

**ROLES OF COMMUNITY ORGANIZATIONS IN RURAL  
DEVELOPMENT: Lessons Learned from Malaysia and Thailand**  
***Peran Organisasi Masyarakat dalam Pembangunan Pedesaan:  
Pelajaran dari Malaysia dan Thailand***

**Muktasam**

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**ABSTRACT**

Community Organizations (COs) have been seen as an intermediary institution through which rural development programs are promoted. Rural development programs use COs to facilitate social changes. In Indonesia for example, there are large number and many types of COs such as farmer groups, poverty groups, women groups, and saving groups. However, studies indicate that most COs ineffective and stagnant. This study was conducted to understand the roles of COs in promoting rural development in Malaysia and Thailand. Findings from this study indicate that the success of rural development in those countries has been due to strategic roles of COs. Lessons learned from this study highlighted that to promote better rural development, COs such as community groups could be an option, however, critical steps to establish and to run the COs should be considered seriously.

**ABSTRAK**

*Organisasi masyarakat dipandang sebagai lembaga perantara dalam proses pembangunan pedesaan. Program-program pembangunan pedesaan menggunakan kelembagaan ini guna memfasilitasi proses perubahan sosial. Di Indonesia misalnya, dijumpai banyak jenis dan jumlah organisasi masyarakat seperti kelompok tani, kelompok masyarakat (pokmas dalam program IDT), dan kelompok wanita. Namun demikian, sejumlah studi menunjukkan banyak kelompok tidak efektif dan bahkan stagnan. Penelitian ini dilakukan untuk memahami peran organisasi masyarakat dalam pembangunan pedesaan di Malaysia dan Thailand. Temuan penelitian ini menunjukkan bahwa keberhasilan pembangunan pedesaan di kedua negara tersebut tidak terlepas dari peran strategis organisasi masyarakat. Pelajaran penting yang dipetik dari penelitian ini adalah bahwa organisasi masyarakat dapat menjadi pilihan dalam mencapai keberhasilan pembangunan pedesaan dengan catatan bahwa tahapan kritis dalam pembentukan dan pengelolaan organisasi masyarakat harus dipertimbangkan secara serius.*

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Key Words: Community, organizations, roles, rural, development

Kata Kunci: Masyarakat, organisasi, peran, pedesaan, pembangunan

## INTRODUCTION

### Background

Various policies and programs have been implemented in Indonesia such as green revolution, agricultural development, poverty alleviation (*Inpres Desa Tertinggal - IDT*), small farmer income generating project (*Proyek Peningkatan Pendapatan Petani Kecil – P4K*), social safety net (*Jaring Pengaman Sosial - JPS*), etc. Even though these policies and programs have had substantial impacts on rural life, there are some issues remain. Studies on rural development indicates some critical issues such as declining of community participation, community dependency, lack of community initiative, and issue of sustainability (Muktasam, 2000).

Failures in rural development are not only Indonesian experience, but also the experience of other countries such as discussed by Harrison, *et.al* (1995), Madeley (1991), Hammer (1994), and Egger (1995). Their studies show common factors for rural development failures such as *top-down approach to development, lack of community participation, partial and disintegrative approach, neglecting of local knowledge, lack of coordination, and investment illusion.*

On the other hand, research also found that effective and sustainable rural development was due to the ability to incorporate local values, knowledge and culture into development process. By using traditional institutions such as *banjar* and *subak* (*found in Balinese villages*) the community has not only developed their economy, but also their social and cultural life. Stories of rural development success also highlight the significance of local knowledge, values and community participation. Attention to local knowledge and community participation has been popular in the last two decades such expressed well through terms as *“Putting People First: Sociological Variables in Rural Development”* (Cernea, 1991), *“Participatory Rural Development”* (Burkey, 1993), *“Farmer First”* (Oakley, 1994), *“Whose Reality Counts? Putting the First Last”* (Chambers, 1999), and *“Development from Below”* (Ife, 2002). The use of community organisations such as groups has been believed as the sound option to promote better social changes. Chamala (1995) for example stated that groups could play three types of roles, namely, up-ward managing roles, horizontal as well as down-ward managing roles.

On the basis of this believe and the existing issue of rural development, this study was conducted to understand how other countries use community organizations in promoting effective and sustainable rural development.

## Objectives and Significances

The main objective of this project is to learn from Malaysia and Thailand about best practices of rural development. Several specific objectives are to investigate (1) community participation strategies, (2) types of rural institutions/organisations and their roles, (3) roles of government and non-governmental organisations, (4) roles of Microfinance Institutions, (5) rural development effectiveness and sustainability, (6) rural development within the globalisation age. For certain reasons, this paper presents and discusses only one of these objectives – *roles of rural community organizations in rural development*.

Results of the study allow me to compare the best practices of rural development that lead to the identification of sound knowledge and practices of rural development in Asian context—especially in regard to community organizations/ institutions. Sharing the knowledge of “the best practices” is one of the project significance, while contributing to the rural development theories and practices.

## RESEARCH METHOD

The project was carried out from 1<sup>st</sup> November 2003 to 31st January 2004 (Malaysia) and from 25 February 2004 to 25 June 2004 (Thailand), and used *social research methods*, combining several techniques such as document analysis, in-depth interviews, field visit, observation, focus group discussion and seminars. Critical analysis to documents, development policies and programs was done to identify issues and approaches to rural development. On-line search for journals and other publications was carried out to get more insights and explanation on facts and issues of rural development.

In-depth interviews were conducted to get peoples’ perception, ideas, and comment on “*best practices*”<sup>1</sup> and other related issues of rural

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<sup>1</sup> Even though “best practices” have been perceived differently by different people, best practices in this study were determined based on at least three approaches, namely (1) *document analysis* – that refers to the use of terms such as “success stories”, “successful cases” and “the best practices”; (2) *experts and rural peoples’ perceptions*. Perceptual questions were asked to the key informants of the study such as “could you mention three best practices of rural development in this country?”, and “Why do you perceive these as best practices?”; (3) *researcher’s frame of reference* – that refers to the researcher’s knowledge and experience on “bad practices” of rural development. “Best practices” do not necessary mean “best” in all impacts of the practices such as technical, social, economic, and environmental impacts. Amanah Ikhtiar Malaysia has been considered as “the best practice” in Malaysian rural development because of its success in reducing poverty regardless of AIM’s viability and sustainability.

development. Source of data were farmers, village leaders, field agents, rural cooperative leaders, government and NGO agents, and experts from universities and research and development agencies. Interview guides were designed and developed before the project was started.

Primary and secondary data were obtained for this study. Primary data were collected mainly through in-depth interviews, group discussion and field observation while secondary data were collected through library search, documents, papers, and journal articles. Six main sequential activities were carried out during the study, namely (1) identification of policies and programs on rural development, (2) identification of success stories, (3) identification of key persons and agencies related to the success stories, (4) selection and decision on research locations, contact persons, agencies, and cases for further investigation, (5) visits to agencies and meeting key persons, and (6) field visits and observation.

## RESULTS

### Success Stories from Malaysian Rural Development

The success stories of rural development in Malaysia highlight the critical roles of rural community organizations in rural development development. Groups have been used to facilitate community participation, capacity building, resource mobilization, etc. The following sections describe roles of community organizations in the successful villages such as *Jawatankuasa Kemajuan dan Keselamatan Kampung* (JKKK), and “women groups” in *Amanah Ikhtiar Malaysia* (AIM).

### Roles of JKKK in the Successful Villages

An approach taken by Malaysian government to accelerate rural development is through village competition – which is called “*Pertandingan Ilham Desa*”. This competition is carried out every year and the successful villages get incentives such as prize in RM. The success stories written for the successful villages (Table 1) show substantial roles of *Village Development and Security Committee* or *Jawatankuasa Kemajuan dan Keselamatan Kampung* (JKKK) in the village development. It is an organization of people committee at the grass roots level established to assist the rural communities for a better life in line with the nation vision. Members of the committee are appointed by the Chief Minister based on the recommendations from the respective State Legislative Assembly Members. The recommendation is then endorsed by the State Development Office and District Officer.

Table 1. The Successful Villages Involved in National Competition for 2002

Name of the village	Zone	Successful project
1. Kampung Jelutong, Sik,	Zone 1 North-Kedah	Conservation project – “Projek Pemulihan Tanah Terbiar”
2. Kampung Tanjong Sepat, Kuala Langat	Zone 2 Central - Selangor	Group farming project – “Projek Pertanian Berkelompok”
3. Kampung Pak Rahmat, Kota Bharu	Zone 3 East/South- Kelantan	Growing Salak Project – “Projek Tanaman Salak”
4. Kampung Kota Ayangan, Keningau	Zone 4 Sabah/W.P. Labuan	Lowland Pady Project – “Projek Tanaman Sawah Padi”
5. Kampung Long Bedian, Baram, Miri	Zone 5 Sarawak	Village Economic Improvement Project – “Project Peningkatan Ekonomi Kampung”

Source: Konvensyen Gerakan Desa Wawasan: Pertandingan Ilham Desa 2001, IFRA.

Strategic roles of JKKK in rural development have been shown by all of the successful villages<sup>3</sup>, especially in converging and diverging rural development resources. The institution also facilitates planning and implementation of rural development programs. Document analysis (critical analysis on the successful stories of the successful villages) and in-depth interview with the village headman from the successful villages visited for the study (*Kampung Endah* and *Kancong Darat* villages of Banting Selangor), JKKK uses the following operational model – Figure 1. Two village headmen agreed and proved this model as the way they lead the JKKK.

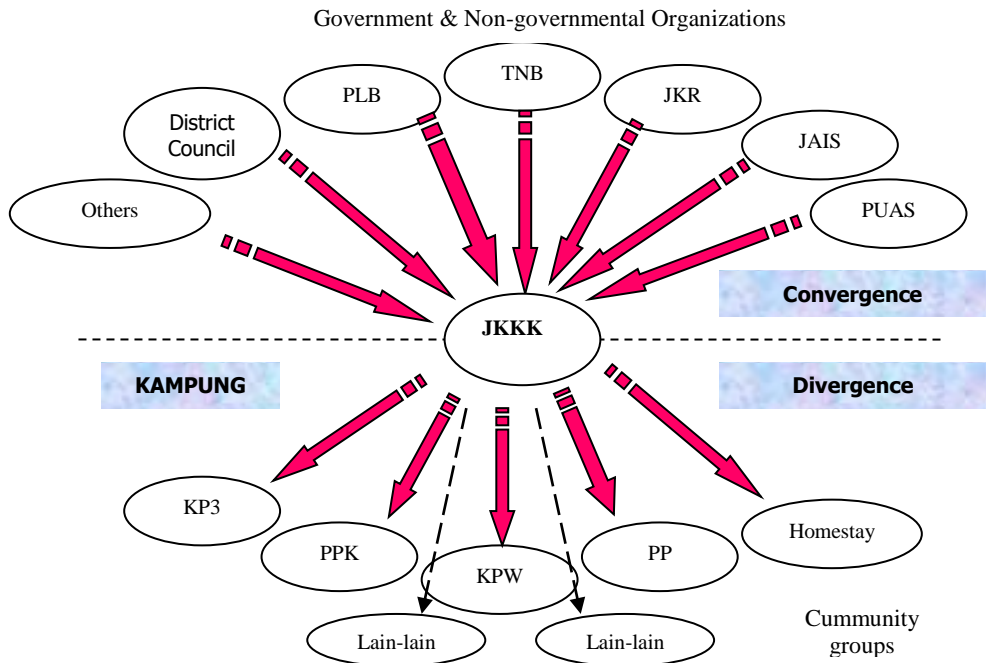


Figure 1. Strategic Roles of JKKK in Rural Development

On the basis of these studies, there are several strategic roles of JKKK in the rural development:

- (1) Planning
- (2) Monitoring of rural development
- (3) Facilitated community participation
- (4) Convergence of rural development resources
- (5) Direct divergence of rural development resources
- (6) Funding mobilization
- (7) Decision making process
- (8) Helping development agencies
- (9) Articulating community's aspiration
- (10) Facilitating inter-village collaboration
- (11) Getting message across
- (12) Screening roles - Controlling

## Roles of Women Groups in *Amanah Ikhtiar Malaysia (AIM)*

*Amanah Ikhtiar Malaysia (AIM)* is a Non-Governmental Organisation which was established on the 17th September 1987. It is a microfinance institution (MFI) and a replication of Grameen Bank to reduce rural poverty in Malaysia. The philosophy of AIM is to alleviate poverty through microcredit. AIM helps to improve productivity and income of the hardcore poor households through their involvement in self-reliance community development programs. Participatory approaches taken by AIM have been considered as *the best practice* that has successfully empowered the poor (Idris, 1999).

Many studies have been carried out to see the impact of AIM on poverty alleviation and all proved that AIM has played significant roles in poverty alleviation and rural development (Idris, 1999; Kasim, 2000; Siwar and Quinones, 2000; AIM, 2001; Ismail, 2001). On the basis of this success, AIM has been seen as a success story of Microfinance institution in Malaysia (Kasim, 2000; Siwar and Quinones, 2000; AIM, 2001; Conroy, 2003) due to its economic and social impacts. According to some research, AIM has not only success in delivering loans to the hardcore poor households, but also improved their income and social status (Kasim, 2000; Siwar and Quinones, 2000; AIM, 2001; Ismail, 2001; Conroy, 2003). The success of AIM is also reflected by the increasing numbers of AIM's clients (Figure 2).

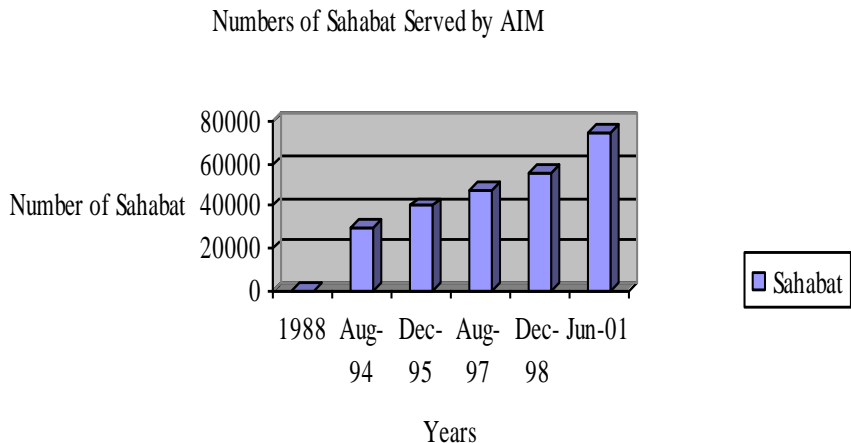


Figure 2. Numbers of Sahabat (members) Served by AIM

Characteristics of AIM program are (1) special emphasis on the poorest, especially women, (2) simple and easy process, (3) activities/projects selected by the members, (4) **working through groups**, (5) focus on discipline and better management, (6) executing a continuous social development program and training (AIM, 2001).

The main financial services of AIM are loan that consist of (1) *Skim Pinjaman Ikhtiar Malaysia* (general loan schemes), (2) *Skim Pinjaman Pendidikan* (education loan), (3) *Skim Pinjaman Perumahan* (housing loan), (4) *Skim Pinjaman Khas Ibu Tunggal* (single parent loan), (5) *Skim Pinjaman Khas Nelayan* (fisheries loan).

Based on members' activities, AIM loans were used mainly for trading (52%), farming (22%), livestock (11%), fishing (4%) and others (11%) (AIM 2001).

Figure 3 depicts operational model of AIM. At village level AIM works with groups (*kumpulan*) where every group should has five members (*sahabat*). Two to eight groups then form a center (*pusat*) where group members get together for discussion, making decisions, getting loans, training, repaying loans, and meeting AIM field staff. The center becomes the basis of AIM activities through which AIM staff and clients meet every week.

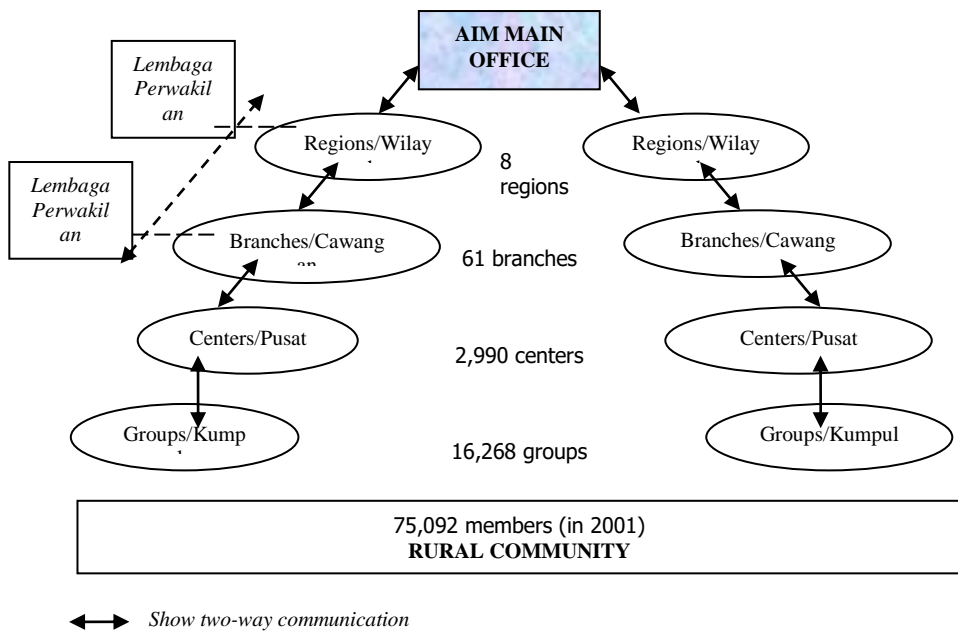


Figure 3.Operational Model of Amanah Ikhtiar Malaysia (AIM)



Based on the literature review and in-dept interview with AIM resource persons, there are several best points of AIM practices – how small groups support the success.

1. **Effective use and establishment of groups.** The group is small, group establishment is followed participatory approach, self-selection of group members, group members have similar socio-economic background, no family relation, have been close to each others more than 2 years – residential approach, but there is no blood linkage – no family relation, participate in training before joint a center to understand their group roles and responsibility, groups control their members to fulfill their responsibility (it is a “Social Collateral” which is considered as a social innovation to address issues of the poor who do not have some forms of assets as their collateral). Almost 100 percent of group members are female because they are likely to be less in horizontal mobility, have good commitment to attend weekly meeting at the center.
2. **Use of CREDIT-plus approaches** – the group members or *sahabat* are not only getting loans from AIM but also get some **training for capacity building**, not only in group and financial management, but also in other aspects related to their socio economic activities such as teaching them reading, etc;
3. **Develop of networking** – where every two to eight groups form a center, and several centers develop inter-center network to form Perwakilan Sahabat at the branch or cawangan level, then from several cawangan, the members form inter-cawangan representative or region level – district level and finally there is representative for the national level. This type of networking has been very helpful as a control mechanism – peer group pressure to keep group members’ behaviour well, articulated members’ aspiration and needs as well as problems, making good decisions, has been used by AIM to promote effective control;
4. **Strictly stages in recruiting clients** – “mean test” must be done prior to the acceptance of members, data on their socio economic background is collected, field visit should be done, interviews, training and after training test, and then provide formal acceptance of eligibility, other group members were ask for their agreement to include other members;
5. **Effective supervision by AIM field staff** – their basis at branches, usually seven field staff working as field agents while three other staff running branch daily operation, attending weekly meeting of centers where loan repayment is scheduled, field staff is strictly forbidden to get and take anything from group members even a glass of water, no

transaction out-side the center, field staff should follow, consistent and committed to their “ikrar”, field staff get proper and full training before formally joint AIM;

6. **Effective control mechanism** for loan disbursement and repayment – the group and the center are involved in controlling the process, every new loan proposal is presented in the center meeting, and decisions are made based on group and center agreement.

### Success Stories from Thailand Rural Development

Due to its significant roles in Thailand’s economy and social life, agricultural development has been considered as a synonym as well as a strategy of Thailand rural development. Falvey (2000) for example summarized several strategic roles of Thailand’s agriculture as the world’s largest rice exporter and high ranking of exporter of other food stuff, the world largest rubber producer and exporter, the largest producer and exporter of Black Tiger Prawn (lead by one Thai multi-national agribusiness group - Charoen Pokaphand or CP that has grown to become the region’s largest agribusiness conglomerate, ranking in the world’s ten largest such firm), the region’s largest exporter of chicken meat and heavily influences the Japanese market. General information on Thailand’s agricultural products is presented in table 2.

Table 2. Ten Dominant Agricultural Products of Thailand and the Total Estimated Values.

Rank 2001/2002	Product	Estimated Farm Value (in million baht)	
		2001/2002	2000/2001
1	Major rice	98,910	92,311
2	Para rubber	50,322	51,175
3	Sugar cane	26,106	24,335
4	Second rice	25,352	24,745
5	Cassava	17,711	12,693
6	Maize	17,641	16,911
7	Durian	13,941	14,068
8	Rambutan	6,867	8,170
9	Longan	5,178	9,369
10	Oil palm	4,866	5,405

Source: Pocket Thailand in Figures, 2004.

Several other writers expressed that the agricultural sector had been “the engine of Thailand’s development” especially in 1960s and 1970s (Hanpongpanh 2001) and even the source of Thailand industrial development (Dilokvidhyarat 1995). Capital accumulation for the early stage of industrial development was mobilized through agricultural sector, especially from rice export tax. However, to some extent it had led to a marginalization of farmers’ life as it is expressed by (Dilokvidhyarat 1995).

### **Roles of Farmer Groups in Thailand Contract Farming**

The success story of Thailand agriculture to some extent has been claimed due to significant roles of agribusiness sector and farmer groups that work under contract farming mode. Farmer groups have several roles within contract farming arrangement such as *contract arrangement, technical assistance, capacity building, share learning, decision making, farmer participation, bargaining power* - – table 3.

Table 3. Advantages and disadvantages of Contract Farming in Agricultural Development

<b>Advantages</b>	<b>Case of CF</b>
1. Stable income	Baby corn <sup>1</sup> , pineapple <sup>2</sup> , vegetable seed <sup>3</sup>
2. Higher income than non CF	Baby corn
3. Market certainty	Baby corn, pineapple, vegetable seed
4. Delivery service for inputs	Baby corn, pineapple, vegetable seed
5. Ease of obtaining input	Baby corn, pineapple, prawn
6. Loan made available through financial institutions	Baby corn, pineapple, vegetable seed
7. Learning new technology	Baby corn, pineapple, vegetable seed
8. Infrastructure : road and ditch	Prawn
9. Information, news and networking	Prawn
10. Quality development	Vegetable soybean, maize seed
<b>Disadvantages</b>	<b>Case of CF</b>
1. Lack of freedom on farm management and decision	Prawn, duck <sup>4</sup>
2. No freedom for buying inputs	Prawn, duck
3. No bargaining power	Low price prawn, vegetable seed, asparagus <sup>5</sup>
4. Slow or delay transportation from farm damaged the produce	Tomato

Source : Sriboonchitta et al. (1996)

Note : 1. OAE. (1993) 2. OAE. (1986)

3. OAE. (1990) 4. OAE. (1991a)

5. OAE. (1991b)

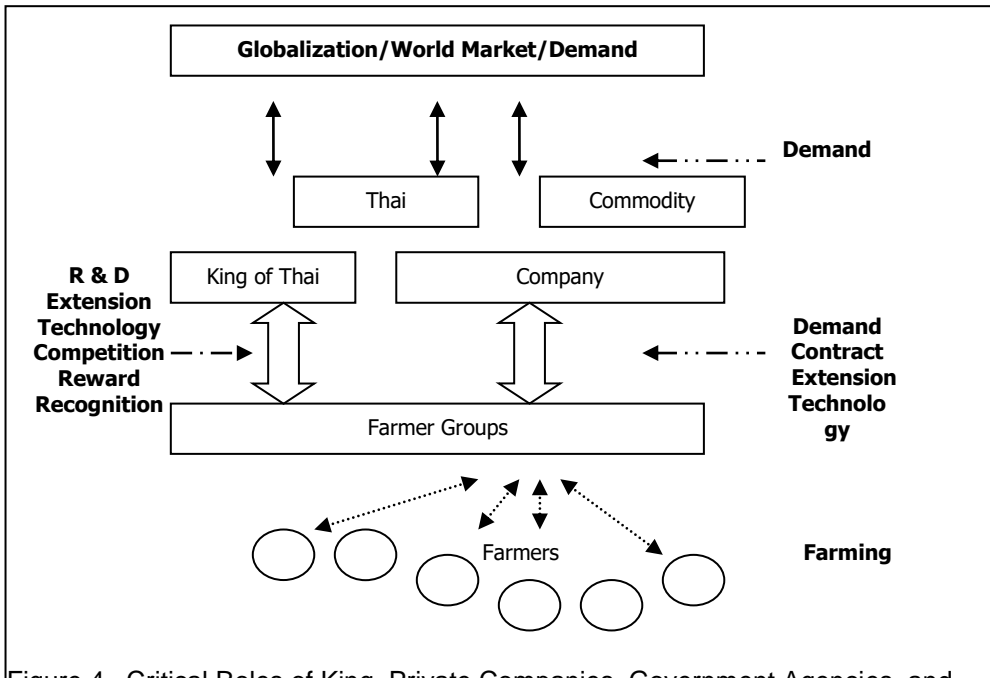


Figure 4. Critical Roles of King, Private Companies, Government Agencies, and Farmers in Generating the World Leading Technical Innovations in Thailand Agriculture

Figure 4 shows driving forces and key stakeholders of Thailand agriculture - the King of Thailand, Thailand’s agribusiness companies, traders, farmers and government agencies. Their involvement has led to better, competitive and high quality products. Thai agribusiness companies and government agencies have performed not only “suppliers of improved agricultural technologies”, but also provide extension services to farmers that have led to the improvement of farmers’ knowledge and skills. These in turn lead to farmers’ success in developing their own innovations known as “the best products”. Reward and recognition have also reinforced and strengthen farmers’ motivation to do their best. According to most of respondents, “international competition and demand” has been a major driving force for this innovation development and invention.

## Forest Community Organisations in Community-based Forest Management

This study found *community-based forest management* as one of the best practices of Thailand's rural development. According to the respondents interviewed in this study, the success of community forest has led to more effective natural resource conservation while at the same time provides better social and economic values to the local villagers. The following three cases<sup>2</sup> highlighted the strategic roles of community organizations in promoting the success of Thailand community forest.

### Bamboo forest – Case 1:

**“Barefoot Silviculture of Community Forest of KHAO RAO THIEN THONG VILLAGE, Chai Nat province, Central Thailand”**. The village covers about 7,800 rais or about 1,250 hectares of land. In 1963 there were only 10 households at the village and forest around the village was in a good condition. In 1966, people from the nearby provinces immigrated to the village and since then forest was cleared for cassava and sugarcane cultivation, and the forest degraded since then. As the population increased, in 1983 the village became four villages. Most villagers are landless and get additional income from off-farm activities. Agricultural activities comprise only 30% of households' income while 70% is from off-farm sector, especially from extracting activities in bamboo forest.

In the last couple of years, the communities from these four villages have started to converse and develop the forest as a bamboo forest. It is about community who are involved in managing bamboo forest which was started in 1996 initiated by only three people from the village. They found that the forest now is providing economic benefits to the local community. At this time the community can enjoy harvesting *bamboo shoots*, *bamboo*, *termite mushroom*, and also *honey* from the forest. Bamboo forest is now also being considered as at the stage of sustainable. **The way how the community achieved this stage is interesting. They establish groups consisted of 27 members** (in consultation with the Rural Reconstruction Foundation), and **then they also developed some rules in regard to forest conservation**. This group has several activities such as (1) fire protection and suppression, (2) enrichment planting and setting the village regulation to harvest **bamboo shoots** (wild native species – *thyrsostachys*

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<sup>2</sup> Case 1 & 2 were taken from papers written by Dr. Somsak Sukwong, Executive Director of RECOFTC, Thailand (some modification was made based on in-depth interview with him). Case 3 was taken from “*PEOPLE'S DEVELOPMENT: A COMMUNITY GOVERNANCE TOOL*” written by Dr. SERI PHONGPHIT - Village Foundation, Thailand), published by UNDP South East Asia HIV and Development Project, July 2001 (in-depth interview was also carried out to clarify the case).

*siamensis*, are delicacy and well known in Thailand and Southeast Asian countries, marketed to local and other provinces as well as Bangkok; also preserved for year round consumption) and forest protection.

**Mushroom** known as Head Cone (*Termitomyces spp*) is commonly found in bamboo forest and is also abundant in Khao Rao Thien Thong village. This mushroom is a worldwide genus, associated with termite mounds or termite underground nest. Once it is found on the forest floor, it will be found at the same location in the successive years and more or less at the same time of the year. It has fragrance smell used for soup. Head Cone is the most expensive earth mushroom of Thailand. In Bangkok at Chatuchak Market, the price can be 500baht/kg. Because of its association with termite, the artificial cultivation is not yet known. At Khao Rao Thien Thong, five species of Head Cone have been identified by local people associated with different kinds of termites.

**The use of group approach and self-empowerment has been considered as a critical factor for the success.** At those villages there have been four types of groups such as (1) community forest management groups, (2) bamboo shoot canning group, (3) banana processing group, and (4) women sewing group. In addition to economic impacts, the establishment of community forest management group has promoted better community solidarity and awareness (social impacts), and environmental impacts (bamboo forest has been sustained, new clumps existed, some believes that the activities have also improved mushroom production, increased soil organic matter), and forest-fire reduced.

### **Mangrove community forest – case 2:**

**Pred Nai (village) Community forest**, Huang Nam Khao district - Trad province Thailand - the last remaining mangrove forest on Thailand's Eastern Seaboard! It was nominated for national award on environmental and forest management movement on the base of its success. Its success due to its ability to incorporate indigenous and community-based approach in mangrove forest management.

Since 1985 the villagers became concerned when the nearby logging mangrove concessions to began over-harvesting (before the concession, mangrove areas was about 48,000ha, and after the concession it become 4,800ha), and prohibited by the concession from harvesting crabs, shells, fish and other forest products in the concession areas. At the same time villagers and other local interests were busy converting degraded mangrove areas into shrimp farms. Also a group of local influential men occupied the inner part of the concessions mangrove forest which they converted to shrimp farms and built a water gate to block seawater that led to worse situation (lost of resources, decrease of fish, and limited access to mangrove forest; conflict between local community and the concession).

**In 1986, the villagers formed a group to stop the logging and shrimp farms and it was successful** (the gate, which blocked seawater, was destroyed). The same action was taken by other villages along the coastal areas to stop concession and start to conserve the mangrove and the aquatic resources.

This people's movement (through community groups) has demonstrated several substantial impacts such as:

- Improving the environment – production of “grap-soil crab”, mud crab, clams has increased
- Improving job opportunities and income – as a result of productivity improvement!
- Reducing poverty
- Getting government recognition
- Improving community awareness and revitalization of mangrove forest
- Establishment of community network
- Facilitating community learning – group action learning (improving the cultivation of mud crab – *Scylla serra* – by developing local technology; contact with fisheries research who specialized in crab aquarium breeding; through school students involvement and even other university students learned from the local school students
- Restoring of biodiversity –population of crabs, fish, shells, and shrimps has increased; many wetland birds are returning, they are for example *Mycteria leucocephala*, *Porphyrus poliocephalus*, *Ardea purpurea*, *A. cinerea*, *Dendrocygna javanica*, *Haliastur Indus*; Monkey (*Macaca fascicularis*) also has come back; Tube snail (Hoy Lod), another useful species found in the mangrove forest, also reappearing after about 20 years disappeared due to the lime pollution along the canal due to shrimp farming. Villagers have expressed their interest to increase their yields, and carry out an experiment on thinning of the dense natural stand of *Ceriops* and continued to monitor and improve the crab harvesting regulation.
- Emerging of other community groups such as women's groups, youth groups and inter-village network, not only in the Pred Nai village but also in other coastal villages.

### **Agroforestry practice – case 3:**

#### ***Inpeng***

“Inpeng” means “Indra has created” (Indra is a Hindu God). It is the name of a network of community-based organizations situated around the foot of Phu Phan Mountain in Northeast Thailand. Up to 1999 this network consisted of 84 village communities in the seven districts of Sakon Nakhon, Udon Thani and Kalasin Provinces. In 2000, the network expanded to include another 10 districts of Sakon Nakhon, totalling over 150 village communities. The name “Inpeng” was given by a wise man who once visited Inpeng Centre from nearby Mahasarakham, located in Ban Bua, Kudbark district, Sakon Nakhon Province. He was so fascinated by the beautiful scenery of that area that he likened it to God's creation. Inpeng's story goes back to 1987 when a new graduate from Sakon Nakhon Teachers College was sent to Ban Bua as a volunteer from a joint programme on community development that was launched by Teachers College and Village Foundation. His supervisor instructed him not to advise the community about any development

projects for at least one year. Instead, he should live in the village as a villager and learn about the community's culture, way of life, values, strengths and weaknesses, aspirations and needs, and difficulties and potentials, to solve their problems.

**Thawatchai**, as this young volunteer was called, followed these instructions. In the beginning, he was suspected to be a former Communist or a secret police agent. Slowly, the community accepted him as a member. He spent most of his time in the village helping anyone who needed help. He gradually became a facilitator in community discussions. He knew how to raise questions and argue with the people. It was a year of learning for both Thawatchai and the villagers who recalled their own stories while answering his many questions. He questioned, for example, how the community came about, from where the founders of the village originated, how many families were initially in the community compared to today, how people lived in the beginning and how things evolved, what natural resources existed in the forest and river, what people found as food in the forest, what problems were encountered, how people solved their problems, etc.

Until about 40 years ago, the environment was still very rich. People could easily find food in the forest, streams or water reservoirs. They did not require much for daily life. Since they lived in a mountainous area with limited land to grow rice, they gathered products from the forest to barter for rice with other villages. Changes began in 1964 when jute was first introduced and planted in their community in Ban Bua. In the following years many families joined in its production only to find that the high prices dropped. Cassava was introduced five years later but history repeated itself. The only way to earn more money was to increase production. Therefore, they cleared trees and invaded public forest to claim more land to plant cassava.

As the mode of production changed, modes of consumption and way of life also changed. People tried to earn money to buy food and other necessary items for daily life. They believed that being capable of buying food from the market conferred a "status" symbol. Those who collected food from the forest to sell in the villages or to traders were considered poor people. Better off families earned money from plantation and from family members who worked in urban centres or other provinces. In 1982 electricity arrived in the community, signaling a significant change in consumption by the villagers. Suddenly every household had to buy an electric fan, refrigerator and television. Up to then, the only symbol of being well-off was to have a TV, batteries and a couch or sofa to host visitors, although most people still preferred to sit on the floor – the traditional way in the villages.

People began borrowing money from banks after jute and cassava plantations were introduced. Applications for loans were not difficult since they needed only an "endorsement" from the village head. The villagers used the loans for agriculture and to buy food and home appliances. At the end of the year, because of insufficient funds to repay the bank, they resorted to private creditors for additional loans. The new loans were used to repay the banks, especially the Bank for Agriculture and Agricultural Cooperatives (BAAC) to keep their "good client status". This good rating then allowed them to request another bank loan, a larger one, with



part of the money to repay private creditors and the rest for family needs. This is repeated year after year, creating a vicious cycle of debts that spiraled upward. For example, if their first loan amounted to 10,000 Baht, 5,000 was invested in planting cassava and the other half for family needs. At the end of the year, they could not repay the sum because of poor crops or the low prices. They had to seek private credit for 10,000 Baht to repay the BAAC. After repayment they borrowed another 20,000 Baht from the bank: 10,000 Baht to repay the private creditor (plus at least 3-5%, and in many cases up to 10% interest rate per month) and the rest for their investment and family needs. This continued until most farmers were nearly 100,000 Baht in debt without any signs of relief. They had to sell their land to repay the debt and move to encroach on forest, public land, or slum areas in urban centres. This was not exactly the case for Ban Bua but similar to what really happened. Not many people moved to other places but most of them suffered. They had no money to educate their children, to be hospitalized when needed or even to remain home and buy food. They had to spend the day foraging for food in the forest and river for household consumption and sale in the market for a few Baht. Forest products previously considered sufficient for home consumption were insufficient commercially. It became harder to search for food in the forest. In the conversations facilitated by Thawatchai, villagers asked themselves how their ancestors lived with sufficient food and basic needs without going into debt and how they could too. Villagers shared what they knew about their parents and grandparents. They realized that their new lifestyles caused the problems. They found that they spent a lot of money but earned only a little. One of the ways to solve the problem was to reduce expenditure, that is, to produce food themselves on their own land with their own hands the way they used to do many years ago. But what was the best way?

In the second year, Thawatchai took a group of villagers to visit nearby districts. They visited farmers and gardeners who grew a variety of vegetables and trees, especially fruit trees. Some were involved with integrated farming. The villagers from Ban Bua were impressed by the example of growing rattan since they can still find rattan seeds in the forest where it used to grow abundantly. They decided to grow rattan and raise pigs. The latter was chosen because local black pigs are used in family and community ceremonies. However, when villages consumed most of the pigs in the village in times of need they set up a "pig project" or a "pig fund".

The Village Foundation gave Ban Bua 10,000 Baht. Five thousand Baht was for the Local Plant Project and the other 5,000 Baht for the Pig Project. The first 5,000 Baht was earmarked to buy black plastic bags for rattan and local plant seedlings. A group member took 100 bags, returned 10 bags with seedlings to the group, which in turn sold the seedlings to earn money, thus a revolving fund for members at the end of each harvest. The revolving fund from the initial 5,000 Baht for black bags generated over one million Baht a few years later. The profit was used to buy a piece of land and to set up Inpeng Centre. The Centre is not as large and imposing as many would expect because it is a human development centre with the focus on man and not the building. From 1988 to 1999, it was estimated that **the Inpeng group with members from 84 village communities produced 20**

**million local plant seedlings, especially rattan, at an estimated value of 100 million Baht.** Villagers learned to improve the method of culturing seedlings. For example, though they learned from a farmer during the first **study trip** that it took eight months to culture rattan, through many trials they **succeeded in culturing seedlings in two weeks.** This is a breakthrough in seed culture techniques.

The Pig Project started with 5,000 Baht for 20 small piglets that were distributed to the first group members. Three years later, the villagers assessed their project: 6,000 small pigs valued at 1.2 million Baht were sold to traders from Bangkok who bought them to make roasted pork. Consequently, an investment of 10,000 Baht generated over 100 million Baht for the communities. However, the Village Foundation which initiated this community development programme had other associated costs: one-year wage for Thawatchai, fees for coordination and documentation of Teachers College and expenses for the villagers' visits to other districts at an approximately total of 100,000 Baht.

The economic return of this investment is incalculable. Many other **income generating activities** were introduced in the past 12 years. Villagers' annual income came from their own integrated farming to grow rattan, all kinds of vegetable, fruit trees, raising fish, chickens, ducks and pigs. They set up a factory funded by their own investment to produce juice from local fruits called Mak Mao, Mak Ngeo, Mak Fai, Mak Khor and others. They also have a small factory to process herbal medicine. Inpeng members bring herbs, which are processed and are brought back to communities. The villagers wanted to prove that they are capable of setting up and managing their own enterprises as part of their development programme. From 1996 to 1999, the Inpeng Group was granted a 5 million Baht project from the National Environment Fund to implement a natural environment preservation project. Their membership grew from 40 communities to 84 and from four to seven districts in three provinces. This project aimed to involve communities to rehabilitate the forest by developing forests on one's own land. About 685 families joined this project to grow thousands of plants, vegetables, and trees on their own properties. The project ended in October 1999 and was evaluated as being very successful by the Ministry of Science, Technology, and Environment. The Ministry also noted that Sakon Nakhon Province, where the project was implemented was the only one in the Northeast Thailand where the forest area increased.

**The Inpeng Group worked with both adults and children.** They realized that schools could not teach their children how to live, work and earn a living. After six years of elementary school or the first three years of secondary school, their children could do only one thing: to find employment in urban centres. The young people could not help their parents and did not want to stay at home. Therefore, **the Inpeng Group brought children together on weekends and holidays to learn how to live and work, about their heritage, their parents, their communities and local wisdom.** This **youth group** is called *Dek Hak Thin* or Children Love their Native Community. **They learned how to raise fish, chicken and integrated farming.** They climbed mountains into the forest with elderly people to **learn about trees, plants, herbs and nature. They saved money**

**every month from sales of seedlings, vegetables and fruits that they produced.** For example, a group of *Dek Hak Thin* in Kud Herd near Ban Bua, loaned the community their savings of approximately 60,000 Baht. At the end of the year, the profits from the savings group were used to buy a bicycle for each member and a sum of money to take home to their parents. In the recent years, the Inpeng Group in Ban Bua community implemented a research project with Yongyut Trinuchkorn, an NGO worker who was active in the Group. Yongyut assisted the Group on health and environmental issues with a network of traditional healers.

Assisted by Yongyut, villagers in Ban Bua collected data about health and related issues. They identified 42 natural sources of food within a range of 14 kilometres around the village, including natural forests, streams and water reservoirs. They collected 62 kinds of aquatic animals (fish, frogs, etc.) consumed in the past. They also identified 46 wild animals previously hunted as food, as well as 26 species of birds and 36 kinds of insects as other food sources. They collected hundreds of plants, trees, fruits and vegetables in the forest and community. Among the 33 varieties of local rice, 32 were glutinous and only one white. For example, Mr. Khien, the community leader of Kud Herd and vice chairperson of Inpeng, found on his one hectare of land about 175 varieties of plants, including large trees, fruit trees, vegetables and herbs of all size and use. **Mr. Khien personified Inpeng members who “took the forest home” by growing forests on their own land.** He worked three years to repay the 50,000 Baht loan he received from BAAC. He again regenerated another forest on additional land purchased in the next three years. Between 1996 and 1999, he profited from eight out of the 175 varieties of plants on his land. One can only imagine the potential profits if he utilized all the other plants.

The villagers also identified food they ate in the past and today, and learned their positive and negative effects on health from both the village elders and research scientists. They recalled what they traditionally ate, which food they had to avoid and why.

All this is part of the process of identifying potential capital and resources for a community to form the basis of developing self-reliance. ***Inpeng people learned about the past and present, and planned for the future for themselves and their children. An integrated farming system that is well planned and implemented could serve as a form of social security when they are too old to work.*** For example, besides the savings group, growing trees represent a 25-30 years investment, where an initial investment of 500 trees at 10,000-20,000 Baht per tree grows to 5 to 10 million Baht in 30 years. This represents a pension or social security. When needed, part of the trees could be sold for hospital bills, merit making or for travel. Instead of working after retirement age, he or she could rely on the land based on integrated farming implemented 30 years ago. ***Today the Inpeng Group members serve as resources by telling their stories about how they became self-reliant and teaching sustainable development.*** Many people visit Inpeng Centre and member communities to learn hands-on self-reliance lessons.

## GENERAL DISCUSSION

The success stories presented in this paper highlight the roles of rural peoples' organisations in rural development. In Malaysia, these organisations (JKKK and Women Groups) have performed substantial roles in rural project management, from planning stage to controlling stage. Participation of rural people has been facilitated through these organisations.

### Malaysian Cases

In case of JKKK, its operational model helps to address some issues associated with "parallel", "dis-integrated", "project-based" and "top-down" approaches to rural development experienced by other countries like Indonesia. Every development efforts and resources goes through single organisation (converging process) and then distributes to specific target groups (diverging process). With this type of approach, issues such as "program overlapping", "redundancy", "mis-targeting", and "manipulation" could be minimised and reduced. Indonesian experiences in poverty alleviation and rural development program indicate the predominance of these approaches that lead to critical issues such as declining of community participation, community dependency, lack of community initiative, and issue of sustainability. To the rural community, development means *programs or projects or activities promoted and carried out by outsiders for the community* that also justify *why development stops when the program and the project are completed* (Muktasam, 2000; Muktasam, 2002). Failures in rural development are not only Indonesian experience, but also the experience of other countries such as discussed by Harrison, et.al (1995), Madeley (1991), Hammer (1994), and Egger (1995). Their studies show common factors for rural development failures such as *top-down approach to development, lack of community participation, partial and disintegrative approach, neglecting of local knowledge, lack of coordination, and investment illusion*. Operational model applied by JKKK seems to offer an alternative to solve these development problems.

Women groups promoted in Amanah Ukhtiar Malaysia (AIM) provide learning point how to promote more effective and sustainable rural community organizations. Participatory approach to their establishment has been the key to their success. Rural women would find that they have been empowered through the groups because they have been consulted from the early stage of organizational development – formation stage, where they have the power to select group members. This study also reveals that the groups play important roles in improving group members' capacity and

controlling group members' behaviors. The size and the composition of the groups also highlight other critical lessons to learn how to facilitate effective community organizations. Indonesian experience in some of poverty alleviation programs indicates the absence of these approaches. Muktasam (2000) for example found that in one less developed village involved in the poverty alleviation program (Inpres Desa Tertinggal – IDT), 27 poverty groups were established in a one-day meeting ignoring the importance of their composition and size, group members' characters, clear vision, and other aspects of group effectiveness and sustainability as practiced by AIM's women groups.

### **Thailand Cases**

Similar learning points could be generated from the success story of community organizations in Thailand rural development. Farmer groups in contract farming arrangement and community groups in community-based forest management. Farmer groups in contract farming provide a sound approach how to facilitate farmer partnership with agribusiness industries while community groups in community forest management provide an understanding how development should incorporate local knowledge and values through community participation. Farmer groups in Thailand contract farming have played important roles in farmers' capacity building (through agencies technical assistance – extension services), farmers' access to new knowledge, technologies and market. Farmers gain more power to get better price and adequate inputs.

The three success stories of community-based forest management highlight the critical of incorporating communities in development management. The three cases indicate the failures of forest management in the first place when the government introduced centralized policies – growing cash crops/monoculture forest cultivation and mangrove forest concession. Once these policies/programs implemented, the communities then realized and found that they were in a worsen condition. Forest degradation started to take place and the community wellbeing deteriorated. In response to these changes, then the community started to reflect and ask what was wrong with the policies and programs. All the three success stories reminding the importance of local people participation and the commitment of policy makers to appreciate local knowledge. The three cases also reveal how local communities lead the changes and bring to the success.

The cases are consistent with exiting trend in rural development approaches that well expressed by the terms as *“Rural Development, Putting the Last First”* (Chambers, 1983), *“Whose Reality Counts? Putting the First Last”* (Chambers, 1999), *“Putting People First: Sociological*

*Variables in Rural Development*" (Cernea, 1991), *"Participatory Rural Development"* (Burkey, 1993), *"Experiment with Democracy"* (Rouse, 1994), *"Farmer First"* (Oakley, 1994), and *Participative Action Management* (Chamala, 1990), and *"Development from Below"* (Ife, 2002).

## **CONCLUSIONS AND LESSON LEARNED**

On the basis of studies carried out in Malaysia and Thailand in the field of rural development, it could be concluded that community organizations play strategic roles in promoting changes. In Malaysia, *"Jawatankuasa Kemajuan dan Keselamatan Kampung"* (JKKK) and *"Women Groups"* have contributed to the success of village development and poverty alleviation. These two community organizations facilitate community participation in all aspects of rural development programs such planning, organizing, implementation and controlling. The organizations also help the local community to learn – capacity building. Similarly, Thailand success stories of contract farming in agriculture and community forestry also indicate substantial roles of community organizations in facilitating effective and sustainable development. The organizations have performed not only their roles as participatory institutions but also as learning organizations.

Several lessons learned from this study highlighted that to promote more effective and sustainable rural development, community groups could be an option, however, some critical steps to establish and to run the groups should be considered seriously. The groups should be small, established based on the community's problems and needs, getting effective and continuous support from field agents, and strong commitment from external agencies. Best practices found in Malaysian and Thailand could be considered as a "learning resource" by some other Asian countries such as Indonesia to promote more effective rural development. There is a need to learn how rural development has been successful due to effective roles played by community organizations such as JKKK, women, farmer and community forest groups.

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