and other manpower issues, which were viewed as the main obstacles for structural adjustment toward industrialization and export-led strategy. The plan also called for the large investment in the basic industries which are capital intensive. Those basic industries are now having serious problems of debt and over capacity. However, during this plan, the average GDP growth was 19 percent per annum. Population growth came down to 1.7 percent and number of children with third degree malnutrition decreased to 0.1 percent. But rapid economic growth led to deterioration of the resources and environment.

The Seventh Plan (1992-96) was the first plan that attempted to embrace the concept of sustainable development. The main objectives of this plan include economic growth, income distribution, human resource development, enhancing quality of lives and environment. The plan also aimed to narrow the gap between regions. During this plan, the targets on economic growth and poverty alleviation were met or even exceeded (the average growth was 8 percent per annum and poverty incidence came down to 11 percent by the end of this plan), other main objectives such as income

distribution and enhancing quality of the environment were not achieved at all.

The Conceptual Framework of the 8th-9th Plan

Recognizing its waning planning power, the new secretary general of the NESDB decided to take a completely different approach of the formulation process of the new Plan. During the second half of 1990's the momentum of people participation began to play an important role in Thailand. An important milestone was the passing of the 1997 Constitution that was drafted and put together by the people instead of the ruling government. The 8th Plan also took a turn by involving people during the drafting process of the Plan. Instead of the Plan being drafted by technocrats and academics the drafting process of the 8th Plan was carried out by conducting seminars and meeting in various parts of the country. (See Box 2.4) Thousand of representatives from NGOs, community leaders and bureaucrats helped draft the plan. Issues raised during these meetings were than put together into the 8th Plan. Hence, it can be seen that the conceptual framework of national planning in Thailand has taken another change from what used to be purely top down approach to participatory approach, although one may still hesitate to associate the Plan as being bottom up approach. (See Box 2.5)

However, the plan faced a major drawback due to the economic crisis that hit the country since the first year of its implementation, which caused serious budget cuts across the board and made it necessary for the government to divert public resources to solve some short-term and urgent problems. In addition, since the plan involves novelties that are not familiar in the bureaucratic budgeting system, there have been problems in preparing budgetary plans to support it.

The 8th Plan and the forthcoming 9th Plan contain many new elements to address long term development issues for the country. The 8th Plan puts people at the centre of development agenda. The concept of people empowerment and enablement is the essence of the 8th Plan. In addition, the 8th Plan also adopts the holistic approach where each development issue will not be analysed or solved alone but will be addressed in a holistic manner.

Two additional concepts are added to the Plan, "Sufficiency economy" and good governance. These two concepts are strategies that aim to protect Thailand from external shocks. While the sufficiency economy concept is home grown, the World Bank introduced the good governance concept to Thailand.

Although it appears that there have been continuing shifts in emphases of development strategies of the state, there has been more continuation of the existing development policies and programs than a new start of a novel program or approach. During each regime of administration, the opposed political parties would criticize and discredit the government's policies and programs. More often than not, however, once those parties
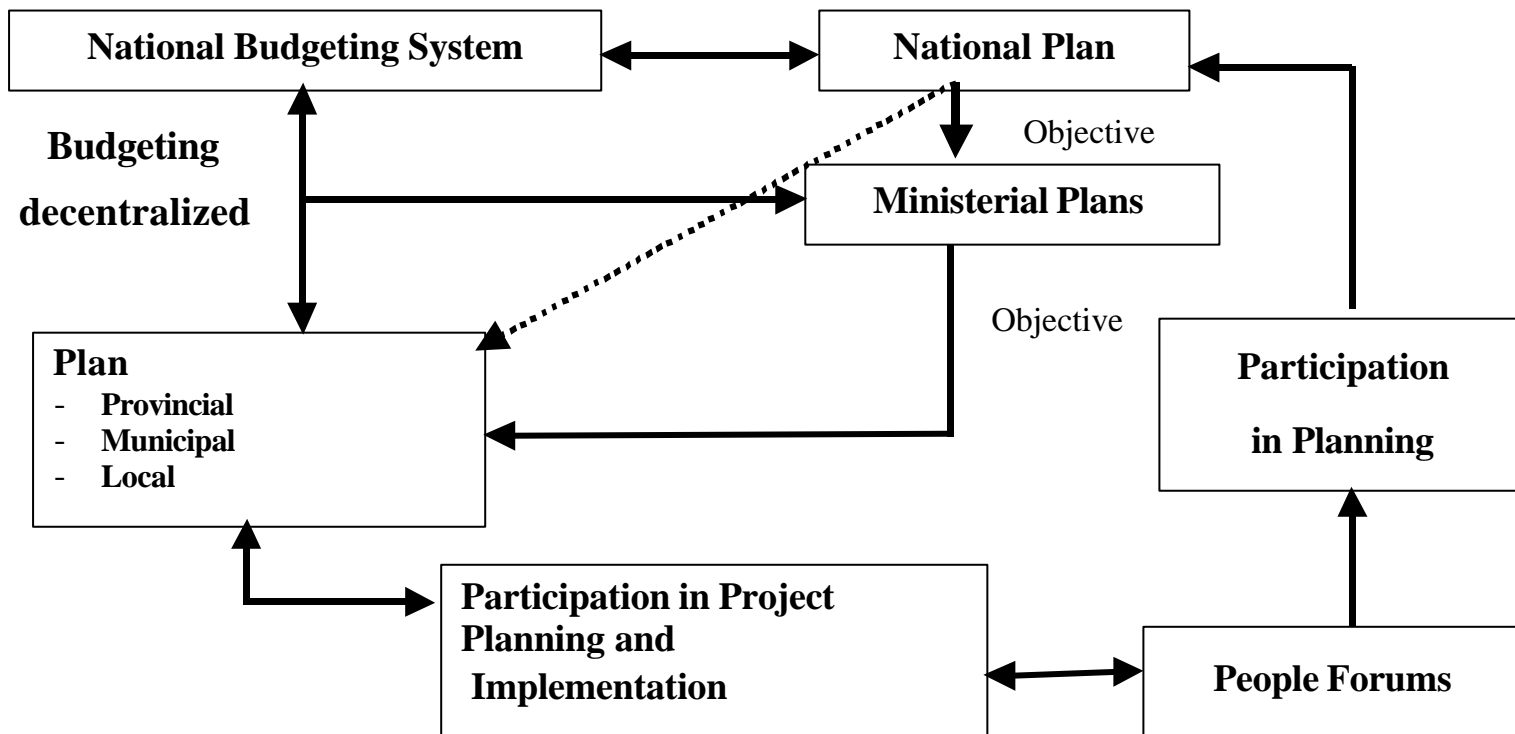
took-over or joined the government, they would follow or even embrace the policies and programs they previously criticized.

Poverty reduction in the rural areas and decentralisation was the focus of the 5th Plan. This Plan also introduced inter-disciplinary approach and began to adopt the area base approach. For instance, the Ministry of Agriculture and Co-operatives, the Ministry of Interior, the Ministry of Education and the Ministry of Public Health joined efforts in reducing poverty in critical areas. With the area-based approach the Eastern Seaboard project was initiated during this Plan. In addition to the central Plan, provincial Plans were also initiated. Another important change was the step-down of the powerful military-backed prime Minister in 1986 which let to a coalition government with an elected prime minister. The new government moved quickly to curb the powerful role of the secretary general of the NESDB. Asia consequence, the NESDB has quickly lost its powerful planning power.

Box 2.4 People Forum for Sustainable Development in Thailand

In the formulation of the ninth National Economic and Social Development Plan, the multi-stakeholders have not only been allowed to participate in the planning process, but also in project planning and implementation (see Figure 2.1). In the former forum, multi-stakeholders formulated the national mandate and objectives. In the latter forum, they are able to directly assist in the formulation and implementation of plans and projects at the local, municipal, as well as the provincial levels. In addition, during the articipation process of national planning, the NESDB have also passed on the information about multi-stakeholders needs and recommended projects to the people who prepare the ministerial plans. But most of the information from the participatory planning process will be channeled to the Budget Bureau that is responsible for budget allocation to the local, municipal and provincial organization. In the old day, all the projects and budgets of the local and provincial organization were determined by the central government. But after the new decentralization law, the local and provincial governments are allocated a fixed percentage of the total government budget. Therefore, all plans and projects of the local and provincial governments are now determined by the local and provincial administration with inputs and information from the people forum.

Figure 2.1 The Process of the Ninth National Plan

Box 2.5 Civil Society's Competing Strategy Formulation in Thailand

The drafting of the current national plan of Thailand (the 8th Plan) was the major step to involve NGO's and CSO's in the strategy and planning formulation process. The planning agency's (NESDB) objective was to draft the plan via consultation, where thousands of participants from all walks of life and from hundreds of NGO's and CBO's could provide inputs and voice their concerns. The participatory process in the drafting of the Eight Plan was done superbly that many NGO's believed in their authorship of the plan.

In a way, the Eighth Plan consists of every major ideology that most participants would like to see. However, many specific issues raised by representatives of local NGO's or communities were left out during the "synthesis process". As a result, the national plan become a rather abstract plan with no apparent linkage between the plan and budgeting.

The "success" from the process of drafting the Eighth National Plan explains why the NESDB relied on this process in preparing the Ninth Plan. However, some NGO's and CSO's that participated in the process began to feel that their real concerns were fallen through along the "synthesis" process. Some NGO's, notably the national "NGO Network", and a number of POs refuse to participate in the Ninth Plan drafting process and put forward their own "National Agendas for the Free Thais" to the public.

Unlike the more-abstracted national plan, the "National Agendas for the Free Thais" consists of issues of national concern in 16 areas, namely, politics; agriculture; natural resource, environment, and energy; sea resources and fisheries; slums; labor; ethnicity; gender; children; consumer protection; health; AIDS epidemic; education; mass media; public debt; and poverty. Interestingly, these agendas put together would reflect all pillars of SD, even though they did not mention SD explicitly as in a more-abstracted national plan.

It should be noted that another NGO network and many CBO's continued to work with the NESDB on drafting the 9th plan. These civil groups try to correct their past problems by emphasizing the need to have parallel local or community plans besides the "National Plan" and put forth for issues like decentralization and community rights. In effect, there would be competing strategies/agendas being pushed forward to win the public and stakeholders' supports. At the very least, the alternative strategy would help ensure that the one that gains more support would pass scrutiny in a checks and balance system.

2.4 Planning Process and Its Sustainability: An Evaluation

The previous section provides an outline of the contents of each Five-year Plan since 1960's to 2000's. It shows that the theme and the focus of each of the Five-year Plan changes from time to time. The role of the NESDB itself also changes from time to time as well. This section will highlight three important characteristics of NESDB and its Five-year Plan, they are, lack of power, and flexibility and will demonstrate the extent to which the Thai central planning agency such as the NESDB has contributed to sustainable development.

Lack of Enforcement Power

Among the government agencies in Thailand, the NESDB seems to lack enforcement power in many senses. Compared to other Thai government agencies such as the Ministry of Interior which has vast administrative power in the local government administration or the Budget Bureau which overseas the overall budgeting, the NESDB has little power in forcing other government agencies to follow the development agenda outlined in the Five-year Plan. Except for the 1st and the 2nd Plan which were executed under the military government and were used as the master plan for investment in infrastructure, the subsequent Five-year Plan seems to lack enforcement power. The enforcement power given to the Five-year Plan was the budgetary system -- but such attempt did not work in practice.

To make the Five-year Plan operational in practice it is specified that the annual activities of various government agencies must follow the development agenda specified in the Five-year Plan in order for them to receive their requested annual budget. However, as many of the Five-year Plans have been written in broad terms, in practice, most activities of the government agencies would fall under some aspects of the Five-year Plan anyway. Therefore, by assigning the budgeting of government agencies according to the elements specified in the Five-year Plan did not become an effective incentive enforcing government agencies to tailor their activities according to the objectives described in the Plan. Through out these years, it has been criticised that the Thai Five-year Plans are merely paper tiger that has little impact in directing the activities of the government agencies as described in the Plan.

This lack of bureaucratic power may also have an impact on long-term human resource development of the NESDB and hence the quality of the subsequent Five-year Plan. NESDB is an agency that has experienced a high turn over rate in terms of human resources. Many well-educated, capable and qualified personnel often leave the NESDB or transfer to another government agencies. The reasons for leaving the NESDB are unclear but it may be due, in part, to the lack of power of this agency. This high turn over rate leaves the NESDB in vulnerable situation.

Despite the above weakness there are two situations that make the NESDB an important agency that have an impact on the long-term development outcome. First, there are occasions where the ruling government has a good relationship with the Secretary General of the NESDB. During such occasion the NESDB will have a much higher profile in the economic and social development agenda of the country. Many economic and social development issues must then be consulted with the NESDB. However, after a change of the government such situation can easily be reversed where the NESDB is no longer utilised as the right-hand man, or utilised at all for that matter. Last but least, the laws require that all the public enterprises' investment plans and projects, and the public investment projects with more than one billion baht have to be approved by the NESDB.

Being operated under a very high uncertainty and has little administrative power in the Thai bureaucratic system it was the essential for the NESDB to demonstrate its importance and contribution to the course of social and economic development in Thailand. By being "powerless" it was then necessary for the NESDB to steadily revise its Five-year Plan to address the socio-economic problems of the country and hence prove its very existence. Therefore, it can be seen that by being "powerless" this has in fact kept the NESDB alert on the national development agenda. It was shown in the previous section that the conceptual framework of each of the Five-year Plan changes from time to time to respond to the changing socio-economic condition of the country. And, it is in this sense that the notion of being a "powerless" organization has made the NESDB and hence the Thai Five-year Plan adaptive and responsive to the changing needs.

Flexibility

Flexibility is another important characteristic of the NESDB and the Five-year Plan. Unlike other government agencies where politicians seem to have strong interests in their affairs, the NESDB or the drafting of the Five-year Plan seems to have little influence from the elected government.[3] This weak linkage proves to be both the strength and the weakness of the NESDB and hence the Five-year Plan.

By having a weak linkage with the elected government, the society looks at the Five-year Plan as being a top down bureaucratic blue print without sufficient support from the people. As a result this top down attitude has sometime been an obstacle in implementing the Plan.

On the other hand, by having a weak linkage with the elected government, it means that the NESDB will have a greater freedom in tailoring the Five-year Plan to suit the needs of the society without interference from politics. This freedom provides the NESDB with greater flexibility to tailor the Five-year plan as well as the process of planning to fit the needs of the society. It can be seen in the above section that since 1990's

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[3] However, the present government for the first time has instructed the NESDB to incorporate some of its major policies in the Ninth Plan.

the NESDB has played a greater role in promoting and fostering the activities of NGO's in Thailand. The NESDB is the very first government agency in Thailand that has introduced the participatory concept in its work. The drafting of the 8th Plan was a case in point where the planning process was participatory by various representatives of the people in the society.

It is therefore recognised here that the flexibility that the NESDB has in terms of planning process as well as the designing the conceptual framework for each plan will ensure the very existence of the NESDB and the contribution it may have for the country.

Looking Ahead

Given the above analysis it can be evaluated at this point that the NESDB and its Five-year Plan is a unique element in the Thai government system. The NESDB and the Five-year Plan have many strengths and weaknesses. For the NESDB to enhance its contribution to the momentum of sustainable development there are three areas that need to be emphasized.

a) *Coordinating of Large Scale Infrastructure*

Despite much criticism of the lack of enforcement power and effectiveness of the Five-year Plan there is still much room for the NESDB and the Five-year Plan in terms of coordinating large-scale infrastructure projects. There are many large-scale infrastructure projects such as airport, electricity generation, irrigation, public transport system or industrial estates that need coordinating effort in order to orchestrate work leading to a productive aggregate final outcome.

b) *Decentralization & Coordinating Local Plans*

Due to diversified local environments and conditions, it has been evident that local communities are best to prepare their own development plans instead of having them dictated from the top. By decentralizing administrative responsibility as well as decentralizing of public financing to local governments, it then becomes inevitable that local planning will slowly replace central planning. The NESDB can fruitfully aid the formulation of local plans and organize then into provincial plans and hence national plans.

c) *A New Elective Body*

The credibility of the Five-year Plan depends on many factors, one of which is the governing body overseeing the direction of the national plans. Since the inception of NESDB and the commencement of the Five-year plan the governing body of NESDB has always been an appointed board without any elected representation from the people. The 1997 Constitution has specified that a new Social and Economic Advisory Council be established comprising of 99 representatives from various sectors of the society. The

role of this Advisory Council is to address socio-economic issues that should appear on the national agenda, oversee the progress of the government and question government socio-economic policies. In addition, this new Advisory Council could indirectly provide information that can be used to formulate the national plans in the future. With the elected representation of the Social and Economic Advisory Council it should help ensure that the national plans are formulated to meet long-term national interests and hence promote sustainable development.

Chapter 3

People Organizations and Non-governmental Organizations in an Open Society[*]

This chapter reviews development of people organizations (POs) and non-governmental organizations (NGOs) in Thailand. Section 3.1 describes movements in non-government sectors, which evolved from class struggle to the emergence of non-governmental and civil society organizations (CSOs).[4] Section 3.2 discusses roles of NGOs and POs in general, with emphasis on their roles in poverty alleviation. The last section touches upon the grass root organizations' participation in the process of policy formulation, specifically in drafting recent national development plans for Thailand. The discussion also touches upon limitations of the process, and provide a brief suggestions on conditions need to be set forth to strengthen check-and-balance and monitoring systems.

3.1 From Class Struggle to Non-governmental and Civil Society Organizations

Since the 1932 revolution that put and end to the absolute monarchy system, the most significant political change took place in October 1973. Since then, the parliamentary system has always been in place, except for brief periods after the 1979, 1991 and 1992 coups when the military overthrew civilian governments and replaced them with interim government.[5] Since the "Black May" event in 1992 when the "middle class movement" again forced the former coup-leader-turn-prime-minister to resign from his post and the following movement that involved drafting and put forth the new (current) constitution (see Chapter 4), the military threat to the parliamentary system has almost vanished.

The Birth and the Rise of NGOs in Thailand

Before the 1980's, the term NGO was practically unheard of in Thailand. A few nongovernmental organizations that came to assist on welfare and development programs were mostly religious groups. An exception was the Foundation for Thailand Rural Reconstruction Movement which was founded by Dr. Puey Ungphakorn, a former governor of the Bank of Thailand who engineered the development in the first two national plans later shifted to head Thammasat University. While the foundation's objective was aimed at helping the poor and the

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[*] This chapter draws partly from V. NaRanong (2000) and V. NaRanong and A. NaRanong (1999).

[4] The terms NGO and CSO are used interchangeably in most part of this chapter.

[5] Even then, the coups usually chose civilian prime ministers to head the interim governments, (except one case in 1977 where the coup did overthrow its own interim government). At least twice, interim civilian Prime Ministers had serious conflicts with coup leaders themselves.

disadvantaged in the rural areas to improve their economic lives, in the process of so doing the foundation was able to "reeducate the young intellectuals," most of whom belonged to the middle class and had had little experience with the rural lives.

Since October 1973, people organizations in Thailand have grown from movements of students and professionals. These organizations included various labor unions (especially in public enterprises) and farmers' organizations. The student movement and most organizations during that period shared a similar ideology, namely socialism. During 1973-1976, many of these organizations were under violent threat from right-winged and military-related groups and some of their leaders were even hunted down. After the 1976 coup, most of these organizations were forced to cease their activities and many leaders fled into the jungle to join the Communist Party of Thailand.

After the ends of the Vietnam and Indochina wars, refugees flooded into Thailand. Foreign funds and NGOs also flooded in. This event was the beginning of the rise of NGOs in Thailand. Soon enough, the crack on already-fragile comradeship between China and Vietnam led to the Communist Party of Thailand's attrition. The return of these "intellectual" activists had added manpower to the NGOs. NGOs began to grow in numbers and their objectives became more diverse. Some NGOs are still led by people from previous movements who cling on to the belief that the root of most problems—especially poverty--is unequal resource and political power sharing between the haves and the have-nots. However, many NGOs put more emphasis on development programs, most of which aimed to promote self-help and community-strengthened programs.

The total number of NGOs and POs in Thailand is not known, since many do not register with the government. The NESDB estimates that there are about 10,000 NGOs in Thailand, doing wide ranges of activities, including development, health, education, environments, slums, rural communities, children, women, and AIDS related issues. An NGO estimates that there are about 400-500 NGOs that work on development-related issues. As for the number of POs, the NESDB's figure--which includes trade, provincial, professional, religious, ethnicity, and cultural associations, amounts for 50,000. However, most of them have very narrow objective and some POs' roles are limited to providing places for parties, meetings, and wedding ceremonies. Most POs that are active in local political arena are ad hoc POs that are concerned with environment problems that affect them directly or those who were affected adversely from government projects. Many of the latter have formed the Assembly of the Poor about five years ago. The Assembly has actively become the sphearing force in pressing demands for the government to help solve the problems of the poor. The other common type of local POs that has been active in many communities is village savings groups (credit unions) that mobilize intra-village savings to provide credit to villagers. Many savings groups also provide minimal welfare to members and poor community members.

In such a country that once POs' leaders were hunted down, it was difficult to imagine that Thailand would become an NGO haven 20 years later. Part of the reasons is Thailand is a rather open society and has a positive attitude toward foreign humanitarian programs. As long as an NGO does not crash directly with a high authority, the government usually pays little attention to the NGO's activities. Unlike

some development countries, Thai NGOs are at their liberty to seek and receive funding from abroad on their own and therefore flourish in the era of globalization.

Funding and Agendas

The concept of NGOs was imported from abroad, so do most of their funds. In the 1980's and early 1990's, most NGOs were dependent solely on funding from international NGOs. They were therefore heavily influenced by agendas of the latter. While international NGOs that focus on welfare and humanitarian issues are flexible in the means by which the local NGOs choose to tackle the problems, those international NGOs that focus on environmental and human rights issues usually insist that the fund recipients are true to their agendas. Development NGOs are somewhat in between these lines.

The government's attitudes toward NGOs had changed substantially in the past two decades. In the beginning, the government only accepted charitable NGOs and was suspicious of other types of NGOs. After a while, NGOs were viewed as an obstacle to the state's development programs. Today, some governmental agencies try to make use of NGOs' knowledge and first hand experience in working with local people.

In the 1990's, the Thai government began to provide funding for certain NGOs. The two major ministries that provide funding for NGOs are the Ministry of Public Health and the Ministry of Science, Technology, and Environment. Since the fiscal year of 1997, the Ministry of Public Health and provides approximately 70-100 million bath (approx US$ 1.7-2.5 million) annually to NGOs, the majority of which (60-90 million bath) go to AIDS-related NGOs. Each NGO is required to submit a plan with budget request annually and a report at the end of the fiscal year. As for the Ministry of Science, Technology, and Environment, its Environmental Fund provides support to NGOs averaging 10 million baht annually during the fiscal year 1999-2001. In addition, it provides about 6 million baht to support joint projects between the ministry and regional NGO networks. Other Ministries, such as the Ministry of Interior and the Ministry of Labor and Social Welfare, began to provide support to NGOs recently. The NESDB also founded a foundation to provide support to NGOs. However, the budget provided by the government to NGOs is rather low compared with the total NGOs' outlays. To date, most NGOs still rely on foreign funding. Unfortunately, there is no information on the NGOs finance.

3.2 Roles of NGOs and POs in Poverty Alleviation

In the past, NGOs used to be considered non-mainstream or, in many cases, foreign-organizations. Since the last ten years, however, NGOs' roles have become well recognized and incorporated in the name of people's participation. Several NGOs participated and took great roles in drafting the current economic and social development plan (the Eighth Plan), which was based on the slogan "people-centered development." Shortly after that, they were involved in drafting and push for the new constitution, which has included major political reforms. The political reforms were highly significant because it include clauses that limit powers of the current MPs and senators, who naturally opposed these clauses. However, because of political

movement led by many respectable figures in the Thai society, along with many NGOs and some POs, politicians finally caved in and voted for it.

NGO's recognition has been heightened since the economic crisis, partly because the crisis appears to have a linkage with world integration, which many NGOs have opposed for a long time. A few cabinet members also push for people's politics and civil society organizations and for bureaucratic reform and decentralization. Furthermore, the crisis has also led to more emphasis being placed on the importance of communities, social capital, and grass-root organizations.

Besides launching their own development and capacity-building programs, most NGOs have played significant roles in helping local leaders forming their POs in many communities. Some NGOs provide technical assistance to POs that already exist. However, there are several POs that were founded and developed on their own.

Community-based organizations (CBOs) and People Organizations (POs) in Thailand are grass-root organizations usually stem from two origins. The first ones are the organizations founded and led by informal local leaders who try to solve basic problems in their areas. The most common organizations of this type are village savings groups (or credit unions) that mobilize intra-village savings to provide credit to villagers. Some savings groups also provide minimal welfare to members and poor community members as a means to co-opt them in. Many savings groups aim at provide self-help and workable solution under the existing socioeconomic structure. Other POs of this type include alternative (or organic) agriculture networks which put more emphasis on cost reduction and finding market niche through coordination and networking rather than on crop yields. There are also fundamental religious groups that focus on modest living standard and self-sufficiency. Many of these POs view poverty as a symptom of wisdom lacking and insist that poverty alleviation could be done via knowing one's strength and weakness, intra-village coordination and self-reliance, and making use of existing resources wisely.

Another type of CBOs and POs often views their problems (as well a s poverty) as part of the larger structural problems such as uneven power and unequal distribution. Many found that their environment and livelihoods were affected adversely from government projects such as dams, or by governments' program such as forest replanting in the areas that they have cultivated for decades. Many suffer from participating in failed programs that were introduced to them by government officials (especially those from the Department of Agricultural Extension and the Bank for Agriculture and Agricultural Cooperative). In effect, they assemble and demonstrate for compensation or problem correction from the government. To gain more political power and visibility, many of these POs got together and formed several loose networks, which were consolidated even further to become "the Assembly of the Poor" about five years ago. The assembly is still a loosely-coordinated organization that demonstrates or negotiates jointly with the government.[6] It is assisted by some NGOs and academics and is well organized in many respects. As a result, it could organize a long demonstration by rotating the demonstrators to make their cost manageable. To date, this movement gain quite a lot of sympathy and supports from the press and other mass media alike.

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[6] Interestingly, the present Thai-Rak-Thai government, has adopted the popular policy of 3 – year debt moratorium for the farmers which helped it win the 2001 election.

It should be noted that some leaders of the Assembly of the Poor used to be local members or allies of the now defunct Communist Party of Thailand (CPT). This type of background made them cling to the emphasis of power struggle. However, many of them change their tactic from guerilla warfare to nonviolent demonstration, from attempting to seize the state power to pressuring the state to use its resources to solve their problems. Recently, many POs have shifted their main objective from pressuring the government to solve their problems to have their voices, and choices, in the process of policy formulations.

3.3 POs' and CSOs' Participation in Processes of Planning and Policy Formulation

The increasing roles of POs and NGO (or CSOs) make them more significant stakeholders whose roles and voices could no longer be ignored by the government. Not only many government regimes have attempted to make use of or co-opt them, including funding them, the government, especially the planning agency, NESDB, has also attempted to gather inputs from them to incorporate in the national plan in name of peoples' participation.

"Participation" has been stated as a key element of development since the early 1980's, during the drafting of the Fifth Plan. However, this concept does not lie in the root of political culture in Thailand, which is more resembled to the patron-client system. The way the "participatory process" was undertaken began with participation of officials from other government (non-planning) agencies and some academics. Then local government officials who implemented the plans were asked to provide inputs or prepare operational plans for their jurisdictions. The drafting of the Eight Plan (the current plan) took a huge step that it involved public hearing from thousands of representatives from various NGOs and communities.

The participatory process in the drafting of the Eight Plan was done superbly that many NGOs believed in their authorship of the plan, although it was clear that the actual output was similar to the backbone that the planning agency had prior to the process. In a way, the Eight Plan consists of every major ideology that most participants would like to see. However, because of the very nature, the plan was rather abstract and did not touch upon specific issues raised by representatives of local NGOs or communities.

The satisfaction of participants might stem from the fact that it was it first time that the government planning-agency invited them to a forum to voice their concerns. They were also under impression that their voices would be translated into development programs that would bring along public resources. Such a "success" makes the NESDB relying on this process in preparing the Ninth Plan. However, some NGOs and CSOs recently participated in this process began to feel that their real concerns were fallen through along the "synthesis" process. Some NGOs, notably the National NGO Network (Gor Por Or Por Chor), and a number of POs refuse to participate in the Ninth Plan drafting process and put forward their own "National Agendas for the Free Thais" to the public. Those who participated emphasize the need to have parallel local or community plans besides the "National Plan" and put forth for issues like decentralization and community rights.

Obviously, there are many limitations of relying on national plan or national strategy to deal with local-specific problems, especially in multi-objective and multi-stakeholder settings where "the real answers" are supposed to come from a synthesis via participatory process. In this respect, the optimal solution is to have national strategies that involve only processes and guidance (e.g., check-and-balance and monitoring systems) and truly leave the concrete planning in the hands of local stakeholders. To date the NESDB should receive credit for having moved toward this end much further than other government agencies. However, recent outcries from many POs and NGOs alike during the drafting of the Ninth Plan suggest that the NESDB need to go further in this direction with less hesitation. The next few steps would be the real test for the NESDB, since heading further in this direction means that some of its now limited power would have to be handed out to the local stakeholders.

NGOs, CSOs and CBOs are also involved in the formulating process of many Acts. Box 3.1 is an example of this type of involvement. In addition, many of these organizations become environment-watchdogs that not only scrutinize public projects in the pipeline that would potentially affect their environment, but also monitor that the already implementing projects to make sure that they really comply to all relevant rules and regulations (See Box 3.2).

Box 3.1 The Role of People Participation in the Thai Community Forest Act

Talks on community forest began in Thailand since 1980's. At that time the concern was more towards solving the slash and burn cultivation problem commonly found among the hill tribes in the Northern region of Thailand. Community forest was seen as a solution leading to sustainable use of forest resources and a substitute to plantation of narcotic crop practiced by the hill tribes. As land becomes scarce and population expansion continues the notion of community forest then becomes relevant to the livelihood of the low land villagers as well.

The issue of establishing community forest gained momentum around 1995 when the villagers, NGOs and academics were demanding the government to recognise the rights of the people to live in the forest in the sustainable manner. In 1996 the government responded to the public by beginning the process of drafting the Community Forest Act. At the beginning stage, a meeting was held in Chiang Mai province to gather thoughts on the important elements of the Community Act. At that meeting, about 40 people gathered representing the NGOs, the villagers, legal specialists, the Royal Forestry Department and academics. When the Draft Community Forest Act was completed it was submitted to the cabinet for approval. At present the cabinet has agreed *"in principle"* to Act but further legal procedures are still needed in order to promulgate the Act.

Box 3.1 The Role of People Participation in the Thai Community Forest Act (Cont.)

The Draft Community Forestry Act specifies that community forests can be established in forest reserves, mangroves, national parks or even wildlife sanctuary. In establishing a community forest, village committee, Tumbon council or Tumbon administration must submit the community forest plan to the provincial administration for consideration. The province Governor will then process the matter onto the Director General of the Royal Forestry Department for approval. After a community forest is established there must be a committee set up to oversea its utilization. The committee will comprise of representatives of the villages.

In 1997 a public hearing was held to gather public responses to the Draft Community Forest Act. Two major issues that remain unsolved are: (1) the NGOs suggest that community forests should not be established in the national parks or wildlife sanctuary. Human settlement and encroachment should be strictly prohibited in these areas as it can disturb the ecological balance and (2) logging, animal grazing and unlimited harvesting of forest products should not be allowed in community forests.

At present, there are efforts from the villagers and the NGOs to continue the process of enacting the Community Forest Act but the matter has been slow due in part to the change in the Government.

Box 3.2 Bottom-up commitment on environmental issues

Commitment is often thought of as something that has to come from the very high level. While the high level commitment is important, it is neither sufficient nor easily attainable. Often the high level consist of politicians who are more concerned with short term issues rather than long-term sustainable development. On environmental issues, for example, while the ministries involved do a lot of preaching in abstract manners, many CBOs and CSOs are more aware of problems caused by decisions made by the central government that would affect their environment. Many of these organizations in Thailand become watchdogs on environment issues and have made continual commitment to not only monitor that the existing projects really comply to all relevant rules and regulations, but also watch aggressively to scrutinize new government projects in the pipeline. For the already built projects, such preserverence and persistent commitment had caused the government to stop or pause many projects for better feasibility study, EIA, or public hearings, and resulted in reversal of some already built projects proven to have caused adverse environmental and livelihood impacts, e.g., a temporary close-down of the Pakmoon and Rasrisalai Dams in northeatern Thailand, despite strong protest from the government agencies responsible for implementing those projects.

Despite the fact that many of these organizations are proven to be effective and useful, there are still some cautious notes. To leave power and public resources solely in hands of local administrations or "communities" without having sound rules, regulation, and monitoring system in place first would create as many problems as the ones it solves. While local administration, indigenous institutions, and NGOs certainly have advantages over the government officials in their knowledge of the needs of the community because of their proximity, there are also factors that make it difficult for the community to create their own check-and-balance system. Many local administrations (in subdistrict level) are allegedly more corrupted than the bureaucrats. There are also many known cases corruption and power abuse in indigenous institutions and by some POs' and NGOs' leaders.

One final note is that the recent crisis has led to more emphases on importance of communities, social capital, and grass-root organizations. This new approach leads to higher degrees of stakeholders' participation and autonomy than in the past. However, like in previous development programs, the poorest are still left out from this "participatory process." In this respect, movement to empower the disadvantaged still has a long way to go.

Chapter 4
From the Constitutional Reform to the Formulation of Poverty Reduction Policy: The Strategic Informal Movements

4.1 Introduction

Without the political crisis in the early 1990's, the process of national planning might have followed its traditional methods of compiling the five year budget plans of all government agencies with almost no input of people participation. The increased conflicts between the rural poor and the state over national forest lands and the impact of dam projects, exposed the weakness of the economic growth strategy and the failure of the central government to respond to the needs of the rural people. Being unable to depend on the state apparatus, the rural people have had to seek assistance and protection from politicians, who promise to bring prosperity to the rural areas by extracting the budget from the central government and allocating it to their provinces. The rural people elect these politicians into the parliament in return for the promises that have been made. Once in government, these politicians recoup their investment via corruption. The law has been ineffective in prosecuting corrupt politicians because, as in the notorious statement of one of the ex-Prime Ministers, "there is no receipt for the bribe." Not only that changes in governments from those chosen by the military and coup leaders to the elected prime ministers failed to improve the standards of living of rural people, elected politicians even criticized people movement as undemocratic. Being unhappy with the elected government, an increasing number of NGOs and democratic movement organizations began to call for the political reform. The movements developed into the political crisis when one political activist, Mr. Chalard Warachat, began a hunger strike in early 1994.

After the new constitution took effect, these groups of civic leaders, NGOs and academics spear-headed by the Local Development Institute, began to launch informal movements to convince the government and the public to seriously accept and implement a poverty reduction policy. The core leaders of these CSOs recognize the weakness of both the process of a national planning formulation and the fragmented actions of a large number of NGOs and POs at the grass-roots level. Therefore, their strategic movements are efforts to link the national planning, the work of NGOs and POs with the government by imitating the informal movements behind the constitutional reform in 1994.

This chapter will describe how the 1994 political crisis was turned into an opportunity for political reform by groups of highly respected

citizens, academics and NGOs. The movement was not by accident but was strategically planned. It illustrates how the Thai open society allows the process of people participation to tackle the political crisis in a unique, informal process. Furthermore, the chapter will describe the current movements that are underway in building public consensus about the urgent need to have an effective poverty reduction strategy.

4.2 The Constitutional Reform Process[7]

The political crisis in 1994 originated from the bloody May event in 1992. In 1991, there was a coup against the government of the first democratically elected prime minister since 1958. One of the causes of the coup was the widespread corruption of politicians. The military subsequently appointed a civilian government headed by Mr. Anand Panyarachun, who ruled the country upon the principles of transparency, honesty and effectiveness. A new constitution was also drafted and legislated in 1991. In November 1991, the Committee of Campaign for Popular Democracy[8], which is the most active political NGO in Thailand, organized a demonstration to demand for changes in several clauses of the draft constitution, which was in the third reading session of the Parliament meeting. The campaign, which drew support from the middle income class, was dubbed "a mobile phone demonstration". An election was held in March 1992, resulting in every party winning a small fraction of the votes. . As a result, the parties could not agree on which party leader should become the Prime Minister. They, therefore, asked General Suchinda Kraprayoon, the co-leader of the 1992 coup, to be the prime minister and he accepted the position. This resulted in public outcry, partly because before the election General Suchinda told the press that he had no desire to be Prime Minister His decision triggered a massive demonstration led by the CCPD and the former Bangkok governor, who used to be a former military officer and was well known for his honesty, integrity and modest way of life. After the bloody military operation to crush the demonstrators, the King had to intervene and the Prime Minister was asked to resign, paving the way for a new election, which brought back the Anand government. The Prime Minister intended to rule only temporarily and to revise the constitution so that a prime minister has to be an elected member of the parliament. In 1993, the new government, headed by Mr. Chuan Leekpai, an MP from the Southern province, came into effect.

The elected government, however, was not responsive to the public demand for political reform. Many democratic movement groups and NGO's began to criticize the government and stage peaceful demonstrations in front of the Parliament. The government still resisted the reform and some of the

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[7] This part is based on (1) A Committee of Campaign for Popular Democracy, *Two Decades of the Work of CDC*, 2000 ; (2) A Committee of Democracy Development, *A Proposed Conceptual Framework for Political Reform*, 1995 ; (3) personal interview with Dr. Praves Wasi in 2001.

[8] The Campaign for Popular Democracy Committee was formed in 1979 to demand for a revision of the 1978 constitution. Its first president was Colonel Somkid Srisungkom, who was the retired and highly respected politician with socialist ideology.

government MP's argued that constitutional reform was only the business of the elected MP's. People on the street, including the academics who demanded constitutional reform, should have no role outside the parliament unless they ran for an election. Such narrow-minded opinion stirred up public dissent. As a result, Mr. Chalard emerged and threatened to carry out a hunger strike until his death unless the government agreed to reform the constitution.

Mr.Chalard has a reputation as the most serious and mean-business political activist, who once successfully used a marathon hunger strike to protest against an appointment of a military commander as the Prime Minister in 1992. He was determined and prepared to die in his second hunger strike. After weeks of the hunger strike, political tension built up to the point that people believed that his death was unavoidable and it would lead to some form of crisis.

It was at this point that one of Thailand's most famous and respected medical doctors, Dr. Praves Wasi (see Box 4.1), seized an opportunity to push for the political reform by writing a newspaper article stating that Chalard's death would cause social unrest which would unavoidably lead to the political reform. His view was also supported by the highly respected Secretary General of the Office of the Judicial Council, Dr. Amorn Chansomboon.

In fact there had been series of popular or public movements that called for political reforms after the military coup in 1991. But the movements were ineffective without the wide support from the public majority. Dr. Praves' interview, therefore, was not only very timely but also strategically intended to rally public support as a means to pressure the government to accept the constitutional reform[9] The more reasonable proposal of Dr. Proves and Dr. Amorn provided an alternative for the government to change its stance without having to lose its prestige of having to yield to a demand of one stubborn political rival.

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[9] He successfully convinced all of the major columnists of the most influential daily newspaper – Thai Rath – to voice support for the constitutional reform.

Box 4.1 Dr. Praves Wasi – A Strategist

Dr.Praves Wasi is a distinguished medical doctor turned into a prominent social engineering strategist. He played perhaps the most critical role behind the 1997 constitutional reform, the on-going education reform and public health system reform. He is regarded as a guru among young rural medical doctors who devote their lives to improve the health care services in the remote areas. When the nation has faced or is faced with national conflicts or looming social crises, he will suggest the sensible and compromising solution to unite the fragmented society.His move has always been very strategic. The timing of his articles and comments will always appear when the public feel very desperate or when the conflicts reach the critical threshold level. But he does not simply wait for the moment. Every month, he will hold an informal meeting with a small group of progressive medical doctors and NGO's to monitor the social and economic status of Thailand?. They will frequently invite academics NGO's, social critics, and bureaucrats to give them briefings on social, political and economic issues. He has also successfully established several networks with academics, NGOs, educators and teachers, government officers, and politicians, let alone medical doctors.

He has built his reputation in many ways. As a medical professor, he was not only awarded as the best professor, but was also one of the best medical researchers in the area of blood. He published as many as 133 articles in international academic journals, not to mention volumes of articles and books in Thai. Because of his distinguished medical career, he won the Ramon Magsaysay Award for public services in 1981. The prize, named after the Philippines former President, is regarded in Asia as the equivalent to the Nobel prize.

He is highly regarded as one of the most respectable and honest senior citizens whose advice is full of wisdom. In the public's opinion, he has no desire or ambition for high office or wealth. His advice is always founded on the concepts of Buddhist teachings.

After the government declared its commitment to political reforms, the crisis subsided. Dr. Praves was appointed chairman of the Democracy Development Committee by the President of the Parliament on 9 June, 1994. The committee was mandated to study, carry out hearings and draft the new constitution, the new election laws and other essential laws for democratic development, for both the immediate and long-term needs of the country. The committee was not a political organization, which tried to make political compromises or trade-off's. Although some committee members were politicians, most of the 58 members were probably hand picked by Dr. Praves from the groups of leading academics, senior bureaucrats, the military, business men, highly respected citizens and a number of leading members of NGOs.

Although the committee was mandated to draft the new constitution, its members unanimously decided that the drafting should involve the participation of people from all segments of society. It, therefore, proposed only the core principles for the new constitution and a drafting process, by setting up a special committee to draft the constitution.

The committee gave two recommendations. Firstly, there should be a political development agency responsible for political development planning just like the agencies that are responsible for economic or education planning. Secondly, Thailand needs constitutional reform because its political system, which was adopted from Europe before the Second Ward War is outdated, inefficient and resulted in a dictatorial parliamentary system. The new framework of the proposed constitution was drastically different from the previous constitutions. But the most important contribution of the Democracy Development Committee was not the principle of a new constitution per se. Rather it was the process of political reform that it helped set out. It was the first time in the history of Thai political development that people really participated in the process of constitution drafting. The process lasted almost two years and took place in every province, whether in seminar rooms of luxurious hotels or in rural villages.

The committee started with a series of studies and research by commissioning academics to do research on the constitutions and political systems of other countries. The studies and the recommendations of the committee were widely publicized with active cooperation of the mass media. The committee members realized that the reform would be opposed by many groups of people. They, therefore, began a process of informal dialogues with elites in the Thai society. This group included top military officers, political leaders, columnists and businessmen. They targeted the key elites and carefully identified the appropriate and effective channel of communication with those people.

However, the Chuan government was reluctant to change a clause in the 1992 constitution that would trigger a process of constitutional reform. The (no. 211) democratic movement groups, NGOs and academics were forced to launch another series of rallies for political reforms. Fortunately, the government was forced to resign after the no-confidence censure motion.

The Chart Thai Party won the election in July 1995. Since the new Prime Minister, Mr.Banharn Silapa-archa, realized that he was one of the least popular PM's for the urban population, he had to take the necessary actions to improve his political image.[10] Recognizing such weakness, key members of the DDC persuaded him of a need for constitutional reform. Mr.Banharn surprisingly agreed and set up a constitutional reform committee that paved way for the constitutional reform process in 1996-97. In retrospect, the deteriorating economy in 1995-1996 may have also influenced his decision. In 1996, a special parliamentary commission was created to draft the new constitution. The commission consisted of a small number of senior political leaders, legal and public administrative experts, and elected representatives from every province.

The process of constitution drafting in 1996-97 was, for the first time, not limited to parliamentary sessions, but involved an exceptional high level of people participation that has never been observed before in Thai political history. In addition to academics and 30 NGOs and POs, business associations, the mass media and individual citizens throughout the country had the opportunity to participate in the process.

People participation alone is not a sufficient condition to guarantee that the reform will take place because the politicians, whose interests may be affected, will oppose the reform. The democracy development committee, therefore, recommended that there should be a referendum on the draft constitution rather than a vote by the members of parliament who have political conflicts of interest. But the government decided to send the draft to be decided by the parliament. Fortunately, thanks to the economic crisis in July 1997, when the Parliament reconvened in December 1997, almost all of the MP's, including those who strongly opposed the proposed constitution, were forced to vote "yes'. Who says "luck" is not important.

Conceptually speaking, Dr.Praves (2000-a) has later on attributed the success of the constitutional reform to a problem-solving process that can be characterized as "a triangle to move the mountain" shown in Figure 4.1. The concept will be explained below when it is applied to a case of poverty reduction strategy. However, it should be noted that specific historical context in which the strategic social movements and political development occur also matters.

4.3 The Poverty Reduction Strategic Movements

After the new constitution had taken effect , Dr. Praves and a number of NGOs and prominent academics who have studied poverty issues for more than a decade decided to launch a social movement for a poverty reduction policy in 2000. The timing to launch the campaign was critical. The NESDB would begin to prepare the next national plan in the year 2000. More

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[10] For example, before the election Mr.Banharn successfully established an image that he had high caliber to deal with the foreign affairs by a high profile visit to Australia. Such new image was in contrast with his old image as a patronage politician.

important, there would be the first election after the new constitution went into effect. These people wanted the new government to seriously implement the poverty reduction policy.
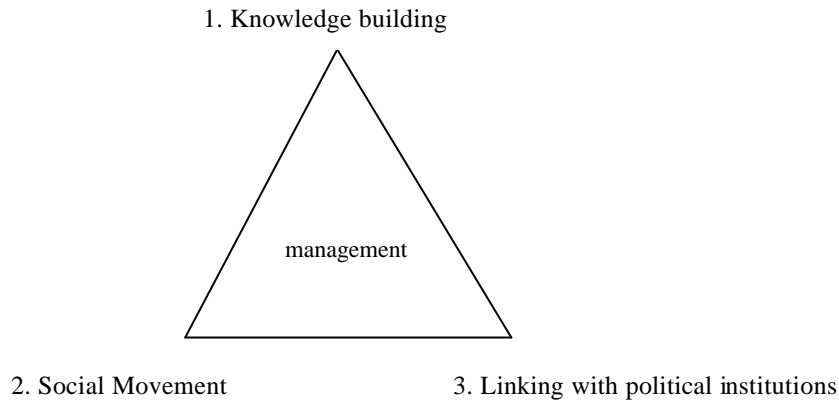
These groups of people share a common idea that there is an urgent need for a national strategy to tackle poverty problems. Dr. Praves and a group of the academics have long recognized that it is extremely difficult for the public and the government to understand the problems faced by the poor, let alone the difficulties of how to solve the poverty problems. Firstly, poverty is a highly complex phenomenon It is not merely the consequences of economic and social development but past developmental strategies have also been the causes of poverty. In short, poverty is caused by essentially ten structural problems (Praves 2000-b). A few important structural problems can highlight the argument. The Thai society has a negative attitude towards the poor. They condemn the poor of being lazy, of gambling, drinking and overspending. Children, who used to help their parents carrying products to sell in the market, begin to feel that such activities are shameful shortly after they go to school. The legal structure also discriminates against the poor, e.g., the export tax on agricultural products. While the lives of the poor depend critically on their access to natural resources, the government has shut down their access for the sake of conservation, while the rich are allowed to freely exploit those resources.

Secondly, these groups of civic leaders and academics have also recognized the weakness of the national plan, i.e., no linkage between the national plan and the work of people at the grass root. Although the NESDB has changed its process of planning a formulation since the eighth national plan, most academics now realize that the national plans have been ineffective. The national plan is merely a collection of the plans of all government agencies. Each agency has authority to carry out activities that lie within its legal responsibility. Moreover, the system of budget allocation procedures is highly centralized and does not respond to the needs of the rural people. On the other hand, the NGOs and PO's are carrying out their actions with their own efforts and foreign financial resources with minimal government budget. The activities of NGOs, PO's and government agencies are fragmented and incoherent. Obviously, there is an urgent need to link the national plan with the needs of the rural and local communities. Such a link will make it possible for both the public and private agents to carry out their activities in a concerted and coherent manner along the same direction.

But a link in itself may not be effective in tackling the difficult social problems if the concerned agents do not share the common ideas about severity and causes of the problems, and possible courses of remedial action. Strategic thinking is therefore needed.

It is for such reasons that Dr. Praves has proposed a concept of the strategic structure of problem-solving in order to tackle the difficult and complex social problems such as poverty. His concept is known as "a triangle to move the mountain (or rock)", as shown in Figure 4.1 below.

Figure 4.1 A Structure of Problem Solving

1. Knowledge building

management

2. Social Movement   3. Linking with political institutions

According to Figure 4.1, if one wants to solve poverty problems, he has to begin with knowledge (which consists of both the body of knowledge and the learning process). Then, the social movement can be launched to influence the public attitude about awareness, a need for changes and concerted action. It will consist of a variety of activities, e.g., educating the public, launching public relations programs, organizing seminars and rallies, etc. The social movement must be complemented by knowledge, otherwise the movement will be headed towards the wrong direction. Finally, there is a need to link with the political process because the government controls the allocation of public resources – human as well as physical, regulates the media and legislate laws. If the first two structures (knowledge and social movements) are connected with the political process, the government will make desirable decisions. The legislation of the 1997 constitution is an example of using the triangular structure concept to solve one of the most difficult problems. The concept has been expanded by Mr.Paiboon Wattanasiritham, the President of the Institute of Community Development Fund,[11] to include the management element. He argues that the problem cannot be effectively tackled unless there exists a good management system.

In the late 1980's Dr. Praves and a group of academics, medical doctors and NGO leaders helped found the Local Development Institute with the initial endowment fund from the Canadian International Development Agency (CIDA). The institute's mandate is to do research on community development and to strengthen the capability of the NGOs. The early work of the Institute involved the issues of forest land conflicts. Its work has then been expanded to cover community development, poverty and to help disseminating the activities of PO's and NGOs. It cannot be denied that the Institute is now the most prominent think tank on local development, with

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[11] The Institute of Community Development Fund is a newly created autonomous organization that will finance the activities of community development. Mr.Paiboon was formerly a banker who devotes his life to community development work.

very good relationships with both the government agencies, the NGOs and the POs.

At the same time, more and more academics have become involved with the network of NGOs and POs. They have begun to do more research on poverty with financial assistance from the Thai Research Fund, the Thai universities, and some international agencies such as the World Bank.

To launch the social movement for the poverty reduction strategy, Dr. Praves and his colleagues took two directions. As a board member of the NESDB, he articulated the importance of poverty problems and successfully put the issue at the top agenda of the ninth national plan. Also as a chairman of the Thai Foundation, which finances the activities of NGO's, Praves has the support of most NGOs and their whole network. The NGO's workers and PO's leaders who are affiliated with the network happen to be the groups of people that the NESDB normally invite to participate in the process of plan formulation. It is now clear that one of the top priority policies in the ninth national plan will be the poverty reduction policy (see chapter 2).

The second direction is a process to educate the public. Dr. Praves, with cooperation from other prominent academics, political leaders, and social critics, began to launch a series of public discourses and discussion panels on the issues of poverty. After the protest of the Northeastern farmers against the Pak Moon Dam in Bangkok in the middle of the year of 2000, this group of civic leaders decided to organize a discussion panel at the dam site in the Northeastern province. The discussion, participated by Dr. Praves, Mr. Anand Panyarachoon a former PM, Mr. Saneh Charmmarik a retired political scientist, and Mr. Sulak Siwalak a distinguished social critic, was televised nation-wide in two one-hour sessions. The topic of discussion involved the impact of the dam on the rural poor and the consequent conflicts between the Assembly of the Poor (which represents the Northeastern poor farmers) and the government.

In effect, these groups of people have already launched the required activities at two apexes of the triangle in Figure 4.1. Only the third apex, namely the political agents, is needed to be linked. The work has already begun. The leaders of these NGOs and CSO's have established good relationships with a number of politicians who have strong intentions to tackle the poverty problem.

In fact, the relationship with the government began right after the 1997 economic crisis. When the Chavalit government resigned, the public had high expectations that the new government would be capable of solving the crisis. Since the crisis was expected to result in a high rate of unemployment, academics, NGOs, and the World Bank had proposed both short-term and long-term measures to mitigate the social impact of the crisis. The Minister of Finance was receptive to the recommendations. One of the important long-term measures proposed by NGOs and the World Bank was to create a social investment fund project (SIF) to strengthen the development capacity of local communities. The money was on loan from the World Bank. The fund has been managed by an independent committee, consisting

of distinguished community leaders, prominent NGO leaders and academics. One of the objectives of the fund is to help restore and build social capital .

The experience from the SIF Project and the process of the national plan formulation has exposed some major weaknesses in the process of social development. The first weakness is that it is extremely difficult for the SIP central committee and the government to work with several thousand POs and NGOs, due to the lack of information necessary to provide formal and organized linkages between the government and local communities. These groups of civic and NGO leaders successfully convinced the government to pass a statute establishing an independent Institute of NGO Development in early 2001.

The second weakness was detected in the process of formulation of the ninth national plan and in the process to strengthen the development capabilities of local communities. While some communities have been able to effectively organize themselves, many other communities are too weak. Obviously there is a need for multi-stake holders collaboration. The NGO leaders, therefore, convinced the government to create a Project of Building of the Nation's Strength. The principle behind the fund establishment is that in Thailand the most effective way for poverty alleviation is to obtain cooperation from multi stakeholders. Most of the community leaders, academics, NGOs and bureaucrats tend to agree with the approaches of poverty reduction policy as suggested by some international agencies, i.e., the World Bank's three approaches of opportunity, empowerment and security, and the UNDP's two prong policies of empowerment and enabling environment. However, the Thais add the fourth approach of multi-stakeholders cooperation and place more emphasis on it.

Although the Chuan government had implemented several measures of local community strengthening and social protection, most NGO's, academics, and the rural poor have a negative attitude towards this government for several reasons. Perhaps the important one may be its hostile attitude against the Forum of the Poor, which has consistently protested against the government's unwilling attitude to help solving the problems of the poor. Some of the politicians, particularly the Prime Minister may have the old attitude that the poor are lazy and have undesirable behavior. As a result, the government did not commit wholeheartedly to the poverty reduction policy.

The election in January 2001 will bring in a new government in mid-February. At the time of this writing, the new government has not yet been formed. But three of the populist policies[12] campaigned by the Thai Rak Thai Party helped win almost half of the parliamentary seats.

Dr. Praves, however, has already written an article suggesting that the new Prime Minister should seriously consider the poverty reduction policy as one of his top priority policies. Moreover, a group of academics and NGO

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[12] They are (1) a three-year debt moratorium for farmers who borrow from the state farmers' bank (2) a one million baht fund for each village; and (3) a 30 baht flat fee for all medical care services.

leaders have already invited the next prime minister, Mr.Thaksin Shinnawat, to participate in a brain storming workshop on peace and conflict resolution. He was asked to present his vision about the problems of social conflicts, which have recently escalated to a level where it has become almost impossible for the central government to implement large-scale projects. Thailand has instituted a public hearing law, which requires that all large public projects which have social, economic and/or environmental impacts to first undergo the public hearing process. But most of the hearings in the last two years have failed badly. Some even ended with violence.

4.4 The Poverty Reduction Strategy

The third issue in this chapter will discuss the future poverty reduction strategy. The following proposal is based upon our dialogues with PO leaders, academics, bureaucrats and NGOs during the period of July 2000 to January 2001. It is not intended as the recommendation or a blue-print for the government policy. Rather, it reflects the experiences and shapes the ideas of those multi stakeholders who have been actively involved with the process of local community development as well as national development. It simply summarizes what these people want to see as the future course of the Thai ways of sustainable development strategy.

(a) There is a need for paradigm shift if the poverty reduction policy is to bee effectively tacked.

- The program-centered concept is to be changed to
  be people – centered
- The country – driven has to be changed to
  community – based
- The national implementation has to give way to
  local implementation. (i.e., think globally, act locally)
- Compartmentalized thinking is to be replaced by
  holistic and system thinking
- Quick relief has to be complemented with
  long-term sustainability
- Bilateral arrangement is to be modified to
  multi-stakeholder collaboration
- Fixed ideas and solutions must be replaced by
  adaptive and continuous learning methods

(b) Measuring Poverty

There is now a consensus that there are many dimensions of poverty. By asking the poor to characterize their experience of poverty, the notion of poverty has been broadened from the traditional concept of material deprivation, to include vulnerability, exposure to risk, voicelessness and powerlessness. In Thailand, the long tradition of using monetary income to measure poverty has been severely criticized by the social scientists and

NGOs. And yet, there has been very little attempt to measure poverty based on a broadened concept.

Although it is difficult to reach a consensus, it is possible to make the following conclusion. First, there is still a strong need for the government, or the international community, to set itself measurable targets of poverty for judging actions. Since the poverty line measurement suffers several flaws, it needs to be adjusted to reflect the country's economic and social circumstances. Other measurable poverty measures should also be calculated, e.g., the degree of income inequality. Second, when one is to implement poverty reduction programs, then he needs to measure poverty from a broader approach that can truly reflect the causes of poverty.

(c) Strategy and Targets

Successful poverty reduction requires an effective strategy that is based upon the specific context of the country. In Thailand, Dr. Praves argues that the strategy to mitigate the misery of the poor is more appropriate than a strategy to increase their happiness. Although both strategies are different sides of the same coin, the consequences of adopting each strategy are different. According to Buddhism, measures to generate happiness may induce people to become too greedy. True happiness is to get rid of misery.

An effective strategy requires also an ability to identify the simple target that will yield maximum result. One prominent economist, Dr. Ammar Siamwalla, suggests that Thailand *should not explicitly* declare a poverty reduction policy because not only will it receive no support from the middle income class, but it may also be strongly opposed by some interest groups. To him an example of the most effective strategy to reduce poverty is to provide minimum level of health care services for every Thai. This strategy will certainly receive strong popular support. But more importantly, if the poor are very vulnerable to illness, then such a strategy will greatly reduce their vulnerability. Moreover, the strategy does not discriminate against the poor.

(d) Strategic Approach

Most Thai NGOs and academics agree that there should be four strategic approaches to reduce poverty, i.e., multi-stakeholder collaboration, empowerment, enabling opportunity and security or social protection measures. But as mentioned above, the first approach should receive more emphasis.

(e) Mechanism and management

At the national level, there is a committee of national social policy. This is similar to the national council for sustainable development in other countries. The government also has two ministerial cabinets to determine

policies. They are the economic minister cabinet and the social minister cabinet.

At the regional and local levels, there are now committees, working groups, and forums from the regional level to the village level. Most provinces and regions have established committees and forums where multi-stakeholders can meet. Even if there are village committees in every village, most of them are created by the Ministry of Interior. There are still not many villages which have strong village committees that are set up by the villagers themselves. Moreover, most of the groups set up by villagers are not usually recognized by the government

(f) Implementation Plans

In addition to the national plan, there is a need for each community, sub-district, district, and province to prepare its own implementation plan. The plan should consist of visions and objectives, strategy, mechanisms and processes, programs, projects, targets, budget allocations, responsible persons, etc. It is necessary that each community prepare its own plan because it knows its own needs more than outsiders. There are several examples of village plans which are drawn up after the villagers collect information about household expenditures and income. Once the villagers have a complete picture of the village's income and expenditures, many of them begin to think of a plan to solve the problem of debt and to reduce the household expenditure. When these villages first began to collect such information, the village committee members did not see the benefits of such information. The data collection was part of the pre-requisite for the village that applied for the finance from the SIF project.

(g) Campaign and Rally

There is a need to educate the public and to campaign for political support of the development process. The new constitution stipulates that there will be a National Council of Economic and Social Consultation. This council consists of 99 elected members, who are experts in the fields of economic, social, environmental and legal development. The council can only give advice to the government on those issues. It does not have any authority, however, the constitution requires that the government has to respond to the advice of the council in public. Such an institution will facilitate the social movement process.

There are also indirect methods to campaign for changes in social and economic development policies. They are public forums, talk shows on the television and radios. These forums are important means for the people to relay their needs, problems and ideas to the government.

4.5 Lessons Learned from the Thai nssd Process

The nssd process has been gradually emerging in Thailand, thanks to the efforts of a group of academics, NGO leaders, and senior renowned citizens. There are a few lessons from the existing development process and social movements.

First, the processes of political reform and poverty reduction policy movements have been made possible by a group of people who are honest, have a humble life, and integrity. They have used their informal network and personal relations to gain support for their movements. One could even argue that they have made use of the patronage system in a positive way that is beneficial to the society as a whole. Moreover, Dr. Praves himself always declines to accept any formal public position. By doing so he has more flexibility in his movements and is free of conflicts of interests.

Secondly, the timing and strategy are very critical. The "triangle strategy" is needed when the complex and difficult development problems are to be tackled. The strategy requires that the society invest in building a body of knowledge and to engage people in the learning process. The second strategy is to activate social movements by campaigning for popular support, and finally there is a need to link the process with the political institutions.

Thirdly, since the political reform and the poverty reduction strategy processes have involved a higher degree of people participation, the outcome is always a compromised one. Such an outcome is consistent with the Thai culture.

Finally, although national planning is more meaningful in socialist countries, the emerging development process makes it possible for the democratic, market based economies to link the local communities' plans and needs with the national plan in a coherent and coordinated way. The country can agree on the common policy and strategy if there are mechanisms, and processes to involve people participation in the formulation stage. But at the same time, the implementation plans have to be determined at the community level to make sure that the plans respond to the community needs. But the central government still has the role and responsibility in the areas of provision of national public goods, in dealing with inequality issues, etc.

There are also weaknesses in our process of nssd. Firstly, the current social movements are too personalized and still heavily rely upon informal mechanisms. Obviously, there is a need to build more formal institutions. There is also a need to have a proper incentive system that can attract good and capable persons to work in these development processes.

Secondly, there remain governance problems with many government promoted projects and village committees. To promote governance at the community level, information about the community's work have to be made public in a transparent way. Community committee members must also be accountable for their activities.

Thirdly, the existing development process is very slow. But this is necessary if one is to build a stable society in a sustained way.

Fourthly, as discussed in chapter 2, the Thai society still has a problem with conflict management. The public hearing institution that we replicate from the west does not seem to work. A different approach may be needed.

Finally, and perhaps one of the most serious weaknesses in our nssd process, is inadequate information and knowledge. We do not have enough information to study the role and impact of NGOs and PO's. Although social scientists can articulate the causes of poverty, they have done very little research. This is very troublesome because without a clear idea of the significance of the causes of poverty, it is not possible to develop the policy recommendation.

Chapter 5
The Implementation Process of nssd in Thailand :
Assessment and Donors Guidelines

This chapter will provide an overall assessment of the process of implementation of the nssd in Thailand. Strength and weaknesses of the nssd process are discussed in the first two parts. The donor's guidelines are proposed in part 3.

5.1 Current Practices and Strength of the Thai nssd Process

One main conclusion from our dialogues with various stakeholders in the implementation process of nssd is that the nssd process has gradually evolved in response to the changing environment without a single planning agency dictating the process. The national planning process has drastically changed from the top-down instruction approach towards a more participatory one that tends to be more responsive to the needs of the local communities. The transformation has just begun but it is an on-going process with continuous improvements of the process. Some changes are minor, but some are having a big impact. One major change is that the national planning process has now included people participation and inputs from local communities. Villagers and NGOs have begun to prepare their own plans to serve their development needs. The day when the national plan is actually driven from below will soon happen. Perhaps the most important transformation has been that the direction of the national plan has been made consistent with the activities of NGO's and PO's at the grass root level, thanks to the current social movements of poverty reduction strategy. The national development strategy is becoming more coherent, despite the fact that Thailand is largely a market-economy society. Each individual agent, including that of the NGOs, POs, government agencies, business firms, etc., still acts independent to pursue their own interests. There is no such thing as the price mechanism to coordinate their activities in such a way that both the private and social benefits are maximized. However, there emerges an informal mechanism that will influence the activities of those agents towards the coherent direction, though not in a coordinated way. Factors affecting such a transformation process have been discussed in the earlier chapter. This chapter will shift attention towards an assessment of the implementation process of nssd.

a) Open society

In Thailand, external conditions have always influenced its development process. That the Thais are relatively receptive to foreigners, to their ideas and culture is the long-term consequence of being an open society for centuries. Even the first formal attempt to modernize its administration

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system along the western style can be dated back more than one hundred years. But the country opened its door to international trade many years before the administrative reform. As a result, the economy and its people have constantly adjusted to the changing external environment.

Open society has enabled the Thai people to learn new ideas and technology, and then to adapt and adopt them. Consequently, the society has been quite capable of coping with external shocks. Farmers and businessmen have learned how to diversify risks. The latest economic crisis is another example. The Thais have not only decided to reform the political system, but also quickly established a social protection system as well as a good governance system. The business sector has also responded by enhancing its competitiveness and installing the corporate governance concept. Obviously, the process has been continuously improved towards the princeple of sustainability.

b) People Politics and Free Press

One distinct characteristic of Thai democracy is the people politics and free press. Only a few Asian countries share the similar characteristics. As a result, there are hundreds of NGOs working to improve the democratic system outside the parliament. Some are working on the issues of political corruption and governance, while others scrutinize independent and government agencies. Together they have become part of our system of checks-and-balances in the modern democratic system.

Moreover, people's politics has significantly increased the role of people's participation in the process of development and planning. The bureaucrats and politicians have long realized a need to hear their voices. But people participation alone is not sufficient to ensure that their choices would be respected and acted upon. Some forms of mechanism are needed to link the people's voices to the choices really made by the so-called public sector.

(c) Adaptive Capability of the Planning Agency

The NESDB has been flexible and constantly adapted its plans to the changing social, political and economic environment. During the last 40 years, it has drastically changed its planning process from a top down approach in the early 1960's to a process of involvement of elites in the 1980's and then to a more participatory approach in the 1990's. The substance has also been expanded from an infrastructure master plan and macroeconomic management, to social and environmental aspects, and now to the local communities' issues.

One reason explaining the flexibility and adaptive role of the NESDB is that it lacks administrative power. Therefore, it has to be able to adapt itself to the changing environment because the alternative is extinction.

However, the law gives the NESDB an authority to do evaluation of the large-scale projects. It, therefore, has the legal responsibility to monitor all other government agencies.

d) Diversity of NGO's Activities

As mentioned in chapter 3, there are more than 600 NGOs and 20,000 POs with varieties of activities. True, the government has direct control on many village organizations that are established by the government agencies. But there are also independent and informal PO's that are not regulated by the government. The government can neither regulate most, if not all, of the NGOs. These organizations have different ideologies and work mechanism. No single ideology dominates the work of Thai NGOs. Most NGOs can freely make contact and obtain finance from abroad. Consequently, the development concept has been compromised towards a more balanced approach.

e) Networking

Although most NGOs and POs are relatively small scale (some with only less than 10 workers), they are able to increase their voices and strength by networking, thanks to the effort of some NGO elites and international donors. Such networking has greatly improved their learning capability. Many NGOs, especially those specialized in water resources and dams, are even more capable and articulate than some technocrats. They do not only have detailed knowledge about the local communities, but also highly technical knowledge. They have always prepared very well before a meeting with the bureaucrats. Moreover, the network allows them to disseminate information to the villages within a few weeks. As a result, they are able to form their own position and can articulately comment on the government projects as well as academic work.

f) Best Practices in the Local Communities

In many local communities, the villagers have been able to organize themselves in order to solve their own poverty problems without any outside assistance. The activities of these informal community organizations are diversified, ranging from the credit union (or saving groups), garment and food processing, green agricultural practices, to the large trading business. They usually start their activity from a very small scale and gradually expand it. Before starting the business, they will make serious studies of its feasibility and then begin to mobilize financial resources and joint efforts. Their success depends critically on their knowledge (both production and marketing) and ability to build an internal control system (or governance). After being criticized by some academics that the success depends heavily on the charisma of their leader, they begin to institutionalize the process. But their success is not limited to within their communities. Thanks to the network of NGOs and POs, their activities and systems have been

successfully replicated in other parts of the country. Replication, however, is only possible under certain conditions. They include a specific social, cultural, historical and economic environment. For example, the type of credit unions in the South cannot be easily copied by the Northeastern villagers who tend to be very mobile and do not have a regular flow of income. Moreover, most of the promoted government projects fail badly because they are imposed upon the villagers and the projects do not serve their real needs. The upshot is that a project that is not initiated by the villagers themselves has practically zero probability of survival, let alone prosper.

5.2 Weakness

The existing nssd processes have certain weaknesses, ranging from rigidity of the bureaucratic system and ineffectiveness of the national plans to the problems within many POs and NGOs.

a) Rigid Bureaucratic System

Most government agencies are still very rigid in responding to the needs to the local communities and in shifting their activities towards a more sustainable approach. They are still influenced by the traditional ways of bureaucratic management and their behavior is to protect the narrow interests of their agency. Their authority and autonomy are derived from the structure of administrative law and the European professional bureaucratic system (Christensen, et.al., 1993).

The dialogue on social and drug problems indicate that many medium and high ranked government officials realize the rigidity problem. Many stated the importance of coordination with other agencies, and yet did not appear to have a solution or measure that would bring about such coordination. They also realize that the government—or even the local community--could not solve social or drug problems of that scale alone, and yet they see a lot of obstacles to be overcome before the multi-stakeholder participatory process could be achieved. Every participants from the public sector agreed that both bureaucratic and legal system need a major reform.

b) Ineffective National Plan

Although the national plan also contains a guideline for budget allocation for the 5-year plan, a large number of plans are not implemented. When they are implemented, the outcome is not always satisfactory. Current budgetary allocation procedures tend to stress input based budgeting, line agency approach, and centralized allocations. The current budgetary decentralization is plagued with corrupt practices. Obviously, there is a need to analyze the budgetary reform in relation to the poverty reduction policy.

c) Human Resource Problems

Both the NESDB and the NGOs suffer from human resource constraints. Unlike other line agencies, the NESDB has no real power. Since the pay system is governed by the similar civil service system, the incentive is hardly enough to keep good and capable officials. Most NGOs pay structure is also not attractive enough to attract the high caliber young people, unless they have a strong motivation to work for the poor. Without proper incentives, monetary as well as non-pecuniary, long-term sustainability of human resources will not be possible.

d) NGO's Image

While the public has grown accustomed to the existence and usefulness of NGOs and POs, some NGOs are known to serve the personal interests of politicians in their fight to gain control of the government. Of course, there is nothing wrong with NGOs working for the political party that share their ideology. However, for many POs and NGOs that tend to justify their means by its end, they could easily end up serving the personal greed for power of some politicians and adversely affects credibility of the whole civil society organizations.

e) Governance and Financial Transparency

Many bureaucratic elites and the mass media raise one interesting issue about the financial non-transparency of some NGOs as well as POs. There are also reports of corruption among community leaders, particularly the leaders of government-sponsored groups/programs. However, this does not mean that we need the government to impose the governance structure upon the NGOs and POs. Such intervention is unlikely to improve the situation. Rather, it is the task of the NGOs and POs themselves to establish their own governance structure, including a code of conduct and ethics.

f) Information and Conflict Resolution

Perhaps one of the major drawbacks about research in Thailand is lack of data and information. So far, there has been no systematic collection of information about POs' and NGOs' activities and their resources. Lack of data prevents rigorous analysis and evaluation of their work. Moreover, it reduces the planning process to a judgment-exchange process that relies heavily on gut instinct and wishful thinking. A good example from our dialogue with the local sages was that, in many villages when the villagers themselves learn to collect and analyze the information regarding their own village, they begin to use the information to plan and solve the villagers' problems.

Lack of reliable data, information, and research also leads to inability to settle conflict in a peaceful manner. Certain participatory processes

designated for conflict settlement—such as public hearing, appear to be useless in many conflicts, since there often lack of reliable data from an independent source that would be accepted by all stakeholders.

5.3 Guidelines for Donors, Government, and Local Communities

The following guidelines are the conclusions reached by the multi-stakeholders invited to participate in our nssd dialogues. The guidelines consist of 3 parts, i.e., guidelines for local communities--which are to apply for or to receive subsidies from the government or outside donors; guidelines for the government regarding policies on providing assistances to the local communities; and guidelines for international donors.

a) Local Community Guidelines:

Before applying for financial subsidy, the community should at least carry out the following ground-work:

- Collecting and creating community database
  - Think and do by one's self
  - Joint effort by villagers
  - Group learning and analyzing
  - Consequence: problem identification and solution
- Identifying own needs and problems
  - Community needs
  - Community resources
  - Community capabilities
- Identifying feasible projects
  - Economically feasible
  - Start with small and simple task

- Role of sub district administrative organization
  - Supporting the community's projects by matching the subsidy from the central government
  - Establishing an audit system
  - Supporting the implementation of the community's plan and project without having to depend entirely upon the government budget

b) Guidelines for the Government:

One of the new government's policies is to set up a one-million baht fund for every village. The policy has caused some concern among NGO and PO leaders and academics that the fund may adversely affect their development efforts. Past experience has shown that when the government gave a large amount of money to the village committees, most of which are the formal organization, the outcome was very disappointing. In addition to

the ineffectiveness of the program, there were serious problems of conflicts and corruption. The following are some suggestions for the government.

- Subsidy should be complementary to the community's activities and should not be competing with their activities
- Having explicit national agenda
    - Consensus building is necessary
    - Effective strategy and targets are to be formulated
    - Mobilizing resources from both the public and private sectors rather than borrowing
    - National data base of local community should be developed
- Budget allocation procedures
    - Direct allocation to the community, rather than through the government agencies
    - Allocation should be based on past performance of village organizations
    - Auditing and evaluation system is needed
- Strengthening local community's capability
    - Using the multi-stakeholders approach

The guidelines for the government which wants to borrow from international agencies are presented after the donors' guidelines

c) Donors' Guidelines

Principle

- Financial assistance/loans should not be accorded the top priority by the government and local communities
- Donors' conditions must be flexible and be readily adjusted to specific local environment
    - Avoid tying aid with environmental or labor issues since there are more urgent poverty-related problems faced by developing countries
- Project using foreign aid and loans have to be free from high level corruption
    - Public hearing process in Thailand still does not work.
    - Need an effective monitoring system by NGO's and PO's.
- Aid and loans should be aimed at solving long-term structural problems
    - Except emergencies such as natural disaster
    - Emphasizing investment in social capital
    - Focusing on institutional building
- Partnership-based relationship
    - Avoiding adversarial and short-term debtor-creditor relationship

Loan Conditions

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- Expanding markets and marketing network for Thai products because foreign exchange is needed to service debt.
- Technical assistance should be embedded in specific local environments and local communities should be allowed to participate in the choices of consultants.
  - Strengthening poverty measurement research and systematic data collection process
  - Improving management capability of local communities
  - Strengthening monitoring system and learning process
- Loan conditions must not impose extra pressure and regulations upon communities and should be flexible and adaptable to local conditions
- Incentive system and loan criteria of the international organization (i.e., the loan department) should be rationalized to minimize the incentive to over-lend

Strategies

- Loans should be granted to projects that are part of local community's development plan
  - Avoiding top-down projects, except project with cross-border externalities
  - Community's plan and projects have to be jointly decided by multi-stake holders

Conditions for Thai Government

- Channeling loans/aid directly to the local communities and/or NGOs
  - Avoiding the bureaucratic agencies
  - Avoiding the formal village organizations which have no proven track record
  - Giving higher priority to villages with effective development capability

- Improving the officials' knowledge/information about local development
  - Knowledge will help increasing the bargaining power with international agencies
  - More productive uses of loans
- Passing new laws to allow NGOs to be advisors of the local communities/ to help monitor the projects
- Promoting the self-reliance and community empowerment concept among the communities that do not yet have a strong community organization
- Providing all information about loan conditions to involved participants
- Government officers should change their role from being a implementor to a facilitator

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Appendix A
Proceedings of the Seminar

"Balanced Development Strategies for Sustainability"
on September 15, 2000

The seminar consisted of 6 panelists (3 outside panelists) and 50 participants from academic institutions, government agencies, and NGOs. After the panel session, there was a brainstorming sessions focused on past poverty reduction strategies.

1. Poverty: Where to Begin?

Bangthorn Ondam claims that the issue of poverty has often been approached from the conceptual perspective without knowing what poverty really means. Questions often arise when discussing the issues of poverty: "Why do we want to learn about poverty? We ought to learn more about poor people." Bangthorn Ondam also raises issues concerning poverty, namely, "What is poverty reduction?" "Who will define poverty?" "We know poverty but we don't know poor people" "May be we know about poverty but 0we do not understand all there is to learn about poor people" "We perceived poor people negatively because we often compare them with the rich," and so on. Therefore, in order to address the issue of poverty it is essential to look at the issues from different dimensions, namely, from the poor themselves and from their environment. Poverty issues also entail dimensions beyond that of economics.

The Thai society tends to discriminate against poor people; that is, the society tends not to accept the views expressed by the poor. The Thai society often views the poor as being damaging. A question that is central to poverty is how can one change the perception of the society towards the poor: from destructive to constructive. For instance, the society may consider garbage collectors as being a socially inferior career; but without these garbage collectors how will the garbage be collected. Banthorn Ondam further claims that those who work towards poverty reduction also lack faith. Prawes Wase, however, believes that the Thai society lacks basic ethics when it comes to human rights issue and the rights of the poor are often neglected. So long as this problem exists poverty issues will remain.

Prawes Wase asserts that poverty is related to many factors such as the way the society view the poor, legal framework that penalises the poor, government utilisation of local resource, land reform, forestry management or management of community forest. Poverty in Thailand is often found in the rural area more than the urban area. A Cornell study finds that in Latin

America, Africa, and Asia the sustainability of rural community is an important foundation for national sustainability. If rural community fails national society will fail as well. Prawes Wase claims that the sustainability of rural community depends on 3 core factors and 5 supporting linkage factors:

The core factors: i) Community organization, ii)Learning, and iii) Technology and know how.

The supporting linkage factors: i) Natural resources such as forestry and land, ii) Infrastructure such as road, water resources and irrigation system, iii) Agricultural activities, iv) Non-agricultural activities, and v) Rural credit.

According to Praves, the 3 core factors will define success and failure of rural sustainability and the 5 supporting linkage factors will act as facilitators. For instance, rural credit will support village activities so long as there exists village organization to mobilise this credit.

2. Causes of Poverty

Poverty can be an outcome of one or many causes depending on the situations. The proposed causes of poverty can be summarised as follows:

4. Transfer of ownership of resources from community to the state such as land or local wisdom. (Prawes Wase)
5. Personal health problems, personal behaviour such as alcoholism or gambling. (Banthorn Ondam and Wibool)
6. External shocks such as natural disasters or government intervention. (Chirmsak Pontong, Narong Chockwatana and Banthorn Ondam)

3. Poverty Eradication in Thailand

Poverty reduction strategies should focus more on process than outcome; that is, the stakeholders at all levels (local, supporting, policy, and others) have to cooperate. Responsibilities of these bodies must be assigned and they have to be implemented in an integrated manner. (Prawes Wase) In Thailand, there are organizations that are responsible for local issues, provide supporting facilities and formulate national policies. These organizations can be summarised as follow:

- Local organizations comprise of
  (8) The Community Development Department that provides development staff in the rural areas is currently operating a rural credit project that has a total seed funding of 280,000 baht for each village. The National Economic and Social Development Board (NESDB) assess this rural credit project and found it to be successful and therefore committed a total of 3,000 million baht to be allocated for village fund for the whole country.
  (9) The Department of Agriculture Extension provides extension staff to each village. These staff originally provides technical

assistance to the villagers but recently they switch towards providing assistance to developing rural organization.

(10) SIP is now extended to cover very province in the country. (SIP)

(11) Non-Government Organization. (NGO)

(12) Government Savings Bank. (GSB)

(13) Bank for Agriculture and Agricultural Cooperatives. (BAAC)

(14) Local Development Institute that aim to promote of exchanges of ideas in the rural community.

(15) The Urban Community Development Department is changed to The Community Development Institute.

(16) Villagers networks such as Teacher Amporn, Pra Subin, Credit Union, Teacher Chamnong (Village Banks). These networks adopt the concept of "contagious" where information is transmitted among the villages.

(17) OECF assistance of 1,600 million baht on community development.

- Institutions and/or individuals who have made technical contribution are the Department of Industrial Promotion and the private corporations that have interests in community business including promotion of processing, marketing or linking private corporations with communities. Government agencies that play a role include The Department of Industrial Promotion and The Office of the Board of Investment. Other supporting agencies are universities and the Ministry of Education.

- National level policy formulation agencies include The Office of National Economic and Social Development Board and The National Social Policy Committee of the Cabinet. The stakeholders should include i)Representatives from the 5 major political parties, ii) the Senate, iii)Business people, iv) Academicians, v) NGOs, vi)public servants, and vii) the community leaders.

As there exists a number of organizations, agencies and representations from various levels a remaining issue facing sustainable community development is how to bring efforts from these units together in an integrated and coherent manner.

Paiboon Watanasiritham expressed that in examining poverty it is essential that the analysis is focused on the poor. The poor must search for the causes of poverty and the poor should derive solutions to the problem. Having adopted this approach one would be able to gain an insight into the causes of poverty or the factors that contribute to poverty including economics, politics, public administration, culture, legal framework, religion, local agencies, local government and other agencies. One can obtain such information from interviewing the poor villagers, the better off villagers or local agencies. Through discussion with the villagers and local agencies the complexity of poverty will be revealed, namely, the interaction between factors such as economics, physical infrastructure, legal system, tax system, value, businesses and management systems. Information obtained from the interview can then be categorised into groups to illustrate any integration among them.

This view is also shared by Narong Chockwatana who also adds that in examining poverty in Thailand one may also employ the 4 Buddhist principles: sorrow, causes of sorrow, remedies of sorrow and the state of being absent of sorrow. In addition, studies on poverty should also include the political dimension so as to reflect the community rights to evaluate and assess the performance of the public sector. (Chirmsak Pinthong)

Poonsap Piya-anan has similar observation in that poverty studies should begin from defining who the poor are and searching for the causes of poverty. Poonsap Piya-anan recognises that the causes of poverty will differ from one area to another, the importance of the role of government, and the failure of past poverty reduction strategies. Studies should also focus on local organizations, as more government budget will be allocated to these organizations in the future.

4. Poverty Reduction Strategies

Poverty reduction strategies proposed by outside panelists and participants could be categorized in two categories:

- Holistic poverty reduction strategies that is advocated by Prawes Wase or Paiboon Watanasiritham; and
- Poverty reduction strategies from perspective of the poor that is advocated by Wiboon Kemchalerm.

Prawes Wase proposes a poverty reduction strategy that aim "to reduce poverty" rather than "to increase income and wealth." In addition, strategy ought to be shifted from "problem solving" to positive change." These strategies can be broken down into the following:

- Strengthen the process at the grass root level so as to promote participation in thinking, planning, production, management, and marketing. Budgeting process at the grass root level has to be improved.
- Support the process at the grass root level with respect to natural resource policy, namely, land utilisation, land allocation, forestry, communal forestry, legal structure, construction, and perspectives.
- Linking macroeconomics at the national level with economic mechanism at the communal level.

Paiboon Watanasiritham added to Prawes Wase that poverty reduction strategies should also include the following:

- Synthetic collaboration among stakeholder at all levels. This includes identification of stakeholders at various levels, their involvement, activities, and ways to improve their activities.
- Empowerment of the poor, their community and their organization. To reduce poverty the poor must work on poverty reduction themselves. However, the poor is part of the society in general and therefore they must work in the context of organization and community. It is essential that the organization and community be strengthened and their activities are identified and be improved.
- Enabling and provide a sound working environment. The term environment refers to structure, mechanism and provision.

Wiboon Kemchalerm proposes poverty reduction strategies by focusing on the poor. The villagers must be able to plan their future ahead and formulate their own community development plan. Communal development plan consists of the following components:

- Production planning for each individual to attain sufficiency.
- Production planning for the community to stabilise production and reduce price variation.
- Marketing planning.

According to Wiboon, poverty reduction should be attainable even without outside assistance. The poor and the community have to be active leaders in poverty reduction. Improved management at the local level will lead to self-reliance and reduced poverty.

Appendix B

Proceedings of the Brainstorming Seminar

"Strategies for Solving Social Problems" on December 1, 2000

The brainstorming seminar focused on the drug issue, as it has become the most problematic social issue in Thailand in recent years. Outside participants included psychologists and other academics, officials from various law enforcement agencies, DEA, and the medias.

1. Causes of Social/Drug Problems

According to a psychologist, Dr. Wallop Piyamanotham, social problems stem from the lack of goal in life and intrusions of alienate cultures/values--especially western ones. Examples of these deceived values are the greed, authority over others, and sexual desire. These values have destroy the traditional way and goal of life

Drugs are both the cause and consequents of social problems. The basic characteristics of drug problems are 1) Human 2) Problematic environment (e.g., society, community) 3) drugs (Russamee Wittayaves)

2. Past Strategies

The following strategies were employed to solve social and drug problems

- Decreasing supply of drug by enforcing severe criminal law.
- Make use the local mass
- Improve efficiency in management and administration of the DEA
- Regulate juvenile court and family institution for disciplinary and job skills

Government proceeds single-handedly all the regulations and enforcement, using the laws to penalize drug producers, dealers, and users.

3. Effectiveness and Sustainability of the Past Strategies

- The organization responsible for solving drug problems is too large. Therefore the process of development is slow and not efficient. In addition, corruption and lack of administrative work force also cause ineffective process.
- Public officials responsible for social problems paid little attention to the potential or ability of communities. They also overlook and misinterpreted their own capacity in solving social problems
- Lack of efficient communication between the government officials and the community leadersy
- Use too much resource in enforcing criminal laws and judicial court without realizing that law enforcement does not solve the real causes of the problem.
- Lack of information about environment, community, and problematic family.
- Lack of evaluation on the need of family and adolescent
- The development strategies in the past paid too much intention on economic activities and did not provide enough resources/ work forces in the social sector.
- Discriminatory and ineffective law enforcement and regulations has widened the rich-poor gaps in the society.
- Legislators, ministers and government officials have different point of views in what are the correct strategies in solving the problems
- Lack of coordination in the judicial system leading to lack of lack of people's trust in the system.
- Lack of relevant research to guide the policy formulation and lack of interest of those who have power in using such research in the decision making process.

4 Better Strategies to Solving Social/Drug Problems

The following strategies were proposed by the participants:

- Emphasize on people-centered strategies. Encourage citizen to gain knowledge and understand about the way to solve social and drug problems, to build family values, self-esteem and self confidence, efficient communication skill, and set goals in life.
- Protect youth from drugs by strengthen family institution,community and schools.
- Provide better healthcare--both physically and mentally, to the drug addicted youths
- Enforce laws and regulations strictly to decrease planting area of opium and marijuana.
- Emphasize a systematic and coordinated work among the public and private sectors, organizations, and citizens.
- The principles and framework for working in appointed area should based on specified area-- responsibility -- participation
- Determine and solve the causes or the roots of the problems.

- Encourage affected families and communities to take part in solving the problems
- Adapt the development strategies that involve working co-operation among many different organizations.
- Reduce the gap of rich and poor by creating a more effective tax collecting system.
- Build a more justification and appropriate budget structure and resources management.
- Politicians and government officials must have determination on their mission and enforce the responsible agencies to work effectively
- Mass medias should play an important part in making the society realize the main social problems. They should induce citizens to support and push government officials to take more serious action in solving the problems.
- Provide more mechanisms and supports for social engineers such as psychologist, educators, medical doctors and social workers to play more role in solving social problems.
- Control and regulate numbers of entertainment business
- Evaluate efficiency of the responsible agencies that involve law enforcements.

Appendix C
Proceedings of the Brainstorming Session

"Strategies for sustainable natural resources and environmental Management" on December 1, 2000

Discussion's Topics:

1. Does Thailand have any strategies for natural resources and environmental administration?

Conclusion: During the first three national plans (1961-1976), Thailand's strategy for natural resources and environmental management was to use then ample natural resources for economic development. This make the resources depleted rapidly and reached the point of deterioration. As a result, natural resource conservation and development into the 4th plan, which could be considered the starting point of natural resources and environment management strategies proceeding up until the current national economic and social development plan.

2. The preceding process in formulating the natural resources and environmental administration strategies.

Conclusion: the national economic and social development plan has been used as a framework in setting the strategies as follows:

(a) During the period under the first three national plans, natural resources were exhausted considerably that brought about the deterioration of the environment. Consequently, the Environmental Quality Promotion and Preservation Act of 1975 was enacted as a tool to devise policies and measures to manage natural resources and environment and to solve the problems concerned. However, since then the problem was aggravated, and therefore prompted the 1975 Act to be replaced by the 1992 Act. The new Act places more emphasis on environmental preservation and promotion policies; environmental quality management; decentralization of natural resources and environment administration from central to regional areas; composing an analytical report on environmental effects from mega-development projects. In spite of that, there remain shortcomings in carrying out the administrative plans and in solving conflicts. For examples, there are no clear-cut criteria supporting citizen rights in participating in public hearing. Also,

the principles of law concerning citizen's rights in submitting petitions to court are not conspicuously stated. Lastly, The EIA report required for mega-projects is merely a green stamp for those projects.

(b) The Thai constitution of 1997 was a crucial milestone towards better environmental supervision. It emphasizes the importance of natural resources and environment in many ways. For instance, citizen and local administration are decreed to participate with the government in supervising natural resources and environment in their local areas.

However, the process of formulating natural resources and environment management still has many weak points, which could be summarized as follows:

– The centralization of natural resources and environmental management: Natural resources and the environment are managed in a top-down manner with no involvement from the people.
– Natural resources and environment management strategies are highly abstract and does not have clear linkage with implementation.
– Overall development strategy focuses mainly on economic aspect.
– Strategy related to public involvement in administrating natural resources and environment still lacks clarity regarding rights and obligations of all the parties involved.
– Policies concerning natural resources and environmental management are not systematically linked together.
– There is no effective conflict management/resolution mechanisms
– The planning process of the bureaucracy does not match with the movement actually occurred in the society. In addition, there is a pessimistic view from the bureaucrats towards activity of the public and NGOs.
– The government agencies involved in the formulation of strategies, measures, and policies do not systematically cooperate with each other and often hold different views and disagree with one another.

3) How should the strategies be improved?

The following ideas/measures were proposed by the participants:

• Concentrate on ecological development
• Focus on natural resources and environment strategies in the following aspects:
  – Personnel, organizations, law and regulations: the government need to solve conflicts and overlapping of the authority in managing and resolving problems concerning natural resources and environment.
  – Place emphasis on deterioration of natural resources and conservation.
  – Preventing and solving for pollution problems.

- Emphasis more on manmade environment, namely city and community; natural environment and cultural and archeological environment along with tourism.
- Process of formulating natural resources and environmental strategies should intertwine with the formulation of other development strategies. These strategies should also link to the global economy and the advancement in science and technology.
- The formulating process should take into account fully the dynamism of the civil society and the public
- Devise better conflict management process/mechanisms.
- Natural resources and environmental management strategies should start from those concerning economic activities.
- Government organizations have to adjust their role from strategic formulator to supporter that facilitate and reinforcing the public network.
- Encourage the involvement of the public and civil society.
- Prepare the strategy that takes into account relevant international agreements, including the binding ones and the ones that likely to be effective in the future.

Appendix D
Summary Report of the Workshops

"Poverty reduction strategies: Views from the Local Communities" and "Poverty reduction strategies: from Concepts and Application," January 18-19, 2001

The workshops "Poverty reduction strategies: Views from the Local Communities." and "Poverty reduction strategies: from Concepts to Policies" were jointly organized by TDRI and the Local Development Institute (LDI) on the 18th-19th of January 2001. Organizers invited about twenty village leaders around the country to attend the first workshop. The second workshop consisted mainly of participants from NGOs and academics. The results from these two workshops are summarized as below.

1. The local views on poverty

Village leaders attributed the following characteristics to rural poverty:

- "Poverty of philosophies"
  - Past development process was top-down and did not allow inputs from the people
  - Thai educational system provides "canned" without fostering critical thinking
  - Changing values have led to increased desire for consumption of goods and services in order to need their demand.
- Lack of opportunities
  - The poor do not have access to opportunities or resources
  - The poor have no influence on the development of the communities. Their opinions are not heard and thus have no influence whatsoever.
- Lack of morals
  - Some of the poor do not have self-discipline
  - Some poor people do not have goals in life
- Lack of necessities of life
- Lack of means of production
- Lack of money
- Lack of public institutions that would help improve their quality of life

2. The local views on the cause of poverty

Two main causes of poverty:

2.1 The internal factors

– Lack of self-esteem and confidence
– succumb to vices, such as gambling and alcohol.

2.2 Structural problems: social structure

– Wrong path of development
– Top-down development strategy. The poor do not have access to the resources controlled by the government (e.g. Forest)
– "Command and control" system of government and governance
– Market and monetary economy that lure farmers to monoculture
– Villagers lose ownership and rights to manage natural resources, which are led to damage of these resources.
– Demonstration effect leads to desire for conspicuous consumption
– Social structure does not create the incentive for villagers to work as a tem. Outsiders are trusted more than insiders
– The educational system does not do proper job. It does not encourage—or even suppress--critical thinking

3. Two paths of poverty alleviation: the local experience

The local sages and village leaders illustrated and compared the poverty reduction strategies used by the government with their own. The government called its strategies "community development" while the local leaders called their strategy "self-development." These two strategies have different processes and produce different outcomes as followed:

3.1 Poverty alleviation by government agencies

The community development strategies are used for setting up policy and managing the budget. The central government would then send out developed regulations and policies to the local communities. However, these poverty reduction strategies do not comprehend with the resources or the need of the local communities.

– The main policy of the government is to provide financial aid and funds to the villagers. Rural area development fund, the poverty alleviation funding, Miyasava Loan Project are a few financial aid that government has distributed to local communities. However these projects do not emphasized developing human abilities or incentive for villagers to work as a team. Instead, villagers then assume financial aid is given free

without conditions. Moreover, these funds cause conflict between those receiving the funds and those who did not.

- The poverty reduction schemes are usually "quick relief" for short term problem. At times, these strategies lead to corruption, especially when the government set up a project and its budget according to the preference of the village leaders.
- The government's poverty reduction strategy does not effectively evaluate the efficiency of the development project. Most of the evaluations rely on reports such as numbers of activities in certain period.

At times, however, the government, appears to learn and adjust their schemes and mechanisms, albeit slowly. For example, the Social Investment Fund and Community Organization Development Institute (CODI) were set up during the financial crisis. Community Organization Development Institute was established officially by merging the Urban community Development Office and the Rural Development Fund. This organization emphasizes teamwork and developing skills corresponding to community needs. The development projects under this organization successfully improve living quality as well as transparency of many local communities

3.2 Poverty alleviation by communities

Experiencing what they perceive to be mistakes of the government development projects, some sages and community leaders attempt to develop their own strategies to cope with poverty. These strategies are summarized below:

- The main strategy is to organize the villagers to work and think as a group. This teamwork strategy is to simultaneously develop human skills and capacity to improve the communities and life quality. Also, once the communities learn to help themselves rather than depending on outside sources, it would become a co-operative community.
- Saving is a very effective instrument in alleviating poverty and developing human resources. Saving will provide resources for building and developing community welfare such as health care, education, employment and so on. Saving would also be used as capital for businesses owned by the community. Moreover, the villagers would be able to save their natural resources such as forest, water, and land.
- Build or strengthen leadership in a village. In the past, leaders play important role in creating trust and co-operation among the villagers. These leaders would strongly influence the development of their communities in the future.
- Plan according to the local environment and resources. Learn from practice and mistakes and synthesize their own experience to provide lessons for other communities.

4. Strategies for reducing poverty

- Foster knowledge, database, and information concerning the poor, poverty (e.g., poverty map), and poverty reduction schemes.
- Promote and support communities to organize themselves to solve the problems rather than relying on external assistances
- Push for public policy on public resource management that increase villagers' participation in managing these resources
- Movement to push for local rights in planning and implementing local plans

Appendix E

Poverty Alleviation in Thailand[13]

In a country that the majority of the population used to live in poverty, sustainability development was not high on the agendas. Rather, priorities were given to growth and poverty alleviation. Although stability has always been viewed as a necessary component of development in Thailand, its role was meant to facilitate growth rather than sustainability. Since the 1990's, sustainability development received more attention. The attention, however, appeared to limit on environmental issues. Only after the crisis that broader issues of sustainable development (such as over-investment and over capacity) have gained some attentions.

Half a century ago, there was no doubt that the great majority of Thai citizens were under poverty. At present, poverty is still a major concern in Thailand. However, if one relies on absolute poverty incidence—defined as the percentage of people whose income lies below the poverty line—as the milestone of poverty alleviation, it would become clear that economic development in Thailand has been very successful in alleviating poverty. During the first Economic Development Plan (1961-66), poverty incidence was as high as 57 percent (Karnphisit and Jinnawaso 1994). Since then, the poverty incidence has decreased dramatically. In 1988, the poverty incidence was 33 percent (Table 1). Shortly before the recent crisis, poverty incidence had come down to about 11 percent in 1996. This figure, released in late 1997 in the midst of the crisis, drew a lot of cries and criticisms from many politicians and the press who refused to believe that poverty alleviation in Thailand had, to some great extent, been successful. The figure is, however, consistent with the trend over the past thirty years. Even the current crisis had only reversed this trend slightly. In 1998, the poverty incidence bounced back slightly to 13 percent.

In reality, it is clear that the living standards of Thai people, the poor and the rich alike, have improved dramatically in the past 50 years of development.[14] Basic needs of the great majority of people have been met in this process. In fact, if one relies solely on the poverty lines constructed by the World Bank in the 1980's and simply adjust them with consumer price indices, one would find that poverty incidence in Thailand declined to merely five percent in 1998 (Santisart 1999). The "new" poverty line takes into account different food-calorie requirements for people of different sexes and ages. It also allows a relatively high ratio of non-food expenditure (67% of

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[13] This appendix draws heavily from V. NaRanong (2000) and V. NaRanong and A. NaRanong (1999).

[14] Siamwalla (1996) describes dramatic improvement of the standard of living of Thai people in the past 50 years. Between 1950 and 1995, the total output of goods and services grew by more than 17 times. The Thais are on an average five times richer than they were fifty years ago. Although income distribution has worsened, the percentage and number of the poor has decreased dramatically. Life expectancy has increased substantially and the infant mortality rate has dropped from about 12 percent in 1946 to less than three percent now.

the food poverty line—substantially higher than the 25% employed in Indonesia and some other countries in this region).

Absolute poverty line does not necessarily take into account pattern of consumption or entitlement and probably does not fully cover specific living condition in big cities or metropolitans. It could not reflect other aspects of poverty either. However, it is an objective measurement and is still a useful benchmark when one takes a long view on poverty alleviation.

The dominant belief that has been spreading in the press and the public and has become conventional wisdom over the past few decades is that as Thailand becomes more developed, the poor become poorer. The reason that this unproven postulate has been widely accepted could be that income distribution has worsened in the past 30 years (except for a few years such as 1992 and 1998 where income distribution improved slightly). Since 1988, the income share of the top quintile has always been greater than 50 percent while the last quintile's share has been only around five percent (Table 2).

One major cause of skewed income distribution over time has been the disparity of income generated from agricultural and non-agricultural sectors. As a major food exporter, Thailand's labor share in agriculture has always been uniquely high compared with countries with the same level of per-capita GDP. As the country develops, the return to non-agricultural labor (especially that of white-collar workers) has increased at a much faster pace than that of agricultural labor. At the same time, the share of agricultural laborers has slowly decreased, resulting in worsened income distribution.

Even in 1996--in the midst of the bubble economy, almost half of Thai labor force (47 percent) was in the agricultural sector, while the agriculture GDP was around 11 percent. One year after the onset of the crisis, when the agricultural sector was still in good shape, only a few more percentage points of labor returned to agriculture, making the labor share of the agricultural sector 50 percent. The fact that one half of the labor force was still engaged in activities that generate only one-tenth of the country's GDP inevitably implies that income distribution could not improve unless either a large portion of labor migrates out from the agricultural sector or productivity of the agricultural sector improves dramatically.

Even with the highly skewed income distribution, the Thai people's nutritional status has improved substantially. The number of third-degree protein-calorie malnutrition cases among children, which used to be a major problem in rural Thailand even two decades ago, has now almost vanished.

One factor that might contribute to poverty alleviation in Thailand is the role of women in rural areas. Women's rate of labor participation has always been high in Thailand. In addition, women have considerable power concerning economic decisions in their households. In some regions, e.g., in the rural Northeast, women are generally the decision-makers on household economic matters, which include farm investment and financial management.

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Before the current crisis, poverty alleviation in Thailand had not done through poor-targeting programs. The closest one was poor-area targeting during the fifth and sixth plans. Other than that poverty reduction was through "trickle down effect" from continuing growth. During the past four decades, the normal growth rate was about 7 percent per annum and jumped to two-digit growth rate in the early 90's. This contributed to continuing poverty reduction. However, because of the nature of "trickle down effect," poverty alleviation was gradual and not dramatic, but was rather successful when one takes an overall view.

After the onset of the crisis, several programs were carried out to alleviate social impact of the crisis. Some of the programs were short-term and aimed to be a cushion for income shortfall for the workers who were laid off and the new graduates who could not get or secure a job because of the economic downturn. The government also set up the Social Investment Fund (SIF) to provide partial financial support to community groups that set out a plan that would benefit or strengthen the community. This is to make use of and increase social capital in the community. The long-term objective is to strengthen the community so that it would be more capable to assist the community members when they are in needs.

Despite several shortcomings of the "growth and stability" strategy, up until the recent crisis, Thailand has been very successful in alleviate poverty in the last 40 years through the now-infamous "trickle-down effect." In this respect, this strategy could still serve a strong foundation of any new development programs. Instead of dismissing or attempting to denigrate the achievements of the existing development programs and replace them with untested or academically unfounded programs, one would likely to serve the poor's interest better by taking a hard look at the existing programs and put them through needed changes or reforms.

Table 1 Incidence of poverty

Period	Percentage of the poor	Percentage of the ultra poor*	Poverty gap ratio	Number of the poor in millions
1988	32.6	21.8	10.4	17.9
1990	27.2	17.0	8.0	15.3
1992	23.2	14.2	6.8	13.5
1994	16.3	9.3	4.3	9.7
1996	11.4	6.1	2.8	6.8
1998	12.9	7.0	3.2	7.9

Source: NESDB (1999)
Note: * defines as household whose income is below 80 percent of the poverty line.

Table 2 Inequality of per capita income in Thailand

Period	Gini index	Quintile 1	Quintile 2	Quintile 3	Quintile 4	Quintile 5
1988	48.1	5.2	9.0	13.4	21.1	51.2

1990	48.1	4.9	8.4	12.7	19.9	54.1
1992	49.9	4.5	7.9	12.2	19.8	55.6
1994	48.6	4.6	8.3	12.7	20.3	54.1
1996	47.7	4.8	8.5	12.9	20.5	53.3
1998	48.1	4.8	8.4	12.7	20.2	53.9

Source: NESDB (1999)

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