

Session 3

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

Shinichi SHIGETOMI

Senior Research Fellow, Area Studies Center, Institute of Developing Economies (IDE-JETRO), Japan

Abstract

After the oil crises of the 1970s, social policy came to be influenced by neo-liberalism, which is based on the notion that government intervention hinders economic growth. However, many neo-liberal policies, especially structural adjustment programs aimed at developing countries, had a negative impact on the poor of those nations. Social fund programs have been designed to alleviate that negative economic impact. This strategy is a revision of neo-liberal policy because it uses non-market channels for resource distribution. However, it is still in line with the basic tenets of neo-liberalism since it does not rely on the resource distribution mechanisms of national governments. It expects the non-state actors, such as local governments and non-governmental organizations (NGOs), to assume the role previously played by the agencies of national governments.

The World Bank has been the major contributor to such social fund programs since the late 1980s and had, as of the end of 2001, provided some \$3.5 billion to 58 different countries. Because the principal purpose of social funds is the quick relief of economic crises that burden the poor, the funds usually support small projects, often called sub-projects, which are implemented at the local level. Current programs now place greater emphasis on medium- and long-term goals and the capacity building of communities, local governments, and other intermediary agents. Indeed, compared with other poverty alleviation programs, the salient feature of social fund programs is the way in which the resources are distributed. Most social fund programs have their own office, which is independent of government ministries. The local governments and NGOs are expected to play active roles in fund distribution and the supervision of sub-projects.

Because dozens of countries receive such funds, there have been a number of published reports that evaluate the efficacy of such programs. The World Bank itself publishes reports that evaluate fund performance by comparing results achieved in several countries. However, these evaluation reports fail to delineate the medium- and long-term effects of social funds. It is difficult to do so because the cause-and-effect relationship between project implementation and capacity building is hardly ever identified. As a result, the reports only indicate training programs or training-by-doing in the projects as evidence of capacity building. However, having a training program or implementing a project does not necessarily mean that the project will successfully develop the capabilities of individuals. Moreover, it is hard to specify the particular effect of a social fund project since the actors involved in the project are exposed to a variety of influences from other experiences and environments.

In order to identify the long-term effects of social fund programs, we should focus on the actual change that has been brought about specifically by the funds. Rather than gauging the change in capabilities, we should look instead at the emergence of new actors and institutions, as that will be a more concrete evidence of change. We also need to make every possible effort to specify the various influences and benefits brought by such social funds. As mentioned before, the salient feature of social funds lies in the way that the resources are distributed.

Thailand, which received a social fund called the Social Investment Fund (SIF) in 1998, was obliged to distribute the money to local people while bypassing the governmental hierarchy. A social fund office was established that set up provincial committees and let them play the role of intermediary between the national and local levels. Some committee members stayed active even after the SIF program and continue to act as agents for local development in Thailand. This report will describe these agents, including how they have emerged and how they participate in local development in Thailand.

<p>Shinichi SHIGETOMI Senior Research Fellow, Area Studies Center, Institute of Developing Economies (IDE-JETRO), Japan</p>			
<p>Academic Degrees</p>			
1981	BA		Agricultural Science, Kyoto University
1983	M.A.		Agricultural Science, Kyoto University
1997	Ph.D		Economics, Kyoto University
<p>Field of Study</p>			
<p>Agricultural Economics, Rural Development, NGOs, Thailand</p>			