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9. ABSTRACT
 Rural development is defined ~~is defined~~ in terms of agricultural production/productivity, income levels/distribution, and general welfare/well-being. The paper contains a description of how local organizations operate and interrelate in Thailand's four major regions.

Two general hypotheses on the relationship between local governance and rural development are proposed and reviewed: First, local government organizations serve as intervening variables influencing rural development through the provision of services which improve access to development resources; and second, village government units and officials function as independent variables influencing general well-being in outlying rural areas.

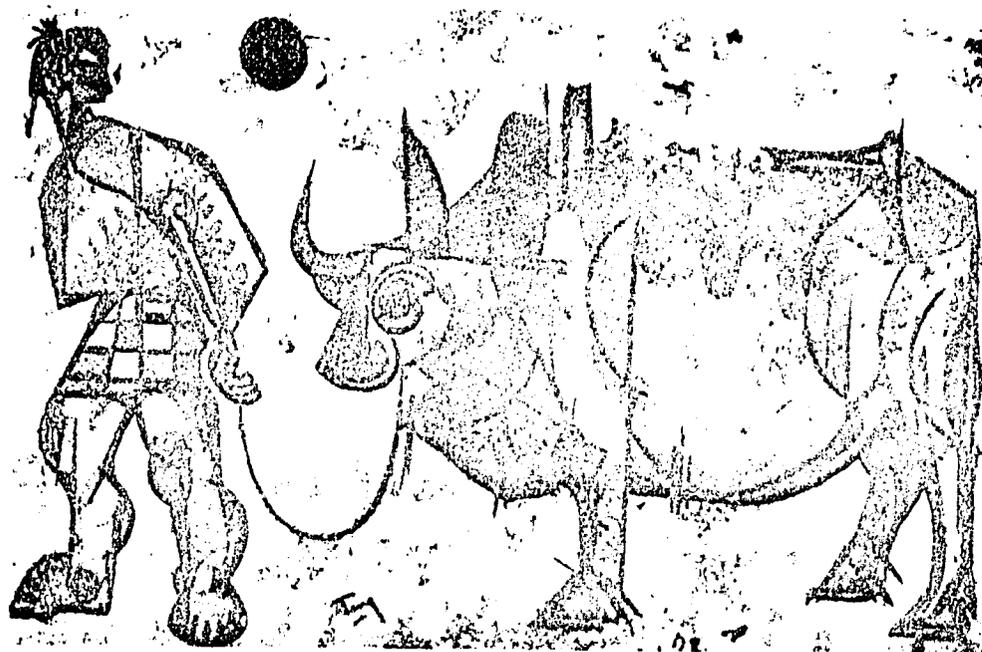
The study concludes that local organizational arrangements, primarily those based on traditional patterns of governance, play an important role in promoting rural development. The RTG is encouraged to continue exploring the relative effectiveness and economy of alternative organizational arrangements for promoting rural development.

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Special Series on Rural Local Government

**LOCAL GOVERNANCE AND RURAL
DEVELOPMENT IN THAILAND**

Marcus Ingle

LOCAL GOVERNANCE AND RURAL DEVELOPMENT
IN THAILAND

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FOREWORD

This monograph was written as part of a comparative study of Rural Local Government organized by the Rural Development Committee of Cornell University. The study aimed at clarifying the role of rural local institutions in the rural development process, with special reference to agricultural productivity, income, local participation and rural welfare. An interdisciplinary working group set up under the Rural Development Committee established a comparative framework for research and analysis of these relationships.¹ A series of monographs, based in most cases on original field research, has been written by members of the working group and by scholars at other institutions and has been published by the Rural Development Committee. An analysis and summary of the study's findings has been written for the working group by Norman Uphoff and Milton Esman and has been published separately.

This study of Rural Local Government is part of the overall program of teaching and research by members of the Rural Development Committee, which functions under the auspices of the Center for International Studies at Cornell and is chaired by Norman Uphoff. The main focuses of Committee concern are alternative strategies and institutions for promoting rural development, especially with respect to the situation of small farmers, rural laborers and their families. This particular study was financed in large part by a grant from the Asia Bureau of the U.S. Agency for International Development. The views expressed by participating scholars in this study are their own and do not necessarily reflect the views or policies of USAID or Cornell University.

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GLOSSARY

Thai Terms

Changwat	-Province
Amphoe	-District
Nai Amphoe	-District Chief
Sukhapiban	-Sanitary District
Tambon	-Commune, a group of villages
Kamnan	-Headman in the Tambon
Muban	-Village, a cluster of houses
Phuyaiban	-Headman in the Muban
Wat	-Buddist religious center

Abbreviations

RTG	-Royal Thai Government
NESDB (NEDB)	-National Economic and Social Development Board
MOI	-Ministry of Interior
ARD	-Accelerated Rural Development Program (within the MOI)
CD	-Community Development Program (within the MOI)
DOLA	-Department of Local Administration
BAAC	-Bank of Agriculture and Agricultural Cooperatives
CAO	-Changwat Administrative Organization
TAO	-Tambon Administrative Organization
USOM (USAID)	-United States Overseas Mission

LOCAL GOVERNANCE AND RURAL DEVELOPMENT IN THAILAND

The Royal Thai Government (RTG) development strategy outlined in three National Economic and Social Development Plans (1961-1976) stresses the twin goals of economic growth and national stability. The First and Second Plans placed priority on the expansion of economic and social infrastructure including transportation, communications, irrigation, education, and industry. The Third Plan, reflecting a significant change in national emphasis, concentrates on the provision of equitable and expedient services in order to increase incomes, reduce disparities, and promote social justice. The 1972 Ministry of Interior (MOI) Master Plan reflects the mood of the Third Plan in noting:

"For the past decade, significant economic and social changes have occurred in Thailand. Economic development has resulted in a good deal of prosperity which has stimulated the growth of towns. Small villages and communes expanded. There has been improvement in communication, transportation, education and health, but the high rate of population growth has exerted pressure on educational services, public health, public enterprises, social welfare services, and housing. Despite general improvement in the economic situation, income per capita, especially in the rural areas, has remained low at the same time the cost of living has been rising. During this period rapid social changes have also been occurring, resulting in changes of behavior, tastes, and faith."

The Third Plan gives high priority to rural sector development.

In implementing its strategy of growth and stability, the RTG relies on numerous organizational arrangements in the public and private sector to provide

development resources and incentives. Where organizational capacity and/or performance is inadequate, the RTG seeks to establish new institutions and/or strengthen existing ones. Although widespread RTG agreement exists that organizational performance is a necessary ingredient for development program success, comparative analyses of the effectiveness and efficiency of various institutional arrangements within Thailand's four regions are currently not available. In an attempt to begin filling this void, this paper examines the relationship between local governance and rural development. Local governance refers to the composite output of local organizations which possess some representative and decision-making functions. Rural development is defined in terms of agricultural production/productivity, income levels/distribution, and general welfare/well-being. The paper contains a description of how local organizations operate and interrelate in Thailand's four major regions.

Two general hypotheses on the relationship between local governance and rural development are proposed and reviewed: First, local government organizations serve as intervening variables influencing rural development through the provision of services which improve access to development resources; and second, village government units and officials function as independent variables influencing general well-being in outlying rural areas.

The study concludes that local organizational arrangements, primarily those based on traditional patterns of governance, play an important role in promoting rural development. The RTG is encouraged to continue exploring the relative effectiveness and economy of alternative organizational arrangements for promoting rural development.

I. DEVELOPMENT TRENDS

A. Thailand's Non-Colonial Bureaucratic Heritage

The kingdom of Thailand is formally ruled as a Constitutional Monarchy. This governmental system is embedded in a rich non-colonial heritage. The heritage is, paradoxically, both bureaucratic and highly personalized. The bureaucratic character of pre-modern Thailand has been described as follows:

"The bureaucracy--the entire society--was formally organized on the premise that it existed to serve the King, the source of all authority. Yet to a great extent the bureaucracy served itself, and there were other forms of authority in the system than the legitimate power of the monarch. In appearance, too, the bureaucratic system was one grand monolithic structure linked by a comprehensive chain of command; in practice, it was a loose collection of enclaves, some of them sometimes knit together in an ad hoc fashion. Finally, one might assume from an examination of the structure of the bureaucracy that it was continually energized by a flow of royal edicts and commands. In a sense it was--but, at the same time, inertia was probably the most common impetus to action."¹

Still, immediate personal relationships, the most compelling in the system, precipitated the emergence of a personalized organizational arrangement which continues to be an integral element of Thai bureaucracy. Even with successive changes in leadership and constitutions (the tenth constitution in slightly more than forty years is in preparation), the traditional societal structure and power centers--the Monarchy, the civilian-military bureaucracy, and the Chinese business elite--remain basically unaltered.

¹William Siffin, The Thai Bureaucracy: Institutional Change and Development, Honolulu: East-West Center Press, 1966, p. 25.

Thailand's hierarchical government possesses supreme power to allocate and administer resources. The various subdivisions of Changwats (provinces), Amphoe (districts), Tambon (cluster of villages or communes), and Muban (cluster of houses) serve mainly to implement national decisions. Executive functions are shared by the hereditary Monarch and the Council of Ministers or Cabinet. Administratively, three different levels and systems of administration are recognized: first, the central administration which encompasses activities of the Cabinet, Ministries, and other agencies usually located in Bangkok; second, the provincial territorial administration which includes 71 Changwat and approximately 540 Amphoe; and third, special "local" administrative/development units at the province, municipality, and commune levels. Legislative activities, which include the drafting of the new constitution, are the responsibility of the interim National Assembly. At present, no elected political apparatus paralleling the bureaucratic hierarchy extends into Thailand's rural areas.

B. Contemporary Socio-Economic Setting

The Thai social system encompasses the Monarchy, the civilian-military bureaucracy, the predominantly Chinese and non-Thai business elite, the Buddhist religious order, and the ethnic Thai population.¹

¹Considerable ethnic and linguistic diversity is represented within this "ethnic Thai population." Many cultural differences are apparent throughout the Kingdom. For data on this subject see Joann Schrock et al., *Minority Groups in Thailand*, Center for Research in Social Systems, U.S. Department of the Army, Thailand, 1970. It is estimated that of the 26 million persons in the 1960 census, 10 million were Central Thai, 9 million

The system operates largely to serve the highly valued ends of social order and harmony. At each level in the hierarchically arranged system, individual decisions are considered, made and implemented within the framework of personal patron-client relationships between individuals occupying different status positions.¹ The Thai traditionally hold themselves, not external forces, responsible for the positions they occupy. They believe that a position need and can be maintained only as long as fate (the cumulation of past merit and demerit) does not intervene. Within this setting there is always hope that some good deed(s) will improve one's status (as well as the realization that bad deed(s) may be harmful). The individual, in relation to his status position and dyadic relationships with those above and below him, is the central focus of action and power within the system.

The high value placed on social order and harmony flows directly from Theravada Buddhist beliefs which are shared by over 90 percent of the population. Social order is valued because with it an individual can possess both spiritual and material well-being. The Thai define spiritual well-being as knowing that merit obtained through right and good action determines, and therefore can improve, one's status. Right and good action is thought

Lao-Thai (Thai Isan), 2 million Northern Thai, 2 million Southern Thai, 2.6 million Chinese (over 400,000 of which were born in China), and over 1 million Thai Muslims. The hill tribe population has been estimated at around 250,000. P. Kunstadter (ed.), Southeast Asian Tribes, Minorities, and Nations, Princeton, N.J.: Princeton University Press, 1967.

¹This concept is developed in Norman Jacobs, Modernization Without Development: Thailand as an Asian Case Study, New York: Praeger, 1971.

to include showing respect for and deference to superiors while displaying compassionate understanding towards subordinates. Material well-being implies the possession of adequate resources to live in accordance with one's immediate status position. Outside the relatively narrow parameters of felt obligations imposed by the inter-personal relationships which link the component parts of the social system, individual freedom is highly valued and closely guarded.

The flow of power and action throughout the social system is centralized. Individual needs are met at every point in the system through reciprocal exchanges or connections. Socially sanctioned options are available for altering one's connections if and when an individual perceives this as desirable. This gives the system an inherent capacity to adjust to minor changes and pressures without recourse to external intervention or drastic ruptures. Several channels for altering relationships are: (1) migrating permanently or seasonally to occupy new land/or find new employment; (2) dissolving relationships and leaving the immediate social field; (3) moving in and out of the Buddhist religious order; and (4) fleeing the social system to avoid retribution. Such movement is consistent with a social order founded on inequality of status and high regard for harmonious action according to one's position.

It is widely recognized by the Thai that the combination of Western values and indigenous internal pressures is gradually disrupting their social system. The 1972 MOI Master Plan notes that "Exposure to Western culture is bringing about changes in the standards of morality" and "The relaxation of traditional family relationships has caused increases in juvenile delinquency, crime, prostitution and drug addiction." These trends

are viewed with extreme disfavor because they are perceived as threatening to social order and stability.

The RTG perceives and explains much of the emergent social disruption in terms of the widening gap between urban and rural sectors. The overall level of urbanization in Thailand remains low.¹ In 1960, 12.5 percent of the population resided in urban areas, compared with 20.1 percent for less-developed regions as a whole. However, the rate of urban population growth is high (approximately five percent annually) and significant increases are evident in moderate-sized municipal centers. The major characteristic of urbanization is the primacy of Metropolitan Bangkok, which accounts for over half of Thailand's urban population and almost two-thirds of all urban growth. Bangkok's population will probably grow to 8.6 million by 1985. This estimate represents a doubling since 1970.

The rapid urban expansion, brought about largely by a desire on the part of rural inhabitants for improved economic and social status, is viewed as a significant source of instability. The rural sector, on the other hand, is viewed as a comparatively insignificant source of social disruption. The major exception to this are the rural-based insurgent guerillas in the Northeast, North, and South, who most educated Thai feel represent only a minor long term threat. A realization that the expanding rural population, faced with a lack of opportunities, is exerting disruptive

¹Sidney Goldstein, "Urbanization in Thailand, 1947-1967," Demography, 8:2, 1971, pp. 205-223.

pressures on the social system has only emerged in the past few years. Many of these social issues are receiving increased attention within the framework of the Third National Development Plan, especially in the aftermath of Thailand's October 1973 change in leadership.

Economically, Thailand maintains an "open" and conservative posture. Since the late 1950's, economic policy has stressed private investment and competition along with a reduction of public enterprise ownership and management. Relations between the government and the business sector are close. Influential Thai officials are frequently represented on the boards of directors of Chinese-financed industry, banks, and marketing firms.

During the 1960's the increase in Thailand's Gross Domestic Product (GDP) averaged eight percent per annum (at constant 1962 prices). Growth rates in manufacturing, construction, and mining averaged over ten percent per year while the service sectors posted average annual increases of 8.5 percent. The GDP from agriculture increased slightly over five percent per year. While agriculture's share in GDP declined from 40 to 29 percent during the decade, it still contributed almost 23 percent of the Kingdom's total GDP increase. Farm output alone, comprising crops, livestock, and fresh water fishery, showed a somewhat lower 4.4 percent growth rate over the same period.

Thailand's Third Economic and Social Development Plan was launched in October 1971 amidst several economic uncertainties and structural readjustments. Low export earnings relative to extensive imports in 1969 and 1970 led to a balance of payments deficit for the first time in a decade. These deficits had a widespread depressing

impact on all sectors of the economy which remains heavily oriented towards foreign trade, despite growth in the industrial sector. The general slowdown in business activity was compounded by the RTG's conservative policy of reducing capital expenditures in the face of large and widening budget deficits. GDP grew only about six percent in 1970 and 1971. This slowdown was reflected in each of Thailand's regions (See Table 1).

Table 1:
Gross National Production in Thailand
By Region, 1967-1971 (in \$ U.S. millions)

Year Region	1967	1968	1969	1970	1971	Average Annual %
Total Kingdom	4,481.4 (5.5%)	4,894.3 (9.0%)	5,351.4 (9.6%)	5,671.4 (6.0%)	6,022.4 (6.1%)	7.2
Central Region	2,998.1 (9.9)	2,712.4 (8.6)	2,967.1 (9.4)	3,152.4 (6.2)	3,354.3 (6.4)	8.1
North	676.2 (2.5)	748.6 (10.7)	811.9 (8.5)	858.6 (5.7)	913.3 (6.4)	6.8
Northeast	799.0 (-4.7)	808.1 (7.9)	901.0 (11.5)	955.2 (6.0)	1,020.0 (6.8)	5.5
South	553.6 (5.5)	615.7 (10.3)	671.4 (9.1)	705.2 (5.0)	730.0 (3.4)	6.7

Source: Royal Thai Government, National Economic and Social Development Plan, 1972-1976

Note: 1 \$ U.S. = 21 Baht

Toward the end of 1971 the balance of payments situation improved, restoring confidence in the economy and, after some time, business investment. Unfortunately, poor rice and maize harvests in 1972 and monetary devaluations in 1971 and 1973 meant higher prices for essential capital and intermediate goods. This, along with major jumps in the price of petroleum products, has continued to place pressure on Thailand's balance of payment position.

Thailand's policy makers confront a series of economic problems, some of which are conducive to the October events of 1973. The short-run problems required measures to restore domestic price stability, stimulate agricultural and industrial production and productivity, increase revenues, and contain trade and payments deficits within manageable proportions. Long-term issues include promoting a rapid rate of economic expansion without further jeopardizing domestic and external stability, and spreading the benefits of growth so as to reduce regional disparities. The RTG is currently dealing with these problems as reflected in many revised Third Plan targets.

C. Rural Sector Development Status

The basic issue addressed in this paper is how local governance relates to rural development in each of Thailand's four major regions. Rural development is an ambiguous concept. In order to assess this relationship, three common sub-dimensions of rural development will be considered. These include agricultural production/productivity, income level/distribution, and general welfare/well-being.

1. Agricultural Production/Productivity

Agriculture is the most vital economic sector in Thailand, in as much as over 75 percent of the population depend on agriculture as their major source of employment and income. Thailand lacks a homogeneous agricultural resource and production base. Using agronomic and economic indices, the RTG recently identified 19 different agricultural zones within Thailand. While agricultural conditions within each of these zones are similar, production patterns vary substantially across zones. For the purposes of this paper, the analysis will focus on the widely accepted four region classification--the Central plains, the North, the Northeast and the South. These regions differ substantially with respect to geography, climate, soils, transportation, and agricultural production as follows:

(a) The Central delta region is very fertile. Its soil and climatic conditions are particularly suited to rice. In 1969, nearly 70 percent of the farm families were producing rice as their major crop. (See Table 2). Land Tenancy in the Central plains is more than twice that of any other region. Most areas are readily accessible year round by water or road. (b) The Northeast is the largest and poorest region. Agricultural potential in this region is limited by shallow soils with low moisture-holding capability, poor fertility, limited water supplies, and erosion hazards. Farmers typically produce rice or upland crops on owner-operated land. (c) The mountainous and forested Northern region is sparsely inhabited. Agriculture activities are concentrated in the fertile valleys. The system of small-sized, privately-owned landholdings relies on labor-intensive practices to achieve higher yields than in other areas. (d) The

Southern region, which extends along a mountainous peninsula, is suitable for rice and rubber cultivation. Many rural families supplement their income by producing small amounts of rubber from relatively low-yielding trees.

The 1963 Census of Agriculture cites twelve percent of the largest farmers owning 37 percent of the total cultivatable land. On the other hand, the 47 percent of farmers possessing less than nineteen rai (three hectares) owned only one-fifth of the total cultivatable land. Tenancy in Thailand is not presently much of a problem but population pressure is aggravating conditions.¹ A 1968 RTG study of 26 central region provinces (where tenancy is most prevalent) found that 62 percent of all rice farmers were owners while another 16 percent were owner-tenants.² Indebtedness is not a primary cause of tenancy.

The agricultural marketing structure includes growers' markets at the local level, assembly markets at intermediary levels, and wholesale markets in Bangkok. Marketing, with few exceptions, resides in the hands of private merchants. While Chinese and other non-ethnic Thai predominate at the intermediary and central level, it is common practice to find ethnic Thai engaged in marketing at the village level. Overall, the marketing system is competitive with estimated profits in the range

¹A good overview of the land tenancy situation, including trends, can be found in Paul Wagstaff's, Problems Associated with Rural Land Tenure in Thailand, USOM/Thailand, 1970.

²Royal Thai Government, Land Tenure Situation in Twenty-Six Changwats of the Central Plain Region, Ministry of National Development, 1968.

of 15-20 percent on investment. Factor and product markets appear reasonably competitive and operate adequately in most areas. Agricultural credit is available, the majority coming from non-institutional private sources. The average interest rates of 30-35 percent reflect real risks to the borrower.

The agriculture sector in Thailand is heavily dependent on rice, maize, rubber and kenaf. Crop diversification has occurred only gradually. In the 1960's, paddy, coconut, and sugarcane decreased between one and two percent in terms of their share in total crop production, while maize and sorghum increased over two percent. The other important crops remained stationary.

Total agricultural production increased by 44 percent from 1961-62 to 1971-72.¹ This is well above the U.S. (22 percent) and World (29 percent) figures for the same period. However, due to high population growth the per capita increase in agricultural production over the ten year span was only 4.6 percent which is less than 0.5 percent per annum. Similarly, food production per capita only rose three percent during the decade. For rice production alone, the average annual change between 1951 and 1970 has been estimated at 4.6 percent. Over this same twenty year period, annual population growth was 3.8 percent.²

¹Food and Agricultural Organization of the U.N., Production Yearbook 1972, FAO, Table 12.

²Richard Gable and J. Fred Springer, "Administration of Rice Production in Asia: A Comparative Study of Programs and Perceptions." paper presented at 1974 ASPA Conference in Syracuse, N.Y., May 5-8, Table 2-2.

Table 2:
Thailand Rice Statistics by Region-1969

	1	2	3	4	5	6	7	8	9
Region	No. of Farm Families	No. of Rice Families	No. 2 as % of No. 1	% of Tenant Farmers	Average Rice Land Per Family (Hectares)	Average Rice Yield Per Family (1,000 kg)	Average Yield Per Hectare (kg)	Average \$ Value of Rice Per 100 kg	Average Value Rice Production Per Family (\$)
Central	724,735	498,232	68.7	40.77	3.88	7.16	1,843	5.27	377
Northeast	1,347,423	1,183,989	87.8	2.73	2.58	3.64	1,408	4.89	178
North	884,576	723,755	81.5	17.87	2.16	5.03	2,321	4.76	239
South	460,894	360,956	78.3	14.48	1.46	2.72	1,861	4.31	117
Total Kingdom	3,477,537	2,808,552	80.7	18.96	2.56	4.52	1,763	4.81	217

Source: RTG National Statistics Office

An assessment of agricultural productivity is complicated by different trends for rice as opposed to the other cereal crops. Yields for all cereals only increased by eleven percent between 1961-62 and 1971-72. This was far below the U.S. and World averages, 45 and 29 percent respectively. All crops considered, agricultural production has primarily depended on the expansion of cultivated land area. For rice production alone, however, increasing yields are the major contributing factor. As reflected in Table 3, rice production rose by 58.3 percent from 1961 to 1970. During this same period rice yields grew by 36.1 percent and cultivated rice area expanded by 16.4 percent. Increases in rice yields, therefore, have contributed to more than half (68.8 percent) of the change in production. Regional data on rice families and yields for 1969 are presented in Table 3.

Several factors are conducive to low productivity in Thai agriculture. First, the density of Thailand (69 persons per square kilometer) is relatively low. In 1962, only about twenty percent of Thailand was cultivated. Much of the remaining terrain is relatively favorable forestland of potentially moderate productive quality. In 1971, the man/arable land ratio was 310 persons per square kilometer, as compared to 1717 in Taiwan, 737 in the Philippines, 694 in Indonesia, and 314 in West Malaysia. Under these conditions Thai farmers have had ample opportunity to inhabit new lands in response to increasing population pressures.

A second factor leading to low productivity relates to the lack of effective farmer demand. Technological knowledge exists to increase substantially the yields of most crops; however, practical agricultural methods incorporating this knowledge are not available to

Table 3:
Changes in Thailand Rice Production, Area, and Yield
1951-70*

	1951-60	1961-70	1961-65	1966-70
Percent change in Rice Production	11.1%	58.3	29.6	16.7
Percent change in Rice Area	2.9	16.4	10.2	5.0
Percent change in Rice Yield	7.8	36.1	17.4	11.4
Percent contribution to change in Rice Production by				
--increase in area	27.1	31.2	37.0	30.5
--increase in yield	72.9	68.8	63.0	69.5

*calculated by use of 3-year centering averages for end points of each time period.

Source: Condensed from Table 2-1 of R. Gable and J.P. Springer, "Administration of Rice Programs in Asia: A Comparative Study of Programs and Perceptives." Paper presented at 1974 American Society for Public Administration Conference, Syracuse, N.Y., May 5-8.

the majority of the population. Evidence suggests that profitable technology is rapidly adopted by Thai farmers, that is, their outlook encourages innovation when it is highly probable that the outcome will result in an improvement of their social position.¹ The public and private agricultural research establishment, although improving, is still oriented to "basic research." The development of intermediate and/or labor-intensive technologies directed to the smaller farmers has received low priority.

Fertilizer use is one example of a technology which has diffused relatively slowly due to a lack of effective farmer demand. Between 1961 and 1971, the amount of fertilizer used in Thailand rose from 27,600 to 95,277 metric tons, a 245 percent increase.² However, by 1971 this still only represented an average of .008 metric tons of fertilizer per hectare, compared with .296 for Taiwan, .016 for the Philippines, .012 for Indonesia, and .059 for Malaysia. The major reason constraining the use of nitrogen fertilizer in Thailand is that its application is not profitable at current factor prices, a Kasetsart University study in 1970 concluded that:

¹The rapid expansion of maize, cassava, and kenaf during the last decade demonstrates that Thai farmers will use new technologies when conditions are correct. H. Leedom Lefferts, Jr., in a Research Report entitled "Change and Population in a Northeastern Thai Village," presented at a SEADAG Population Panel Seminar, San Francisco July 1972, supports this by noting:

"What is most impressive...is the responsiveness of the villagers to opportunities from the outside that will result in monetary benefit to them. They are very acquisitive people, always looking for a better opportunity to make money." (page 3)

²FAO, op. cit., Table 15.

"...Yields of rice in the U.S. are highly responsive to larger applications of nitrogen, whereas the data for Thailand and India show a positive return only to relatively low rates of application. What these data.... suggest is that high rates of fertilizer usage on Thai rice will probably have to wait for the development of responsive varieties which would make such rates profitable."¹

In addition, domestic fertilizer prices have been pegged higher than world market prices as the result of a protective tariff for Thailand's fertilizer enterprise. The impact of this situation has been described as follows:

"...The policy of requiring Thai farmers to pay more for fertilizer than any other farmers in Asia is not consistent with any increased production policy. I find it particularly alarming that total fertilizer imports actually declined in 1969 over 1968. Given the small output of the Mae Moh Plant, this implies that total use probably declined. This is a radical change from the last 10 years, when fertilizer imports doubled every 4 years or less. Even more serious is this situation in the context of declining world fertilizer prices. New technology in fertilizer has resulted in excess world capacity and cheap fertilizer."²

In the last year the RTG has liberalized the importation of fertilizer which should help alleviate this problem. Finally, domestic rice prices have been kept low by a 'rice premium' system. The rice premium is equivalent to an export duty on rice which rice exporters are obligated to pay. This system has been used to facilitate control

¹Suphan Tosunthorn, Praphan Chotinaruenal and Melvin Wagner, Demand for Fertilizer in Thailand, Kasetsart University, 1970, p. 33.

²Delance Welsch, "Agricultural Problems in Thailand-Some Policy Alternatives," Kasetsart University, March, 1971 (mimeograph) p. 6-

over domestic prices and create government revenue. In practice, however, the rice premium represents a hidden tax burden on the rice producer. In the North, it is estimated that the annual per capita burden for the rice premium approximates \$3.50 (77 Baht) compared to a burden of only \$.25 (5 Baht) for the direct rural local development tax.¹ A revised rice premium went into effect in the fall of 1973 which will allow on-farm prices to increase over previous years.

Throughout rural Thailand individual farmers interact with a rapidly changing environment. The specific kinds and intensity of changes which are occurring are partially evident in the findings of an impact assessment research project conducted by the Accelerated Rural Development (ARD) Department of the MBI with the assistance of the American Institutes for Research (AIR).² The greatly expanded transportation

¹Trent Bertrand, "Rural Taxation in Thailand," Pacific Affairs, 42:2, Summer, 1969, p. 179

²The American Institutes for Research has assisted the RTG with impact assessment for six years. During this period AIR has worked with the CD Department, the Thai National Police Department, and ARD. Progress and technical reports through 1971 are annotated in AIR, Impact Assessment Project, Final Report, November, 1971. For reports after 1971, refer to AIR, Assistance in Developing Systems For Evaluating Program Impact, Progress Reports, 1972-1974, Asia/Pacific Office, Bangkok.

The methodological framework employed in the AIR/ARD research postulates and analyzes the relationships between the following major elements of the rural development process. First, for rural development to eventually occur, potential opportunities for economic, social, and political improvement need to exist. Opportunities represent existing quantifiable resources. Second, rural development is dependent upon the chances or possibilities (the disposing conditions) for

infrastructure in the remote areas of the North, Northeast and South has a direct impact on individual farmers. ARD data on 129 Muban in four Northeast and Northern Districts in 1972 suggest that villagers closer to an all-weather road differ from those living further from roads with respect to many agriculture-related indicies. The Muban were classified according to whether they were within five kilometers of an ARD-constructed road, five kilometers of a non-ARD road, or more than five kilometers from any road. Muban characteristics and selected agricultural production and marketing indicators by road type are listed in Table 4. An assessment of ARD Muban projects in January 1973 yielded similar findings with respect to the economic impact of 27 connecting roads in six changwats (See Table 5). Those findings indicate that new roads are related to substantial changes in resource inputs, technology, and marketing for rural inhabitants.

The ARD data also suggests that other modern services related to education, irrigation, health, and industry are having substantial, but often non-uniform, impact on villagers. One agriculture-related

utilizing appropriate opportunities. Third, investment in opportunities supportive to rural development must take place. Investment is the expenditure of resources and/or effort by inhabitants with the expectation of gaining a valued return. In brief the rationale holds that if existing resources are great, and if disposing conditions are favorable, investments leading to rural development progress will result. Based on this approach, ARD/AIR teams have assimilated useful opportunity and investment data from existing reports and field surveys. Research on disposing conditions which examines how and why differential investment occurs, holding opportunity levels constant, has also been completed. Findings from that research will be discussed in Section III of the paper.

Table 4:
 Characteristics of Three Village Samples With
 Agricultural Production and Marketing Indicators

Category	ARD Road	Other Road	No Road
Number of villages in sample	26	88	15
Households interviewed	293	1087	147
Average village size (in households)	116	127	112
Percent owning land	89	86	93
Percent with land title (Naw Saw 3)	31	43	28
Percent using fertilizer	65	61	50
Percent using insecticide	42	48	36
Percent using improved seed	46	32	40
Percent practicing crop rotation	30	26	12
Percent using machinery	21	22	10
Price of glutinous rice sold in village (\$ U.S. per kwain) (1 \$ U.S. = 21 Baht)	30.4	27.3	25.6
Price of non-glutinous rice sold in village	31.3	31.0	29.8
Price of glutinous rice sold out-of-village	30.3	29.1	30.6
Price of non-glutinous rice sold out-of-village	31.5	30.6	29.8
Per capita sales out-of- village	.37	.72	.49
Percent of sales out-of- village	37	44	36

Source: American Institutes for Research, Some Evaluations of ARD Program Impact in Four Amphoe, ASIA/Pacific Office, Bangkok, November 1972, Tables B1 and B2.

Table 5:
Summary of Findings from Impact Assessment
For 27 Village Connecting Road Projects

<u>Category</u>		
Average age of projects (months)		11
Percent of projects recalled by villagers		100
Percent attributed to ARD		100
Average man-days of contributed labor		31.8
Percent of villages contributing food		80
Percent of projects with village maintenance		10
Average number of daily buses to market		
	Before road	2.7
	Now	9.3
Average cost of bus trip to market		
	Before road	\$ 0.24
	Now	฿ 0.14
Average percent of households marketing produce		
	Before road	14.3
	Now	26.3

Source: American Institutes for Research, Assistance For Developing Systems for Evaluating Program Impact, Report of Progress for 15 January to 14 July 1973, Asia/Pacific Office, Bangkok, July 1973; Table 1.

trend is the growth in Muban shops. In conjunction with the ARD research referred to above, AIR members devised a procedure for collecting consistent retrospective data on numbers of Muban shops.¹ On the basis of information gathered from 112 Muban, 87 with shops, it was possible to estimate percentages of Muban with shops at various times. For the sample, 18 percent of the Muban had shops in 1952, 37 percent in 1962, 52 percent in 1967, and 78 percent in 1972. It was also possible to estimate the average number of shops opened per year for each Muban, as represented in Figure 1.

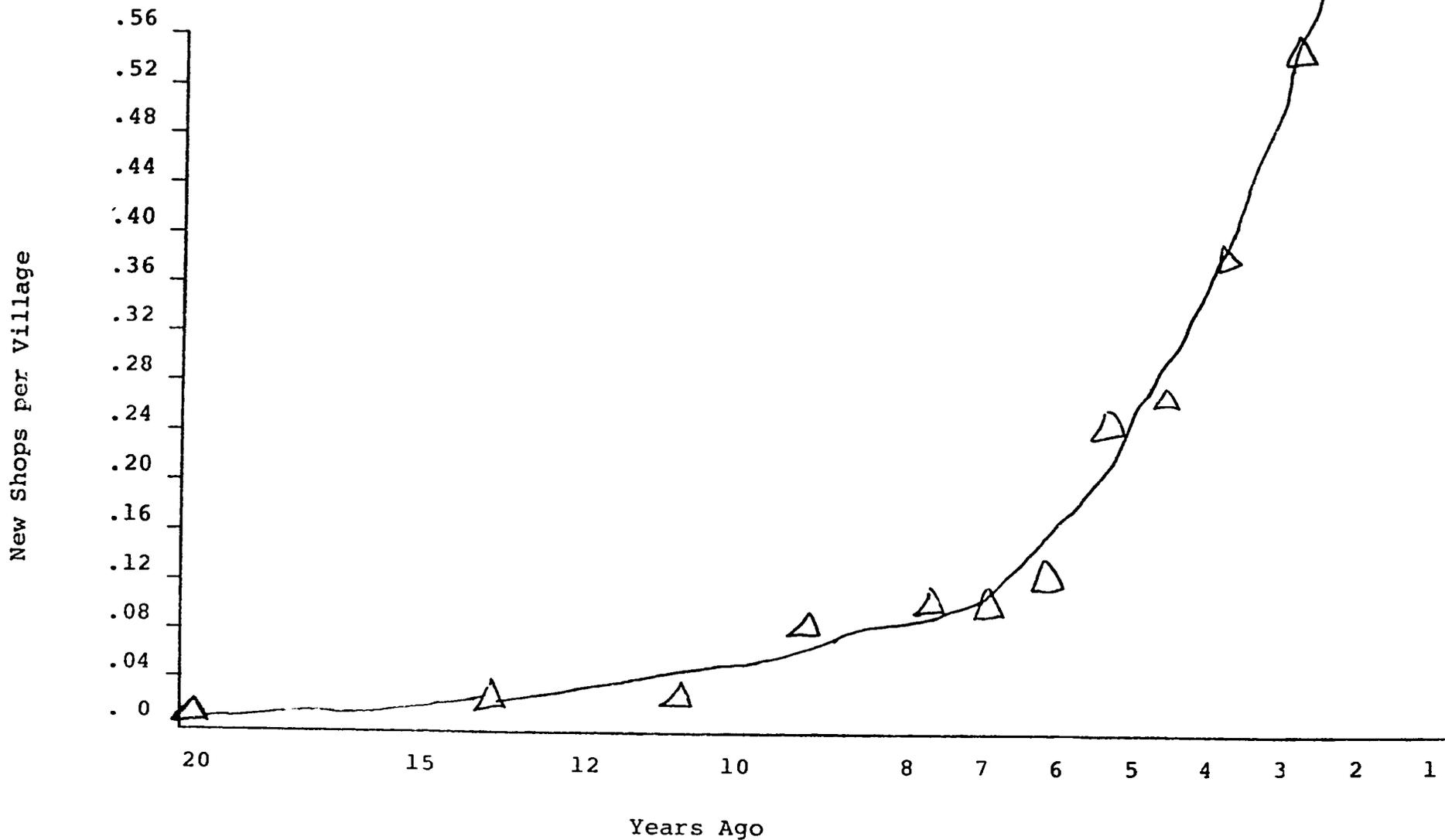
2. INCOME LEVEL/DISTRIBUTION

Income levels in Thailand vary considerably across and within the four major regions. Per capita income by region is presented in Table 6. For villages alone, the 1968/1969 RTG National Statistics Office Household Expenditure Survey estimated average household cash income at: \$626 in the Central plains, \$362 in the North, \$355 in the South and \$267 in the Northeast. The annual growth rates of average village household income over two study periods (1962/1963 to 1968/1969) were: 7.6 percent for the Central plains, 15.3 percent for the East (considered as part of the Central plains), 13.0 percent in the North, 1.9 in the South (rubber prices dropped markedly between the surveys), and 10.5 percent for the Northeast.

Evidence suggests that increases in average village household income have been accompanied by growing inequality within the rural sector. Tables 7 and 8 give the comparative Gini coefficients for Household Cash

¹American Institutes for Research, Some Evaluations of ARD Program Impact in Four Amphoe, Asia/Pacific Office, Bangkok, November 1972, p. 55.

Figure 1
New Shops Opened Per Village Per Year
(Corrected for Population Growth) 1972



Source: Same as Table 4, p. 21.

Table 6
Income Per Capita in Thailand, By Region, 1967-1971
(\$ U.S.)*

Region \ Year	1967	1968	1969	1970	1971	Annual Average %
Total Kingdom	150.7 (3.0%)	158.2 (5.0%)	170.4 (7.6%)	172.4 (1.2%)	182.3 (6.1%)	4.6
Central Region	272.9 (8.6)	281.9 (4.3)	305.0 (8.2)	310.2 (1.7)	331.9 (7.0)	6.0
North	107.0 (0.7)	109.0 (1.8)	117.3 (7.7)	117.9 (0.5)	124.8 (5.9)	3.3
Northeast	70.8 (-8.3)	79.2 (12.0)	82.6 (4.3)	83.3 (0.9)	87.6 (5.2)	2.8
South	146.3 (4.0)	153.4 (4.4)	167.2 (9.0)	169.9 (1.6)	172.5 (1.5)	4.2

*1 \$ U.S. = 1 Baht

Source: Royal Thai Government, National Economic and Social Development Plan, 1972-1976

Income between 1962/63 and 1968/69.¹ For the six-year period, the coefficients reflect a sharply rising share of income for the top decile of households and a declining share for the bottom three deciles. The two primary sources of this inequality appear to be the tendency of town incomes to grow more rapidly than rural incomes and an increase of inequality within the village sector itself.² Looking only at the average incomes (cash and total) of the poorest 50 percent of households, a 1972 analysis indicated that the Northeast region actually had a negative growth rate over the same period (See Table 9). The sharp rise in agricultural commodity

¹The 1968/1969 Household Expenditure Survey included sanitary districts in the village classification. The 1962/1963 survey, on the other hand, placed sanitary districts in the town classification. This would tend to bias income growth between the two periods as calculated from these surveys downward. Also, this shift in classification might tend to exaggerate comparisons of income distribution between the two periods to be more unequal in 1968/1969.

The IBRD data for 1970 Urban and Rural Households in Thailand show slightly more equitable distribution of income than the NSO 1968/1969 findings. IBRD computations follow:

<u>Coverage</u>	<u>Bottom 20%</u>	<u>Next 20%</u>	<u>Top 20%</u>	<u>Top 5%</u>	<u>Top 20%: Bottom 20%</u>	<u>Gini Coeff.</u>
Urban	6.5	10.5	45.5	16.5	7.0:1	.37
Rural	5.5	8.5	51.0	22.0	9.3:1	.43

See IBRD, Development Research Center, Size Distribution of Income: Compilation of Data, Discussion Paper 4, August 1973.

²William McCleary, "Sources of Change in Distribution of Income in Thailand, 1962/3 to 1968/9," Thammasat University, Mimeograph, 1973.

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Table 7

Size Distribution of Household Income
in Thailand and Its Regions 1962-1963

	Share (in Per Cent) of Total Household Income for Each Decile Group										Gini Coef. Ratio
	D ₁	D ₂	D ₃	D ₄	D ₅	D ₆	D ₇	D ₈	D ₉	D ₁₀	
Whole Kingdom	2.2	2.8	3.3	4.6	4.6	6.4	8.3	12.8	16.0	39.0	.48
11 Towns	2.2	3.8	4.5	5.4	6.0	6.6	9.5	11.5	19.0	31.5	.42
11 Villages	3.0	3.0	3.6	4.4	6.2	7.7	9.9	12.0	16.9	33.3	.43
Bangkok-Thonburi	2.3	3.5	4.6	5.2	6.4	7.0	8.8	13.2	19.9	29.1	.41
<u>North-east:</u>											
Towns	2.9	4.1	4.5	5.0	6.5	7.8	9.1	12.0	18.1	30.0	.39
Villages	2.7	4.1	4.6	5.6	6.3	7.5	8.5	10.4	16.3	34.0	.40
Region	2.1	2.7	3.2	4.2	5.6	6.2	8.2	11.1	16.7	40.0	.49
<u>North:</u>											
Towns	2.2	2.3	3.5	4.0	5.1	7.2	9.2	10.8	17.5	38.2	.48
Villages	4.3	4.7	5.0	5.8	6.3	7.9	9.8	11.1	15.0	30.0	.35
Region	3.0	3.1	4.0	5.1	6.8	7.1	9.2	11.1	14.1	36.5	.43
<u>Central:</u>											
Towns	3.0	4.8	4.9	5.7	6.2	7.1	8.4	11.1	18.1	30.7	.38
Villages	3.0	4.7	4.7	5.7	6.8	7.6	9.5	11.8	17.2	29.0	.37
Region	3.3	3.9	4.8	6.0	6.3	8.2	9.2	11.3	17.8	29.2	.37
<u>East:</u>											
Towns	2.2	4.3	5.5	6.5	7.5	8.0	9.0	13.0	16.6	27.4	.36
Villages	3.8	4.7	5.4	6.1	6.1	7.6	10.3	14.0	17.0	25.0	.33
Region	3.7	3.8	4.5	5.8	6.2	7.8	10.0	12.4	16.3	29.5	.37
<u>South:</u>											
Towns	4.2	5.3	5.5	5.5	6.5	7.5	8.5	11.0	18.7	27.3	.34
Villages	4.0	4.8	5.1	5.1	6.0	8.0	10.2	12.8	15.8	28.2	.35
Region	3.0	4.1	5.2	5.7	6.0	7.2	9.8	12.0	15.0	32.0	.38

Source: Household Expenditure Survey, 1962/1963 and 1968/1969,
National Statistics Office

Table 8

Size Distribution of Household Income
in Thailand and Its Regions 1968-1969

	Share (in Per Cent) of Total Household Income for Each Decile Group										Gini Coef. Ratio
	D ₁	D ₂	D ₃	D ₄	D ₅	D ₆	D ₇	D ₈	D ₉	D ₁₀	
Whole Kingdom	1.4	1.6	2.0	3.5	5.3	6.4	8.8	11.6	15.4	44.0	.55
All Towns	1.9	3.1	4.0	5.5	7.4	7.9	8.2	10.0	18.1	33.9	.43
All Villages	1.2	1.8	3.0	5.0	5.2	7.6	8.3	11.6	16.5	39.8	.51
Bangkok-Thonburi	1.8	3.4	4.8	6.2	7.5	7.5	8.5	11.9	19.4	29.0	.40
<u>Northeast:</u>											
Towns	1.7	3.0	4.3	4.8	6.3	7.7	8.2	9.9	19.7	34.4	.45
Villages	1.2	1.5	1.5	2.6	3.0	6.0	6.7	10.5	15.0	52.0	.61
Region	1.3	1.3	1.4	2.0	2.5	4.5	7.0	10.0	16.5	53.5	.64
<u>North:</u>											
Towns	1.7	2.7	3.8	4.8	5.7	7.3	9.3	11.5	20.6	32.6	.46
Villages	2.0	3.5	5.1	5.7	6.3	8.4	10.0	11.8	17.0	30.2	.40
Region	1.9	3.1	3.5	4.7	6.1	7.7	8.5	12.0	16.4	35.1	.46
<u>Central:</u>											
Towns	2.0	4.5	4.7	5.8	7.0	8.0	10.0	11.0	17.0	30.0	.38
Villages	1.9	3.1	4.2	4.9	6.9	8.0	8.9	11.0	15.0	36.1	.44
Region	1.9	2.6	3.9	5.6	6.0	6.9	9.1	12.0	15.9	36.1	.45
<u>East:</u>											
Towns	1.9	4.1	5.0	5.5	7.4	7.9	8.1	9.4	16.7	34.0	.41
Villages	2.2	3.9	5.0	5.9	7.0	7.8	9.4	11.3	15.4	32.1	.39
Region	2.2	3.8	5.0	5.5	6.5	7.5	9.5	12.1	14.9	33.0	.40
<u>South:</u>											
Towns	1.8	2.9	4.7	4.8	5.8	7.2	9.3	10.8	18.3	34.4	.45
Villages	2.4	3.7	4.9	5.7	7.3	9.0	9.3	11.7	15.2	30.8	.38
Region	2.3	2.7	4.0	4.9	5.6	7.5	8.9	11.1	15.5	37.5	.46

Source: Household Expenditure Survey, 1962/1963
and 1968/1969, National Statistics Office

Table 9

Thailand Cash and Total Average Income
for Poorest 50 Percent of Households

Cash Income - Average of Poorest 50% of Households
(Dollars)

<u>Villages</u>	<u>1962/63</u> ^{1/} _{2/}	<u>1968/69</u>	<u>Rate of Growth</u> <u>Annual</u>
Northeast	81	53	Negative
North	110	166	7.15
South ^{3/}	194	170	Negative
Central	223	269	2.92

Total Income - Average of Poorest 50% of Households ^{4/}
(Dollars)

Northeast	217	135	Negative
North	217	277	4.13
South	219	228	0.71
Central	237	366	7.53

^{1/}Adjusted to 1969 prices. Price indices are for urban areas within the region.

^{2/}78% of the Northeast rural households were in the lowest category of the National Statistical Office Survey. The implicit assumption of using the lower 50% of the families for comparison is that mean distribution for the lower 50% was about the same as the lower 78% of the families.

^{3/}Rubber prices were much lower in late 1968 and early 1969 than in 1963. This might account for some, if not most, of the reduction in average household income.

^{4/}Income in-kind adjustments are made from selected village studies in 1968/1969. The same adjustments were made for the 1962/1963 data as for 1968/1969; this would bias growth rates for total income downward because this adjustment biased 1962/1963 total incomes upward.

Source: USOM/Thailand Economic Analysis Division

prices in 1973 shifted the terms of trade from the urban to the rural areas. This is probably now improving rural family real income as compared with that of urban families.

Income in-kind estimates for 1969/70 indicate that village households in Ayjuthaya on the central plains are highly integrated into the market economy, purchasing 83 percent of their total food and non-food requirements.¹ For Chiang Mai in the Northern region, cash purchases total about 55 percent of total consumption requirements. This percentage drops in the Nam Phon and Phu Wieng areas of the Northeast. Households in the Northeast are most self-sufficient, especially with respect to food.

The rapid expansion of population-projections range from 2.7 to 3.3 percent increases per year—and labor force is leading to significant levels of under-employment in the rural sector.² Unemployment has been thought very low in Thailand (0.2 percent in 1969) since most people engage in some type of occupation at least on a part-time basis.³

¹Data from the limited sample study, RTC, Income-In Kind Survey, 1969/70, National Economic Development Board, 1970. Additional work is underway at Thammasat University to analyze National Economic and Social Development Board Village studies to see whether better estimates of income in-kind by region can be derived.

²Data in this section are drawn from Frederick Fuhs and Jan Vingerhoets, Rural Manpower, Rural Institutions, and Rural Employment in Thailand, Manpower Planning Division of the NEDEB, Royal Thai Government, 1971.

³The RTC reexamined the existing labor force survey with the help of an ILO advisor. Based on a pretrial sample, they concluded that open unemployment is around five percent rather than under one percent as the then existing survey would suggest. This pretrial sample also indicated that lower income earners work longer hours. Additional work is now being done by the NSO on incorporating work patterns, labor utilization and income questions into the annual labor force survey.

Underemployment, on the other hand, appears widespread. It is a function of both low productivity employment and seasonal unemployment. National Economic Development Board (NEEDB) and Department of Labor rural employment surveys indicate that approximately 46 percent of annual available man-months in the North and 36 percent in the Northeast are only partially worked (less than 20 days a month, five hours a day) or not worked at all. These and other data on seasonal underemployment suggest substantial seasonal swings in regional utilization of labor. The NEEDB estimates that the labor force is currently increasing almost three times as fast as employment opportunities in the non-agriculture sector.

3. GENERAL WELFARE/WELL-BEING

General welfare/well-being is an important ingredient of rural development. Welfare refers to aggregate measures of education, health, nutrition, and living conditions. Well-being, both material and spiritual, is culturally defined in terms of proper action within the confines of one's status position. The Thai concept of well-being places more emphasis on the form, as opposed to the content, of social action and relationships; well-being refers to individual perceptions about the quality of life.

Thailand's rapidly expanding population acts as a severe impediment to the improvement of general welfare and well-being. The rate of population growth is over three percent per annum, one of the highest in Asia (See Table 10). The rate of growth is higher in rural areas than in the urban centers.¹ At current levels the population doubles in about 23 years time.

¹Visid Prachuabmoh, John Knodel, Suchart Prasithrathsin and Nibhon Dehavalya, The Rural and Urban Populations of Thailand: Comparative Profiles, Research Report No. 8, Institute of Population Studies, Chulalongkorn University, Bangkok, 1972.

Table 10

NUMBER OF PROVINCES, TOTAL POPULATION AND CRUDE BIRTH
AND DEATH RATES OF THAILAND BY REGION
1969

Region	Number of Provinces	Population		Crude Birth Rate	Crude Death Rate
		Number	Percent		
Bangkok-Thonburi	2	2,757,000	8.0	39.7*	10.4*
Central	25	8,225,500	23.8	39.7*	10.4*
Northeast	15	11,700,000	33.9	43.5	11.4
North	15	7,516,500	21.7	43.7	12.4
South	14	4,361,000	12.6	40.9	8.6
Total	71	34,560,000	100.0	41.8	10.9

*Rates for Bangkok-Thonburi and Central Region are calculated together.

- Sources: 1. Institute for Population Studies/Chulalongkorn University.
2. "The Survey of Population Change 1964-1967," National Statistical Office.

Education is a high priority national welfare objective. Rural inhabitants desire expanded educational opportunities as a viable means of social and economic mobility. In 1969, students comprised approximately 17 percent of Thailand's 34 million people. In that year 79 percent of all students were in lower elementary schools (grades 1-4), 12 percent in upper elementary schools (grades 5-7), eight percent in secondary schools (grades 8-12), and one percent beyond the 12th grade. Lower elementary school enrollment, as a percent of the six to ten year old age group, dropped from 92.1 to 89.1 percent between 1960 and 1967. Enrollment in upper elementary schools for the 11-13 age group increased from 18.5 to 23.5 percent over the same period.¹ Rapid drop-off of enrollment is customary after each grade and especially after grade four, largely due to a lack of opportunity. The drop-out rates from grade one to grade two between 1964 and 1968 averaged 18 percent. In addition, a substantial proportion (23 percent from 1964 to 1968) repeat grade one each year. Enrollment statistics indicate that over 90 percent of students continue from grade four to grade five when upper elementary school is available.

Projections for rural educational finance are clearly indicative of the stress placed on the educational system as a result of population growth. In 1971, total RTG funding for rural Changwat Administrative Organization (CAO) elementary schools amounted to a total of \$28 per student for both operating and capital costs.² Less than

¹A detailed summary and analysis of Thailand's education system is contained in Audrey Grey and Alton Straughan, Education in Thailand: A Sector Study, USOM/Thailand, 1971. Comprehensive quantitative data on rural education are found in Frank Farner, Project to Improve School Finance Practices in Thailand-Quarterly Reports, USOM/Thailand, 1972-1974.

²Frank Farner, Project to Improve School Finance Practices in Thailand, Final Report, January 1974, pp. 13-36.

\$1 of this amount is available for instructional materials and education research. The most likely estimate for 1976 expenditures is \$26 per student, and it is very probable that it will be closer to \$25. The downward trend in expenditures per rural student is expected to continue into the indefinite future if a reduced birth rate and organizational reforms are not forthcoming.

Educational opportunity and quality are unequally distributed throughout Thailand.¹ The least favored rural areas are well behind the most favored with respect to many indicators of educational access, quality, and finance (See Table 11). An analysis of educational disparity considering two indicators simultaneously found the following:

- The Changwats with the highest wealth have the greatest access to upper schools
- Changwats with the highest wealth have more upper schools in proportion to their number of lower schools
- The Changwats with the lowest financial resources have the heaviest burden of enrollment in rural schools
- Repeater rates are highest in Changwats with the lowest teacher qualifications
- The teachers with the largest classes have the lowest salaries

The study concludes:

"The evidence is overwhelming that serious disparity exists. Without exception the disparity favors the most affluent Changwats. The poorest people, primarily those in the Northeast region, suffer the most from the disparity."²

¹Ibid., pp. 51-62

²Ibid., p. 60

Table 11
Disparity of Educational Opportunity in
Thailand's Changwat Administrative Organization Schools

	<u>EDUCATIONAL ACCESS</u>		<u>EDUCATIONAL QUALITY</u>	
	Enrollment Grades 1-4 as % of Pop. Age 7-11	Enrollment Grades 5-7 as % of Enroll- ment Grades 1-7	% of Teachers Grades 1-4 with at least Minimum Qualifications	Enrollment Grades 1-4 per Teacher in Grades 1-4
Highest Three Changwats				
1	150.4	27.3	48.5	55.7
2	120.9	26.1	45.1	48.6
3	111.7	24.2	39.1	44.4
National Mean	91.1	7.7	23.0	34.9
Lowest Three Changwats				
1	52.2	4.0	11.9	24.3
2	44.3	3.5	11.9	24.1
3	30.3	3.4	10.3	23.2
Range	4:1	8:1	4:1	2:1

FINANCIAL DISPARITY

	Current Expenditure per Pupil (Index)	Changwat Tax Revenue per CAO Pupil Grades 1-4*	Number of CAO Pupils Grades 1-4 per km ² of Agricultural Land
Highest Three Changwats			
1	147.4	฿27,531	110.4
2	142.8	10,069	102.9
3	140.4	8,015	90.0
National Mean	100.0	697	33.7
Lowest Three Changwats			
1	73.3	142	16.7
2	72.6	115	16.7
3	64.2	4	14.9
Range	2:1	293.1	8:1

*excluding Bangkok-Thonburi

Source: Frank Farner, Project to Improve School Finance Practices in Thailand, Final Report, USOM/Thailand, January 1974, Table K.

Rural health and nutrition are also important RTG welfare goals. Between 1960 and 1970 medical facilities and personnel expanded rapidly as a concerted effort was made to provide rural health services by constructing and staffing Amphoe and Tambon health centers.¹ Disease eradication programs over the last 20 years have targeted small pox, cholera, and malaria. By 1970, smallpox was virtually eliminated and cholera largely controlled. The anti-malaria program was successfully completed in most areas. These improvements are reflected by decreases in the crude death rate.

While overall improvements are evident, severe health and nutrition problems remain. They are most acute in rural areas. Malnutrition is a serious health problem. In remote areas of the Northeast it is estimated that at least 50 percent of the children six years and younger are malnourished and have limited opportunity to develop to their full potential.² Preschool children and pregnant or lactating women are most susceptible to nutritional problems. Nutritional anemia, due to iron deficiency, was found in seventy percent of preschool children in one Northeast sample. Rural children also suffer from widespread protein calorie malnutrition. Vitamin intakes of thiamine, riboflavin, and vitamin A are generally low in rural Thailand. This has led to the occurrence of various deficiency diseases.

¹The Statistical Yearbook, Thailand, National Statistics Office has annual data on hospital by type, hospital beds, doctors, nurses, and dentists.

²The information in this section is supported by Pauata Migasena, "Nutrition, Health Status, and the Impact of Development in the Lower Mekong Basin," SEADAG Seminar Paper, 1972.

The causes of nutritional problems are threefold. First, there is a lack of nutritional knowledge in rural areas. The villagers subsist on highly milled rice prepared in such a way that many vitamins are lost in the process. Their diet is usually inadequate and unbalanced due to shortage (lack of choice) and improper processing of foods. Second, prevalent traditional beliefs and practices often have detrimental nutritional effects. For instance, intake of animal protein and certain vegetables is restricted during pregnancy and early lactation. Third, the practice of eating raw fish and meat contributes to problems of parasitic infestation and also to the presence of vitamin inhibitors. In the rural Northeast for instance, there is a high incidence (over 50 percent) of intestinal parasitic and liver fluke infections. In the long run rural nutritional status may not improve, even though food production increases, unless endemic diseases such as intestinal parasites are eradicated.

The overall welfare picture which emerges for rural villagers is one wherein services although unevenly distributed, are expanding. The ARD impact assessment research referred to earlier supports this conclusion. With respect to all types of welfare opportunities Muban size seems to be an important factor. The ARD report notes:

"In diverse ways, large villages have opportunities for progress which are seldom duplicated in small ones. Previous work has demonstrated that the critical size is in the range of 85 to 100 households; villages of that size or larger are far more likely to be economically viable entities."¹

¹Op. cit., American Institutes for Research, November 1972, p. 19.

But welfare changes occur irrespective of Muban size. New roads are associated with educational opportunities, out-migration, water usage, and governmental contact as reflected in Table 12.

Table 12
Indicators of Social Welfare Investment

<u>Category</u>	<u>ARD Road</u>	<u>Other Road</u>	<u>No Road</u>
Percent out-migration	0.68	1.09	1.60
New houses and additions (percent of households)	17	14	11
Students beyond Grade 4 (percent of households)	10	10	6
Improved water source (percent using)	49	39	32
Village shops (per 100 households)	2.4	2.1	1.4
Amphoe Rating: Cooperation	.14	.07	-.19
CD Rating: Enthusiasm	60	36	29
Villager visits to Amphoe Offices (per month)	3	2	1
Percent mentions of ARD	34	14	16

Source: Same as Table 4; condensed from Tables B3 and B4 in source study.

The social and economic transformations in rural Thailand are having a significant impact on villager well-being. As mentioned above, the essence of well-being in the Thai system relates to proper action in accordance with one's status position. The Thai agree that, at least until recently, their hierarchical and personalized social system has served both national and individual needs, including well-being, extremely well. Now, in the midst of rapid change, the continued ability of the system to adapt appears tenuous. The social system is susceptible to decreases in general well-being under two sets of conditions, both of which share the common feature of constraining what individuals justly perceive as appropriate and highly valued behavior.

The first set involves inhabitants who, without altering their status positions, are unable to act appropriately due to decreasing opportunities. This can affect individuals at any social level as the examples below indicate. Subsistence level farmers have low expectations for "material well-being." Over the centuries they have had to confront and live with unpleasant and unexpected consequences of natural change and disaster. To cope with these changes, villages established protective mechanisms, which from their perspective insured some basic semblance of equality and justice. One mechanism for assuring minimal "material well-being" in rural Thailand is migration for the procurement of new land. Given heritage patterns, where property is equally divided among all members of the family, high birth rates (coupled with decreasing infant mortality) are now resulting in increased pressure for individual family members to exert their traditional migration and procurement rights. The problem is that many who plan on migrating are for the first time finding opportunities for legal fertile land sites nearly depleted. This is forcing many of the smallest farmers

into a "crisis of subsistence," that is, a material position wherein inhabitants cannot satisfy their basic material subsistence needs.¹ Another example of how decreasing opportunities can affect well-being concerns the Buddhist mechanism of providing financial support for religious facility construction and ceremonial activities (merit-making). Traditionally, this mechanism functioned as a protective device for leveling and distributing wealth in rural areas. With improvement in communications and transportation, accompanied by the permeation of the cash economy, the wealthy farmers are becoming less dependent on the local area in which they reside for influence and support. Therefore, informal pressures for full participation in local "merit-making" activities are losing their effectiveness.² The poorer villagers perceive this as a deterioration in spiritual well-being.

The second, and most evident, set of conditions affecting well-being in Thai society concerns individuals who find their desired scope of action limited relative to their rising expectations for improved status. Social changes are potentially disruptive under these conditions. Several instances of current problems in this area are provided below.

¹An excellent analysis of how external changes affect peasant behavior and institutions is contained in Joel Migdal, Peasants in a Shrinking World: The Socio-Economic Basis of Political Change, Ph.D. Dissertation, Harvard, 1972.

²Moerman notes other informal sanctions contributing to "income leveling" by stating: "Those who save, invest, expand their production, and use the market more efficiently than their neighbors are the villagers who...are criticized as calculating, aggressive, and selfish." See Michael Moerman, Agricultural Change and Peasant Choice in a Thai Village, Berkeley: University of California Press, 1968, p. 144.

Social changes can have a negative impact on well-being when they raise expectations and thereby stimulate a desire to improve the content and process of one's status position, when it cannot be improved. For example, it has been noted that in remote rural areas:

"...there is a continual growth of the 'revolution of rising expectations' and the emergence of a 'modern' conception of government relations (that is, the government is now viewed as having a real responsibility to look after the people and it is morally justified for the people to overthrow irresponsible government)."¹

Social changes are also increasing the perceived opportunities to move out of current status positions. Improved transportation, education, and health, often accompanied by exaggerated success stories, provide strong impetus to the appealing idea that mobility is a low risk, high payoff adventure.

Current social changes appear to have a distributional impact on well-being, that is, they tend to affect the relatively wealthy, at least presently, more than they do the poor. There are several reasons for this. First, social improvements, like education or health care, are available to the relatively wealthy first. Evidence suggests that economic benefits and social services accrue first to the wealthiest villages and to the richest strata within them. Secondly, when confronted with new opportunities, the poorest villagers are the least able to afford what they see as high risk behavior associated with changing traditional practices. Contrary to this, the relatively wealthy can afford to act on the basis of their changing perceptions. Possessing

¹Somchai Rakwijit, "A Response to 'A Dialogue on Thai Politics'," unpublished article, USOM/Thailand Seminar IX, April 1973, p. 8

both the desire and resources to move upward in society, this strata becomes discontented when they feel that absorptive and integrative channels of upward mobility in both the public and private sector are increasingly limited.

II. Organizational Arrangements for Rural Development

A. Thailand's Development Strategy

Rural development is an integral part of Thailand's overall development strategy as reflected in the following Third Five-Year Plan objectives: promoting economic growth in rural areas through agriculture expansion, reducing income disparities, developing manpower resources, creating employment opportunity, and promoting social justice. The Third Plan, however, is only the latest articulation of a concentrated rural development effort which has grown rapidly since the mid 1950's.

Consistent with Thailand's hierarchical administrative structure, early rural development activities evolved within the confines of the well established ministries. The Ministry of Interior, having responsibility over local administrative matters, sponsored the emerging Community Development (CD) program in the late 1950's. Simultaneously, the Ministries of Agriculture, Education, and Health also gave increased priority to rural development. During that period, program coordination took place only at the highest levels where policy issues could be considered or at the lowest levels where insufficient authority existed to enforce important decisions.

The political disintegration within neighboring countries, as well as growing insurgent infiltration in the Northeast and North, resulted in a new rural development perspective in the early 1960's. An Accelerated Rural

Development (ARD) program was announced by the Prime Minister in 1965. He noted:

"Accelerated Rural Development is not a regular program of economic and social development as has been implemented in the normal course of events up to the present time. It is a program wherein the speed of action and amount of resources used will most effectively produce physical and mental impact on the life of rural people within the minimum time...It is not the responsibility of a particular department, but it is a joint responsibility for all of us, and for that matter, of all the Thai people to preserve integrity and freedom of the Thai nation. All government agencies must join hands, working together in the most unprecedented manner of cooperation and coordination to ensure prompt and effective action."¹

The emphasis and essence of ARD, which was established as a special office under the Prime Minister's supervision, was to achieve the most effective coordination possible of all RTG rural development efforts within certain priority security areas of the Northeast and North (six Changwats during the first year). In program terms, the coordination would contribute to several objectives: to increase income for rural people, to strengthen ties between the Thai Government and the people, and to strengthen local self-government at the Changwat level in the public works area. One segment of ARD was a rural development too in the form of a public works capability at the Changwat level. But on the other part, promoting rural development through program coordination, was viewed as most important in the early years. This was clearly stated in 1965 as follows. "The rural road by itself represents very little real rural development. However,

¹Thanom Kittikachon, "The Need for an Acceleration of Rural Development in Areas Threatened by Infiltration," USOM/Thailand translation, February 19, 1965.

the road can be a vital means to opening the door to a flow of an unlimited number of rural development efforts."¹ Under ARD the most important part of rural development was defined as inculcation of a spirit of working for the benefit of local people and for the building and restoring of their faith and confidence in the Government.

As early as 1966 three ARD related trends were evident which have had a significant influence on Thailand's rural development efforts. First, the ARD Office placed higher priority on improving and/or replacing previously established socio-economic programs which were operated by various RTG Ministries than it did on seeking their cooperation and coordination. ARD realized early on that it would be more difficult, and perhaps less productive, to coordinate rural development activities than to provide them directly. They learned later that competing with other more established agencies was also inadvisable. Second, the ARD Office wanted to expand quickly into additional high-need Changwats. By the mid 1970's, ARD had successfully established programs in 30 of the 71 Changwats. Since the introduction of an ARD program had implications for both organizational and physical capacity, this has been a significant factor influencing the distribution of rural development resources. Finally, ARD carried with it the notion that highest priority development activities should somehow be directly linked with security-related issues. This idea has permeated much of the thinking on rural development at high levels in the government. As a result, comparatively few rural development resources were allocated to some of the most secure areas in the country, which have potentially the highest return.

¹Evaluation Report, Joint Thai-USOM/Evaluation of the Accelerated Rural Development Project, USOM/Thailand, May 30, 1965, p. 10.

B. Rural Development Organization

The sources of programmed rural development activity in Thailand can be classified under the three broad headings: central government, local administration, and the private sector. The central government category, for purposes of rural development analysis, includes both central and provincial administration. Local administration applies to local institutions which operate largely as further extensions of the central government. They possess some representative and decision-making functions (although not necessarily based on widespread participation). Emphasis is given to organizations which have direct contact with rural families and are endowed with some degree of public authority. The private sector refers to all extra-governmental organizations which influence the rural development process. The institutional components of rural development activity are described in this section (Figure 2 depicts the basic structure). An accounting of how these organizations impact on rural inhabitants in Thailand's several regions will follow on page 68-82 below. [II-C]

1. Central Government Organization

Central government agencies are represented at the provincial and district levels in two ways as presented in Figure 3.

a. Field Operating Units

Some RTG agencies maintain independent field operating units at the provincial level. These units and their personnel are directly controlled and financed by head offices in Bangkok. They are not under the supervision of the Province Governor. Important development programs like Highways, Irrigation, Agricultural Experimental Stations are administered through this type of field unit. Special public enterprises, like the Bank for Agriculture and Agricultural Cooperatives (BAAC) are also organized in this way as outlined below.

Figure 2
 Process Chart of Rural Development
 Infrastructure in Thailand, 1974

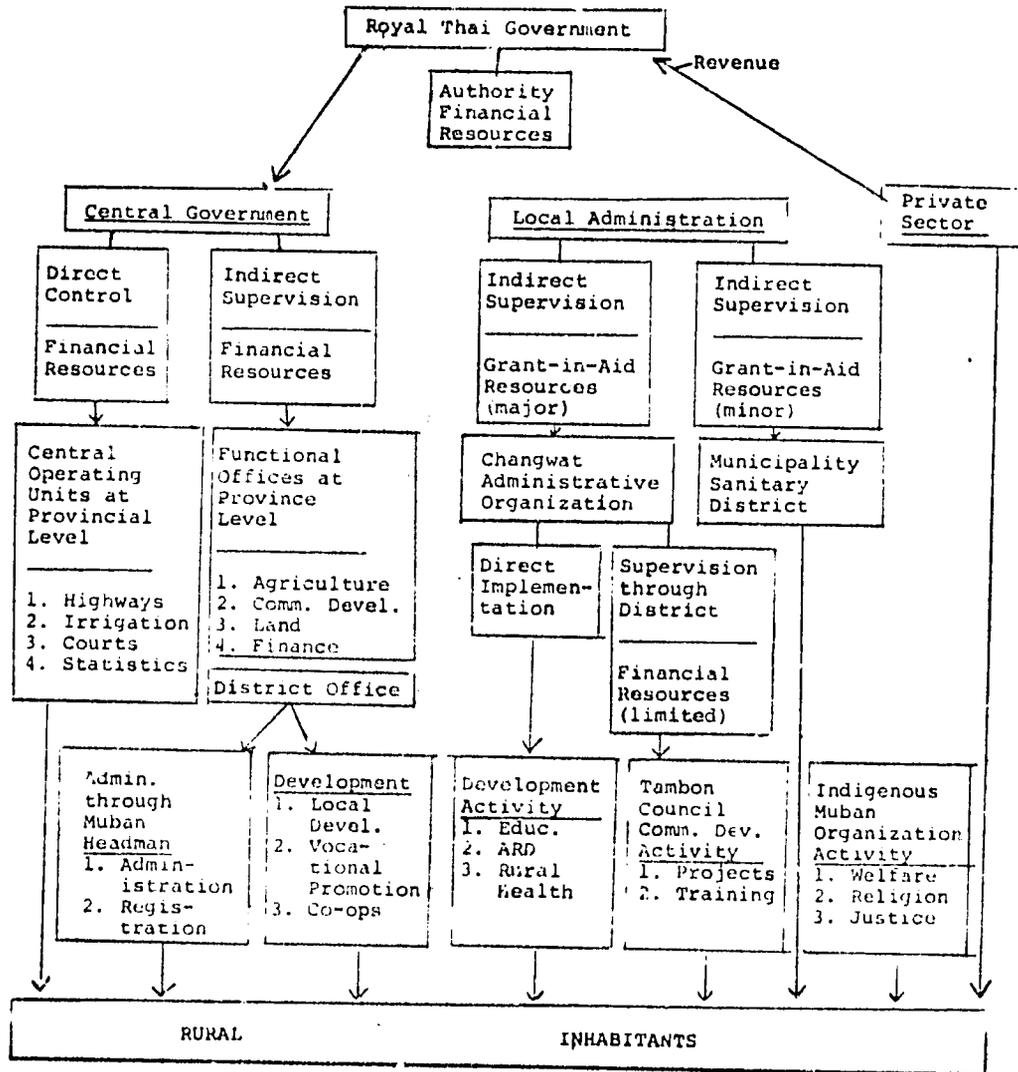
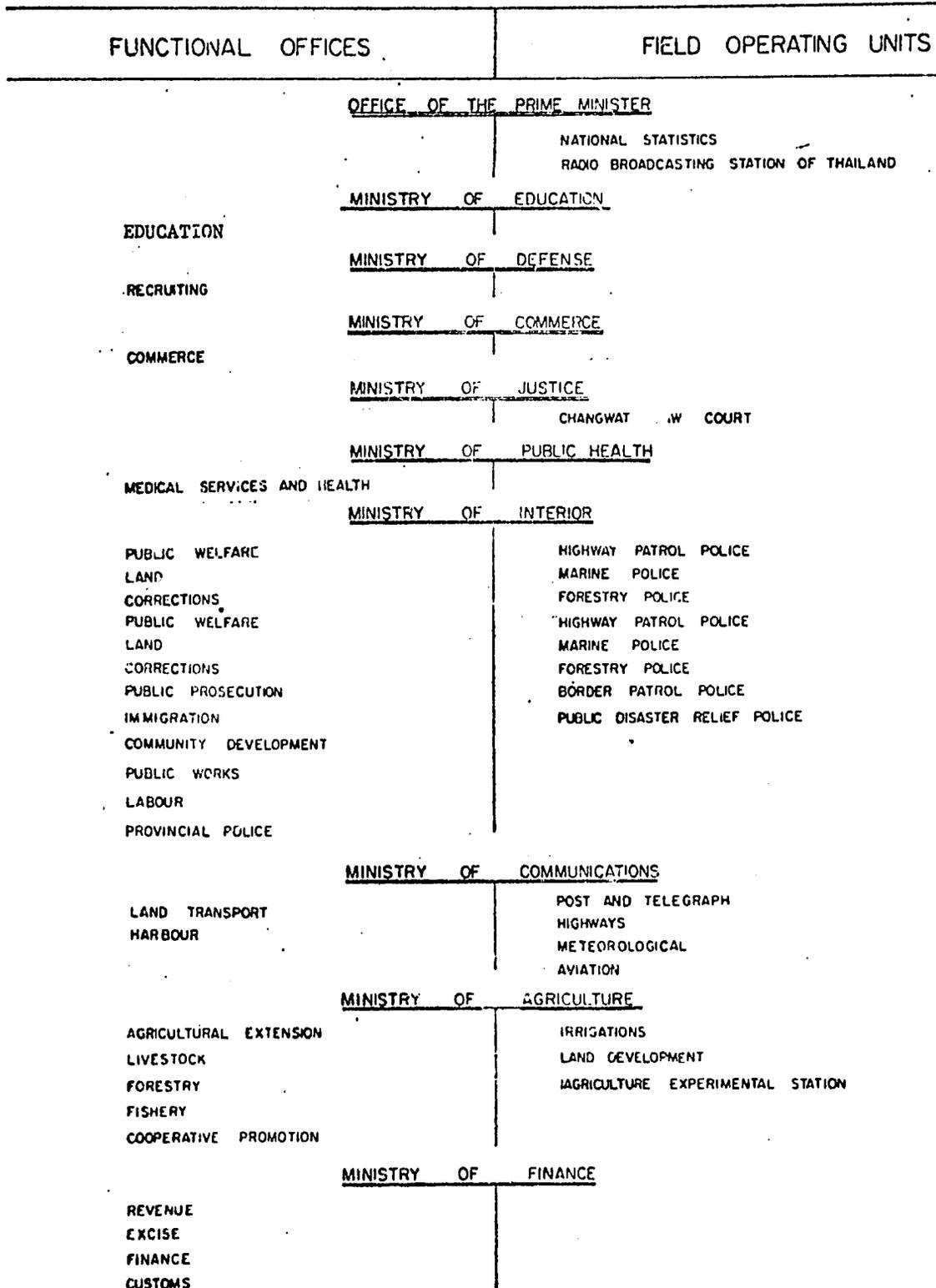


Figure 3

Representation of Government Agencies
at the Province Level, 1973



Source: Ministry of Interior, Bangkok

In the early 1960's the RTG, disappointed with the results of credit cooperatives and societies, decided to concentrate on developing an "individual" loan program through the BAAC. In Thailand there are eight categories of cooperatives: credit, marketing, purchasing, service, land tenants, land hire purchase, land settlement, and multi-purpose. Cooperatives operate under strict and detailed RTG regulations. Most have been established at governmental initiative. The number and size of cooperatives varies according to prevailing RTG policy. Before 1956, for instance, the government promoted the establishment of approximately 10,000 rural credit cooperatives, each with an average membership of 18 families. Because of a variety of factors that resulted in recurring financial losses, these cooperatives were merged into 400 larger credit societies after 1956. The BAAC began providing individual agriculture production loans in 1966, relying on a traditional form of "group" responsibility to secure repayment. By 1973, more than 200,000 Thai farmers were receiving institutional credit through this mechanism from province field units.¹ Cooperative expansion continues to be stressed as an integral part of the RTG's Third Development Plan.

B. Functional Offices

Most ministerial departments are represented at the provincial and district level through 'functional offices'. Legally, functional offices come under the jurisdiction of provincial administration and the Chief of the functional office, although a central government civil servant, is under the supervision of the Province

¹For a description and evaluation of BAAC operations see Marcus Ingle, et al., The Bank for Agriculture and Agricultural Cooperatives, A.I.D. Spring Review of Small Farmer Credit, Volume XII, February 1973.

Governor.¹ Functional offices are set up by Royal Decree. They represent the normal, and traditional, channel by which regular governmental development and administrative activity is transmitted downward through the hierarchical system.

The district is the lowest administrative unit of the central government. It is not a legally-constituted body, in as much as it has no corporate identity or powers of its own. Each district is headed by a District Officer (Nai Amphoe) who is appointed by the MOI. The District Officer is jointly responsible to the Province Governor and the Department of Local Administration (DOLA) within the MOI. (Note that this title itself stresses local administrative functions rather than the broader range of functions designated as local "government.") In addition to supervising the activities of district functional offices, the District Officer is charged with administering a Local Administration Section consisting of five sub-divisions: Government and Administration; Vocational Promotion; Local Development; Registration; and Security. Each of these sub-sections is headed up by a Deputy who is also a DOLA official. The District Officer and his Deputies have considerable operational authority and influence in rural areas. Over the last ten years the RTG has made excellent progress in upgrading the staff in these positions through selection and training.²

¹Functional officers are responsible to the Governor in administrative, not technical, areas. The ambiguities resulting from this artificial separation have been the subject of continuous controversy. For discussions of this issue, refer to Clark Neher, Rural Thai Government: The Politics of the Budgetary Process, Center for Southeast Asia Studies, Northern Illinois University, Special Report Series, No. 4, June 1970, p. 4; and Opath J. Siriwongse, Problems of the Provincial Administration, USOM/Thailand, 1973.

²The establishment of a special Academy for Local Government

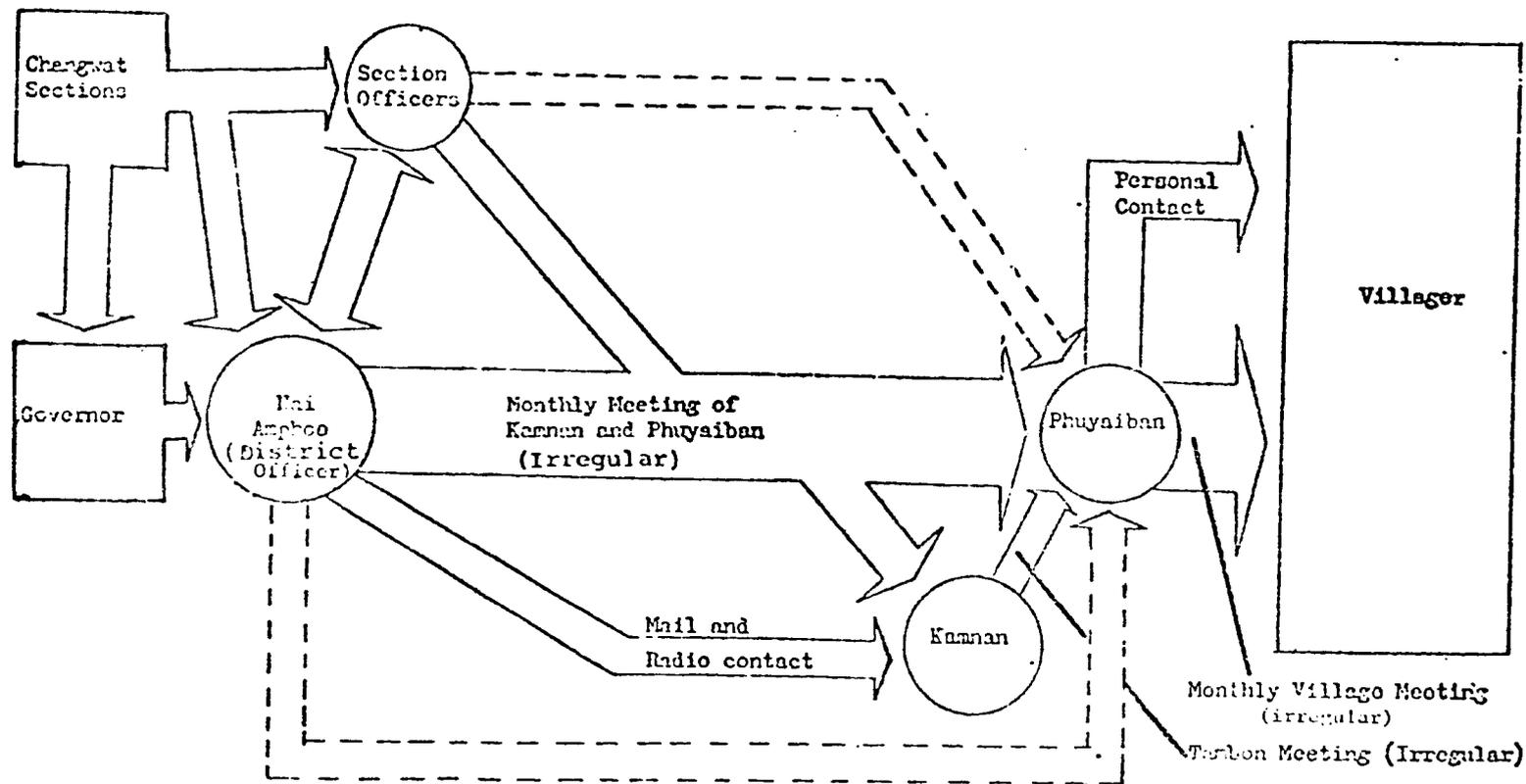
The central government functional offices at the provincial and district level play an important rural development role. In response to pressures for modernization and stability, it is usually the central government and the private sector, not local government, which must perform new functions and provide additional services.¹ The RTG has successfully formalized and institutionalized basic administrative functions within most rural government units. The Tambon headman (Kamnan) and Muban headman (Phuyaiban) perform similar administrative tasks, such as registration and taxation, in all regions. Development functions on the other hand vary with regional conditions and government policy.

Government operations can be analyzed in terms of two distinct process modes of action. In rural Thailand, administrative activity remains personalized. It is conducted on a one-to-one basis. This process of Changwat-to-villager administration, conducted through the personage of the Phuyaiban, is depicted in Figure 4. Individual administrative contacts which villagers initiate with local or central government units are presented in Figure 5. With regard to central administration, the District and the Village play the most significant roles. Traditional rural community development activities

Administration (ALGA) within the Training Division of DOLA in 1972 is indicative of the continuous high priority support which the MOI has given to leadership training. The Nai Amphoe training program within the Academy is considered one of the finest in Thailand. For information on history and operations, see Jerry Wood, Status Report on Local Government In-Service Training Project, USOM/Thailand, January 1970.

¹ The central government and private sector are gradually assuming responsibilities for many activities which were previously the prerogative, by design and/or default of rural institutions. A review of indigenous village level functions is contained in H.G. Quaritch Wales, Ancient Siamese Government and Administration [1932], New York: Paragon Book Reprint Corporation, 1965.

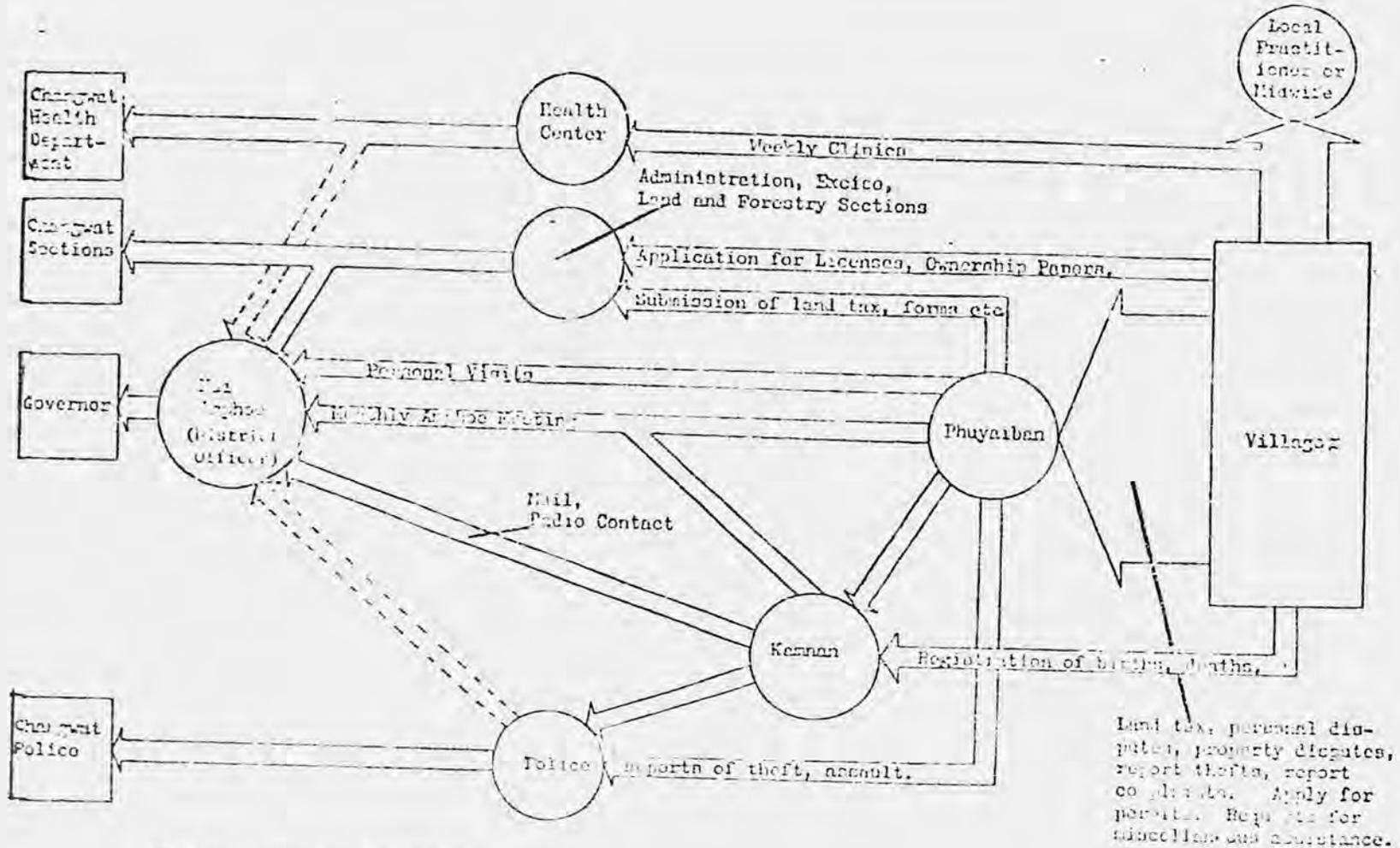
Figure 4
Changwat to Villager Administrative Process



=== Irregular or chance encounter

Source: Adapted from Philco-Ford Corporation, Thai Local Administration, USOM/Thailand, 1968

Figure 5



Source: Same as Figure 4

are also individualistic. They occur within loosely structured groups which tend to dissolve following the accomplishment of immediate objectives. Unlike this, the operational mode accompanying most externally stimulated central government development activities, such as the CD program discussed below, is more formalized group recruitment and involvement.

The CD Department, through its provincial and district officials, organizes Tambon and Muban Development Committees as the primary focus of its rural program. The Department sees the Committee approach as the most appropriate method for strengthening village leadership capabilities and improving rural living conditions. By 1972, Development Committees were established in approximately one-third of Thailand's 500 Districts. CD workers form Committees by selecting and training respected members of the local elite in one of several pre-determined technical development areas at regional centers. Committee members are expected to survey local needs, plan activities, request necessary external assistance, and monitor project implementation upon their return home. Through 1970, over 9,000 Tambon and 46,000 Muban Development Committee members received formal training in conjunction with this program.¹ The CD Department gives highest priority to rural construction, facilities improvement, and road and bridge projects (85 percent of all assistance). Occupational promotion or educational development activities receive less attention. The CD Program focus is weighted toward larger progressive villages to the exclusion of smaller, poorer and more remote ones.²

¹Travis King, The Community Development Program of Thailand, USOM/Thailand, 1971

²American Institutes for Research, The Community Development Process: A Study of Sixteen Villages in Amphoe Nong Han, Changwat Udorn, Asia/Pacific Office, May 1970, pp. 8-32.

In addition to the CD Program, many other rural development activities are carried out by central government functional offices. DOLA conducts training programs and provides financial support in many rural areas. The Ministry of Agriculture supports rural agricultural extension and various cooperative schemes. Important education and health activities are also administered in this way.

2. Local Administrative Organization

The first Royal Decree establishing a uniform local administrative system was promulgated in 1897. It was after that, and primarily following World War II, that the RTG embarked on a conscious policy to extend its local administrative presence to the outlying regions. This expansion is still underway in the remote areas of North, Northeast, and Southern Thailand. In the absence of direct administrative control, the rural systems of local governance which evolved were largely determined by local resources and requirements in relation to limited, but constantly changing, external demands.

Historically, local government institutions were non-secular. Apart from sporadic, but often extensive, requests for foodstuffs or military/corvee labor which required some institutional mechanism for preparing and maintaining civil registers, permanent organizational forms centered around the local religious center, typically the Buddhist Wat. Reflecting Thai social values, the structures which evolved were semi-permanent, having their foundation in personal relationships. The early local administration laws formalized and expanded the secular roles of local leaders. Local government headmen at the Muban and Tambon level received additional status

from their new positions. The major function of the new governmental apparatus was to administer the policy of the Kingdom.

As the RTG extended its authority and political presence into rural areas, the accompanying policy contained fluctuating degrees of central control and local autonomy. In delegating authority and responsibility, the RTG's major posture has been deconcentration rather than decentralization.¹ The Government has favored extending bureaucratic form and substance into new areas, but the delegation of legal and fiscal autonomy has not been a dominant theme. Low priority has been given to transforming local government institutions into permanent multipurpose organizations with wide ranging authority.

A number of formal and informal local government arrangements are evident in rural Thailand. The structure and operations of these organizations vary considerably throughout the Kingdom. Modal descriptions of them are presented below.

A. Formal Local Governing Units

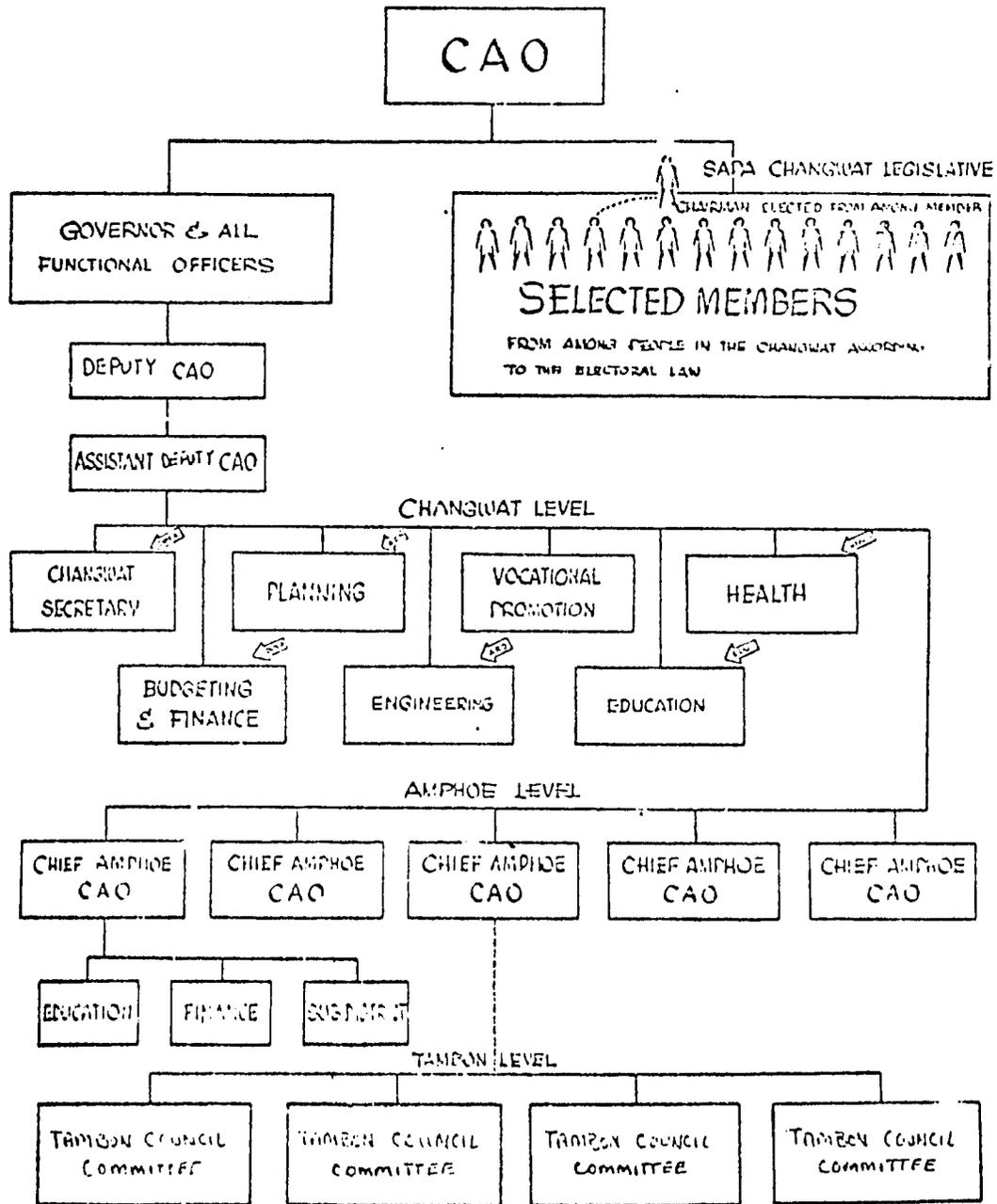
i. Changwat Administrative Organization (CAO)

The primary unit of government below the national level is the Changwat Administrative Organization (CAO). The structure of the CAO is presented in Figure 6. The CAO came into existence as a legal unit of self-government under the Provincial Government Act of 1955. The duties of the CAO include: preserve public peace, order and good morals; support education, religion, and culture; establish public utilities; prevent and treat disease; provide and maintain land and waterways; provide markets; provide electric works; provide places for sports; foster and promote occupations for people; allocate funds which shall be divided under law among the local administrative

¹David Frederick, et al., Principles of Rural Government in Thailand, USOM/Thailand, 1972, p. 4.

Figure 6

ORGANIZATION CHART OF CHANGWAT ADMINISTRATIVE ORGANIZATION



Source: Adapted from David Frederick et al., Principles of Rural Government in Thailand, USOM/Thailand, October 1972, p. 22.

services; facilitate commerce; and other things assigned by law. The legislative arm of the CAO is the provincial council, whose members are selected from districts, currently by appointment. With the establishment of the CAO, the province assumed a new governmental role. It retained its role of provincial administration under central government supervision. However, it also became a legally autonomous unit responsible to a locally selected council. Considering this, the Governor and his Deputies serve both as central and local government officials as is shown in Figure 7.

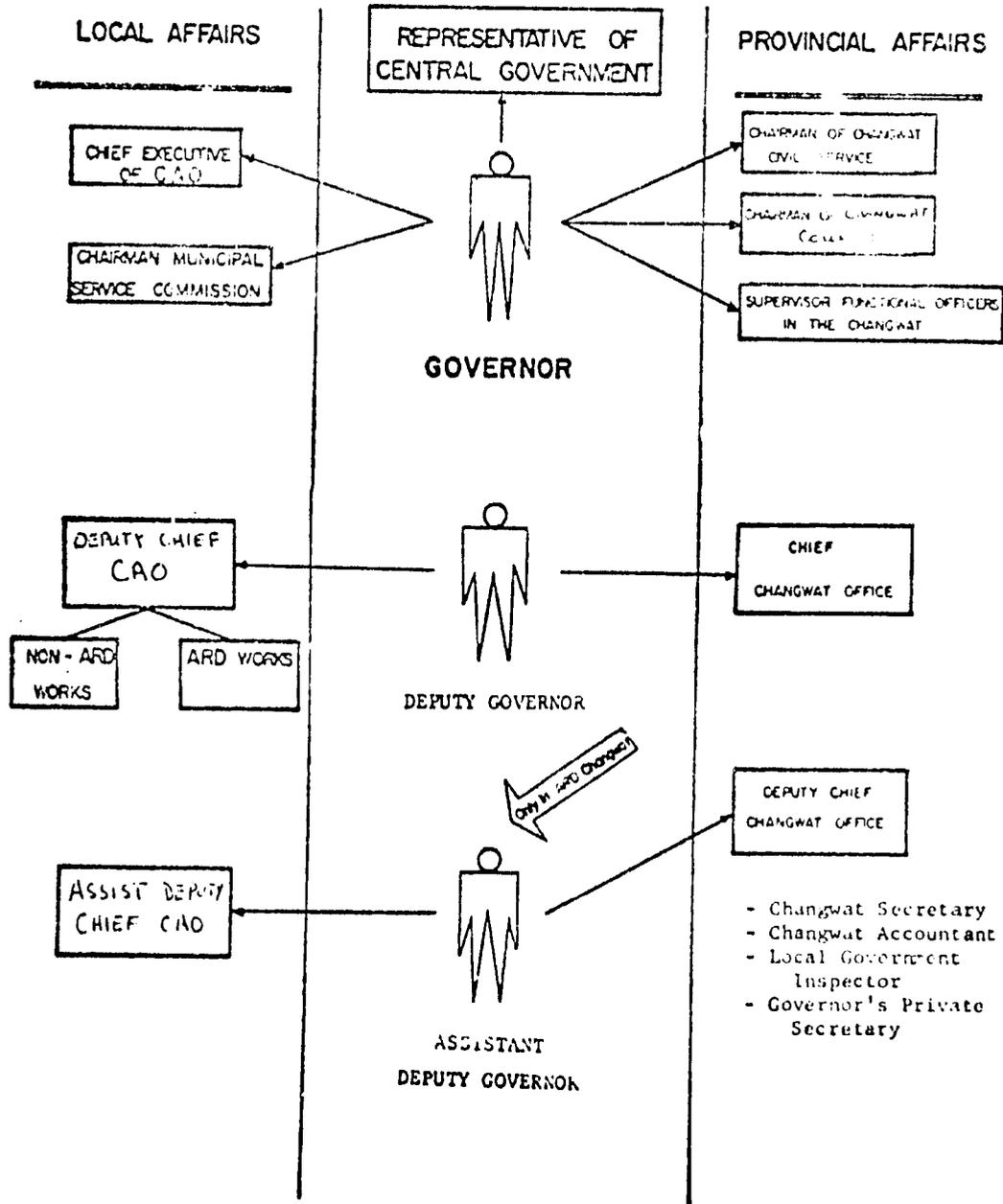
In theory, as presented in Figure 6, each province CAO has a series of administrative service units managed by specialized staffs at both the Changwat and Amphoe (district) level. The CAO in practice, however, with a few notable exceptions mentioned below, is actually administered by the same officials who staff the functional offices. In most cases the CAO has neither an independent staff nor an office of its own.

The main sources of income for the CAO include: locally collected revenues (which were approximately 11 percent of the total in 1969), shared or surcharge revenues (5 percent of the total), and central government grants-in-aid (84 percent of the total). In 1970, 88 percent of CAO expenditures were for primary education and 9 percent were used in support of ARD programs. As suggested by this data, the CAO has moved the furthest toward developing a capacity for governance in areas connected with ARD and elementary education.

One of the major objectives of ARD, as mentioned earlier, is to strengthen local government capacity at the Changwat level. ARD seeks to accomplish this by upgrading the planning, management and evaluation capability

Figure 7

The Dual Governmental Roles of the Governor, Deputy Governor, and Assistant Deputy Governor in Thailand



Source: Ministry of Interior, Bangkok

of the CAO as follows. After an ARD Changwat is accepted by the Cabinet, a number of CAO positions are established for ARD and local personnel; an Assistant to the Deputy Governor is appointed to work in ARD related CAO activities (see Figure 7), and a CAO engineering unit is established and staffed. ARD assigns a CAO Planning Officer to work on ARD related activities. He also assists the Deputy Governor with a CAO development plan. Funds are usually allotted to build a CAO Office which, until now, has been primarily used for ARD program operations.

The Division of Rural Elementary Education (DREE) within DOLA is making a concerted effort to recruit and staff CAO Education Offices with their own personnel. Rural education functions are currently administered by permanent CAO personnel in about half of the provinces.

The CAO supports two types of rural development activities. First, the engineering, education, and health units plan and provide direct services for rural inhabitants. Second, Amphoe and Changwat CAO officers, with the approval of the provincial council, provide overall supervision and financial support for local level Tambon and Muban development activities. Each of these is discussed below.

a. Direct CAO Rural Development Services. ARD program sub-activities are indicative of the various services provided directly through the CAO. ARD's overall goal is to promote national growth and security by increasing villager involvement in and dependency upon the RTG social, economic, and political system. ARD seeks to accomplish this by implementing a series of integrated sub-activities. ARD's strategy is to provide rural development opportunity inducements directly in

the short run through roads, water resources improvement, medical treatment, and occupational promotion. Concurrently, ARD attempts to develop local level CAO and rural group capability for providing more extensive and responsive opportunities in the long run.

The resources within ARD are severely limited; therefore, a rationalized planning system, based on rural conditions and needs, is being developed at province and central levels to determine the best location and mix of various sub-activities. An example of one ARD activity which attempts to develop rural organizational capability is the Rural Youth Program. This program uses vocational training and occupational promotion as a means for promoting cooperation and improving the standard of living within the group. The Groups are established by CAO officials who first select and train one locally respected Youth Advisor from each targeted Muban. The Advisor, after completing his training, guides and coordinates Youth Leader identification and village-wide Group Member selection. Once formed, the Groups are expected to attain self-sufficiency within five years. As of 1972, approximately 100 ARD Youth Groups in 21 provinces had been organized. In practice, the program is having difficulty in maintaining group member participation due, it appears, to inadequate economic and social incentives.¹

b. CAO Supervision and Financial Support for Local Government Activities

Two local government units supported through the CAO are the Tambon Council Committee and the Muban organization. These institutions are also supported by

¹William Ackerman, Thailand Rural Youth Program: Accelerated Rural Development, 1968-1970, USOM/Thailand, 1970, p. 5-15.

central grants-in-aid (primarily from DOLA and the CD Department) for non-CAO provincial administration activities that the Tambon Council and Muban Organization are charged with.

1) The Tambon Council Committee

On December 13, 1972, the RTG established an expanded Tambon level institution, the Tambon Council Committee.¹ The Decree forming this Tambon organization stipulated that the three existing forms of Tambon government be replaced by the Tambon Council Committee within a period of three years. The 1972 Decree represents the RTG's most recent attempt to expand the decision-making power and representative character of rural institutions.

The formal authority and duties within Tambon government were originally established in the Local Administration Acts of 1897 and 1914. The 1914 Act, which remains in force with amendments, assigned duties and powers to individuals in leadership positions rather than to the Tambon organization. For the Tambon headman, the Act stipulated:

"Section 34. Matters in connection with the good Government of the Tambon which fall within the duty of the Kamnan include the proper observance of the laws by the inhabitants, protecting them from danger and safeguarding their welfare, bringing matters concerning their general welfare before the Governor of the Province and Chief of the District, making known to the people all Government orders and carrying out the Law in such matters as the collection of taxes within the Tambon. The kamnan should be efficiently assisted by the Phuyaibans (Muban administrators) and the Medical officer of the Tambon consistently with their official position."

¹Royal Thai Government, National Revolutionary Party Decree 326, December 13, 1972.

Between 1914 and 1972 several major forms of Tambon government were appended to the original Acts. Each of these is discussed in turn.

RTG Ministerial Order 222 of 1956 gave all Tambons limited authority--under the close operational and financial supervision of the District--to formulate plans, receive financial and material assistance, and implement local projects. The Order 222 Tambon organization consisted of a Committee (executive body) and Council (legislative body).

For larger and more prosperous rural Tambons, the RTG established the Tambon Administrative Organization (TAO) in 1956. The TAO, along with the Changwat Administrative Organization (CAO), the Municipality, and the Sukhapiban, was one of four legal units of "local government." The structure of the TAO paralleled that of the Order 222 Tambon. The TAO, however, had more authority to control its own affairs. By 1972, only 59 TAO's had been established because of strict qualification requirements and other administrative and financial management problems. The TAO's became Tambon Council Committees under the 1972 Decree.

By 1965 several inadequacies of the Order 222 Tambon were apparent. A Ministry of Interior (MOI) evaluation found that, in practice, District officials usually dominated Order 222 Tambon meetings, that the dual administrative organization led to overlap and conflict, and that the large number of local representatives inhibited the Council from becoming a viable organization.¹ Therefore, following a successful pilot project, the MOI introduced a revised Tambon organization under Order 275 of 1966. Order 275 combined the Council and Committee and reduced the number of local representatives. Labeled

¹Frederick, op. cit., p. 18.

the Developing Democracy Program (DDP), the introduction of an Order 275 Tambon organization in a specific area was to be preceded by leadership training for local officials. Tambon financial control over locally generated resources was increased and each Tambon received financial grants from both DOLA and the CD Department. By 1972, DOLA had installed the Order 275 Tambon organization in 1300 of the Kingdom's approximately 5000 Tambon. Least developed ARD Changwats were accorded implementation priority. Twenty-two Changwat in the Northeast and North had DDP Tambon by 1972.

The Tambon Council Committee established in 1972 parallels the Order of 275 Tambon organization. The Council Committee is composed of the Kamnan as Chairman, all Phuyaiban, the Tambon Medic, and one elected representative from each Muban. As in Order 275, a Deputy District Officer or a local CD worker serves as advisor to the Council Committee, with primary responsibility over financial matters. The position of the local school teacher changes under the 1972 Decree. Previously a voting member of the organization, the school teacher now serves as its permanent secretary. The advisor and secretary are formally selected by the District Officer and appointed by the Province Governor. These personnel changes in the 1972 Tambon structure, along with the organizational and fiscal alterations outlined below are directed at making the Tambon more independent and capable of implementing a development program. Important revisions stipulated by the Decree include the following: a) Every Tambon is to have a permanent and centrally located office, b) Yearly in-service training is to be given to all administrative officers, and c) Tambon revenues are to be increased. Besides receiving the customary 80 percent of land development taxes collected from the area, the Council Committee will receive a

proportion of residence/structure taxes, slaughtering house revenue, and gambling permit fees.¹

The authority and duties of the Tambon organization were upgraded by the 1972 Decree. They now include:

- Administering the affairs of the Tambon or acting in compliance with assignments received from the Province Governor;
- Considering projects and matters relating to the development of the Tambon;
- Providing cooperation, coordination and support to projects implemented by voluntary organizations in addition to considering solutions to problems, obstacles, and obstructions associated with Tambon development;
- Publicizing government, development activities so as to keep the people informed;
- Performing duties as prescribed for the Tambon Committee in compliance with laws in the Local Administration Act (1914); and
- Performing other functions as assigned by the Government.

Noticeably missing from the 1972 Decree were revisions in Tambon financial and budgetary procedures. The pro-forma planning, budgeting, and implementation cycle for Tambon government ranges from 12-20 months.² This,

¹Land Development tax rates are very low. Therefore, development resources available to Tambon and Muban organizations have been extremely limited. For additional information, see Phibon Changrein, Revenue and Expenditure of Local Government in Thailand (USOM translation), National Institute of Development Administration, 1971; and Wanchai Merasena, Revenues and Expenditures of Local Governments in Thailand, USOM/Thailand, 1973.

²Process charts describing Tambon requisition and usage of both grants-in-aid and local revenues are contained in Frederick, op. cit., pp. 33-47. The formal budgeting process takes an average of 12-20 months to complete. Evidence suggests, however, that this time span has been

in addition to the continuing necessity under the 1972 Decree of obtaining formal approval for all Tambon expenditures from the District Officer, the Province Governor and the Province Council, limits the operational authority and flexibility of Tambon government.

2) Muban Organization

The Phuyaiban and his two appointed assistants form the nucleus of Muban administration. The Phuyaiban are locally elected for life (mandatory retirement at 65 years of age was announced in 1972). Each Phuyaiban is responsible for implementing Government orders and assuring the maintenance of general peace and order. Legally, the Phuyaiban is the chairman of a Muban council consisting of his assistants and no more than two elected representatives of the Muban. This council has the duty to advise the Phuyaiban "concerning the performance of the headman's official functions." In practice the Muban council, if it exists at all, operates sporadically and informally. The Phuyaiban usually represents the Muban at all official activities and serves as a primary contact point for visiting governmental officials (See Figures 4 and 5). The Kamnan is elected from among the Phuyaiban, and a Phuyaiban so elected performs a dual administrative role. The Phuyaiban and Kamnan receive small honorariums in lieu of a salary from the Government. A small percentage (three percent) of the tax revenues in the Muban is also rebated for the Phuyaiban (or in the Tambon and Muban for the Kamnan). Officers below the Phuyaiban level receive no monetary remuneration.

reduced to four or five months in some Tambons administered under Order 275 regulations. For example, see Philco-Ford Corporation, Thai Local Administration, USOM/Thailand, 1968, p. 139. See Neher, op. cit., for a comprehensive analysis of the budgetary process in the Northern part of Thailand.

ii. The Sukhapiban (Sanitary District)

The Sukhapiban was legally established as a 'local government' unit in 1952. The minimum requirements for a Sukhapiban include a concentration of 1500 people and 100 shops. The Sukhapiban should be large enough to support limited government activities related to public health. A typical Sukhapiban encompasses 10 or more Muban, only one of which contains the business area. In 1972, there were approximately 600 Sukhapiban covering nearly four million semi-rural inhabitants. Most Amphoe seats are located within a Sukhapiban. Sukhapiban are eligible for Municipality classification as they expand.¹

The authority and duties of the Sukhapiban Committee are more extensive than those of the Tambon Council Committee. A Sukhapiban Committee composed of the District Officer, four additional District officials, the Kamnan, the Phuyaiban, and elected representatives of the area possesses both legislative and executive responsibilities. These include planning and expenditure of both local and grant-in-aid monies for the provision of such services as garbage collection, street maintenance, electricity, fire control, water and sewage facilities, and health care.²

¹Three types of Municipalities (Tesaban) were established under the Municipality Act of 1953: the City (Nakorn) Municipality, the Town (Muang) Municipality, and the Commune (Tambon) Municipality. Municipalities are established by Royal Decree according to population and wealth criteria. Excluding the metropolitan area of Bangkok-Thonburi, Thailand had one City, 83 Towns, and 35 Commune Municipalities in 1972.

²The Sukhapiban will not receive additional attention in the analysis section of this paper. It does not appear to be an effective unit of self-development or an efficient distributor of development resources. In one Northern area only 45 percent of revenues from Sukhapibans went

B. Traditional Local Level Units

i. Religious Institutions

The Buddhist Sangha order continues to play an important role in the religious and secular affairs of rural Thailand. The Sangha was traditionally involved in education (including vocational), health, social welfare, banking, construction, arbitration, social control, and migration. In many less remote areas the Sangha's secular activities have been partially or totally replaced by government and private institutions. However, most permanent abbots, depending on length of service and local prestige, can and do continue to exert considerable influence.¹ In most areas a semi-permanent Wat committee, composed of two or more locally respected members of the elite, plans and implements various projects jointly agreed upon by the Sangha and residents of a rural area. Activities usually consist of local improvement schemes or various types of festivals. The Wat committee is also responsible for assuming administrative tasks associated with maintaining the Sangha.

ii. Rural Associations

Relatively few indigenous rural associations exist in rural Thailand. Loosely structured extended families or clans operate in the North and Northeast.²

for development projects. The rest was used for officials; remuneration and administration. The Sukhapiban is neither financially nor administratively independent of the central government apparatus. See Clark Neher, "Development in Rural Thailand," in Local Authority and Administration in Thailand, Academic Advisory Council for Thailand for USOM/Thailand, 1970.

¹Charles Keyes, "Local Leadership in Rural Thailand" in Local Authority and Administration in Thailand, Academic Advisory Council for Thailand for USOM/Thailand, 1970, p. 109.

²For information on associations in the various regions see Keyes, ibid., p. 97, Neher, "Development in Rural Thailand," op. cit., p. 33, and Lefferts, op. cit., pp. 3-6.

In addition, traditional irrigation associations are common in Northern Thailand.¹ These associations are concerned solely with the problem of water. The cooperating members (direct beneficiaries) normally select a canal chief to distribute water equally, to supervise canal maintenance, and to organize labor for canal construction. In Chiang Mai province, each farmer is required to provide approximately 30 days labor a year toward maintaining larger dams and canals connected with the irrigation system.

3. Private Sector

The private sector plays an important, and expanding, development role in all areas of rural Thailand. Provincial, district, and village level merchants and retailers provide agricultural inputs, including credit. Marketing and transportation are predominantly under private sector control. Rural private sector associations and interest groups are uncommon.

C. Regional Analysis of Local Government Operations

Rural conditions and governmental operations in each of Thailand's regions vary considerably. In this section local government activities are compared across the several regions. The descriptions focus, first, on important government functions, second, on interrelationships between central government, local government, and the private sector, and finally, on the provision of rural development services.

¹Neher, ibid., pp. 31-40.

1. The Central Region

The Central delta is the best endowed and most modernized area in Thailand. Concurrently, it is the region where local government functions and activities are most limited.

Local government functions in the Central region are predominantly administrative; development functions reside largely within the private sector and to a lesser degree the central government. The major exception is elementary education which, although legally administered through the CAO, is actually handled by functional office educational officers. The Tambon and Muban organizations are, apart from their limited administrative duties, non-operational. Tambon and Muban administrative units usually correspond with natural community boundaries. In this area, rural houses are often scattered along canals adjacent to individual rice fields. As a result the Phuyaiban and Kamnan usually find it difficult to aggregate and articulate the needs of the community in which they formally reside since it is so spread out and no community centers exist.¹ District level officials and local inhabitants are aware of these limitations on the headman's capacity to obtain internal and external support for local government activities.

Prior to the 1972 Tambon Council Committee Decree, all Tambons in the Central region were administered under Order 222 of 1956. The few development projects actually carried on through Tambon and Muban organizations, therefore, were initiated and closely supervised by District level officials. Villager cooperation and participation in such projects was minimal. It was doubtful that the

¹The concept of village need articulation was adapted from Keyes, op. cit., p. 94.

introduction of Tambon Council Committee's will substantially alter this pattern. The Central Thai are extremely individualistic.¹ They are also very dependent on the cash economy. The easily accessible and relatively efficient private marketing system which provides the opportunity for each farmer to deal personally with one of several local middlemen, is basically in harmony with the individualistic needs of the Central Thai farmer and laborer. By minimizing formal restrictive commitments to groups and organizations, the Central Thai can respond flexibly to seasonal and permanent opportunities for individual improvement.²

Central government associations and cooperatives have been organized in this region, usually independent of local government involvement. Most of these have been unsuccessful.³ Central government and private

¹Although the debate continues, the position is taken here that extreme individualism is the prevalent mode within the Central region. For various perspectives on this matter, see Hans-Dieter Evers, Loosely Structured Social Systems: Thailand in Comparative Perspective, New Haven: Yale University Press, 1969.

²Seasonal and permanent intra-rural migration is high in rural Thailand. A comprehensive summary of migration research can be found in Visid Prachuabmoh and Penporn Tirasawat, "Internal Migration in Thailand, 1947-1972." Paper presented at Organization of Demographic Associates Workshop, Manila, December 1972. Also see Lefferts, op. cit., p. 9.

³One major reason for the high incidence of cooperative failures in Thailand is their close supervision by central government officials. Regulations are detailed and leave little room for flexibility at the local level. Cooperatives are not considered as significant local government units in this paper. See Supachai Manusphaibol (ed.), The Cooperative Movement and National Economic and Social Development, Chulalongkorn University, 1972.

sector activities like credit institutions and extension units are most effective when they contact farmers individually.¹

Central region Wat-related functions are exclusively religious. Festivals and fairs are still arranged through informal village-level religious units. The Sangha continues to be highly respected.

2. The North and Northeast

a. Rural Setting

Local government institutions in the North and Northeast possess greater legitimacy and more extensive functions than those of the Central plains. The higher level of legitimacy and authority accorded to local government initially derives from the fact that administrative boundaries correspond with natural communities. In this regard, some important distinctions between the North and Northeast are considered below.

In the North, most lowland ethnic Thai villages are clustered along riverbeds within physical self-contained areas. Confronted with limited productive land, farmers have found it beneficial to increase production and productivity with double cropping and labor-intensive farm methods. Expanding production necessitated the development of local irrigation systems. The local elite traditionally played a substantial role in these and other village-level activities. When members of the local elite were accorded external status and position through the local administration laws, they found themselves in a favorable position to play a brokerage role between external officials and local residents. They had the potential

¹A good example is the BAAC individual loan program discussed in Ingle, op. cit.

of becoming, as Michael Moerman has phrased it, "synaptic" leaders.¹ Many Phuyaiban and Kamnan in the North operate as synaptic leaders.

Synaptic leadership is also widespread in the Northeast; however, the conditions for its emergence are different. The extensive and relatively flat Northeast plateau is both infertile and subject to seasonal cycles of flood and draught. Starvation is rare but most farmers are fully occupied with maintaining their livelihood at slightly above the subsistence level. Although land holdings are relatively large (average of 25 rai or four hectares), profitable opportunities are not available to smaller farmers for expanding production and productivity. Migration (seasonal and permanent) is both the traditional and the most feasible current channel of resource acquisition available to new families.² Under these conditions there are few incentives for most farmers to participate in permanent groups associated with agriculture development. Rather, informal arrangements for labor sharing, house construction, credit, etc. are worked out within or between groups of families in a particular area. Until recently most villagers lacked easy accessibility to market centers. The Northeasterners, therefore, are less integrated into the cash economy than the Northerners or Central Thai.

¹Michael Moerman, "A Thai Village Headman as a Synaptic Leader," Journal of Asian Studies, May 1969, pp. 535-549.

²H. Leedom Lefferts, Jr., "Migration in Isan: Information Diffusion and Social Structural Response in Northeastern Thailand," Paper presented at Society for Applied Anthropology, April 1973. Also see Lefferts, op. cit., p. 3.

The informal relationships and local interdependencies which have developed in Northeastern villages provide the basis for the emergence of synaptic leaders.

b. Local Government Functions

Governmental administrative and development functions at the local level are most extensive in the North and Northeast. The CAO, partially through the impetus of the ARD program, performs many direct and indirect rural development operations in both regions. These include rural elementary education, rural health, and rural public works projects like roads and water. Working through the Tambon Council Committee, the CAO supports limited village-level projects such as feeder roads, occupational development, and facility construction. In addition, traditional Muba level organizations continue to promote rural education and general well-being.

c. Organizational Interrelations

Primary responsibility for rural development projects rests with the provincial administration functional offices and with the CAO. The District Officer and his staff play a pivotal role in articulating rural needs to province-level organizations and allocating local resources. Because of this, the linkage between the District and village-level units, through the personage of the Phuyaiban as depicted in Figures 4 and 5, is very important. The Phuyaiban, or another respected member of the village elite, is positioned at the apex of the secular, rural authority system.¹ Villagers have frequent personal contact with him to discuss personal disputes, report thefts and complaints, apply for permits, and make miscellaneous requests of assistance. Most local matters involving the Phuyaiban never go above the Muban level. The Kamnan, outside his own Muban, neither has

¹Toshio Yatsushiro, Village Organization and Leadership in Northeast Thailand, USOM/Thailand, 1966, p. 49.

close contact with individual villagers nor serves as an effective link between the individual Mubans and District government. Villagers rarely come into direct contact with central government officials. Most contacts between villagers and higher level officials are stated as "neither good nor bad, but dull."¹ Private sector retailers and merchants interact with central and local government officials, usually informally, at every level. Merchants are quickly extending their presence down to the individual farmer level in remote areas of the Northeast.

d. Provision of Rural Development Services

Rural development project planning and implementation resides primarily with central government officials, many of whom perform dual national and local governmental roles. To a large degree, as discussed earlier, the utility of these services for rural development depends on how well they can be adapted to specific local conditions. This raises the question, therefore, as to what kinds and how adequate the existing organizational channels are for influencing service provision in the rural areas of the North and Northeast. In addressing this question several issues need to be discussed. First, what is the modal representation system within the Muban? Second, how does the Muban elite directly or indirectly influence service delivery?

In both the North and Northeast, local government operations at the village level are personal and informal. The Thai villagers define decision-making, participation, and representation within the specific context of their cultural environment. Community decisions

¹Philco-Ford Corporation, Thai Local Administration, USOM/Thailand, 1968, p. 12.

are made by local elite who, by ascribed status position, are charged with this duty (naa thii).¹ The process whereby local leadership is legitimated has been described as follows:

"A structure becomes legitimate as it stands for a group incorporated into an individual identity as a sense of community."²

The elite's authority is dependent on how well they articulate and satisfy individual needs within a community. It is very uncommon for local leaders to overstep locally defined boundaries of authority. When this occurs, however, decision makers are met with passive locally sanctioned resistance from inhabitants.

The more frequent situation in a village setting is where a decision maker finds it difficult to carry out all of his locally defined duties. For example, an elderly Phuyaiban may do a poor job in settling disputes, in organizing community action, or in representing Muban needs at the Tambon or Amphoe. Failure to fulfill these important villager expectations are noted and resented by villagers. Inadequate performance, however, does not normally overlap into disobedience of established regulations. The Phuyaiban, therefore, is both a leader within and a designated representative of the local area.

¹Stephen B. Young, "The Northeastern Thai Village: A Non-Participatory Democracy," Asian Survey, November 1968, pp. 873-886.

²Stephen B. Young, Authority and Identity: The Roots of Legitimacy, unpublished manuscript, Harvard University, 1967.

Although villagers are involved in legitimating and giving authority to local leaders, it is not their duty to participate in the decision-making process. Direct villager participation occurs after a decision has been made, as villagers are called on to behave in accordance with it. Each villager then has the culturally sanctioned option of accepting or rejecting the decision. In practice, the system usually operates smoothly because rural leaders are sensitive to local conditions and can make decisions acceptable to most villagers.

The influence of Muban elite outside the local area usually takes the form of personal contacts at the District or higher levels. A good illustration of this can be found with respect to the CAO/ARD village feeder and connecting road projects mentioned earlier. Approximately half of these projects have been undertaken by temporarily diverting ARD equipment from major road construction efforts.¹ The diversions are arranged by local elite through official contacts at the District or Provincial level.

As suggested here, Muban elite are most influential when they combine effective local leadership with extensive contacts at higher levels (the operational definition of a synaptic leader). The synaptic leader can play a significant development role in two ways: 1) he can occasionally transform the mode by which development inputs are delivered, and 2) he can secure resources and approval for various local projects. Both of these roles are discussed below.

¹ Marcus Ingle, Improvement of Evaluation and Spot-Check Activities in the ARD Evaluation and Reports Division, PERM Team, Office of Accelerated Rural Development, Bangkok, August 1972, Appendix C, p. 3.

A synaptic Phuyaiban, although not directly involved in program administration, can exert considerable influence to assure that operational modes of external programs coincide with locally valued patterns of behavior. For example, synaptic leaders can partially determine the way in which the central government makes irrigation, fertilizer, or credit inputs available to villagers. In doing this, a leader makes external development programs appear more relevant and attractive to farmers. This process of determining modes, occasionally by transforming existing ones, occurs where local elite serve as brokers between the villager and external change agents. An example of this process is the BAAC agricultural loan program. The BAAC gives respected farmers, including Phuyaiban, responsibility for assuring that individual members of credit groups repay loans. Although lip-service is given to the notion of "collective group responsibility" in BAAC publications, in practice local elite are given considerable flexibility in utilizing locally sanctioned modes of behavior to secure loan repayments. Initial results suggest that this system has been effective.¹

Insufficient field research has been conducted to quantify the impact of local elite activities in this area. It is obvious, however, that Muban and Tambon officers confront severe constraints, including limited external legitimacy, inadequate information, and diffuse local authority, in attempting to influence external programs. The operational modes of many central government "development experiments" are firmly established leaving little opportunity for a synaptic leader to intervene naturally and orderly. The Community Development program provides a good example of the Phuyaiban's limitations.

¹Ingle, et al., BAAC, op. cit.

CD Muban and Tambon programs are founded on organizational principles and operational processes quite alien to the traditional system of daily Thai administration. The CD operational mode is not concerned with the individual villager. Rather, its rationale is group impact and its mode of implementation involves mobilization of group ideas, group support, group planning, and group labor. The Phuyaiban and Kamnan, although deliberately recruited by CD workers to participate as members of CD programs, have virtually no capacity to reorient CD programs so that they become more applicable to local conditions. This is largely because CD's formal operational mode of promoting group involvement and participatory democracy is held to be an end in itself.¹

The Community Development program, like other group-oriented development activities such as agricultural cooperatives and farmers' organizations, has followed a typical pattern. From the central administration perspective, such programs are successful in their beginning stages (as indicated by large membership lists and impressive training figures) but gradually lose their initial lustre as evidence of infrequent activities and recurring debts becomes available. In the rural areas of the North and Northeast a different picture emerges. Where cooperatives or farmers' associations succeed, it is due to the ability of several wealthy and well-educated farmers to work together for their own, but not necessarily for the group's, benefit. If smaller and poorer farmers become involved during the formative stages of a successful cooperative, the larger farmers usually manage to receive a disproportionate share of the benefits

¹King, op. cit.

and then withdraw. More frequently, the poorest farmers do not understand the group operational mode and cannot afford to participate in what they perceive to be a high risk adventure. Their doubts are reinforced as they witness government-sponsored organizations emerging and declining about them. This is basically why poor farmers continue to rely on predictable individual relationships with local elite and merchants to insure their spiritual and material well-being.

Compared to central and private sector development resources, Tambon and Muban organizations contain limited financial capacity and few formal mechanisms for improving the local environment. The small intra-village road or temporary dam projects which can be directly administered through the Tambon Council Committee have little impact on expanding production or increasing villager income. However, most projects which are locally conceived and implemented through the Muban and Tambon mechanisms can potentially improve the well-being of the entire community. Improvements occur when projects are legitimated by local leaders and implemented in accordance with local expectations. In this regard, North and Northeastern Tambons exerted additional initiative and demonstrated more independence when administered under Order 275, as compared with Order 222, procedures.¹ Although feedback on Tambon

¹Herbert Rubin, Will and Awe: The Local Thai Official and Rural Development, Ph.D. Dissertation, M.I.T., 1972. H.J. Rubin and I.S. Rubin, "Effects of Institutional Change upon a Dependency Culture: The Commune Council 275 in Rural Thailand," Asian Survey, March 1973, pp. 270-287. Also see Herbert Rubin, Dynamics of Development in Thailand, Center for Southeast Asian Studies, Northern Illinois University, Special Report #8, 1974.

Council Committee operations since 1973 is not yet available, it is reasonable to expect that the new structure will allow this trend to continue. Even under the new organization, however, it is highly improbable that the Tambon will possess anywhere near the capacity and ability to stimulate sustained self-development.¹

Religious institutions have retained many of their traditional functions in the North and Northeast. In addition to performing religious duties, local monks are formally and informally involved in rural development activities. This is particularly true in areas where a permanent abbot or a 'receptor' (Upatchaya) resides.² Throughout much of the Northeast, the Sangha plays an important but seldom recognized communications role. Monks travel widely and often serve as information sources for isolated rural inhabitants. For example, communications is an important function served by Wat festivals and fairs wherein selected Monks from other areas are invited to attend. Seasonal and permanent migration in the Northeast relies heavily on information supplied through religious channels.³

¹Arb Nakajub, "Local Government and Rural Resource Mobilization in Thailand," paper presented at SEADAG Mekong Delta Development Panel at Ithaca, N.Y., April, 1974. Also see Arb Nakajub, A Study of Provincial and Local Government in Province of Udornthani Thailand, With Special Reference to Agriculture, Research Report No. 5, Dept. of Agriculture Economics, Kasetsart University, Bangkok, 1973.

²Keyes, op. cit., p. 109.

³Lefferts, op. cit., p. 9.

3. The South

The Southern region can be divided into two areas. In this paper the major focus will be on the four provinces immediately north of the Thailand-Malaysia border which contain nearly 700,000 Thai muslims. This area is important since the modal local government system there approximates that found in other non-ethnic Thai border areas of the North and Northeast.¹ The limited information available with respect to provinces in the South outside this area suggests that local government structure and operations there fall between the Central and North/Northeastern models.

Non-ethnic Thai areas possess four important characteristics which affect local government operations. First, cultural and linguistic differences prevent communication and constrain understanding between central and local administrative officers. Second, rural minorities are reluctant to trust government officials. Third, government officials are wary of villager attempts to group together for fear that such groupings are potentially disruptive. Fourth, the government views development programs primarily in terms of stimulating political integration.²

Administration is the major function of Tambon and Muban organization in these non-ethnic Thai areas. This is clearly indicated by the criteria which District officials use to approve Kamnan and Phuyaiban selections. Priority is given to candidates who are politically

¹Non-ethnic Thai refer to minority groups which do not hold to Buddhist beliefs or speak the Thai language. The Thai-Lao who inhabit much of the Northeastern plateau are included here as ethnic Thai.

²M. Ladd Thomas, "Local Authority and Development in the Four Muslim Provinces of Thailand" in Local Authority and Administration in Thailand, Academic Advisory Council for Thailand for USOM/Thailand, 1970, p. 146.

reliable, able to maintain law and order in the area, and who can possibly speak some Thai.¹ The selection of a Phuyaiban with these qualifications is not resented by the villagers. They desire having a formal leader who, since he is respected by District officials, can keep individual and direct demands from above to a minimum. They desire working through a synoptic leader who can lighten the burden associated with transacting official business.

Private sector activities form an integral part of the villager's life throughout the Southern region. The heavy dependence upon family rubber tree operation, fishing, and mining has drawn a large majority of the population into the cash economy. The rural areas, until quite recently, have been isolated from central government development programs. When attempted, such programs have not been able to elicit widespread support and cooperation from the local population. Limited information is available on the internal operational modes of Tambon and Muban units in these areas. Traditional secular and religious institutions remain strong.

III. LOCAL GOVERNMENT-RURAL DEVELOPMENT RELATIONSHIPS:
THE FORMULATION OF MAJOR HYPOTHESES AND CONCLUSIONS

A. Hypotheses

In the preceding sections Thailand's local government units were categorized and described. The fundamental issue which remains to be addressed is whether local organizational arrangements are significant

¹Ibid., p. 166.

variables influencing rural development in terms of agriculture production/productivity, income levels/distribution, and general welfare/well-being. In regard to this, an attempt will be made to formulate several preliminary hypotheses on whether and in what way local governments act as independent or intervening variables affecting rural development. For example, certain organizational arrangements might qualify as independent variables by mobilizing untapped opportunities or by increasing investment inducements. Alternatively, certain arrangements may serve as an intervening variable by altering the mode of existing development activities so they conform to local conditions. Finally, some organizational arrangements may serve as both an asset and a hindrance to different components of rural development simultaneously, or may be completely unrelated. In essence, the question raised here is whether rural development should be considered not only in terms of insufficient resources and/or inappropriate technology but also in terms of insufficient and inappropriate organization.

The rationale for the hypotheses developed here come both from the preceding descriptive data on local governance and a special study on "Village-Level Disposing Conditions for Development Impact" undertaken as part of the ARD impact assessment project.¹ The research on disposing conditions is useful because it attempts to move beyond an evaluation of "what happens with respect to development investment in rural areas" to a multi-factor consideration of "how" and "why" specific changes occur. Although this research is not directly focused on the relationship between local governance and rural development, it does demonstrate how

¹American Institutes for Research, Village-Level Disposing Conditions for Development Impact, Asia/Pacific Office, Bangkok, June 1973.

specific environmental conditions are related to rural development investments. This information is useful for our purposes when combined with the data from Section II describing the impact which Thai local governance has on rural environmental conditions.

The research on disposing conditions constructs and empirically tests a method for measuring these aspects of a rural environment which facilitate or inhibit development "investments," holding "opportunity" constant. This was done by establishing and sampling three categories of indicators. First, they defined opportunity in terms of (1) access to resources outside the Muban, (2) the existence of natural physical and economic resources near the Muban, and (3) Muban size. Second, two kinds of disposing conditions were selected: (1) man-made physical/financial resources within the Muban (affluence and income disparities) and (2) human resources (traditional leadership, transitional leadership, education and training of leadership group, representativeness of the leadership, and internal consensus about the leadership).

In interpreting the data, two competing categories of investment were utilized: (1) individual investment, or that which benefits only the investor (measured by membership in agricultural cooperatives, motor vehicles, rice mills, villagers selling a non-rice crop, stores, non-agricultural occupations, and recent improvement of wooden houses) and (2) community investment, or that which benefits the entire village regardless of participation in the costs of the investment (measured by internal village streets, condition of house compounds, condition of the Wat, and number of community projects). The 1972-1973 sample of 49 villages in four North and Northeastern Changwats suggests that individual and community investment occur independently and are encouraged

by different sets of conditions as recorded in Figure 8 and Table 13. Individual investments increase with village access to outside resources and the existence of resources in or near the village; they increase with the affluence of villagers and with greater income disparity. On the other hand, collective investments increase with the size of the village, to some extent with the affluence of villagers, and with the extent to which leadership is traditional, educated/trained, and representative.

The major findings of this research are summarized as follows:

"Individual investment was found to be a product of modernizing characteristics--accessibility, local resources, and affluence--which may be expected to increase steadily. Individual investment may be expected to increase as well. RTG policy can serve to maximize it, not to cause fundamental changes in direction. In the shortrun, individual investment has dislocating effects which can be destabilizing.

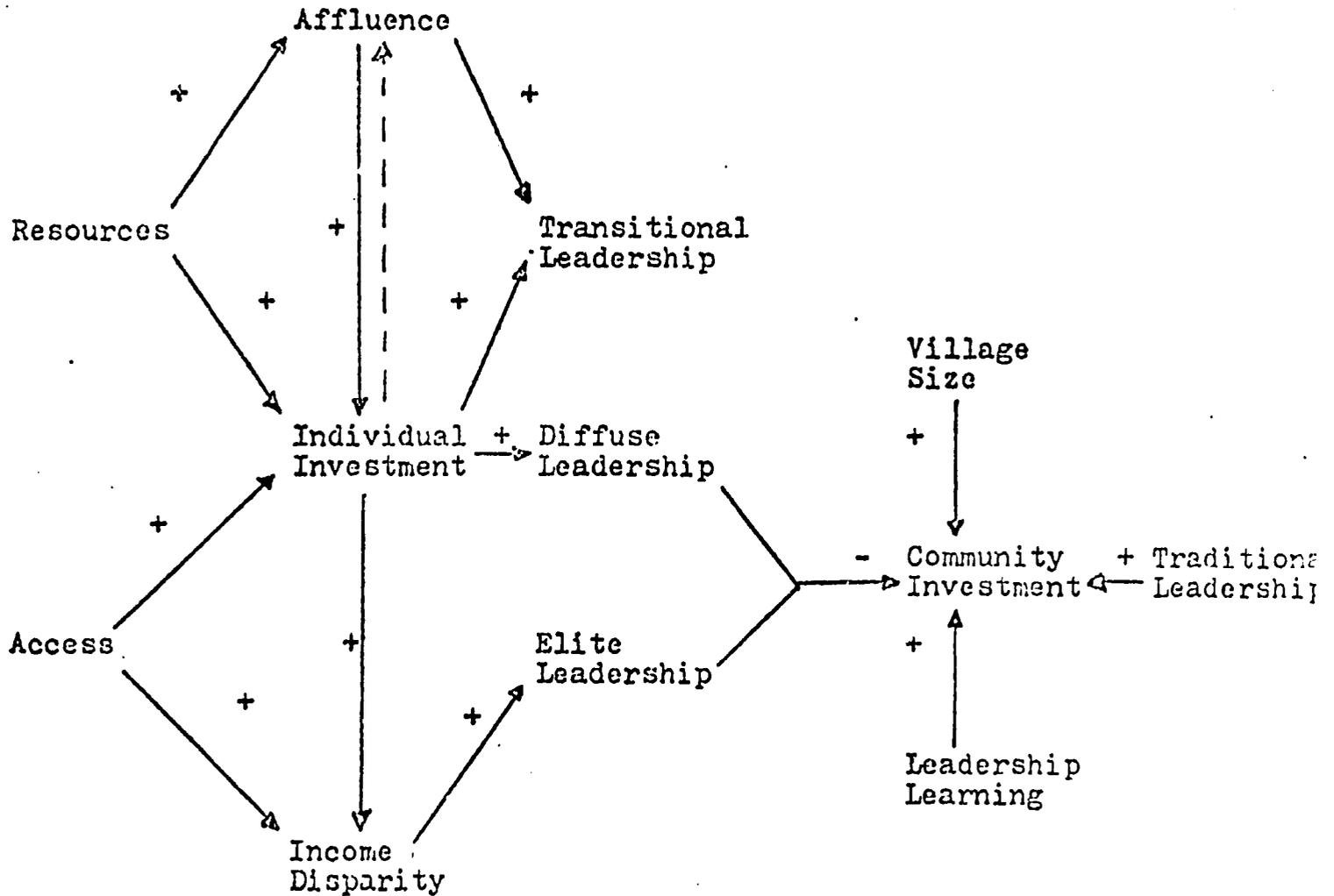
"Community investment was found to be a much more complex phenomenon than individual investment, subject almost wholly to human rather than physical resources. It was also found that a high level of community investment is very difficult to maintain in the face of accelerating individual investment, and in an environment conducive to high individual investment. High levels of community investment were associated with desirable qualities of social and political cohesion, and low levels of community investment were associated with distinctly undesirable qualities in these same areas...community investment has significant short-term value as a stabilizing force."¹

Assuming these findings are valid, two significant environmental variables can be isolated which concurrently are (1) influenced by local organizational arrangements and in turn (2) influence

¹Ibid., Summary page.

Figure 8:

Combined Map of the Conditions for Individual and Community Investment*



*In the above map, "Elite Leadership" and "Diffuse Leadership" refer to the extremely low levels of what were originally called Representative Leadership and Consensus Leadership respectively. The change in wording reflects the major finding about these variables, that their negative effects on Community Investment are more important than their positive effects.

Source: American Institute for Research, Village-Level Disposing Conditions for Development Impact, Bangkok, June 1973, page 63.

Table 13:

Intercorrelations among Opportunity Variables, Disposing
Conditions, and Investment Measures in Thailand

		Access	Res.	Size	Aff.	Disp.	L-Trad.	L-Trans	L-Learn	L-Rep	L-Cons.	Ind. Inv.	Com. Inv.
		1	2	3	4	5	6	7	8	9	10	11	12
Access	1	--	.13	.04	.19	.48	.10	.28	.31	.03	-.21	.41	-.14
Resources	2	.13	--	-.07	.48	.12	-.10	.28	-.16	.21	.08	.45	-.21
Size	3	.04	-.07	--	.24	.18	.16	.22	.35	.09	-.06	.01	.34
Affluence	4	.19	.48	.24	--	.14	.14	.47	.22	.01	.05	.69	.25
Income Disparity	5	.48	.12	.18	.14	--	-.07	.37	.18	-.26	-.19	.35	-.12
Traditional Leadership	6	.10	-.10	.16	.14	-.07	--	-.05	.23	.04	.13	-.01	.31
Transitional Leadership	7	.28	.28	.22	.47	.37	-.05	--	.36	-.01	-.26	.54	.16
Learning (Leadership)	8	.31	-.16	.35	.22	.18	.23	.36	--	.12	.01	.14	.50
Representative Leadership	9	.03	.21	.09	.01	-.26	.04	-.01	.12	--	.04	-.21	.27
Consensus Leadership	10	-.21	.08	-.06	.05	-.19	.13	-.26	.01	.04	--	-.26	.06
Individual Investment	11	.41	.45	.01	.69	.35	-.01	.54	.14	-.21	-.26	--	-.06
Community Investment	12	-.14	-.21	.34	.25	-.12	.31	.16	.50	.27	.06	-.06	--

Source: American Institutes for Research, Village Level Disposing Conditions for Development Impact, Bangkok, June 1973.

rural development behavior. The first variable is rural access. It has the following dimensions: the value of resources (types and quantities), which are accessible to villagers as measured by external town size and the amount of time or trouble it takes to travel to those resources. Of the two dimensions, local government institutions like the CAO and Tambon Council Committee can play an intervening role in promoting individual investment by sponsoring road construction activities. The second major environmental variable is community investment. 'Traditional leadership' and 'leadership learning' both correlate with community investment which suggests that certain types of local organizational arrangements are directly related to villager well-being and, therefore, rural development.

From this, two modal hypotheses on the relationship between the local governance and rural development in Thailand are appropriate. First, local government institutions, notably the CAO and the Tambon Council Committee, serve as intervening variables influencing agricultural production/productivity, income level/distribution, and general welfare in rural Thailand through the direct and indirect provision of rural access-related services. Second, Muban-level formal and informal organizational arrangements, usually in the personage of a Phuyaiban or a well-respected religious leader, serve as independent variables influencing the general well-being of rural inhabitants. In the Summary Section which follows, these two hypotheses will be discussed in relation to the local governance and rural development data presented in the paper.

B. Data Summary and Analysis

A general summary of Thailand's rural institutional structure, staff, and development functions is presented

Figure 9:
Thailand: Institutional Infrastructure for Rural Development

Institutional Arrangements Category	Central Government		Local Government		Private Sector	Political Organization		
	Central Field Units	Functional Offices	Changwat Administrative Organization	Sansary District				
STRUCTURES AND STAFF	Ministry Operations Offices: Central staff at regional and provincial level. Provincial staff at district level.	Department Offices: central staff at province and district level. Also workers at Commune level.	Technical Offices: central and local staff at province level. Also workers at District and Assistant District Governor.	Tambon Council: central staff with locally elected members. District officer and CD officer as advisors.	Sansary, town council, village committee, village committee, village committee, village committee.	Religious organizations, village leaders.	Private markets with retailers and wholesalers down to village level.	Interior National Assembly - Amn, and Representatives - New Parties are forming.
ROLES DEVELOPMENT	General Functions: Development infrastructure projects in irrigation, highways, agriculture research, development, resources and services: DAAC credit, fertilizer.	Development programs: agriculture, roads, extension, health, Local Admin. Health.	Rural elementary education, accelerated rural development, rural health.	Tambon level water development activities.	Sansary related activities, primarily in municipal area.	Limited education, welfare services, general well-being, information on employment and migration opportunities.	Sale of farm inputs, provide credit, purchase and transport produce, processing.	Limited powers until new constitution completed.
SPECIFIC FUNCTIONS:								
1) Planning and Goal Setting	Detailed national plans in specific functional areas.	Primary responsibility: detailed province and commune plans.	Primary responsibility for rural area plans for some functions.	Responsibility of commune project planning with approval from Dist. and Prov.	Detailed yearly plan with the Subhaphin.	None.	No role.	No role.
2) Integration of Services	None outside specific functional areas.	Province Governor & District Officer coordinate. Limited authority.	Assistant Governor draws plans for final approval by central office.	Limited.	Informal through District Office.	Informal by local elite. Alter mode of service delivery.	No role apart from market mechanism.	No role.
3) Provision of Services	Irrigation, Highways, major agriculture production credit program.	Agriculture extension, Education, Medical Services, Land, Labour.	Education, Health, Access roads, Village Water, Youth, Agri. Coops.	Limited road and small works project.	Health, Fire Prevention.	Minor problem solving, religious construction and ceremonies, admin.	Fertilizer, Implements, Technology, Credit Transportation, Private Investment.	No role.
4) Resource Mobilization	Limited Enterprise farmer savings with credit.	Major taxation role at national level, some self-help voluntary contributions.	Limited self-help voluntary contributions.	Land development, slaughtering, and registration tax limited, some self-help.	Land, property, and business taxes limited revenues.	Labour cooperative and donations.	No formal role.	No role.
5) Control over Administration	Internal reviews.	Oversight over admin. operations, not technical, operations. Limited sanctions.	Oversight but few sanctions.	Control over internal operations.	District Officer control over all internal operations.	None.	Demands through market prices.	Limited Articulate of constituents against bureaucracy.
6) Making or Articulating Claims and Demands	No role.	Some role for District Officers and Inspection Officers.	Minor role.	Informal complaints can be made to District Officers.	Minor role.	Informal complaints made by village elite to district officers.	Minor role until new elections take place.	Minor role until new elections take place.

in Figure 9.¹ Descriptions of institutional arrangements and staff are drawn from Part II. Possible rural development contributions are considered in terms of several specific functions, including: 1) Planning and Goal Setting; 2) Integration or Coordination of Services; 3) Provision of Services; 4) Resource Mobilization; 5) Control over Administration; and 6) Making or Articulating Claims and Demands. In addition to identifying and describing the institutional channels and functions, an attempt has been made to quantify their salience. The results of this assessment, which involved assigning numerical values to the various institutional channels according to various functions, are presented in Figure 10. From this analysis, it is obvious that provincial functional offices and the private sector currently play the most significant rural development role in Thailand. However, local government activities are also important in many areas in rural Thailand. The intensity of rural development impact of the various institutional arrangements is summarized by region in Figure 11. Drawing on this data, the two hypotheses formulated above can now be reviewed.

¹This framework was suggested by Milton Esman and Norman Uphoff. They will use it to summarize, synthesize, and compare the case studies involved in the research project. An additional institutional channel, political organization, is included in Figure 9 which has not received coverage in this paper. The political system which will evolve from the October 1973 change of government is still uncertain. The political organization could have a significant rural development impact in the future. For a view of the results of earlier representative attempts, see David Morrell, "Participant Political Institutions in Thailand: A Critique and a Proposal," Bangkok, 1971 (mimeo); and Thailand: Military Checkmate," Asian Survey, February 1972, pp. 156-167.

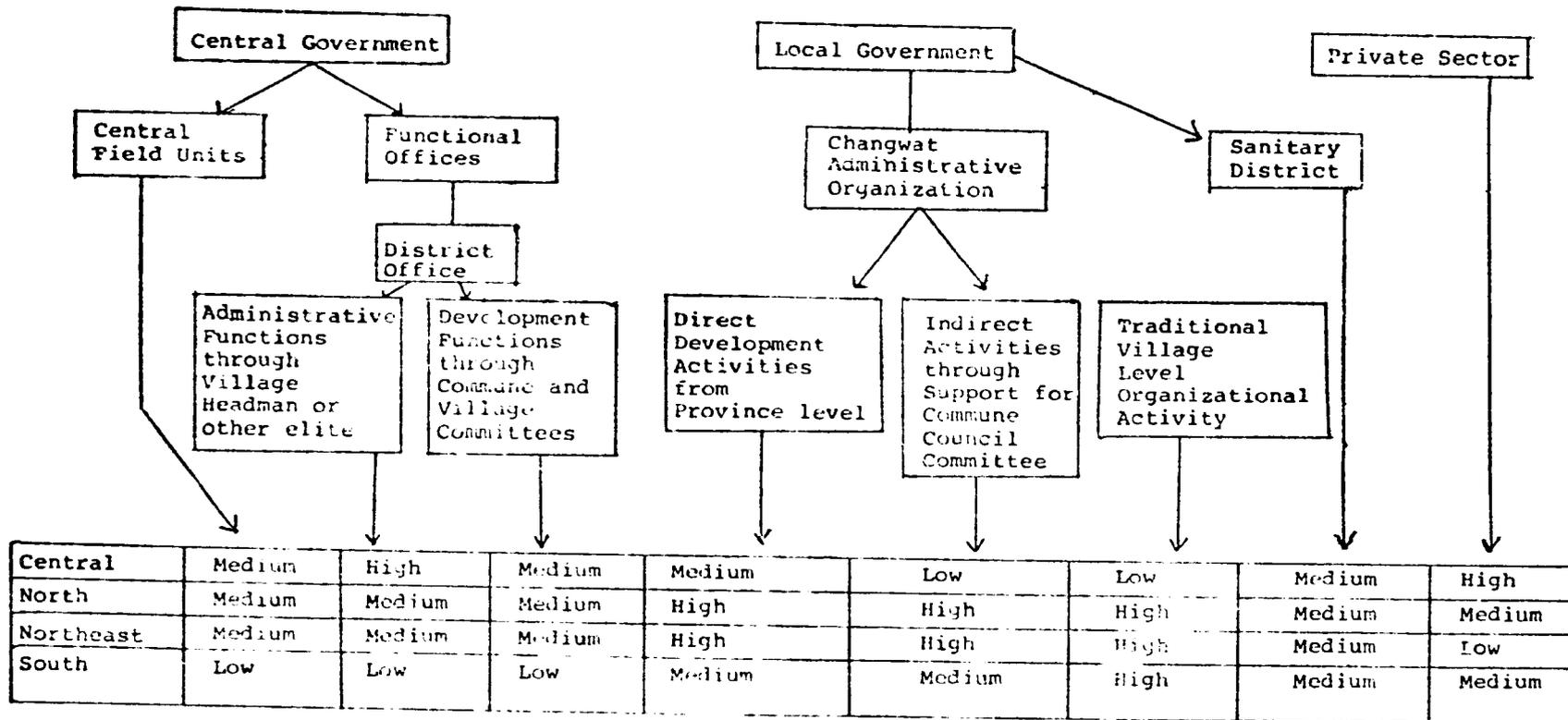
Figure 10:

Relative Importance of Infrastructure Channels
and Functions for Rural Development Activities in Thailand

Matrix I	Local Institutions				
	Central Field Units	Provincial Functional Offices	Local Government	Private Sector	Political Organizations
Planning and Goal Setting (10)	1	7	2	0	0
Resource Mobilization (10)	1	3	2	4	0
Provision of Services					
Water (10)	5	1	2	2	0
Fertilizer (10)	0	1	2	7	0
Credit (10)	2	2	1	5	0
Extension (10)	0	7	1	2	0
Marketing (10)	0	1	1	8	0
Integration of Services (10)	1	6	2	1	0
Control of Administration (10)	1	6	2	0	1
Claim Making (10)	0	5	2	1	2
Totals	11	39	17	30	3

Figure 11:

Intensity of Rural Development Institutional Impact by Region, 1974



The first hypothesis applies mainly to ARD Changwats in the Northeast, North, and South. In these areas, the CAO public works operations have functioned as intervening variables by upgrading rural access to agricultural production and income expansion opportunities. In this respect the CAO organization can be viewed as having had a positive impact on rural development. However, in terms of income distribution, it appears that these same direct CAO access-related services are having a negative rural development impact. A possible explanation for this, suggested earlier, is that the relatively wealthy villagers are in the best financial and social position to take initial advantage of new opportunities accompanying the opening of traditionally isolated areas. One result, at least in the short run, is that income disparities increase. Another evident trend in the research on disposing conditions was summarized as:

"A major area of concern was found in the lack of evidence that individual investment is enabling poor villages to increase the mean level of wealth, even though it is increasing income disparity. This, combined with the depressing effect of individual investment on community investment, leads to the suggestion that the current development priority of increasing villager income may be a high-risk strategy in the short-run."¹

In addition to the CAO, the Tambon Council Committee and traditional Muban organization leaders also act as intervening variables with respect to the operational mode of channeling development resources. In the previous section, instances were cited demonstrating how synaptic leaders in the North and Northeast

¹American Institutes for Research, Village-Level Disposing Conditions for Development Impact, Asia/Pacific Office, Bangkok, June 1973, Summary page.

formally and informally influence the modes by which rural development services are provided. Local leaders, through this mechanism, can improve the likelihood of individual investment by making existing opportunities more appealing. By tailoring the style or form of services to meet local conditions, optimum use can be made of existing rural villager preferences and incentives. The local elite in the North and Northeast also act as informal information conduits for employment and migration opportunities in other areas. In the future, the continued expansion of ARD and other central government development programs into the South and outlying non-ethnic Thai areas will probably upgrade the rural development significance of the CAO's and Muban organizations. In the Central region, neither the CAO nor Muban organizations are likely to play a significant intervening role.

The second hypothesis holds that Muban-level formal and informal organizational arrangements contribute to the general well-being of rural inhabitants. Based on the disposing conditions research and the descriptive examples presented earlier, it appears that community investment is directly correlated with general well-being. That is, Muban with moderate or high levels of community investment discourage petty crime, settle their quarrels harmoniously, serve as filters and mediators for villager contacts with the outside, and generally maintain orderly internal environments.¹ In turn, the factors promoting community investment correspond to the elements which contribute to effective Muban government. It appears that the greater a local government structure of authority is rationalized and articulated, the higher

¹Ibid., p. 70.

general well-being tends to be within the community. (The reverse of this hypothesis does not follow due to the intervening influence of private sector and central government activities on general well-being.)

A plausible explanation for this is that villagers in the North, Northeastern, and Southern regions of Thailand were, until quite recently, largely self-sufficient. As external relationships expanded, villagers have found themselves increasingly at the mercy of modernizing economic and social systems. Villagers neither fully understand nor have sufficient personal means to influence these modern systems. In the short run, therefore, they rely upon traditional local organizations and relationships to satisfy basic administrative and livelihood requirements. If local institutions can continue to promote some semblance of continuity and orderliness, personal repercussions associated with rapid movement into the modern world can be minimized.

C. Conclusion

The overall authority and responsibility of local government in Thailand are quite limited when compared with the central government and the private sector. Local government lacks decision-making autonomy, has limited power to influence exogenous changes which are disrupting the environment, and operates from a narrow functional base. In spite of this, two hypotheses have been presented which indicate that local government acts as an important variable influencing rural development performance. Since research in the area is limited, the RTG should continue to assess the relative effectiveness and efficiency of alternative local arrangements in support of rural development.

In the future several trends will probably be evident in the relationship between local governance and rural development. In the short run, the Changwat Administrative Organizations and Tambon Council Committee's appear to possess greater capacity and flexibility than any of their predecessors for effecting rural development. Unfortunately, the rural development impact of these local units has not, when viewed in terms of production, income, and well-being, been altogether positive. If we consider the most developed region, Central Thailand, to be representative of the future for the rest of the country, it would appear there is a trend for the private sector and central government to assimilate local government's development functions. If this occurs as a long-run pattern, the relevance of local institutions and synaptic leaders will wane. Already insignificant with respect to the provision of many agriculture and income expansion opportunities, local government's role in maintaining general well-being will gradually diminish. However, it should be noted that conditions in Thailand's outlying regions differ substantially from those previously found in the Central region.¹ It remains open to question, therefore, whether the social and economic system can respond to the expanding sources of rural instability which are being stimulated by the closure of traditional opportunities and the widening of income disparities.

¹Steven Piker, "Sources of Stability and Instability in Rural Thai Society," Journal of Asian Studies, August 1968, pp. 777-790.