

Reaching the Rural Poor Effectively: Mainstreaming an Alternative Delivery System

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1. Introduction

The overall outcome of economic development in Thailand during the Sixth National Economic and Social Development Plan period (1986-1990) was remarkably impressive. The average growth rate was 10.5 percent per annum. Employment had expanded at an average of 0.6 million persons a year while the inflation rate was kept at about 5 percent. The per capita income increased from 21,000 baht in 1986 to 41,000 baht in 1991. The relatively high growth is optimistically expected by technocrats and policy makers to be sustained in the Seventh National Development Plan period (1991-1995) during which the average growth rate is forecast to be 8.2 percent per annum (National Economic and Social Development Board [NESDB], 1991: 12).

Development achievements in the last decade, however, have not significantly mitigated ingrained problems of rural poverty and inequalities. On the contrary, they have bred more unbalanced and unsustainable development. Among others, there has been a greater disparity in income distribution between urbanites and ruralites, and between those in industrial and commercial sectors and those in agriculture. Income of the top 20 percent highest earning households had increased from 43.9 percent of GNP in 1976 to 55.6 percent of GNP in 1986, while that of the bottom 20 percent lowest earning households had decreased from 6.05 percent of GNP in 1976 to 4.6 percent in 1986. Unfortunately, there has been no substantial improvement in the poverty situation. The ratio of people whose incomes are under the poverty line increased from 23.0 percent in the beginning of the Fifth National Development Plan period (1981-1985) to 23.7 percent in the early years of the Sixth National Development Plan period (Department of Technical Cooperation,

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1992: 103-4).

The rapid economic development in the last three decades has led to massive exploitation of natural resources. The relatively ineffective management of natural resources at every level of administration has resulted in extensive degradation of forest, water resources, soil, and environment. In 1989, forest area remained only 28 percent of the total country area (Department of Forestry, 1989). In recent years, droughts have occurred in most areas of the northeast and some in the north. Water shortage in the dry season is becoming a serious problem of both rural communities and big cities. As natural resources have increasingly become scarce, the rural poor have been most severely affected. They have struggled more to adjust their means of making a living. This has inevitably threatened interests of other groups. Conflicts among groups over resource allocation have been increasingly tense. This phenomenon has currently become a most serious problem in the country.

The current situation of income disparity and depletion of natural resources in rural areas as well as the deteriorating quality of rural poor people's life is alarming indeed. People from all walks of life have expressed their dissatisfaction toward negative development results. Controversies over desired models of development have been intensified. Demands of more political and administrative decentralization have been increasingly expressed. The May 1992 political chaos was in a sense an expression of dissent of intellectuals, nouveau riche entrepreneurs, middle class people, students, and the urban poor over the domination of technocrats and bureaucracy in making development policies.

Dr. Praves Vasi, a leading intellectual and development practitioner, criticizes the current growth-oriented economic development policy as the major cause of social uprooting of rural people and communities. The rural poor have become psychologically, socially, economically, and politically helpless. A survival policy for Thai society and democratic government, which he calls for, rests upon a devolution of power in resource management to community organizations (Matichon, December 9, 1992). The Thailand Development Research Institute, a leading research institution, suggested to the government a project called Poverty Eradication Within the Year 2000. Among other things, the government should allocate a sum of Baht 30,000 million a year to subsidize every household that stays below the poverty line (Susangkornkarn, 1992).

Most important of all, Her Royal Highness Princess Maha Chakri Sirinthorn, in presiding over the closing ceremony of the year-end conference of the Thailand Development Research Institute in December 12-13, 1992, in Pattaya City, questioned publicly for the first time ever those involved in development planning of the country, as to what extent economic development achievements in the past three years have actually benefited the rural poor, and what would be the desired patterns of the social and economic structures of the country in the future? (The Nation, December 14, 1992).

Rural poverty problems in Thailand are so complex and difficult. They are multi-structured, multi-perspective and dynamic. Not only can they be viewed in terms of low income, low level of education and occupational skills, poor health, lack of enough land and capital, inappropriate utilization and management of natural resources and technologies, and political powerlessness, but they are closely connected to inequalities in resource allocation and power structure at every level of society. They are precisely related to environment problems and deterioration of natural resources as well. Concepts in contemporary social sciences seem not to be powerful enough to explain problems in the Thai countryside. Thai social scientists have yet to do enough research to give adequate grounds for understanding current problems and recommending solutions and directions of development. Kearns and Sato (1989) contend that the so-called social engagement tradition of rural poverty problem-solving is obviously more adequate than the rationalistic tradition. Rural development is involved not only with physical change which can be handled by hard facts and personal ways of working, but also institutional change which requires soft facts and more social ways of working with others. To solve the poverty problems of the rural poor effectively requires a variety of perspectives and approaches as well as initiatives to understand the problems in different aspects and contexts. We need more concerted efforts of government agencies, non-government organizations, business organizations, people's organizations, and academic institutions to work together and learn from collective experience.

During and after the September 1992 general election, decentralization has been conceived as a most important political means to remedy negative consequences of unbalanced development. Some of the present government parties in their election campaigns raised the issues of election of provincial governors and promulgation of legal status to the tambon councils. Heavy debates on these political issues have been going on. Since struggle against poverty has always been the main theme of Thai politics, the most vital

concern of the intellectuals, politicians, and the public is how can we achieve uninterrupted democratization along with rapid industrialization and high growth.

In this paper I will outline an approach to mainstreaming an alternative delivery system to meet the rural poor's needs effectively. It is a new form of decentralization for rural development within the current legal and administrative framework. I shall begin by looking at the government's efforts in solving rural poverty problems from the Fifth National Development Plan onward in order to analyze contextual and managerial constraints and weaknesses in meeting the rural poor people's needs. I then will discuss opportunities and benefits of mainstreaming the non-government organizations for solving problems of the rural poor.

2. Rural Development and Development of the Rural Poor

The government had been aware of unequal distribution of development benefits and the relative ineffectiveness of development efforts in rural areas during the first twenty years of national development, periods 1961-1982 (NESDB, 1982). However, the intensification of rural poverty problems and consequently the political instability during 1980-81 had forced the government to lessen political pressures in the countryside. In addition, more development experience in developing countries had apparently suggested that the top-down, growth-oriented economic development model was unlikely to bring about even development. It was in the Fifth National Development Plan (1982-1986) that the government for the first time formulated a separate rural development plan. A new rural development policy based on integrated rural development and basic minimum needs approaches was enacted. Improvement of income and quality of life of rural people were given first priority.

The plan consisted of two distinct sets of programmes, that is, the rural employment generation programme and the rural development programmes of five concerned ministries. The former aims to encourage and support rural people through the tambon council to solve their problems on their own. The latter intends to strengthen coordination of concerned departments in delivery of basic services and development activities to rural people. A so-called rural poverty eradication programme was launched to distribute more resources to the 12,586 poverty-stricken villages in 38 provinces (NRDCC, 1981). The main objectives were to provide basic minimum services to those in disadvantaged villages in order to enable them to reach a level of economic self-sufficiency and subsequently be more

capable of self-reliance. Cooperation between government agencies and non-government organizations in fulfilling these objectives was for the first time stated in the plan.

Rural development programmes and projects of concerned ministries were revised and initiated. A separate budget for rural development of approximately Baht 12,000 million a year during the Fifth National Development Plan period was appropriated (NESDB, 1982). A national information system for rural development was put into operation to facilitate planning and monitoring and evaluation both at national and provincial levels. The structure and process of rural development administrative systems were reformed as well. The National Rural Development Committee (NRDC) was set up to formulate rural development policies and facilitate policy implementation undertaken by concerned public agencies. The rural development planning processes were also adjusted to accommodate intersectoral coordination among public agencies and to enhance popular participation in rural development planning. The rural development administrative system under NRDC is not only a most important mechanism for implementation of the rural poverty eradication programme but also the only instrument to coordinate previously diverse rural development policies and programmes of the government. The rural development administrative structure and process have been incrementally reformed from time to time to undertake new rural development priorities and guidelines initiated by subsequent governments.

Improvement of production and income distribution as well as quality of life of rural people have continued to be the prime objectives of rural development in the Sixth and Seventh National Development Plans. In 1991, the Anand government launched a provincial development project. The sum of Baht 6,000 million was proportionally distributed to 72 provinces to solve immediate problems of unemployment, water shortage, and deteriorated natural resources. The present government of prime minister Chuan Leekpai has also given top priority to improvement of income distribution in rural areas. The government allocated the total of Baht 54,378 million in the 1993 fiscal year to develop more economic infrastructure and credits as well as venture capital in rural areas (NESDB, 1992b).

The implementation of these well-intended rural development policies and programmes since the Fifth National Development Plan has yet to bring about the expected outcomes. Although more development resources and services have been distributed into rural areas in every region, and rural people's quality of life in general has to a certain level been upgraded (NESDB, 1986 and 1987), many rural poverty problems still persist and some

have become aggravated (NESDB, 1992a: 18-19). Studies indicate that public services and development benefits have ineffectively reached the bottom poor. Many rural development activities do not fit the poor's real need.

Most of the government's rural development projects are designed to deliver basic infrastructure, social services, and production technologies to rural people in general. There are few that are specifically aimed to empower and strengthen production capabilities of the poor. In fact, rural development targets set by the government are poor villages rather than the poor in those communities. Since concerned departments provide services on a functional basis, their rural development projects have been fragmented. The effective implementation of the prescribed rural development policies requires a decentralization of power to allow rural people to participate in the decision-making process and a deconcentration of authority to enable government officials in provincial and district authorities to have flexibility and autonomy in solving rural problems. Ironically, the administrative system of rural development is based on the bureaucratic structure which is highly centralized and designed principally for enforcing laws and performing routine government functions. As decision-making and budgetary management authority rests mainly with central authorities, provincial and district authorities cannot efficiently solve problems of the rural poor, which differ from one area to another with differing economic, social, cultural, and ecological conditions.

Participation in rural development planning at the local level has been rather symbolic and minimal. Development planning by the people is under control and within the boundary of rural development direction by government agencies. People's organizations have been treated by local authorities more as their service receivers than as their development partners and core decision-making bodies in development of rural communities. Most grassroots organizations have not received sufficient support to function meaningfully. They are too weak to facilitate systematic interactive learning and capacity building by rural people. In other words, there has been no effective mechanism to integrate public services at the village level to enable villagers, especially the poor, to gain necessary learning and skills in production and marketing, and hence to generate stable income, which is a crucial basis for sustainable self-reliance and adaptability in coping with fluctuating socio-economic situations (Thailand Development Research Institute, 1986: 41-45 ; National Institute of Development Administration [NIDA], 1988: 47-50; Chumsri,

1991: 210-212).

Rural development policies in Thailand have generally been aimed to achieve broad political, economic, social, and human development goals. The ministries involved in rural development have seldom defined clearly the boundaries between national development, agriculture development, and rural development either in theory or practice (Judd, 66-67). Rural development policies since the Fifth National Development Plan period, though they have been stated to assist deprived rural people to improve their quality of life, have not clearly indicated poor people in rural villages as the first priority target group for development, and have not identified clearly who are the rural poor and how much the number of the rural poor will be reduced during each national development plan. Rural development target groups identified by concerned ministries and departments have been diverse. As a result, it is impossible to assess the development results in terms of by how much the number of the rural poor is reduced in each development plan period.

Each concerned department perceives rural poverty problems from its own perspective depending upon its major mandates, technologies, and values. The complicated rural poverty problems have not been considered comprehensively, covering all aspects of poor people's life in each province. Furthermore, the authorities concerned have never examined systematically and carefully, and agreed upon causes of, rural poverty problems. This has resulted in the lack of a clear and systematic framework, guidelines, and priorities as a common basis for allocation and management of resources of concerned departments in solving rural poverty problems.

Rural development programmes of concerned ministries have touched parts of rural poverty problems. They are aimed mainly to alleviate poverty problems at the individual level, namely: knowledge, production technology, drinking water, and health. Less systematic solutions have been sought to truly fundamental poverty problems, such as landlessness, unavailability of rural credit, unstable prices of agricultural produce, and indirect taxes born by the poor. These macro-economic policies are less favorable for rural poverty problem solving at the local level. Importantly, there has been inconsistency between these macro-economic policies and government rural development projects at the micro level (Na Chiangmai, 1990). As a consequence, micro level rural development projects have tended to generate diverse outcomes which are not powerful enough to fulfill the needs of the rural poor. In fact, policy makers and planners have geared rural development

as an extra policy instrument to efficiently mobilize rural people and resources into the country's economic development mainstream, rather than to empower the rural disadvantaged.

Rural development undertaken so far is in essence an administrative process in which policies, programmes, and projects are initiated and implemented by the bureaucracy. It is not a political process through which rural people's organizations put demands to the government and/or initiate and undertake development activities by themselves with support from the government. Like other development policy arenas, technocrats and planners of concerned departments have usually dominated rural development policy decisions. Development projects have been carried out under the relatively closed system of bureaucracy. Political institutions, particularly the house of representatives and political parties, are generally not strong enough to influence policies and hold concerned departments accountable. Non-government organizations and business organizations have just for the first time been able to take part in the rural development policy-making process, in the making of the Sixth National Development Plan (NIDA, 1991: 4-6). However, after the May 1992 political turmoil, the situation has been favorable for the democratization of the policy-making process. In the area of rural development, business leaders have been appointed by the present government to have a few seats in the National Rural Development Committee (NRDC) and the development committees at the provincial level.

3. Mainstreaming an Alternative Delivery System to the Rural Poor

To reach the rural poor effectively, there appears to be a need for the government to adjust the definition, perspectives, and strategies of rural development. The boundary of rural development should be redefined clearly to correct hitherto policy biases against the rural poor. Rural development is a strategy of the government which aims at improving economic and social conditions of a group of people in the country, especially poor people in rural areas. Rural development is the distribution of resources and development benefits to the poor people in the rural areas, who do not significantly contribute to national economic growth, and meanwhile do not get benefits from national economic progress comparable to other groups of people. Rural development is a political process in which needs and problems of the rural poor are systematically aggregated and responded to by political institutions. The rural poor are continuously facilitated, assisted, and promoted to participate in initiating and implementing development activities as a learning process to enable them to be self-reliant.

The inadequacies of prevailing rural development policies and inefficiencies of conventional delivery systems to the rural poor outlined above suggest that an exclusive development programme for the poor is needed. A more effective and efficient delivery system for non-government organizations (NGOs) should be mainstreamed for rural poverty alleviation. Current government development policies and popular attitudes towards NGOs are more favorable. Many NGOs presently possess enough management capability to work effectively with the rural poor in solving their problems.

Non-government organizations (NGOs) have been in existence in the country since the reign of King Rama V (Sirisawat, 1988: 10). In the early days, NGOs were formed by elites and religious groups and involved mainly in social welfare activities. The development-oriented NGOs have emerged in the 1960s and grown rapidly after the 1973 student uprising. Middle class professionals and intellectuals have been the leading force of the modern NGO community. The history of Thai NGOs reflects the inability of the government and the foreign development agencies as a whole to evenly distribute resources and benefits to all the people (Gohlert, 1991: 97-110).

NGO activities have rapidly expanded and gained more recognition by the government and the public. A big network of rural development-oriented NGOs called the NGO-Coordinating Committee on Rural Development (NGO-CORD), with the encouragement of the government, was founded in 1985. In 1990, the NGO-CORD membership was over 200 (Suwanna-adth, 1991: 17). Representatives of NGO-CORD have been invited to join in the preparation of rural development policy since the Sixth National Development Plan. In 1991, the government set up a sub-committee on GO-NGO cooperation in rural development to lessen legal constraints on NGO formation and operation. The Office of the National Cultural Development Board (NCDB) also appointed a sub-committee on promotion of development-oriented non-government organizations in 1992. The sub-committee has developed a master plan for promotion and support of the development of NGOs from 1992 to 1995 (NCDB, 1992).

At present, NGOs' major roles include: 1) strengthening the development process of rural people i.e. solving immediate problems of the rural poor, mobilizing and managing communities' revolving funds, and linking rural communities with resource persons; 2) promoting development alternatives such as sustainable agriculture; 3) articulating people's demands and influencing government policies in vital rural problems and issues such as

drought, farmers' debt, and community forest (Nakabutra, 1991: 33-36). A recent achievement of NGOs in voicing the rural poor's problems was the case of the controversial land resettlement project. The cabinet decided in June 23, 1992 to suspend the land resettlement scheme to remove villagers from national forest reserves in the north-eastern provinces (Bangkok Post, June 24, 1992).

A good number of NGOs have strong potential and capabilities of fruitfully solving rural poor people's problems (Oondum and Nayang, 1990: 30-70). They have certain comparative advantages over their public counterparts in managing development programmes. NGOs are more efficient because their organizations are less bureaucratic, their management approaches are more flexible, less expensive and relatively free from political constraints. They are more sensitive to local problems. These characteristics make them work very well in development at the grassroots level and the promotion of community self-help programmes.

However, the most important weak point of NGOs is their funding. In the past, NGOs received financial assistance mainly from foreign countries and international organizations. Over the last few years foreign assistance has drastically decreased as a result of news about the wealth of Thailand. To support and promote the primary mission of NGOs, that is, improvement of the lives of the poor, the government should ask NGOs to undertake the development programme for the rural poor. Provision of financial assistance to NGOs in this programme will be the first concrete implementation of the government policy on promotion of cooperation between the government and NGOs in rural development. In undertaking development activities for the poor, NGOs will promote initiatives in rural communities by linking the public sector, the private sector, and universities. This will directly promote institutional development of NGOs to be a stronger social and political force in rural development. As a consequence, political institutions will also be facilitated to be more responsive, for NGOs are quite efficient in articulating and communicating rural people's needs to political parties and the government.

4. Design and Management of a Programme for the Rural Poor

The major objectives of the development programme for the rural poor include:

- 1) to strengthen capabilities of the rural poor to learn, thereby improving their job opportunities and potential to utilize local resources and technologies efficiently;

2) to promote cooperation of non-government organizations in supporting the implementation of the government's income distribution policy in a concrete form and at the micro level.

To reach the rural poor effectively, projects and activities to be implemented should be formulated specifically for poor households. Identification of the poor in communities should be systematically conducted, based on the participatory approach. The activities should not require high investment, so that poor households do not take much risk and can undertake them sustainably. They should solve major and minor causes of rural poverty by aiming at distributing opportunities and abilities to the poor to enable them to increase their income.

They therefore should consist of the following activities:

(1) Main activities are as follows:

- Supply of cultivable land
- Provision of credit with low interest rate
- Savings groups
- Knowledge of production techniques
- Job skills
- Marketing information
- Markets for products
- Strengthening the capacity of people's organizations.

(2) Supporting Activities:

- Health
- Basic knowledge which is suitable to conditions and needs of communities.

Development activities for the rural poor can be initiated either by NGOs and people's organizations as well as by the poor themselves. The government should support non-government organizations in developing rural poor households in two ways, as follows:

1) The government should give financial support to non-government organizations by setting up a "Non-government Organizations Promotion Foundation" with the initial endowment fund of approximately Baht 500 million, the interest of which is to be used by non-government organizations in carrying out development activities for the rural poor. In

order that spending of the said fund be flexible, the fund should be managed and controlled by the Foundation committee, which would consist of representatives of non-government organizations, people's organizations, academic institutions, and government agencies. Non-governmental organizations, through the NGO-Coordinating Committee on Rural Development (NGO-CORD) at national, regional, and provincial levels, are to be in charge of approving disbursement of the fund and monitoring performance of development undertaken by non-government organizations which receive financial assistance from the Foundation. The disbursement of the fund and the operation of non-government organizations should be audited and evaluated by external evaluators.

2) The government should encourage government agencies responsible for rural development, especially low-income household development, to contract out their development activities in appropriate areas to capable non-government organizations which are certified by the NGO-CORD. This can be done under the Order of the Prime Minister's Office on Procurement, 1978 A.D., or an order on contracting out development activities to non-government organizations as a special case, if deemed appropriate.

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