

# People's Groups and Community-Based Arrangements In Tambol Pakklong, Pathew District, Chumporn Province



Southeast Asian Fisheries Development Center



Department of Fisheries, Thailand

TD/RES/No.57

LBCRM-PD No.4

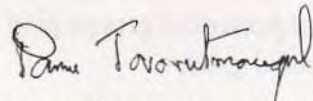
September 2002



# FOREWORD

Under the Fisheries Consulting Group (FCG) scheme, SEAFDEC/TD and the Department of Fisheries (DOF) has planned and implemented a joint involvement in "Locally Based Coastal Resource Management, Pathew District, Chumporn Province (LBCRM-PD)". This project has the objective of enhancing the people's awareness on the sustainable use of coastal resource and developing an effective management framework at the project site.

To lead to the outstanding success of the project activities, the project continues to conduct a base line survey including the socio-economic aspect. This volume is the result of a series of socio-economic surveys that have been carried out since January 2002. It concerns the people's groups and community-based arrangements for community and fisheries development. I hope that these survey results will be of great use, not only for Thai coastal fisheries development, but also for other member countries of SEAFDEC-ASEAN. Deeper descriptions and analyses are planned for implementation.



**Panu Tavarutmaneegul**  
*Secretary General*



# PREFACE

The purpose of this volume is to describe the situation of people's groups and community-based arrangements currently existing in Tambol Pakklong, Pathew District, Chumporn Province. Since the Survey Team began socio-economic research in January 2002, we have tried to get a substantive picture of people's groups and community-based arrangements for community development. This attempt still continues and pays great attention to their perspectives for further development.

Not only the Department of Fisheries (DOF), but also other government agencies involved in community development spend enormous amounts of energy to organize people's cooperation in whatever the membership and activity. People themselves increasingly participate in self-help, self-awareness and mutual cooperation in various fields, regardless of whether formally or informally. In Thai rural areas at this moment, people involve themselves in multiple memberships of groups and deal with their similar businesses. This is a very common phenomenon.

Of course, there is much argument and disagreement over the appraisal of people's groups and community-based arrangements. The appraisal always fluctuates between the negative and positive aspects. Promotion policy for people's cooperation is always a controversial issue. Failures experienced in the organization and business management of groups give more negative impact, while there are a large number of successful groups.

As well as in all parts of Thailand, the people in Tambol Pakklong have established a large number of groups and community-based arrangements for community development. Some are prosperous in business operation, but some fall into dormancy. Some activities of the project would rely on the moral support of people's groups like cohesion, uniformity and intimacy, and some would expect practical functions like coordination, adjustment and implementation found in the people's groups. At an early stage of the project activities, we should take a careful look at the current situation of the groups that are related to any project activities, and assess the possibility of their transformation into a more participatory organization and effective business unit, together with members and non-members.

Through interviews and surveys during these days, we have realized three facts. Firstly, people and Moobaan (village) leaders show different attitudes toward groups and arrangements even under the same framework of development policy. Secondly, the people become mature enough to establish groups whenever necessary, and at one and the same time they flexibly abandon them. Lastly, their demand for micro credit is very strong, given the conditions including



lack of access to a modern banking system, seasonal change of fisheries income sources, and shortage of agricultural land property.

We have not yet reached any conclusive analysis to draw up organizational and functional characteristics of people's cooperation that they would take when in charge of coastal resource management. Yet an analysis on functions of Moobaan administration and Sub-District Administrative Organization (Ao.Bo.To) will not come into our view. Although the description hereafter will contain mainly basic information and data, it will consist of a preliminary part of the next survey and analytical description.

We hope that this volume will be of great value not only for those involved in the fisheries business and management aspects, but also for all development planners. How to attain sustainable local resource management is the highlight of agriculture, fisheries and forestry development. Encouragement of small-scale local business is given a higher priority, which is because of an urgent need for the alleviation of rural poverty.

On behalf of three authors,

JICA's Expert on Fisheries Socio-Economics

**Masahiro Yamao**

16 August 2002

# CONTENTS

	Page
<b>★ I. Introduction : Purposes and Survey</b>	
Purposes .....	1
Data Collection and Interviews .....	2
<b>★ II. Social Conditions of Tambol Pakklong</b>	
Level of Development .....	3
Average Income .....	3
Disparity between Moobaans .....	5
Dependence on Fisheries Economy .....	5
<b>★ III. Government Policy for Financial Groups and Arrangements</b>	
Emphasis on People's Participation .....	7
Moobaan-Based Financial Groups and Arrangements .....	7
Lack of Access to Conventional Financial Institutions .....	7
To Create Money Circulation in Moobaan Using Simple Procedure .....	8
At the Core of the Community Development Program .....	8
<b>★ IV. The Organization and Activity of People's Groups in Tambol Pakklong</b>	
1. Outlines of People's Groups .....	9
The Expansion of Project-oriented Groups and Their Membership .....	9
Three Types of Government-instructed Groups .....	10
Geographic Restriction on Extending Membership .....	10
Rapid Expansion of Groups in the 1990s .....	12
2. Government Development Project with Focus on Micro Credit Schemes ...	12
2.1 Poverty Alleviation Project (PAP) .....	13
Outline of the PAP .....	13
Different Methods of Operation of the PAP scheme .....	13
Monopolize Government-sourced Funds .....	14
2.2 The Occupational Promotion Project (OPP) and Ao.Bo.To .....	15
Assistance through Ao.Bo.To .....	15
As Operation Funds of Group Business Activities .....	15
Establish New Groups .....	17
Moobaan Administration Steers the OPP .....	17
2.3 Village Funds Project (VFP) .....	18
Provision of Investment Funds for Rural Development .....	18
Credit Activity under the VFP .....	18
Saving Function .....	20



3. Occupational Groups in Agriculture and Fisheries .....	20
3.1 Agriculture Fields.....	20
Agriculturists Group for Plantations .....	20
Diversified Business Activities .....	21
New Groups intend to have an Occupational focus .....	22
3.2 Fisheries Fields .....	22
3.2.1 Fishers Groups Guided by the DOF .....	22
Policy for Groups (Non-registered) .....	22
Four Fishers Groups .....	22
Default of Members Prevents Business Development .....	24
Challenge to Shell Culture .....	24
A new group in Moobaan No.7 .....	24
3.2.2 Other Fishers Groups .....	25
As Rotating Credit Association .....	25
For Saving and Culture Purposes .....	25
4. Saving Groups for Production Credit and Women's Groups .....	26
4.1 Spread of Saving Groups .....	26
Policy for the Promotion of Saving Groups .....	26
New Challenge of Saving Group .....	26
Linkage with Agriculturists Group .....	28
4.2 Women's Groups .....	28
Support by the District Office of Pathew .....	28
Fish Processing Attracts Women .....	29
5. Local NGO for Mangrove Reforestation .....	29
Expansion of Reforestation Areas .....	29
Environmental Education and Awareness Building .....	29

## ★ V. Conclusions: Summary and Recommendation

1. Summary on Organization and Activity of Groups in Tambol Pakklong. ....	31
1.1 General Characteristics .....	31
1.2 Successful Lessons: From Our Observations .....	33
1.3 Bitter and Failure Lessons Learned Through the Operation of People's Groups .....	34
2. Recommendations: For the Project Purposes .....	35

# LIST OF TABLES

	Page
<b>Table 1.</b> Level of Development in Communities .....	4
<b>Table 2.</b> Average Annual Income Per Person .....	4
<b>Table 3.</b> Number of Households Engage in Fisheries .....	5
<b>Table 4.</b> Number of People Joining Groups in Tambol Pakklong .....	9
<b>Table 5.</b> Lists of People's Groups and Community-based Arrangements .....	11
<b>Table 6.</b> Poverty Alleviation Project (PAP) and Community-based Arrangement .....	14
<b>Table 7.</b> Occupational Promotion Project (OPP) in Tambol Pakklong .....	16
<b>Table 8.</b> Village Funds Projects in Tambol Pakklong .....	19
<b>Table 9.</b> Organization and Activity of Farmers' Groups in Tambol Pakklong .....	21
<b>Table 10.</b> Organization and Activity of Fishers' Groups in Tambol Pakklong .....	23
<b>Table 11.</b> Saving Groups for Production Credit in Tambol Pakklong .....	27





# PEOPLE'S GROUPS AND COMMUNITY-BASED ARRANGEMENTS IN TAMBOL PAKKLONG, PATHEW DISTRICT, CHUMPORN PROVINCE

## ABSTRACT

This paper presents a picture of the current situation of people's groups and community-based arrangements in Tambol Pakklong. The people there have so far established a large number of cooperative organizations and local arrangements for various purposes. These are regarded as social infrastructures and supportive tools to push the LBCRM-PD activities forward. Before going into deeper discussion on the perspective of group activities for coastal resource management and local business development, we should refer to the organization, membership, activity and management of all groups and arrangements currently existing. This paper is the result of a primary survey conducted by members of the socio-economic survey group of the research team, in February and March 2002.

The description consists of three main points. Firstly, it briefly outlines the development process of the groups. The second point analytically explains the current situation of the group activities and organization. The third point focuses on the general characteristics of groups, successes and failure lessons learned through their past and present experiences.

The people are enthusiastic about establishing and joining micro credit schemes to satisfy their financial demands. They engage in multiple memberships. The functions and memberships of these groups severely overlap. Moobaan administrations have a vital role in the establishment and management of financial groups. Some financial groups begin to diversify their economic activities into, for example, supply, marketing, and processing. Enlarging a monetary circulation gives a positive impact to the agro-based economy of Tambol Pakklong. On the other hand, many groups face default of members repayments, the exclusive nature of membership, a lack of managerial skill, meager scales of business, and so on. To accomplish the initial objectives of the project core activities, the project should entail a deeper plan for collaboration with people's groups and locally based organizations. Their success and failure lessons will provide a profound insight into viable models of groups for coastal resource management and local business development.

### **Key words**

Government Support, Micro Credit Scheme, Community-based Arrangement, People's Group, Money Circulation, Default of Members Repayments, Geographic Restriction, Moobaan-based Membership





**PEOPLE'S GROUPS AND COMMUNITY-BASED ARRANGEMENTS  
IN TAMBOL PAKKLONG, PATHEW DISTRICT,  
CHUMPORN PROVINCE**



# PEOPLE'S GROUPS AND COMMUNITY-BASED ARRANGEMENTS IN TAMBOL PAKKLONG, PATHEW DISTRICT, CHUMPNORN PROVINCE

## INTRODUCTION : PURPOSES AND SURVEY

### Purposes

This paper focuses on the organization and activity of the people's groups and community-based arrangements currently existing whose membership and organization are extended over Tambol Pakklong, Pathew District, Chumporn Province.

One of the significant strategies toward rural development in Thailand is the establishment of people's groups. Before the mid 1970s, infrastructure development and social security improvement had been at the core of Thai rural development policy. This successfully brought a rapid expansion of production capacity and a sharp rise of productivity in the rural and agro-based sectors. So that the government began to steer a community development policy toward placing a greater emphasis on people's participation and self-reliance, while restructuring the local government administration and encouraging people's self-help organizations.

By the beginning of the 2000s, the majority of rural people had joined whatever memberships of people's groups and community-based arrangements were in their own vicinity regardless of being formal or informal, government-led or NGO-led. Such people's enthusiastic participation into group activities has an effect on community development and locally required programs. The Thai government has made enormous efforts to establish people's groups by providing concessive financial support, particularly after the Economic Crisis in 1997.

As well as in all parts of Thailand, the people in Tambol Pakklong have established a number of cooperative and locally based organizations for whatever purposes. As the LBCRM-PD proposal describes, we assume that one factor to lead to the success of the project core activities is the development of cooperative and local organizations. The project should stimulate the people's participation into the organization and activity of groups, and urge the rebuilding of the groups currently existing into more practical ones. The groups will become a basic infrastructure for implementing the project activities.

This paper contains three points. The first briefly outlines the development process of people's groups and community-based arrangements in a Thai rural area, with focus on



promotion policy for participatory and self-help arrangements. Many government agencies involved in community development put together their own plan for creating a particular type of group. As a result, there appear to be a number of groups and institutions that are similar to each other in a narrow locality. Cooperative<sup>1</sup>, agriculturists group<sup>2</sup>, clients group of the Bank for Agriculture and Agriculture Cooperatives (BAAC)<sup>3</sup>, and savings group<sup>4</sup> are examples. They have their own distinguishing principles in organization and business purposes. People usually undertake more than one membership of different groups and institutions. It is very difficult to identify such duplication and the complexity of the groups. The description hereafter does not include a deeper analysis on all policies related to the establishment of groups, but we would refer to the types of groups that presently exist in Tambol Pakklong.

Secondly, this report analytically explains organizations, activity and the characteristics of groups in Tambol Pakklong. The socio-economic survey team continues to interview group leaders and members, and to collect basic information on the group activities. There are six while another Moobaan is based upon an agro-economy. The six fishing Moobaans are targeted for our survey (Moobaan No.1, 2, 3, 5, 6 and 7). There is no clear distinction in terms of occupation between fisheries and agriculture. Many people are engaged in both businesses, so that memberships of groups are open to both fisheries and agriculture. Thus, our survey and interviews should include agro-based groups.

Lastly, this report will include discussion on problem of people's groups and community-based arrangements for coastal resource management and community development at the project site. We will be able to give a picture of the current problems that the groups face, and possible solutions that they could undertake. In the near future, the project staff will propose more practical and applicable suggestions, based upon experiences and lessons learned through the implementation of the project activities.

## **Data Collection and Interviews**

Collection of data and interview started with a pre-survey that was conducted in January 2002. During the period from February to March 2002, members of the socio-economic survey team conducted interviews with group leaders and members. On interviewing about the group activities and discussing with them, we were trying to collect exact figures and data on the results of business activities and the trends of organizations. However, we found difficulty in determining the exact features of the groups because of a lack of well-recorded data. This report has to rely mainly upon our interview results. More exact data will be subject to another survey. Therefore, this description is a processing report of the survey.





### Level of Development

According to the survey results outlined by the Ministry of Interior (MI)<sup>5</sup>, Tambol Pakklong has a relatively higher score of social and economic conditions. Its development level reaches "Level 3"<sup>6</sup>. This does not mean that the people in the Tambol are not subject to poverty and social insecurity. Four Moobaans are categorized as being "poor", so that government provides a subsidy of 280,000 Baht to them<sup>7</sup>. These Moobaans are at least under such conditions as 1) household income per year being less than 15,000 Baht, 2) there are households whose family member obtain less than 15,000 Baht per year, and/or 3) those households at the level of absolute poverty account for over 30 % of the total.

### Average Income

In 2000, in Tambol Pakklong, the people earned or had an average income of 10,674 Baht per year. There was great difference as regards average income between Moobaans. The lowest was 7,086 Baht in Moobaan No.3, while the highest was 15,585 Baht in Moobaan No.7.<sup>8</sup> 48.9 % of households were over the level of 20,000 Baht, and the average income per person was 10,674 Baht. This was the lowest figure among six Tambols in Pathew District; where the average income in the District reached 14,272 Baht<sup>9</sup>. In other Tambols, the majority of households showed a level of over 20,000 Baht. The people at the project site suffer a lower economic and social standard.

The Local Administration Department (LAD) defines Tambol Pakklong as "Level 3 of Development", by referring to the figures of "Kan Jat Keb Kho Mun Phun Tan Radab Moobaan, Kho.Cho.Cho. Son. Kho". This survey report contains 31 indicators on social and economic standards; Tambol Pakklong is in favorable conditions (**Table 1**).



**Table 1. Level of Development in Communities**

	No. of Grade 1	No. of Grade 2	No. of Grade 3	Level of Development
Moobaan No.1	1	12	14	3
Moobaan No.2	6	12	10	2
Moobaan No.3	8	10	11	2
Moobaan No.4	3	8	19	3
Moobaan No.5	6	10	14	2
Moobaan No.6	1	11	15	3
Moobaan No.7	7	10	12	2

(Note) 1 The number of items is thirty one. Each item is scored from 1 to 3. Grade 1 is the lowest development, and Grade 3 is the highest one.

2 Number of Grade 1 will determine the Level of Development.

3 Level of Development is as follows:

Level 1 Grade 11-31 Less developed

Level 2 Grade 6-10 Middle

Level 3 Grade 0-5 Developed

(Source) "Kan Jat Keb Kho Mun Phun Tan Radab Moobaan, Kho.Cho.Cho. Son. Kho" 2541 (1998)

Average income per person in Moobaan No.3 is the lowest, being 7,086 Baht, while Moobaan No. 7 is the highest, at 15,585 Baht. There is a large disparity in annual income between people, and between Moobaans (Table 2). Figures for average income in Moobaans No.1, 4, and 6 are lower than those of Moobaans No.5 and 7, but the social and economic surroundings seem far better.

**Table 2. Average Annual Income Per Person**

	Unit: Baht
	Average Income
Moobaan No.1	14,890
Moobaan No.2	13,825
Moobaan No.3	7,086
Moobaan No.4	10,731
Moobaan No.5	15,311
Moobaan No.6	15,311
Moobaan No.7	15,585
Average	10,674

(Source) Pathew District Office



## Disparity between Moobaans

There are several factors to cause a disparity between the people, and between Moobaans. Firstly, we assume that agricultural development and land ownership affect economic stability and income increase. Out of seven Moobaans, six are engaged in both fisheries and agriculture. Moobaan No.1, 2, 4 and 6 are an agro-based society, showing that the great majority of households are involved in the plantations of coconuts, rubber and palm. They are less dependent upon fisheries business, except in Moobaan No.1. They developed earlier than the others. Farmers are more likely to hold the title of land ownership and *No. So. 3<sup>rd</sup>*. This is distinguished from other Moobaans where farmers cultivate the major commodities in the national forestry zones without any land title<sup>11</sup>.

## Dependence on Fisheries Economy

The extent of economic dependence on fisheries differs from Moobaan to Moobaan. As the figures of **Table 3** show, Moobaan No.1 and 7 account for a higher percentage of fisheries households. Moobaan No.2 and 5 account for 8.6 % and 10.7 % of the total households. In Moobaan No.1, though fisheries indicate a higher ratio of occupation, many of the fishing households are engaged in other occupations like agriculture and as wage laborers. On the other hand, members of the agricultural households tend to seasonally engage in processing squid and anchovy products. Agricultural land is scarce in Moobaan No.7. Cultivable land accounts for approximately 1,000 rai. Many of the fishing households have a meager scale of cultivatable lands. Their economic status remains low.

**Table 3. Number of Households Engage in Fisheries**

Unit: No. and %

	Total of Households	Fisheries				Sub-Total	(%)	Others
		Capture fisheries	Culture fisheries	Both but main income from capture fisheries	Both but main income from culture			
Moobaan No.1	190	66	2	6	6	80	32.9%	110
Moobaan No.2	110	15	2	4	0	21	8.6%	89
Moobaan No.3	96	34	0	0	0	34	14.0%	62
Moobaan No.5	130	25	0	0	1	26	10.7%	104
Moobaan No.6	144	33	2	0	0	35	14.4%	109
Moobaan No.7	103	36	2	9	0	47	19.4%	56
Total	773	209	8	19	7	243	100.0%	530

(Source) Socio-economic survey conducted in May 2002



Roughly speaking, the Moobaans depending more on fisheries economy tend to enlarge a social and economic disparity between the people. Their level of Moobaan development may be lower than that of agro-based areas. Such conditions may influence cohesion, sustainability, and fragility of group activities and organization.

\*\*\*

Table 2: Summary of Household Survey in Tambol Pakklong

Category	Percentage
...	...
...	...
...	...
...	...
...	...
...	...
...	...
...	...
...	...
...	...



### **Emphasis on People's Participation**

For over twenty years, the Thai government has extended many kinds of cooperative and community-based organizations throughout the country. It prepares paternalistic and concessive support in various forms. The government encourages people's participation in self-awareness and self-help activities. Reducing dependence on the government's support is ideal, but concessive support has increased since the Thai Economic Crisis occurred in 1997. In particular, the government enthusiastically supports community-based financial groups and arrangements.

### **Moobaan-Based Financial Groups and Arrangements**

Under the 7<sup>th</sup> National Economic and Social Development Plan (NESDP, 1992-96), the government paid more attention to people's participation in the local development programs, keeping pace with the process of decentralization. There were a large number of successful self-organizing and mutual-help activities like a rice bank, village fisheries, a water-buffalo bank, and a saving bank. These successful examples gave a hint to the direction of community development policy undertaken by the government.

The establishment of financial groups and arrangements is widespread throughout the country. They are usually small-scale and Moobaan-based in nature. There are several good reasons why the government supports such groups and arrangements.

### **Lack of Access to Conventional Financial Institutions**

Firstly, the conventional financial institutions in rural areas, like the BAAC and agricultural cooperatives, do not always meet their clients' and members' needs. These institutions normally require borrowers to mortgage land and immovable property. Many people do not have enough collateral to access the financial services of the BAAC and cooperatives. Small landowners and the land-less are excluded from any meaningful services. The lack of a financial source is still a serious problem and the cause of less development. A financial group brings an additional opportunity to rural areas, through which local people deposit meager amounts of idle funds and raise a micro loan with a low interest rate.



## To Create Money Circulation in Moobaan Using Simple Procedure

Secondly, a financial group creates a monetary circulation mediating between depositors and creditors, at Moobaan level. The accumulated funds in the group will be a source of mutual financing, even though its circulation does not have enough capacity to meet all the members' financial needs. The operation methods and principles of financial groups are in great contrast to the BAAC and cooperatives. Such conventional institutions set up a nationwide and region-wide monetary circulation, along with the "economy of scale" principle in financial business. They do not create a mutual financing system at Tambol and Moobaan levels.

Thirdly, a financial group adopts simple principles and procedures in its organization and activities. Local people flexibly organize (and cease) a group, not following any strict and bureaucratic procedure. Many of the financial groups currently existing are not registered on an official basis on the grounds that they are still weak in their financial position. They are not audited in the same way as cooperatives and agriculturists groups<sup>12</sup>. To put it another way round, a financial group is very fragile and uncertain.

## At the Core of the Community Development Program

Both government and people want to push a financial group forward diversifying non-financing activities. The group is to join a community development program and take part of the local government's responsibility. A financial group is regarded as a policy implementation tool. Therefore, those government agencies having responsibility for community development have promoted the establishment of financial groups according to their own development policies and programs. As a result, an enormous number of financial groups have appeared in rural areas.

It is noteworthy that there are many different kinds and names of community-based groups, however, the majority of these tend to concentrate their activities on creating a mutual financial system. The description hereafter is moving toward the actual situation of people's groups and community-based arrangements for economic development in Tambol Pakklong.





### 1. Outlines of People's Groups

#### The Expansion of Project-oriented Groups and Their Membership

Much like rural communities in North and Northeast Thailand, a number of people's groups and community-based arrangements as a safety net exist in Tambol Pakklong. The figures of **Table 4** give a picture of group activities. By conducting a pre-survey in January 2002, targeting mainly fishers and their families, we have come to realize that they have established many different types of group and enjoy membership of multiple groups, which is more than we expected. It is difficult for respondents to accurately list the names of all groups existing in Moobaans. Among the respondents, fisheries groups have the most popularity and village fund groups are in the second position. Women prefer to join women's and savings groups.

**Table 4. Number of People Joining Groups in Tambol Pakklong**

Unit: No.

	Aquaculture Group	Fisheries Group	Farmers Group	Women's Group	Saving Group	Investment Group	Mangrove Group	Others	Total	No. of respondents
Moobaan No.1	1	10	5	5		3	3	2	29	22
Moobaan No.2		2		3	3	4		1	13	9
Moobaan No.3	1	11		4		9			25	16
Moobaan No.5		9		4	1	6			20	11
Moobaan No.6		7	1		2	4			14	9
Moobaan No.7		13				4			17	14
Total	2	52	6	16	6	30	3	3	118	81

**Note:** 1) One correspondent may join plural groups.

2) Pre-survey was conducted in January 2002. This survey targeted mainly fishers and their wives.



**Table 5** shows the list of people's groups that conduct mainly economic and resource-related activities. The table does not include Moobaan administration, or social and religious organizations. The groups exist in different forms and for particular purposes. They are likely to follow government's guidance and instruction.

### **Three Types of Government-instructed Groups**

There are three types of government-instructed groups in Tambol Pakklong in which particular government agencies have organized to implement their own policies and programs. Firstly, village funds and the poverty alleviation groups are good examples having a well-defined framework and procedure as regards role, function and organization. They are really policy-oriented in nature.

The second type is an occupational one in both the agriculture and fishery fields. The Agriculture Extension Department (AED), the Ministry of Agriculture and Cooperatives (MAC), stimulates cooperative business like the marketing of products and supplying production materials. The DOF has a special scheme for subsidizing fishing gear for fishers groups. Such groups also have a policy-oriented nature, but they are designed to undertake particular economic services.

The third type entails the participatory approach. Savings group is a remarkable example. Membership is open to anybody, not specifying any occupational groups. Women have a vital role in organizing and operating financing business. Many groups are established, restricting their membership to a Moobaan. The groups often join in community development projects in accordance with government policy.

### **Geographic Restriction on Extending Membership**

A peculiar characteristic of people's group in Tambol Pakklong is that their organization and activities rarely extend beyond the whole area of the Tambol. The Pathew District is so long from north to south that any organizations would have difficulty extending membership and business activity throughout the district.



**Table 5. Lists of People's Groups and Community-based Arrangements**

	<b>Name of Groups</b>	<b>Government-based or NGO</b>
Moobaan No.1	1 Village Funds	G
	2 Agricultural Integrated Group, Pakklong	G (AED, MAC))
	3 Women's Groups for Fisheries	G (CDD, MI)
	4 Mangrove Resource Conservation Group	N
Moobaan No.2	1 Alleviation Poverty Group	G (LAD, MI)
	2 Village Funds	G
	3 Agriculturists Group	G (AED, MAC)
	4 Coastal Aquaculture Group	G (DOF, MAC)
	5 Women's Group	G(CDD,MI)
Moobaan No.3	1 Village Funds	G
	2 Farmers Integrated Group for Development	G (AED, MAC)
	3 Coastal Fisheries Group	G (DOF, MAC)
	4 Women's Group	G (CDD, MI)
	5 Alleviation Poverty Group	G (LAD, MI)
	6 Fisheries Relation Group	N
Moobaan No.5	1 Village Funds	G
	2 Alleviation Proverty Group	G (LAD, MI)
	3 Women's Group	G (CDD, MI)
Moobaan No.6	1 Village Funds	G
	2 Saving Group	G (CDD, MI)
	3 Coastal Fisheries Group	G (DOF, MAC)
	4 Fruit & Tree Agriculture Group	G (AED, MAC)
	5 Traditional and Conservation Group	N
	6 Environmental Conservation Group	N
Moobaan No.7	1 Village Funds	G
	2 Alleviation Poverty Group	G (LAD, MI)
	3 Fishing Gear Promotion Group	G (DOF, MAC)
Tambol Level (District Level)	1 Clients Groups of BAAC	BAAC
	2 Pathew Agriculture Cooperative	G(CPD, MAC)

**Abbiation: 1**

*AED= Agriculture Extension Department,  
BAAC= Bank for Agriculture  
& Agricultural Cooperatives, CDD= Community Development  
Department, DOF= Department of Fisheries,  
LAD= Local Administration Department, MI= Ministry of  
Interior, MAC= Ministry of Agriculture and Cooperative*

**Abbiation: 2**

*G= Government-based, N= Non Govrenmental Organization*





Shown by **Table 5**, not much incentive is given to organize even Tambol-based groups. Agriculturists groups (being under the control of the AED) addresses farmers' diversified economic demands; nevertheless, its membership does not extend over the whole area of the Tambol. A number of respondents whom we interviewed pointed out that they rarely intended to join institutions with a district-wide membership. Actually, it is a long distance between the center of Pathew and the Moobaans in Tambol Pakklong. They thought, too, that because of the geographic distance between Moobaans they had not much opportunity to establish and participate Tambol-based institutions. Under such geographic conditions and with their isolated economic nature, the people should quickly respond to government-instructed development programs that would emphasize a Moobaan-based development.

### **Rapid Expansion of Groups in the 1990s**

The figures of Table 5 sketch out the time of establishment. Many of the groups currently existing appeared before and after the mid-1990s. During these three years, the people had enthusiastically organized financial groups, responding to a series of government community development policies. They benefited increasingly from the government's generous financial support.

At present, those who join financial groups have the potential to improve life and job conditions, by relying on the development of financial groups and arrangements. To give an example, women's saving groups begin to diversify their economic activity and create additional income sources.

---

## **2. Government Development Projects with Focus on Micro Credit Schemes**

---

There are three kinds of micro credit scheme in Tambol Pakklong: poverty alleviation, occupational promotion and village fund projects.



## 2.1 Poverty Alleviation Project (PAP)

### Outline of the PAP

This project started in 1993 with Phase I, guided by the DCD (the Ministry of Interior). The number of target Moobaans amounted to 11,608. 863 thousands of families were financed, the total of loans being 3,250 million Baht. During Phase II (1998-2001), the number of Moobaans the MI lent money to was 7,026. The households that benefited from this project numbered 57 thousand and were 56.4 % of the total target households.

The MI financed 280,000 Baht to a Moobaan, without charging any interest payment. The Moobaan would extend a certain amount of loan to target households. Moobaan with leaders and members deciding the selection of target households, duration of payment, interest rate and minimum and maximum amount of loan. Wage laborer households are usually excluded from the target group, on the grounds that they do not have any secured property for repayment. A Moobaan borrowing the PAP's funds should repay within 5 years. In Tambol Pakklong, the people call this project "Song San Phad (280,000)".

Under the PAP scheme, six Moobaans obtained a subsidy of 280,000 Baht from 1998 to 2001 through the District Office of Community Development, respectively (**Table 6**). These Moobaans seem to work in the same way as shown by **Table 7**. However, they use slightly different methods of extending loans.

### Different Methods of Operation of the PAP scheme

In Moobaan No.2, leaders and members agree that this project should benefit as many people as possible. They do not specify a group of beneficiaries. At the outset of the project, amount of loan per contract is the lowest in the Tambol, being 10,000 Baht only. Because there are no interest charges, this credit scheme is very attractive to all residents. By March 2002, 80 households borrowed money under the PAP scheme. The Moobaan administration is much concerned about equality and equity among the residents. No borrowers are in default so far.



**Table 6. Poverty Alleviation Project (PAP)  
and Community-based Arrangement**

	Established year	Members	Loans per contract	Interest	Duration	Times of Payment	Total of borrowers	Purpose of Borrowing
Moobaan No.2	1998	130	5,000-10,000	Non	2 years	4 times	80	Agriculture Fisheries
Moobaan No.3	2001	30	5,000-20,000	3%/year	2 years	4 times	30	Agriculture
Moobaan No.5	1998	105	10,000-30,000	0.5 %/year	2 years	4 times		Agriculture
Moobaan No.7	1998	27 1)	5,000-25,000	Non	1.5 years	3 times	27	Agriculture

**Note 1)** *Members will be selected by Moobaan committee.*

**(Source)** *Interviews, in January and March 2002.*

In Moobaan No.3, poor farmers do not hold land property right on cultivated land. They rarely access modern financial institutions like the BAAC. 37 households were chosen and financed under the PAP scheme. The main purposes of raising loans are the purchasing of fertilizers, fishing nets and poultry etc. Annual interest rate on loans is 3 %, and when overdue is 6 %.

Moobaan No. 2 and 7 do not charge any interest on loans, while Moobaan No. 3 and 5 charge low rates. The duration of payment is two years, during which borrowers pay in three of four installments (once every 6 months). The funds repaid are a source of new credit sustaining money circulation within the PAP group.

### **Monopolized Government-sourced Funds**

The PAP groups do not have any problem, if a Moobaan committee properly manages the process of choosing borrowers and ensures repayment.



In some Moobaans, however, the committee members put together an arbitrary standard for grading income classes. The PAP funds may not be advanced to those most in need of promised benefits. Influential members often monopolize the PAP funds and invest them in the expansion of their own businesses. The potentially targeted households with unstable income sources, like the land-less and wage laborers, may be excluded from the PAP scheme.

## **2.2 The Occupational Promotion Project (OPP) and Ao.Bo.To**

### **Assistance through Ao.Bo.To**

The Local Administration Department (LAD), the MI, undertakes financial assistance through Ao.Bo.To, to improve job conditions in the Tambol. Although not specifying any particular job, this scheme may concentrate on agriculture and its related work. The Ao.Bo.To will advance 100,000 Baht to a group in a Moobaan. The Moobaan committee is responsible for choosing a group and guaranteeing it. This selected group is required to hold 30 % of the borrowed funds as own capital. In the case that a group does not have enough capital, and if a group demands an amount ranging from 10,000 to 30,000 Baht, the District Office will examine the group activity plan and then make a decision on financing it<sup>13</sup>. Within five years, a group should repay to Ao.Bo.To., the amount of money borrowed. The returned funds are put into the account of Ao.Bo.To's budget<sup>14</sup>.

### **As Operation Funds of Group Business Activities**

There are two cases: the people organize a new group for applying to the OPP scheme, or use a group(s) that has existed and conducted some business. **Table 7** indicates the destination of Ao.Bo.To's funds in each Moobaan.

In Moobaan No.6, two occupational groups shared the funds and received 50,000 Baht, respectively. Both groups put this amount into operational funds for micro credit activities. In Moobaan No.7, a fishers group successfully expanded a micro credit service using 100,000 Baht. The group received a subsidy for nets with an estimated value of 100,000 Baht from the DOF, which would also be a source of revolving loans. Members may more prefer to borrow credit in cash than in kind, so that the subsidized nets are still left.



**Table 7. Occupational Promotion Project (OPP) in Tambol Pakklong**

	Name of Group	Established year	Members	Loan per contract	Interest	Guarantors	Duration of payment	Times of payment	Purpose	Saving	Remarks
Mooban No.1	Agricultural Integrated Group, Pakklong	2001	51	5,000	12%/year	2 persons	1 year	3 times	Fisheries		100,000B from Ao,Bo,To
Mooban No.2	Agricultural Group	2001	9 (1)	10,000	6%/year	2 persons	2 years	4 times	Agriculture		100,000B from Ao,Bo,To
Mooban No.3	Agricultural integrated Group, Tamlong	2001	60	10,000	3%/year	2 persons	1 year		Agriculture Fisheries	50B/month	100,000B from Ao,Bo,To
Mooban No.5	Agricultural Integrated Group	2002	10 (1)	10,000					Agriculture		100,000B from Ao,Bo,To
Mooban No.6	Agriculturists Groups for Plantation 2)	1997	150	5,000-10,000	3%/year	2 persons Savings	5 months		Agriculture	100B/month	50,000B from Ao,Bo,To Into operation funds.
	Saving Group for Production 3)	1997	125	5,000-5,500	12%/year	2 persons Savings	2 years	monthly	Agriculture		50,000B from Ao,Bo,To Put into operation funds.
Mooban No.7	Fishing Gear Group 4)	2001	50	5,000	2%/year	2 persons	10 months	monthly	Fisheries		100,000 from Ao,Bo,To Put into operation funds.

**Note:** 1) This shows the number of committee members who are guarantors for 100,000 Baht.

2) This group is registered at the Agricultural Extension Department.

3) Membership covers other neighboring Tambols.

4) The establishment of this group was guided by the DOE.

(Source) Interviews, in January and March 2002.



## **Establish New Groups**

In Moobaan No.1 and 3, in 2001, the people organized new groups to join in the OPP scheme. The groups provide loans for the purposes of both agriculture and fisheries. They adopt almost the same methods of revolving funds as other financial groups do. In Moobaan No.1, a group accumulates 12,000 Baht of savings from 51 members. They afford to borrow a one-year loan of up to 5,000 Baht. The annual interest rate is 12 %. In Moobaan No.3, a group encourages members to deposit at least 50 Baht per month. 16 out of 60 members have begun to deposit.

## **Moobaan Administration Steers the OPP**

Moobaan No.2 applies the OPP scheme and strengthens a Moobaan-based financial arrangement. In the same way as it does for the PAP scheme, the Moobaan administration takes full responsibility for managing the micro credit business. The members are enabled to obtain a certain amount of loan, if the Moobaan administration (group committee) will approve their proposal.

The operational manners of credit activity differ from group to group. Four groups provide 1-2 year longer-term loans, while the remaining two satisfy borrowers' demand for short-term loans for purchasing materials like fertilizers and fishing nets. There is a large gap as regards annual interest rate on loans between groups, ranging from 2 % to 12 %. They also create different payment systems. It is more useful if the funds could be put into operational funds of the groups currently conducting business activity.

In addition, all groups plan to repay 10,000 Baht every year for the first four years, and 60,000 Baht for the final year.



## 2.3 Village Funds Project (VFP)<sup>15</sup>

### Provision of Investment Funds for Rural Development

The Village Funds Project (VFP) started in 2001, and is given a high priority by the government. Accompanying the "One Tambol, One Product" scheme, this project helps people to increase income sources and develop local small businesses. The Prime Minister's Office is preparing to allocate 1 million Baht to all qualified Moobaans in the whole country. The major purposes of this project are to strengthen the circulation of revolving funds in Moobaans, to push forward people's investment and to enhance local entrepreneurship. By relying on an enlarged monetary circulation in the Moobaans, people enjoy increasing opportunities for investment in their present jobs and alternative livelihoods.

A people's group, like a savings group, community bank, welfare and any other occupational group, becomes a primary unit of the VFP scheme. Membership of such a group may be open to all residents<sup>16</sup>.

### Credit Activity under the VFP

As the VFP targets all residents in the Moobaan, the newly established groups attract more members than other types (**Table 8**). Some groups arrange three kinds of loans, i.e., ordinary, extra and emergency loans. Provided by the government, groups have enough funds to match a variety of member's financial needs. The ordinary loan is the one that a borrower may easily access by preparing 2 or 3 guarantors. In Moobaans Nos.1, 3, 5, 6 and 7, the limit on an ordinary loan is 20,000 Baht. With approval from group's committee or all members, borrowers in Moobaan No.2 can be advanced up to 50,000 Baht. Duration of payment for ordinary and extra-ordinary loans is one year. The annual interest rate is 6 %.

Emergency and relief loans are available in Moobaan No.1, 3 and 6. They reserve 100,000 Baht for this purpose. Borrowers are not charged any interest payment, but should repay within 3 months.

Members may prefer to establish a small group with reciprocal collateral and security among them rather than prepare collateral security. Some find difficulty in obtaining a higher amount of loan on an individual basis. Or they hesitate to use immovable property as collateral and security for people's groups, in that these must be secured to apply for the BAAC loan schemes<sup>17</sup>.



**Table 8. Village Funds Projects in Tambol Pakklong**

	Established year	Members	Kinds of loan	Interest	Guarantors	Duration of payment	Times of payment	Total of Borrowers	Saving	Interest	Remarks
Mooabaan No.1	2002	115	A. 20,000 R. 3,000	6%/year No interest	2 persons	1 year 3 months	1 time		Max:5,000	1.75%/year	Relief funds:100,000B
Mooabaan No.2	2001	98	A.15,000-40,000 B.50,000 C. loans secured on deposit	6%/year 2%/month	2 persons 3 persons 2 persons	1 year 1 year 1 year	2 times 2 times	41	10-500/month Max:5,000	1.75%/year	Overdue: 2%/month Overdue: 4%/month
Mooabaan No.3	2001	70	A.15,000-20,000 R.3,000	6%/year No interest	2 persons	1 year 3 months	2 times		20/month Max:5,000		Overdue interest:15 %/month Relief funds:100,000B
Mooabaan No.5	2001	54	A.5,000-20,000 B. >20,000	6%/year 6%/year	3 persons 3 persons	1 year 1 year	2 times 2 times	31	10-1,000	2%/year	Overdue interest:2%/month B type: approval from members
Mooabaan No.6	2001	89	A.20,000 B.>20,000 R. 10,000	6%/year 6%/year No interest	2 persons 2 persons	1 year 1 year 4 months	2 times 2 times	39	10-500/month	1.75%/year	Overdue interest: 2%/month B type: approval from members Relief funds:100,000B
Mooabaan No.7	2001	76	A.10,000-50,000	6%/year	2 persons	1 year	1 times	39	30-500/month	2%/year	Overdue: 15%/month

**Note:** 1) Kinds of loan: A=ordinary loan, B= more amount than ordinary loan.

C= Loans secured on deposits, R= emrgency and relief purpose loan

(Source) Interviews, in January and March 2002.



## Saving Function

The groups have a saving function, too. Setting aside shares, members are required to deposit installment savings every month. In Moobaan No.2, each member deposits from 50 to 500 Baht. The groups adopt the same way, as do savings and other financial groups.

---

### 3. Occupational Groups in Agriculture and Fisheries

---

There are particular types of occupational groups in Tambol Pakklong. They are very similar to other financial groups, in spite of their own particular purposes.

#### 3.1 Agriculture Fields

Farmers groups are grouped into several types, whose membership includes both farmers and fishers.

#### Agriculturists Group for Plantations

The first type is the "agriculturists group", which belong to the AED administrative line. This is a registered and formal group. Its membership consists of agriculturists including farmers, livestock raisers, and fishers, extending over the area of the *Tambol*. The Cooperative Society Act 1968 and the Revolutionary Proclamations No. 35 and No.41 (in 1973) regulate this category. The government has provided enormous amounts of generous support through agriculturist groups, examples being a fertilizer subsidy scheme, a paddy mortgage scheme, and the construction of a central market. In fisheries, a number of groups have been established to deal in fuel and production materials<sup>18</sup>.

The Agriculturists Group for Plantations in Pakklong belongs to this category (**Table 9**). As has been mentioned earlier, the group does not extend its membership over the Tambol area, only to Moobaan No. 1 and 6 (Tambol Pakklong), Moobaan No. 4 (Tambol Donyang) and Moobaan No. 5 (Tambol Chumcho).



**Table 9. Organization and Activity of Farmers' Groups in Tambol Pakklong**

Location	Name	Established year	Government agency concerned	Membership	Activity		Remarks
					Credit	Others	
Moobaan No.2	Agricultural Improvement Group	2001	CDD	Farmers and Fisheries	2 year credit	None	In connection with the OPP. See Table 8
Moobaan No.3	Agricultural Integrated Group Tamtong	2001	CDD	Farmers and Fisheries (Culture)	1 year credit	Saving	In connection with the OPP. See Table 8
Moobaan No.6	Agricultural Group for Plantation, Pakklong	1998	AED	Farmers and Fisheries (Culture)	5 month credit	Saving, Supply, Marketing, and Social Welfare	In connection with the OPP. See Table 8.

**Note** 1) The table does not all farmers groups at the project site.  
**(Source)** Interviews, in January and March 2002.

**Diversified Business Activities**

The Agriculturist Group for Plantations is a multi-purpose group.

Members increasingly deposit savings, which amounts to approximately 300,000 Baht. The limit of loan per member is double the member's savings<sup>19</sup>. The group received 50,000 Baht from the Ao.Bo.To and put it into operational funds. Abundant amounts of funds become a source of credit activity.

The group successfully diversifies its business activities, including the supply of fertilizers, collection of rubber and a sort of social welfare. With the assistance of the "Miyazawa Plan"<sup>20</sup>, the group has increasingly dealt in fertilizers with members, who can avail of a 3-month credit from the group. Rubber planters market their products at government-secured prices through this group<sup>21</sup>. Moreover, the group arranges a mutual help scheme for funeral expenses. In the case where a member or his/her family dies, others will contribute 100 Baht per person. The group is very prosperous in business, and attracts a large number of village people to join its membership and activities.



## **New Groups intend to have an Occupational focus**

Yet another two groups appeared in agriculture field. They may not be grouped into an occupational type, as their memberships are more open than that of the Agricultural Group for Plantations. These two groups intend to become involved in new types of business, but they still concentrate on the operation of a micro credit business.

### **3.2 Fisheries Fields**

#### **3.2.1 Fishers Groups Guided by the DOF**

##### **Policy for Groups (Non-registered)**

During the 6<sup>th</sup> and 7<sup>th</sup> NESDP, the DOF implemented a community development program with four sub-scheme projects, i.e. infrastructure construction, coastal resource conservation & management, fish production development, and establishment of fishers groups. Promotion of fishers groups was at the core of the community development program (Suanrattanachai 2001). Coastal communities have two kinds of fishers groups: group for demonstration and promotion of fishing gear and an aquaculture group. The DOF usually provides materials like fishing nets to the groups. Both provide credit in kind to members. They repay in money, which will become a source of micro credit. This category of group is expected to manage small-scale fisheries facilities constructed by the DOF, including a landing place and net repair loft. It is not formally registered, which does not belong to the category of "agriculturists groups for fisheries". In addition, in Tambol Pakklong, an agriculturist group does not exist in fisheries.

##### **Four Fishers Groups**

In Tambol Pakklong, four fishers groups may be categorized into this type: Group 2, 4, 6 and 7 (**Table 10**).

Group 2 was established in 1995 in Moobaan No.1. Financially supported by the DOF, it started to provide credit in kind (nets) to members, and accumulated revolving funds to meet members' demands for short-term credit. However, this group fell dormant because of defaulting members. At present, the members do not expect any meaningful service from the group activities. Prior to the establishment of Group 2, the DOF constructed a landing place in 1990, in the center of Moobaan No.1.



**Table 10 Organization and Activity of Fishers' Groups in Tambol Pakklong**

No.	Location	Name	Established year	Government agency concerned	Membership of members	No. of members	Activity		Remarks
							Credit	Others	
1	Moobaan No.1	Agricultural Integrated Group, Pakklong	2001	CDD	Fishers	51	1 year credit	Saving	In connection with the OPP. See Table 8.
2		Fishing Gear Group 1)	1995	DOF	Fishers	46	10 month credit	(Release juvenile fish and shrimp)	Fall into dormant. Landing place was constructed in 1990.
3	Moobaan No.3	Fishers Relation Group	2001	NGO	Fishers	30	6 month credit	Saving	Every member pay 100 Baht/month. Bidding for obtaining loans. Interest rate changes according to bidding.
4		Coastal Fisheries Group, Tamtong 1)	1993	DOF	Fishers	39	10 month credit (nets)	Saving	Members from Moobaan No.7 joined. Fall into dormant. Landing place was constructed in 1993. They organized own group.
5	Moobaan No.6	Coastal Fisheries Group	2001	NGO	Fishers	37	2 month credit	1. Manage shell culture ground 2. Saving	Newly organized to restart shell culture. Province subsidised 70,000 Baht.
6		Aquaculture Group	1994	DOF	Fishers	20		Manage shell culture ground	Fall into dormant. DOF subsidised 700,000 Baht, totally, 400 rais for shell culture.
7	Moobaan No.7	Fishing Gear Group 1)	2001	DOF	Fishers	50	10 month credit (nets)	Saving	In connection with the OPP. See Table 8. DOF subsidised 100,000 Baht in kind.

**Note 1)** The real name is "Group for Demonstration and Promotion of Fishing Gear"  
**(Source)** Interviews, in January and March 2002.



## **Default of Members Prevents Business Development**

In Moobaan No.3, 35 members established Group 4 in 1993, including fishers from Moobaan No.7. The DOF subsidized 80,000 Baht for the first year, 40,000 Baht for the second year, and 20,000 Baht for the third year, amounting to 140,000 Baht in total. During the first three years, 16 members borrowed 5,000 Baht per person from the group. They should repay the principal and 2 % interest per month for 10 months. In the first and second years, almost all borrowers repaid smoothly and the group continued credit activity. However, in the third year, the repayment rate dropped sharply by 40 %. Default of members took place, and eventually ceased all credit services. There were several reasons for the increase in bad credit. The group did not prepare an appropriate collateral system to secure credits. Some influential members did not fulfill their obligation, and other members followed them.

## **Challenge to Shell Culture**

Group 6 had a unique feature of business activity. It used to be a management body for 400 rai (6.4 ha) of shell culture (mainly green mussels) grounds, holding a sort of use title given by the DOF. The grounds were divided into small parcels. Members were allocated parcels on an individual basis for green mussel culture. In 1994, they started to culture and cultivated 18 tons in total. However, many of the members' felt there was inequality and unfairness, as there were great differences in terms of productivity between the parcels allocated to individuals<sup>22</sup>. The group failed to explore an equal and fair manner in the allocation of the parcels, like rotation of parcels and cooperative cultivation. Eventually most of members ceased cultivating green mussels.

## **A new group in Moobaan No.7**

In Moobaan No. 7, a fishing gear group was established in 2001, following the conventional procedures of the DOF. This group received a subsidy of nets from the DOF (mainly for marine cage culture). A member borrows 5,000 Baht per contract, which should be repaid within 10 months. As an occupational group, this group borrowed 100,000 Baht from Ao.Bo.To as a source of revolving funds. It has just begun to conduct a micro credit activity.



### 3.2.2 Other Fishers Groups

#### As Rotating Credit Associations

Group 1, 3, and 5 are newly established groups. They are neither classified into the category of "agriculturist groups" or into that of "fishing gear promotion groups". Group 3, organized in Moobaan No.3, is a traditional rotating credit association<sup>23</sup>. The total number of members is thirty, who mostly engage in small-scale fisheries. Each member puts in a 100 Baht of share every month, and bids for a 3,000 Baht credit if he/she wants to borrow. Interest rates vary according to the bidding. The rate rises sharply during the monsoon season (November to February), in that small-scale fishers do not go out to the sea and need to seek a cash income source<sup>24</sup>. Duration of payment is 6 months. As the fishing gear group has ceased any activity, small-scale fishers have to depend upon a self-help financial arrangement.

#### For Saving and Culture Purposes

Group 1 may be classified as a savings group, which received 100,000 Baht from Ao.Bo.To to give short-term loans. The great majority of members are engaged in fisheries. The District Office of Pathew guides members on group activity.

Group 5 also aims to develop saving and credit services. This group is supposed to take over Group 6 that held the use title of 400 rai for green mussel culture. New members plan to cultivate these as cooperative work, not dividing the demarcated grounds into small parcels. They consider the bitter lessons learned in the past trial. In June 2002, the provincial government provided 5,800 pieces of bamboo for green mussel culture. The members are preparing to start it with the re-establishment of shell culture in front of the Moobaan beach.

Thus, fishers groups are more likely to concentrate on the operation of micro credit and saving and are less likely to diversify purposes and activities. They are not much different as regards organization and activity from other types of financial group.



---

## 4. Savings Groups for Production Credit and Women's Groups

---

### 4.1 Spread of Savings Groups

#### Policy for the Promotion of Savings Groups

The CDD undertakes a series of community development programs, placing a greater emphasis on stimulating three types of people's groups at Tambol level: a savings group, a women's group and groups related to any community development scheme. Promotion policy for a savings group started in 1974. The number of groups has continuously increased by 32,775 throughout the whole country. They have the purpose of encouraging people to accumulate tiny amounts of idle funds as savings, enlarge a pool of revolving funds and create an internal money circulation in their locality. Increasingly pooled micro credit funds bring a wide variety of opportunity whereby members invest in their present jobs and alternative livelihoods. One final goal of the saving groups is that they would evolve into a multi-purpose, production-oriented organization, or they would provide members with the impetus to set up new groups, examples being a rice bank, a market, a cooperative store, storage, rice mill, gas station, and so on.

#### New Challenge of Savings Group

The ideal of a savings group for the production of credit is widespread throughout Tambol Pakklong. Shown by **Table 11**, two savings groups follow the framework of CDA policy. The Women's Group for Savings has a membership of 79 housewives in fishing households. They are mainly from Moobaan No.1 and 6<sup>25</sup>. They deposit a fixed amount of saving on a monthly basis, ranging from 100-1,000 Baht. The amount should be fixed at least for one year. The interest rate on saving is 1 % per month. Financing short-term credit is another purpose. The limit of loan per contract is 5,000 Baht, being charged at 2% interest per month.

In 2001, the Women's Group for Savings was renamed the Fisheries Women Group for Production, Tambol Pakklong. A number of members are attempting to process value added fisheries products, by using such raw materials as anchovy and squid<sup>26</sup>.



**Table 11. Savings Groups for Production Credit in Tambol Pakklong**

Location	Name	Established year	Membership	Credit				Saving		Remarks	
				Loan per contract	Duration of payment	Interest	Guarantee	Amount	Interest		Others
Mooabaan No.1	Women's Group for Saving	2000	62, housewives in fishing households	3,000-5,000	3 months	2%/month	2 persons	100-1,000 Baht	1%/month	Fish Processing	The group changed name: Women's Group for Fisheries Processing.
							Savings				
Mooabaan No.6	Saving Group for Production	1997	125	5,000-15,000	10 months - 2 years	1%/month	2 persons		1%/month	None	In Connection with the OPP. See Table 8.
							Savings				

**Note.** Besides these groups, there are several groups that can be classified into this category.

**(Source)** Interviews, in January and March 2002.



## **Linkage with Agriculturists Group**

In Moobaan No. 6, the Savings Group for Production, which was established in 1997, shares part of the credit and saving businesses with the Agriculturist Group for Plantations. The number of members increased from 25 at the outset to 125 in 2002. They deposit a fixed amount every month, and the total of savings reaches 10,000 Baht per month. The group holds over 350,000 Baht as assets, and borrows 50,000 Baht from the Ao.Bo.To for credit operation purposes. The group lends mainly short-term credits. Duration of repayment is 10 months on average. One contract ranges from 5,000 to 15,000 Baht, while the maximum is 30,000 Baht. Borrowers should pay the interest every month at least. The group reserves 30,000 Baht as a source of credit per month. It seems a sound operation of a micro credit service.

Members usually join both the Agriculturist Group and the Savings Group. They anticipate dealing in credit, marketing and supplying services with the former. It functions as a production-oriented and multi-purpose type of cooperative organization. On the other hand, the Savings Group widens a money circulation and then benefits members by absorbing idle funds in the Moobaan. These two groups seem to work together to strengthen the members economy.

### **4.2 Women's Groups**

#### **Support by the District Office of Pathew**

Women are becoming enthusiastic about self-help and cooperative activity. Setting aside the Women's Group for Savings, the women in Moobaan No.2 and 3 started a pig raising business and rice trading business, with support from the District Office of Pathew. 15 women joined the Women Group in Moobaan No. 2, and started with a rotation of credit to purchase pigs (fattening) and pig feed. At the outset of the project, 5 members purchased 20 pigs. This activity brings an additional income to the members.

In Moobaan No.3, 8 women jointly started rice retailing. The District Office provided 25,000 Baht for operational funds to the group. They purchased rice from wholesalers in Pathew and sell mainly in the Moobaan. They do not usually open a store, but deliver rice to individual customers. At present, only 3 members are involved in this trade. They fix the sale prices of rice and obtain small margins. The sale prices are rather cheaper than those in the markets. 20 % of



the business profit belongs to the three traders, while 80 % is put into the group funds.

### **Fish Processing Attracts Women**

The project staffs (LBCRM-PD) have created the interest of members of the Women's Group for Savings by introducing fish processing techniques. A number of women began to produce anchovy and squid products, and market them through various channels. This group changed its name to "Women's Group for Fisheries Processing". Of course, it also intends to operate the financial business as before. In Moobaan No.3 and 7, two women groups have been newly established for starting processing activities. Members expect to obtain a small additional income.

Women's challenges will be supported by the "One Tambol, One Product" scheme, under which the Prime Minister Takushin administration has enhanced local entrepreneurship and prepared support to lead local small businesses to success.

---

## **5. Local NGO for Mangrove Reforestation**

### **Expansion of Reforestation Areas**

More than 400 persons have joined a mangrove reforestation group called "Klum Chomlom Anulak Plachailen Ao Thung Maha", 52 members of which initiated a reforestation plan in 1996. Most of the present members come from Moobaan No.1, 3 and 6, while actuality the membership covers the whole area of the Tambol. The great majority of members are engaged in fishing and related businesses. The NGOs extend a nationwide network and aggressively support the group to reforest and conserve mangrove resources. The Royal Forestry Department (RFD) and local government also assist and consult with the group as regards reforestation areas, preparation of seedlings, information and training programs. The reforestation areas were 5 rai in 1998, 20 rai in 1999, and 200 rai in 2000.

### **Environmental Education and Awareness Building**

The group has the objective of enhancing people's awareness about mangrove resource conservation and its sustainable utilization. Focusing on environmental education at schools, the group members undertake campaigns, like posting pictures of mangrove forests and ecosystems on a board. School children are often invited to join in transplanting mangrove trees. Schoolteachers are becoming strong supporters of the mangrove reforestation movement in



Tambol Pakklong.

The organizational structure of the group is very simple and flexible. The membership is open to anybody. Many member only participate in particular activities like transplanting. However, they contribute largely to advance mangrove reforestation. The group heightens the recognition of local residents about the importance of conservation and sustainable use. Of course, illegal mangrove deforestation still continues at the project site. Operators of shrimp culture coming from outside are not much concerned about observing the laws and regulations. They often cause conflicts with the local residents. It takes some time to reduce the deterioration of mangrove resources, but the conflicts will be gradually lessened.

At the project site, there are a wide variety of people's groups and community-based arrangements, although the description here does not include all those currently existing. People usually indulge in multiple memberships of quasi groups. In particular, they access many sorts of micro credit schemes, which different government agencies guide and prepare and which they themselves establish. Obviously, the organizations and activities of groups overlap widely and deeply. Considering the fact that people are qualified enough to organize and manage self-help and project-oriented groups, we shall move on to the perspective and possibility of groups for community development and coastal resource management under the implementation of the project activities.





## 1. Summary on Organization and Activity of Groups in Tambol Pakklong

Referring to the description so far, we will summarize the characteristics of people's groups and community-based arrangements in Tambol Pakklong. This summary is still tentative in nature as a series of surveys are still uncompleted.

### 1.1 General Characteristics

Many groups have membership, organization, and activity in common with others. We can generalize to some extent, to get the picture of these three elements, while referring to peculiar characteristics that individual groups have shown.

#### 1) *Policy-instructed Nature*

In Tambol Pakklong, the people organize groups and build administrative systems along with certain government policies for community development. Local government and extension officers (*Chaonathi*) keep in touch with leaders of Moobaans and Tambols, and give necessary advice on establishment procedures, membership, activity and management. Of course, members have a certain freedom to adjust their local reality to by-laws of groups and to change the guidelines slightly. It is noteworthy that even under the same programs, groups and Moobaans shape different methods of delivering micro credit services, including duration of payment, limit of credit, and interest rates. Distinguishing between formal and informal groups is almost impossible as in many cases government-instructed groups have been left outside the official registration process.

The people and leaders adapt themselves to any policies, targets and procedures. They would organize any form of cooperation and join it. In consequence, there have appeared a number of similar groups with different names and slightly different operational methods in all Moobaans in Tambol Pakklong.

#### 2) *Mobaan-based Membership*

The most distinguishing nature of people's groups is a Moobaan-based membership. Little incentive has encouraged the people to establish a District-level and



even a Tambol-level organization. This was a great surprise during the interviews.

Very few people have joined the Pathew Agricultural Cooperative, and utilized the facility of the BAAC district office. Although the Agriculturist Group for Plantation is designed to have a membership with the coverage of the Tambol area, it is constituted of members from Moobaan No.1 and 6, and extends its activities over adjacent Tambols.

This results from the design and framework of development programs having been undertaken by government agencies, anticipating mainly a Moobaan development. Geographic conditions surrounding Pakklong and Pathew are a decisive factor to confine people's economic and social cooperation in a Moobaan locality. They have fewer alternative options as regards size of social and economic unity. Importantly, the Moobaan administration has a decisive role in the establishment and management of groups.

Moobaan No.1, 4 and 6 are close to each other; economic and social activities are united to a certain extent. There are several groups whose organization and business cover the three Moobaans.

### ***3) Strong Demand for Micro Credit***

Producers both in fisheries and agriculture have a strong demand for micro credit. It seems that the BAAC's mobile service and network satisfy, to some extent, farmers and fishers who hold land property titles and *No.So.3*. However, as a large portion of residents suffer from a lack of land property and utilization titles, they depend heavily on informal credit sources like self-help mutual financing, moneylenders, agricultural traders, suppliers of materials, relatives, and friends. Especially in fisheries, those fishers who do not own land must rely mainly on the source of fish traders, called "Phe Pla", for not only daily fishing operations, but also heavy investment in a means of production. During the monsoon seasons, small-scale fishers lack a daily cash income to fulfill the expenses of daily life. These are substantial reasons that rural micro credit schemes and programs are widespread throughout Tambol Pakklong.

### ***4) Little Incentive for Diversification of Businesses (Single Purpose)***

The groups currently existing, with few exceptions, concentrate on one single purpose. Members may not need any diversification of business activity in groups by dealing with traders and suppliers. As long as the market economy in Tambol Pakklong is in stiff competition, they do not intend to expand any cooperative business other than mutual financing and micro credit schemes.



### ***5) Meager Scale of Business and Management***

Targeting a narrow locality, a group has a meager amount of operational funds and engages in business on a meager scale. Advantageous points are as follows; leaders can manage appropriately; achieving consensus is easy among members; a reciprocal watch is possible to avoid the default of borrowers. Disadvantageous points are; the group cannot afford to meet members' demands; it lacks managerial staff (usually depend on *Chaonathi*); longer-term credit is scarce; borrowers' defaults directly damage group activity.

## **1.2 Successful Lessons: From Our Observations**

Appraisal for people's groups and community-based arrangements in Tambol Pakklong may fluctuate between the positive and negative aspects. In fact, we sometime observe that government's generous and concessive support are too much aimed at Moobaan levels; their benefit often goes disproportionately to the upper classes of the economy, with those at the bottom sometimes facing even greater poverty. Nevertheless, we confirm that not many, but a few successful groups exist.

### ***1) Enlargement of Money Circulation within Moobaans***

People's groups and Moobaan-based schemes for micro financing have enlarged the money circulation and brought more chances to access financial services. How widely and deeply micro credit schemes affect people and Moobaan agro-based economies will be examined at the next stage of the socio-economic survey. No doubt, people's groups and financial arrangements are very supportive to those who suffer from a shortage of a modern banking system.

### ***2) Saving Groups Begin to Develop a New Business***

Savings groups begin to involve in various economic activities like fish processing. The people gradually foster self-help and self-concerned economic attitudes, relying upon the funds accumulated in their groups. .

### ***3) Production-oriented Groups Appear with a Diversification of Business***

The Agriculturist Groups for Plantations is one successful instance of a production-oriented group. Its financial activities are usually aimed at satisfying members' production purposes, not being consumption-oriented. It supplies fertilizers on credit, which attracts members to deal favorably with the group. Some savings groups become mature enough to



conduct multifarious activities in the same way, as the Agriculturist Group does.

#### **4) Moobaan Administration Effectively Manages the Government's Provision of Funds**

In Moobaan No.2 and 6, their administrations effectively manage allocating government provided funds to constituents on an equal basis. Leaders pay great attention to how to deliver financial services to as many people as possible. Rather than people's groups, Moobaan administrations have more vital roles in managing the provision of financial services.

#### **5) Mangrove Reforestation Activity Becomes Prosperous**

With the active support of NGOs, coastal resource users and residents have increasingly joined a movement toward mangrove reforestation and environmental education programs. Their self-concern behavior has a positive impact on the development of participatory resource management at the project site.

### **1.3 Bitter and Failure Lessons Learned Through the Operation of People's Groups**

At the project site, the people have suffered many failures and learned bitter lessons through the operation of group activities. It is very hard to enumerate an accurate number of groups that were established since the mid-1980s. In other words, many groups disappeared immediately after their establishment, which had never attained any initial objectives. Groups do not always encourage people's cooperation, but often work as conduits of government supports to local level.

#### **1) Severe Default of Members**

The severe default of members is still a weak point in many financial groups. They require borrowers to give land property and usage titles in security or require two guarantors. However, such a guarantee system does not work well in some groups. A reciprocal watch among the people at Moobaan level is not practically reliable. Moral hazards usually take place and damages the management and foundation of the groups. Of course, some successful groups strictly adopt secured loans on borrower's (and guarantor's) savings and shares to reduce risks caused by their default.

#### **2) Inequality and Unfairness of Access to Government's Support at Moobaans**

Another bitter lesson is that the so-called *local elite* often monopolizes benefits from government's sponsorship. Moobaan's leaders obtain information on a new source of



assistance earlier than anyone else, and understand the bureaucratic and complicated procedure of a new project scheme. Some do not repay their debt to the government-sponsored groups, as a result of this, others do not have any chance to obtain concessive loans. Moobaans do not always work as a unit in which the people realize equal allocation of government-sponsored resources. A Moobaan is a sort of hierarchical organization. This is, of course, a contradiction to the successful lesson mentioned above.

### ***3) Exclusive Nature of Group Membership***

In relation to the second point, some groups strengthen the exclusive nature of membership. It is not open to every possible beneficiary, but includes only a small number.

### ***4) Lack of Managerial Skill***

Although local government officers try to guide the operational procedures of groups as hard as they can, some groups still lack managerial skill. Miscalculation of interest payments on savings and omission of items in the accounts often happen. Leaders have little experience in management. Such innocent mistakes may lead to members' distrust of group activities.

### ***5) Ineffective Linkages with Other Similar Projects***

There are many kinds of similar projects and schemes that have been prepared by government agencies. It seems that sufficient amounts of government-sponsored funds have been put into a Moobaan to satisfy the financial demands of the people. However, as purposes and methods widely overlap, an outcome is not achieved in proportion to the total amount of investment. In this regard, the OPP scheme may entail cost-effective ways to improve life and production of the people.

### ***6) Meager Scale of Membership and Business***

As long as groups are organized in a Moobaan, they suffer from a shortage of operational funds and cost-ineffective business activities. Financial groups find difficulty in accumulating sufficient funds. The expansion of membership and an increase of working capital will secure the development of a people's group, not being stuck inside the boundary of a Moobaan.

---

## **2. Recommendations: For the Project Purposes**

In Tambol Pakklong, there are many active groups and workable arrangements for the people's economic improvement. For further development of their self-help, self-concern, and



mutual cooperation, the project activities consider the following points:

### **Coastal Resource Management Aspects**

1) The project encourages fishers and leaders of Moobaans and Ao.Bo.To to involve in resource management activities, in collaboration with Mangrove Reforestation Groups and Moobaan administrations.

2) The project should consider vital and possible roles of Moobaan administrations and groups on coastal resource management.

3) The project should pay attention to the equal nature of Moobaan-based groups, and their coordination function, while considering the disturbance of hierarchical nature built into Moobaan society.

4) The project should stimulate the fishers groups to develop into a management unit of coastal resources if possible.

### **Local Business Aspects**

1) The project should introduce adequate technology and give necessary information on fish processing, targeting mainly women members of saving groups.

2) The project should push the people involved in fish processing forward establishing close relationship with other financial groups and arrangements to obtain loans for investment.

3) The project should give advice on how to manage an proper financial accounting for business.

4) The project should coordinate with similar projects and schemes prepared by other government agencies.

To accomplish the initial objectives of the project core activities, the project should entail a deeper plan for collaboration with the groups currently existing and those will be established in the near future. Members of the socio-economic survey team will conduct research activities in depth on fishers and their related groups and present a future direction of group activities for improving the whole process covering from production to distribution. We shall be preparing to describe more practical recommendations soon.





## REFERENCE

- Chumphorn Province of Community Development** 2001. Radap Kan Phatana Khong Moobaan, Amphur Pathew, Changwat Chumphorn, 11 pp. (Level of Community Development, Pathew District, Chumphorn Province, 11 pp.)
- Community Development Department** 1997. Kan Pramern Pon Khrongkan Sanab Sanun Kichakaam Phattana Satri Doi Onkan Satri Nai Kan Borihan Ngan Thun Phattana Satri Khong Moobaan, 119 pp. (Evaluation of Encouragement of Women Job Project by the Women Organization of Public Work Administration, 119 pp.)
- Community Development Department** 1998. Khor Moon Kan Damnern Ngan Khrongkan Kae Khai Phanha Kwam Yaak Jon, 29 pp.(Manual of Poverty Alleviation, 29 pp.)
- Community Development Department** 2001. Phonkan Thiap Ken Jo.Po.To. Radap Moobaan Phi 2544, 22 pp.("Jo.Po.To." Report of Pakklong Sub-District, Pathew Distret, Chumphorn Province, 2001, 22 pp.)
- Community Development Department** 2002. Klum Oomsap Phua Kan Phalit, 8 pp. (Savings Group for Production, 8 pp.)
- Community Development Department** 2002. Phonkan Damnern Ngan Klum Oomsap Phua Kan Phalit, 17 pp. (Report of Evaluation of Savings Group for Production, 17 pp.)
- Department of Fisheries** 1999. Raingan Pon Kan Damnanngan Khrong Kan Funfu Tale Thai Prajam Pi 2542 Changwat Chumphorn, 115 pp. (Report of Thai Rehabilitation Project in 1999, Chumphorn Province, 115 pp.)
- Suanrattanachai, P.** 2001. Coastal Fisheries Management and Community Development for Small-scale Fisheries: Lessons Gained Through Case Studies on Pilot Projects in Thailand, Doctorate Theses, Kagoshima University, 126 pp.
- Suanrattanachai, P.** et al 2002. Locally Based Coastal Resource Management (LBCRM) Project: Pre-survey of Community in Pakklong Sub-District, Pathew District, Chumphorn Province (not published yet), 25 pp.



**Office of the Prime Minister** 2002. Khu Muu Kan Phijarana Ngan Ku Khana Kaamkan Kong Thun Moobaan Chumchon Muang (Thai), 43 pp. (Manual of Village and City Fund Consideration, 43 pp.)

**Office of the Prime Minister** 2002. Khu Muu Kan Tam Banchi Le Raigan Samrap Kong Thun Moobaan Le Chunchon Muang. (Manual of Village and City Fund Report and Account)

**Office of the Prime Minister** 2002. Kong Thun Moobaan Nung Lan Baht (Thai), 61 pp. (One Million Baht Village Fund, 61 pp.)

**Pakklong Sub-District Administrative Organization** Pheen Phatana Ongkan Borihan Suan Tambol 5 Pi (Pho. So. 2545-2549), 26 pp. (Sub-District Development Plan in 5 years (2002-2006), 26 pp.)

**Yamao, M.** 1999. Cooperative for Development, Taga Inc. Tokyo 245 pp.

★ ★ ★



## NOTE

<sup>1</sup> Cooperatives are registered and regulated by the Cooperative Society Act of Thailand 1968. The Cooperative Promotion Department (CPD) has full responsibility for registration, guidance, and supervision.

<sup>2</sup> Agriculturists groups are based upon the Revolutionary Proclamation of 1973 No. 35 and No. 41. Under the Ministry of Agriculture and Cooperatives (MAC), related departments (except the CPD) promote occupational groups in line with their own development policy. The DOF has encouraged fishers to join agriculturists groups for fishers (aquaculture).

<sup>3</sup> Under the instruction of the Bank for Agriculture and Agricultural Cooperatives (BAAC), borrowers organize a small group for the purpose of mortgage and security. Members act as reciprocal guarantors in this group.

<sup>4</sup> There are many kinds of saving groups. The Community Development Department (CDD), the Ministry of Interior (MI), has extended saving groups throughout the country so far.

<sup>5</sup> The MI gives a report with the title "Raigan Khong Khana Kamakan Phattana Heang Chart".

<sup>6</sup> This assessment consists of 37 items that cover four fields, 1) infrastructure, 2) income, production and employment, 3) water resources, 4) level of development. Each item is given low, middle, or high, and then scored one to three. 0 to 5 have a score of 1 out of 37 items, which is "Level 3". 6 to 10 have a score of 1, which is "Level 2", 11 to 37 have a score of 1, which is "Level 1".

<sup>7</sup> This scheme is named "Krong Kan Khe Khai Phanha Kwam Yakjon" (Poverty Alleviation Project). This scheme started with Phase I in 1993, covering 11,608 Moobaans. The duration of the Phase II was from 1998 to 2001, targeting 28,038 communities. The number of Moobaans that applied for this scheme was 7,026.

<sup>8</sup> These figures indicate an average, so that they may not have real accuracy to the situation of fishing household economy.

<sup>9</sup> These figures are based upon "Raigan Phon Kan Samuruaj Kho Mun Jo.Po.To. lea Pon Kan Thiap Keat Phamai 2544". This report includes 39 items being related to basic human needs. The Local Administration Department (LAD) publishes it every year.

<sup>10</sup> No.So.3 is a type of land title that secures exclusive utilization. Although this title does not allow for land ownership like *Chanort*, land users can sell the title as if they are landowners. The No.So.3 becomes a mortgage for loans obtained from formal financial institutions like the BAAC and agricultural cooperatives.

<sup>11</sup> Those farmers who pay a land tax subject to the land they cultivate. The receipt of the tax is called v"Pho.Bo.Tho. 6".

<sup>12</sup> The Cooperative Audit Department (CAD), the MAC, is in charge of auditing cooperatives and agriculturists groups on a yearly basis. The District Office of Community Development usually guides saving groups to keep accounts in the correct way.

<sup>13</sup> The Provincial Office inspects a group that demands more than 30,000 up to 50,000.

<sup>14</sup> This project is called "Krong Kan Son Searm Achib Moo Baan la 100,000 Baht". It is designed for Ao.Bo.To to take charge in planning and managing. The project is distinguished from the conventional ones, which would rely upon old-fashioned local administrative lines like "Kamnan" (Sub-district head) and "Phuyaaai Baan (Moobaan head).

<sup>15</sup> The exact title is "Khong Thun MooBaan Le Chum Chong Muang". Normally, this project is called the "Village Funds Project".

<sup>16</sup> At local level, the Provincial and District Office of Community Development should introduce a conceptual framework of the Village Funds, and supervising any activities planned and implemented under this scheme.

<sup>17</sup> In January and March 2002, some groups still retained a considerable amount of funds.

<sup>18</sup> Many of the agriculturist groups for fisheries fell into dormancy (Yamao 1999).

<sup>19</sup> The total of two guarantors' savings will raise the limit of a loan.

<sup>20</sup> Immediately after the Economic Crisis in 1997, the Government of Japan donated to Thailand a financial source for the operation of poverty alleviation programs.

<sup>21</sup> This marketing activity is not on a daily basis. Therefore, it does not attract poor farmers.

<sup>22</sup> Fishers mentioned that some members, whose allocated parcel was of poor fertility, robbed green mussels from others.

<sup>23</sup> Thai people call a rotating credit association "Len Share". There are many varieties of mutual-help financial arrangement in Thai rural society.

<sup>24</sup> The highest interest payment was 951 Baht on a 3,000 Baht credit (for 6 months). The estimated annual interest rate was around 63%. In the fishing season, the interest rate remained low.

<sup>25</sup> Members from Moobaan No.1 amount to 43, while those from Moobaan No.6 are 18. The remaining members live in Tambol Donyang.

<sup>26</sup> Their attempts will be described in detail soon.



### 1. Women Group for Fisheries



*Members deposit savings on monthly basis. They gather together once a month.*



*Members try to expand fish processing activities.*



*The group markets their products at a festival.*

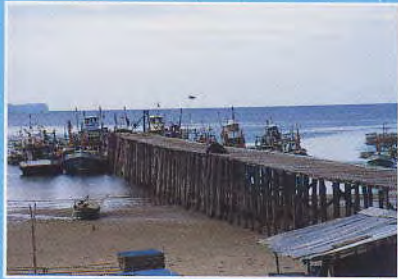
### 2. Mangrove Resource Conservation Group



*The project staffs interview leaders of the group.*



### 3. Moobaan-based Infrastructures



*The pier made of wood is privately owned.*



*The pier made of concrete was constructed by the DOF.*

### 4. Fisheries Relation Group



*Small-scale member arrange an informal micro credit scheme.*



*A leader shows a trademark of the group. Members plan to expand its.*



5. Fruit & Tree Agricultural Group



*This group is very successful both in business and management.*



*These are member's saving accounts.*



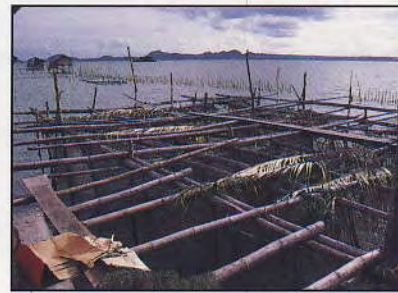
*At this group, farmers can receive various services of agricultural registration. It is a mobile office of the District Office of Agriculture.*



## 6. Fishing Gear Promotion Group



*Some members of the group started with fish cage culture, with using nets subsidized by the DOF.*



*The fish cage frameworks are newly constructed in front of this Moobaan*



*Members prepare cage culture nets.*



## AUTHORS

Sumitra Ruangsivakul

Researcher, Socio-economic Section  
Research Division, Training Department  
Southeast Asian Fisheries Development Center  
e-mail: [sumitra@seafdec.org](mailto:sumitra@seafdec.org)

Masahiro Yamao

JICA Expert, Socio-economic Section  
Research Division, Training Department  
Southeast Asian Fisheries Development Center  
e-mail: [yamao@seafdec.org](mailto:yamao@seafdec.org)

Jirapa Kamhongsa

Fishery Biologist, Marine Division  
Chumporn Marine Fisheries Development Center  
Department of Fisheries  
e-mail: [cmdec2001@yahoo.com](mailto:cmdec2001@yahoo.com)

