Building a Non-governmental Channel of State Resource Distribution:
A Case Study of the Social Investment Fund in Thailand

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What to be discussed

➢ Governance without government: An odd coexistence of "neo-liberalism" and "advocacy of participation"

➢ Social Investment Fund (Social fund) program:

- A sort of poverty alleviation programs
- Expects non-gov. agents to be the actors of governance

➢ What was the outcome in Thailand?

What is the social fund?

- The World Bank's program

- From the late 1980s up to 2001, provided some $3.5 billion to 58 different countries.

- Short-term goal: alleviation the impact of economic crisis to the poor.

- Medium & long-term goals: capacity building of the communities and non-gov. agents

- Send resources (fund) to the grassroots people for supporting their subprojects

- Not through the hierarchy of line ministries

- The central unit managing the social fund has a special autonomy.

- Communities, NGOs, other non-governmental agencies are expected to play the role of distribution

Why in Thailand?

- Economic crisis in July 1997

- Baht value halved=dollar debt doubled

- Financial crisis, bankruptcy, construction works halted, unemployment, minus growth

- Financial assistance by IMF, the World Bank, and the others; Total $17.2bn.

- The Thai government promised the IMF to implement the Social Investment Fund (Letter of Intent Feb 24, 1998)

- May 12, 1998: Cabinet resolution for Social Investment Fund Office (SOFO)

- BUT. . . SIF cannot be distributed through ministerial hierarchy.

What made the SIF feasible?

(1)The experiences of the government:

- Some similar fund programs

  Rural Development Fund(1984~)

  Urban Community Development Fund (1992~).

- The offices were under state enterprises (out of ministerial bureaucracy) .

(2)Provincial level civic network:

- The social movements during the1990s

- Some middle class people formed networks among them

(3)Organized local people:

- Community organizations became ubiquitous (the end of 1980s)

- Local people can be contacted through these organization leaders

How was SIF implemented?

- **Condition** :

① Through Non-governmental channels.

② Large amount of money ($120 mil.) within a short period (40 months)

- **Head office (SOFO)** : under Government Savings Bank   (GSB)

    Chairman: a prominent economist

    Secretary general: NGO activists

- Very slow performance at the beginning

- **Decentralization: Provincial committees** (PC) for screening, approval, and monitoring

- How to recruit the members? →Relying on the **networks formed during 1990s' social movements**

- Half of them were **local level bureaucrats** (including teachers, ex-bureaucrats)

Two types of subprojects

1. **Fund for local people's organizations**

- constructing facilities (nurseries, meeting places, and water tanks, etc.)

- economic skill development (small business, agriculture, and handicrafts)

- Through the screening and supervising of PC

2. Fund for individuals

- disadvantaged people (orphans, poor children, HIV patients, landless farmers, the disabled, etc.)

- Through intermediary agents (NGOs, networks, etc.) and SOFO's field advisors

How did SIF matter?

- Huge amount of money was distributed under the supervision of the PC and the local advisers.
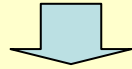
Network was formed between the provincial level leaders and grassroots leaders.
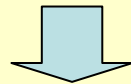
Provincial leaders started to institutionalize their informal network (organizations appeared!)

A case of Phang-nga Province

- SIF contacted a local environment conservation group for forming the provincial committee.

- The leader of this group, a government officer of Ministry of Education, became the coordinator of SIF committee.

- The member was recruited through her network; 12 of all 22 SIF provincial committee were bureaucrats.

- Phang-nga Civil Society Forum was formed through SIF's network.

Even after SIF…

➢ **Change of government**

- Utilization of non-governmental channel for project implementation

  ←Shaken by May 1992 and July 1997 incidents

- Establishing semi-gov. independent agencies (Community Organization Development Institute etc.)

➢ **Change of NGOs**

- Some NGOs utilize the newly formed networks

- **For example…**

➢ NESDB (gov): a community planning project to encourage local people to create a sub-district plan

➢ Health System Reform Office (semi-gov.): provincial-level forums to disseminate ideas on public health reform and hear the voices of local people

➢ LDI (NGO): a capacity building program of provincial civil society leaders

As a result…

A picture drawn in the strategy paper of Surin Forum (a provincial agent)

"Everyone comes here, Surin Forum."
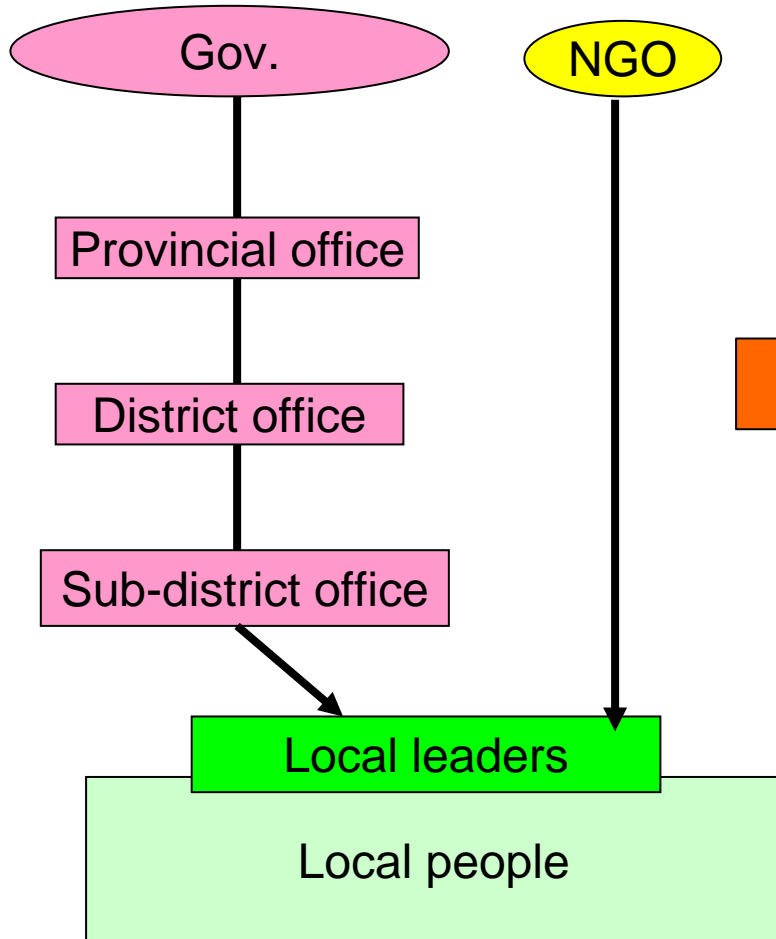
"Heavy burden!"
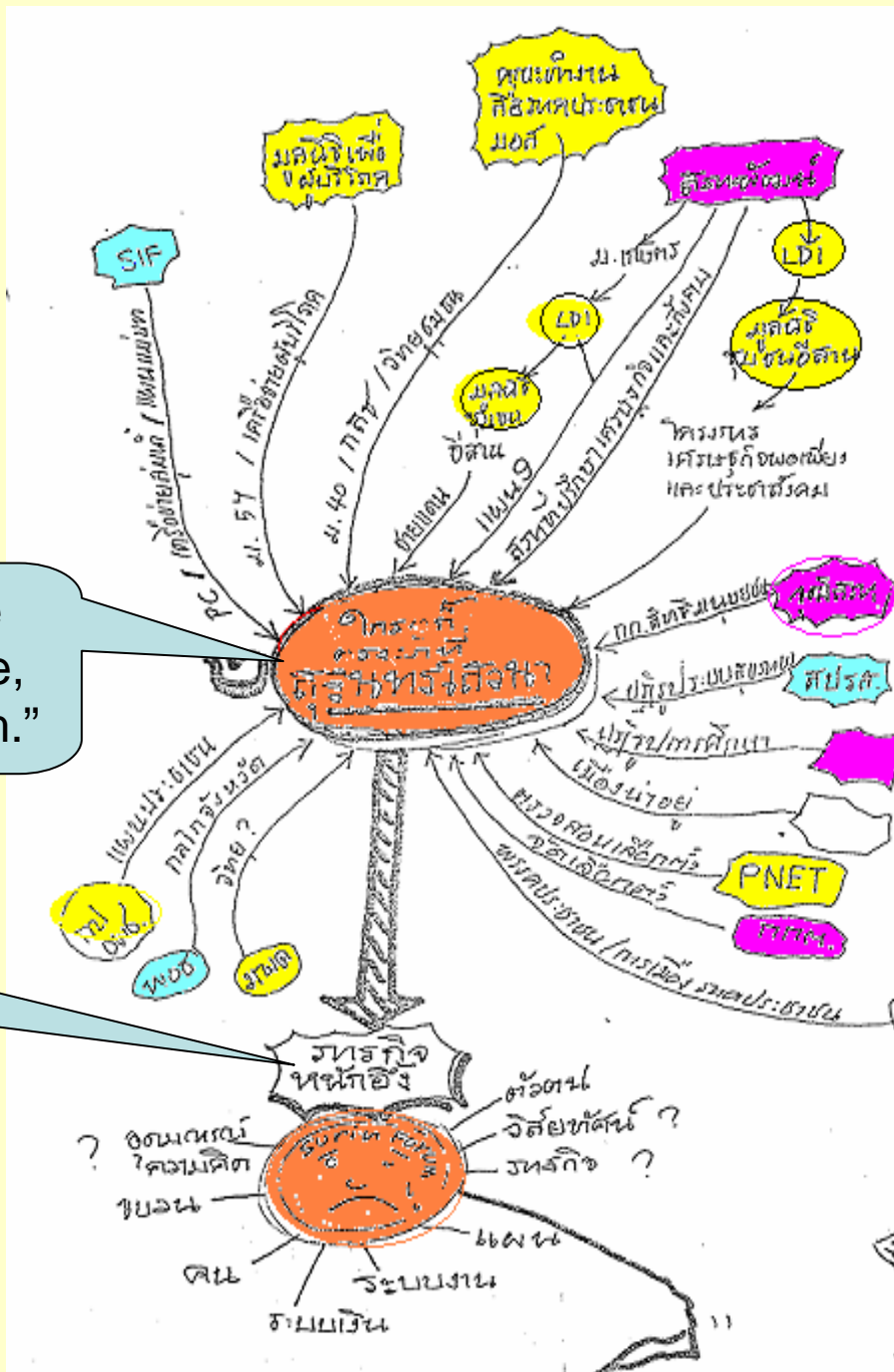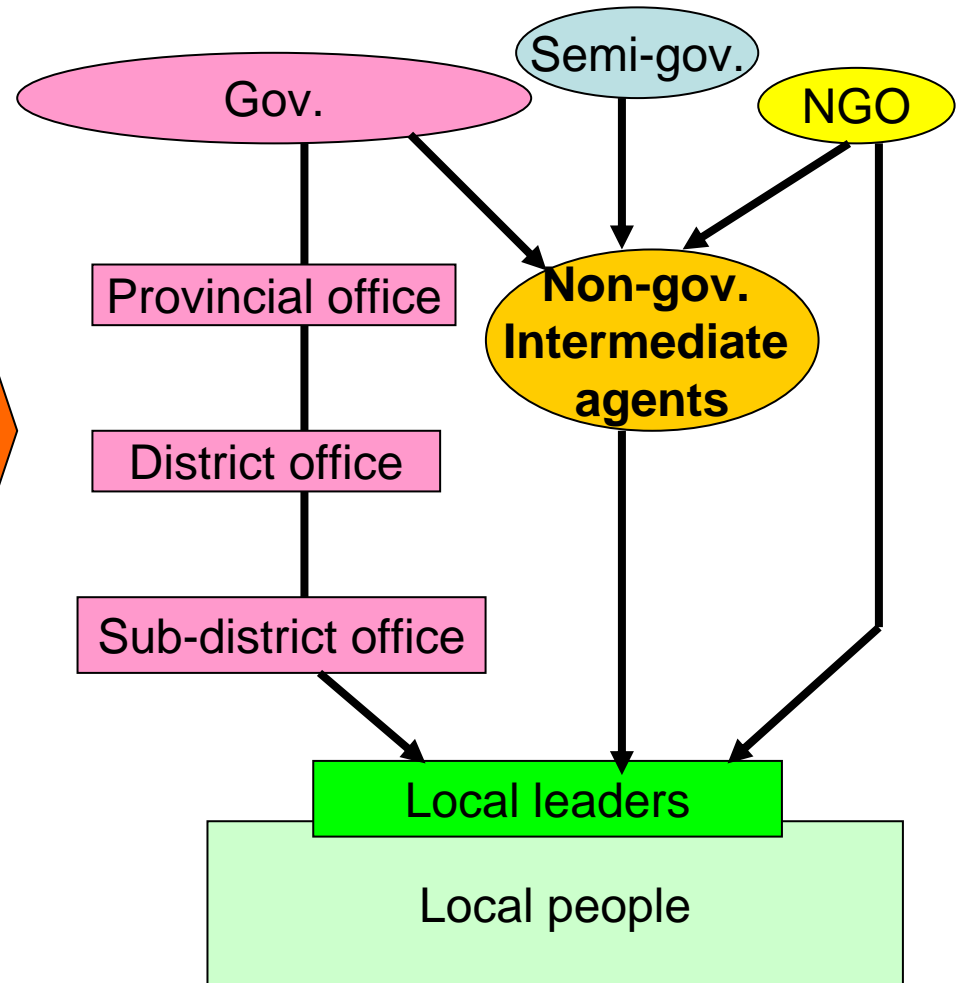
Examples of orgs:

Gov.

Semi-gov.

NGOs

Source) Surin Sewana, 2000

System change

Before the SIF

After the SIF

Evaluation of change

- Is the new system more efficient and effective than the old one?

  →Yet to be answered.

- Is it sustainable?

  →It depends on the government policy.

  But does the government deny the "popular participation"?

- Does the institutionalization of such provincial agents matter?

  →It depends if they have their own agenda.