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CREATING SPACE FOR LOCAL VOICES THROUGH COMMUNITY EMPOWERMENT AND BY ENGAGING THE PRIVATE SECTOR

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1. Development assistance is often given to communities by governments and organizations using a top-down approach. PDA believes the communities themselves best know their needs. Their voices should be heard when determining designing a development program.
2. While the community is the best source of information regarding its own needs, it usually lacks the infrastructure and certain skills necessary to identify and articulate their needs. PDA sees itself as a facilitator
3. In Thailand, rural villages often lack a representative social infrastructure. Each village may have a headman and some representatives of the local government administration office but these positions are usually held by men. When PDA begins work in a village, the first thing we do is to help to villagers elect a representative committee, known as the Village Development Committee. This consists of 3 sub-committees: the Village Development Bank, the Youth Committee, and the Council of Elders. Each sub-committee comprises 8 members and must have equal male and female representation. The Village Development Bank Committee is in charge of managing the village's central fund, which includes individual villagers' savings and funds received from external sources. As well as encouraging villagers to save money, the bank funds communal development projects, provides scholarships, health insurance and micro-credit loans. The loans can only be used by individuals to set up or expand their business. The loan fund works on a revolving basis, whereby the loan paid back by one villager can then be taken out by the next. All the members of the bank are shareholders, hence the bank is completely owned by the village. The Youth Committee members are between 14 and 24 years of age and lead several of the village's projects such as tree-planting and garbage recycling. The Elders Committee is consulted on all major activities.
4. PDA trains the Village Development Committee on skills which help them to identify and articulate their needs, as well as successfully run the Village Development Bank. This includes how to conduct a needs assessment at both an individual and community level, how to manage resources, proposal writing and book keeping. We guide them through the process of writing a concrete village development plan. Furthermore, we take them on eye-opener trips to other successful villages to gather ideas for their development plan. Training is also provided in the areas of democracy, basic business skills, health and sanitation.
5. PDA believes that we cannot and should not rely on the government to take care of all a nation's developmental concerns. In Thailand, remote rural communities are the last to receive governmental assistance. Private companies are becoming increasingly aware of their Corporate Social Responsibility, and recognizing that demonstration of this is as important to their stakeholders as their ability to run their business well.

6. PDA believes that a bottom of the pyramid approach is more effective, focussing on the poor as producers rather than consumers. We believe that business is the only way out of poverty, and the poor rural communities lack two things to be successful in business: capital and business skills. Villagers do not have access to formal loans at a market rate, as they lack collateral. They obtain loans from loan sharks at very high interest rates that they are unable to pay back. Private sector businesses can provide capital and business skills.

7. PDA engages the private sector in its rural development activities, notably through our Village Development Partnership model. A private sector business is partnered with a village, whereby the business provides capital and the villages provides manual labour for the projects. This trade-off instils the feeling of a partnership rather than a donor-recipient relationship. As the empowered community manages its own funds and development activities, it feels ownership and a sense of pride for its own development.

8. Aside from funding, businesses are able to help villages in several ways. They are able to train or advise villagers on how to run their micro businesses. They may also be able to help village producers access markets in cities or even abroad.

9. The mechanism of the Village Development Bank is such that the funds should grow, for example through micro-credit loan repayment interest. Within 6 years, the village should no longer be dependent on the private sector partner for funding of its development activities.

10. PDA's VDP model has been very successful. Villages with whom we have worked for less than six years have realized their developmental plans and have continued to work on new activities using funds generated by the Village Development Bank. Through their improved awareness of their needs and the chance to start local businesses, individuals have come out of debt and even accumulated savings, and fewer migrate to cities to work as hired labour. Furthermore, villagers have a sense of ownership and pride of the development work in their community.

11. PDA has worked with several partners on Village Development Partnerships. In the South of Thailand, PDA partnered with the European Commission, World Bank, Deutsche Bank, American Jewish Joint Distribution Committee (JDC) and BAAC to successfully launch over 60 VDP projects under the "New Lives After Tsunami" program. In Ratchaburi province, PDA is launching 73 VDP projects with Ratchaburi Power. In the Northeast, we have partnered with Nike, Novartis, COCA Holding International, Capital Market Academy 3, as well as a number of private individuals.

12. It is important to note that the private sector/community partnership should not work against any government/community relationship. Indeed, when engaging communities and businesses in the VDP and other development projects, PDA always invites local government administration organization representatives to participate.