

# สารนิพนธ์

## THESIS ABSTRACTS

### ABSTRACT

#### **The Administration of the Credit Cooperative Program**

As the title suggests, this study deals with the administrative aspects of the agricultural credit cooperative program in Thailand. Its aims are: (1) To describe the nature of the administration of the credit cooperative societies organized among farmers; (2) To identify the defects associated with the administration; and (3) To provide some recommendations concerning improvement, with a view to making the credit cooperative program a success.

The credit cooperative movement in Thailand, unlike that in many other countries, started from the top-down rather than from the bottom-up. That is to say, the movement was initiated and put into practice by the government rather than by the farmers themselves. The first credit cooperative society was organized, along the Raiffiesen lines, among the farmers of Pisanuloke province in 1916. Since then the number of the credit cooperative societies had risen to 9,985 by the end of 1959. Along with the growth of the credit societies, many other types of cooperatives have also grown up, such as, marketing cooperatives, land-improvement cooperatives, cooperative stores, and so forth. However, the credit cooperative is still the major type for it out-numbers them all. At the end of 1959, for example, it represented 93 percent of all cooperative societies in Thailand. It should be evident, therefore, that credit cooperative program has a relatively big role to play in the success or failure of the cooperative movement in this country.

The major purpose of the government in launching the credit cooperative program has been to help the individual farmers help themselves effectively in getting credit needed for farm and home improvements. Therefore, the most important function of a credit cooperative society is to obtain capital from alternative sources and make it available to the farmer-members at reasonable rates of interest. However, the society still has many subsidiary functions to perform, such as supervising the use of credit by its members, supervising the security of the loans, keeping cooperative records, and so on. Under the Cooperative Act of 1928, the coopera-

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tive committee, whose members are elected from the members and by the members, is responsible for the administration of all the cooperative functions. For this reason, it may be said that the administration of a credit cooperative society rests primarily in the hands of its members and that the success or failure of the society depends heavily upon their honesty, knowledge, and ability. The government, nonetheless, through the Ministry of Cooperatives, has a major part to play in making the administration of the credit cooperative program as a whole a success or failure. The government, as a key figure in the credit cooperative movement, must provide adequate and effective services to the credit cooperative societies.

It was found in this study as was expected, that the defects of administration in the credit cooperative program came from both the cooperative members and the government. At the member-level, it was found that the lack of adequate knowledge among farmers in cooperative principles, in business practices, and in farm management have been a major handicap to effective administration. The lack of adequate knowledge in cooperative principles has led most, if not all, of the members to wrongly perceive their roles and those of the government in the cooperative societies. The lack of adequate knowledge of business practices has made it hardly possible for the cooperative committee to administer its functions in a business-like manner. Finally, the lack of knowledge in farm management among the farmer-members tends to have made them unable to see what credit can do for them in farm and home improvement. This handicap stems primarily, of course, from the fact that the farmer-members in general are illiterate. To a large extent, the lack of adequate knowledge in those three categories can also be applied to the cooperative officials who represent the government in the administration of credit cooperatives. The failure of the government to organize an efficient system of administration in the credit cooperative program, however, has made it unable to render effective services to the farmer-members and to the cooperative societies themselves. The fact that the government is at present in the process of developing a new agricultural credit program may help prove this point. Thus, an over-all improvement is needed in the administration of the credit cooperative program. This task must be performed by the government since it is the one which initiated the movement and since it has invested quite a sum of money in the whole credit-cooperative program. It is recommended that the first thing which needs to be done is to improve the education of the farmer-members. It is emphasized that the education of farmer-members should not be limited to cooperative principles only; rather that the training of members should include the subject-matter of business practices, accounting and farm management practices as well. The second recommendation is

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that the government should reconsider the size of the credit cooperative societies; and that many societies should be expanded by getting more qualified members. On the part of the government, it is recommended that a reorganization of the administrative system of the credit cooperative program is desirable. For example, the lending system which involves the Bank for Cooperatives needs to be improved. The second improvement is that of personnel recruitment in the Ministry of Cooperatives. The third urgent area for improvement is the knowledge of the cooperative officials who are in daily contact with the farmer-members of the credit cooperatives. An in-service training program to be carried out annually should be launched. This kind of training program is important since it will help the cooperative officials to better understand the changing environments and their possible effects upon the credit cooperatives. And finally, the credit cooperative program should not be carried out in a relatively isolated manner. The success of credit cooperative program depends also upon the cooperation, coordination and correlation of functions among other related government agencies.

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