

THE ECONOMIC AND SOCIAL IMPACT OF THAILAND'S RURAL JOB CREATION PROGRAMS

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The subject of this paper is the description and analysis of the Rural Job Creation Program (RJCP), a novel approach which was adopted by the Thai government to supplement its rural development policies. The paper first traces the origin of this unique concept of development policy. It then discusses five aspects of the structure and implementation of the RJCP, namely its objectives, administrative structure, project preparation and implementation procedures, financial control, and its monitoring and evaluation. It then details the economic impact of RJCP in terms of income as well as employment generation. It also discusses some of the results of evaluation surveys on whether the RJCP helped in developing efficiency in local self-government as well as in increasing local level participation in rural development efforts.

1. Introduction

Despite the fact that Thailand is a predominantly agricultural country where more than three-fourths of its population live in rural areas, the attention given to agricultural and rural development by the government as measured by its budget allocated for such purposes was, relatively speaking, quite meager. Agriculture clearly played a secondary or supporting role in the overall economic development process of Thailand whereas the urban-based industrial and service sectors were given greater emphasis. Therefore, over 20 years of development efforts since 1961 have produced an economy with a very high rate of growth, with a fast-growing manufacturing sector, but with a much less dynamic agricultural sector where about one-third of its population still lived in poverty. This is a typical case of an unbalanced development which is now in need of some structural adjustments or some changes in policy emphasis.

That change in policy emphasis was clearly visible in the Fourth National Economic and Social Development Plan launched in 1977 where the top priority was no longer the general economic expansion but the adjustment and rehabilitation of the economy in the aftermath of the first oil shock, and the reduction of the income gap among the people which of course implied greater government efforts in agricultural and rural development.

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The actual implementation of the Fourth Plan, however did not produce extraordinary results, particularly on agricultural productivity and alleviation of rural poverty. So in the Fifth Plan beginning in 1982 the government increased its efforts at rural development by initiating a supplementary plan for combating rural poverty attached to the main plan. And listed first among several programs under this special Rural Poverty Plan was the continuation of a rural public works program called Rural Job Creation Program (RJCP) for at least another five years, that is until 1986.

The description and analysis of this unique public works program will be the subject of this paper. The program was a novel approach that had been adopted recently by the government to supplement its rural development policies. The uniqueness of this program justifies a brief historical account; the paper then gives a short description of the operational structure of the RJCP, after which the economic and social aspects of the outcomes of this program will be discussed at some length.

2. History of the Rural Public Works Program in Thailand

If a public works program is defined as a program initiated by the government or other public authorities and which involves voluntary and non-remunerative participation of a large number of the people in carrying out a certain short-term public project such as public construction or other public activities, then we have had several of those programs in the past, particularly during the Government of Prime Minister Sarit Thammasat in the early 1960s. But if it means a short-term program wherein the government pays the people who join in the program under special conditions or arrangements, then it is a new concept of development policy in Thailand.

The first remunerative public works program was initiated in 1975 by M.R. Kukrit Pramoj who was then the Prime Minister of a minority coalition government. That this program, which later became known as the Tambon Development Program I (TDP (I)), was politically-oriented in its concept and expected results was widely accepted. But it did have legitimate economic justification of helping create employment for the people in the rural areas throughout the country during the slack season. Since the rural population was afflicted with a severe drought the year before, TDP(I) aimed to help them earn extra income in a short period of time while, at the same time, enhancing the Government's acceptance and popularity to the rural public. The amount earmarked for TDP (I) was 2,500 million bahts for a three-month work program from May to July, 1975. Considering the size of the allocated budget and the short duration of the program, TDP (I) was indeed a very generous public

works program. The outcome of the program in terms of completed infrastructure was not of good quality or durability, but was quite substantial in terms of additional income earned by the rural workers during a dry season. Thus, Kukrit's Party received enormous political popularity as a result.

In 1976, a similar program was initiated by Kukrit, this time with a much larger budget (Baht 3,500 million). However, a change in government occurred when Kukrit's party lost out and his brother M.R. Seni Pramoj was made the new Prime Minister. Realizing the political popularity of the first TDP, Seni fully adopted the second TDP designed by the former government and implemented it from May to July, 1976. The program objectives of TDP (II) were more or less the same as TDP (I), i.e., to provide an employment (and income) opportunity for the rural people during the slack season, and to decentralize the administrative authority to the rural people in a continuing effort to help them govern themselves.

According to Poot (1979), there were about 3.8 million rural workers who participated in TDP (II) throughout the country, each working for about 15 days on the average, earning a total extra income of about 7 per cent of their regular annual household income. Again, in terms of income earned, this was quite good but the program experienced a great deal of difficulties. For instance, there were problems of project preparation, approval and control, and maintenance of completed projects which, like those of the first TDP, were not very durable in the first place.

During the next year (1977), this type of remunerative public works program was halted under the arch-conservative government of Mr. Tanin Kraivixian who, instead, cajoled and coaxed Thai people to work for the government for free. When Tanin was ousted, at the end of 1977, General Kriangsak Chamanant, the new Prime Minister readopted a public works program of the TDP format but called it Rural Economy Rehabilitation Program (RERP). The timing was appropriate as 1977 was another dry year for the farmers. This RERP which covered the period from January to June, 1978 had a budget of 1,600 million Baht and aimed at more or less the same objectives as the previous TDPs.

When the government changed again in early 1980, Kukrit's party regained power. But this time Kukrit was not made Prime Minister; it was General Prem Tinsulanond who was asked to lead. One of the new government's earliest tasks was to prepare yet another public works program to be operational almost immediately after the new government assumed power. This program was called

Table 1 — Rural Public Works Programs in Thailand

Year	Program's Name	Allocated Budget (million)	Periods of Operation
1975	Program to Help Local Development and Create Jobs for Rural Population in the Dry Season (Tambon Development Program No. I)	2,500	May 3, - July 31, 1975
1976	Tambon Development Program (TDP No. II)	3,500	May-July, 1976
1978	Program to Rehabilitate Rural Economy Affected by Natural Disaster (RERP)	1,600	Jan. — June, 1978
1980	Rural Job Creation Program (RJCP)	3,500	Jan.-June, 1980
1981	Rural Job Creation Program (RJCP)	3,500	Jan.-June, 1981
1982	Rural Job Creation Program (RJCP)	2,000	Jan.-June, 1982
1983	Rural Job Creation Program (RJCP)	2,000	Jan.-June, 1983
1984	Rural Job Creation Program (RJCP)	2,000	Jan.-June, 1984

Rural Job Creation Program (RJCP) and had an allocated budget of 3,500 million baht to be used all over the country except in Bangkok Metropolitan Areas from May to July, 1980. The RJCP was highly successful at least in terms of receiving budget appropriation year after year from the Parliament. The program was to run every year from 1980 onward. Now the Government had just completed the fifth consecutive RJCP with the sixth RJCP waiting to be launched on the first of January, 1985. A summary list of rural public works programs since 1975 is given in Table 1.

3. Structure and Implementation of RJCP

Description and analysis of public works programs prior to the RJCP are omitted for the simple reason that systems were not well-established then. Each program differed from the other and lacked continuity thus making program analysis less meaningful. The RJCP clearly stands apart from all other public works programs, being the longest and most well-known, and extensively implemented throughout the country. Five aspects of the structure and implementation of the RJCP will be discussed in turn, namely, the objectives of the program, the administrative structure of the program, the project prop-

aration and implementation procedures, the financial control, and finally, the monitoring and evaluation of the program.

3.1. Objectives of the Program

In 1984, the Government stated the objectives of the RJCP for that year as follows:

- (1) To augment the income of the rural people by providing them with an employment opportunity;
- (2) To build or construct useful public works for the community according to Tambon Development Plans¹;
- (3) To develop and increase the efficiency of the tambon councils in making plans; in selecting, managing, controlling and the overall execution of the projects; and in maintaining and repairing finished works;
- (4) To promote cooperation in work efforts between the tambon councils and related government agencies and other private organizations.

These objectives of the 1984 RJCP differed little in substance from those of previous years. All the RJCPs have three common characteristics since the Program's first inception in 1980. First, it is a program designed to create or promote work during the slack season (generally from January to June each year) for the rural population so that they can earn some additional income. Secondly, the resulting public works whether in the forms of roads, bridges, weirs, canals and so on are expected to contribute to higher agricultural production and productivity. And thirdly, by dispensing with the usual bureaucratic procedures of spending public money such that the funds pass directly from the central government to the lowest operating units of local government, this program will not only help the grass-root local governments to acquire quickly development projects that are more responsive to their needs but also provide an excellent opportunity for these grass-root local governments to learn more about self-government and how to stimulate greater participation from the local people in their community affairs.

Apart from these core objectives, supplementary objectives are added or emphasized to suit the changing conditions of each year. For instance, in the first year of the operation when most of the rural areas had suffered from a severe drought, the emphasis of the RJCP for that year (1980) was on water-related projects. But in the following year (1981) when water shortages were not the urgent

¹A tambon is an administrative unit in the local government system of Thailand. See discussion on the administrative structure of RJCP which follows.

problems, the emphasis of the RJCP was shifted to other types of public works such as health stations and school buildings. In short, these different points of emphasis can be looked upon as the diverse means towards the same triple ends as mentioned earlier.

3.2. *The Administrative Structure*

Five years after its inception in 1980 the administrative structure of the RJCP has undergone few changes, but the underlining structure remains intact. Four organizations form the core of the administrative structure more or less in hierarchical order. At the top of the structure is the National Committee for RJCP headed by the Prime Minister with the committee members composed of several ministers, undersecretaries of state, directors-general and related experts. This is a policy-making committee which sets guidelines, issues regulations, allocates budgets, approves project extension, and so on.

The second-tier organizations are the Provincial Committees that are set up in each province to administer the RJCP projects in that province. The Provincial Governor is officially the chairman of this committee whose members include almost all provincial representatives of ministries in Bangkok. Major functions of this provincial Committee include reallocation of allotted budgets to Tambon Councils, approval of the projects submitted by these Tambon Councils through the District Committees (see below), setting of wage rates and reference material prices for various locations in that province, monitoring and controlling the work progress, setting the standard of the work, and so on. In other words, the Provincial Committees are the nerve centers of the RJCP in the provinces.

Within each province there will be several District Committees headed by the District Officer whose main duties are to help the Tambon Councils prepare the RJCP projects, monitor the disbursement of funds, and approve the final outcome of the projects. The District Committees practically act as a link between the Tambon Councils and the Provincial Committees.

Finally, at the bottom of the RJCP administrative structure are the Tambon Councils. A tambon is an administrative unit at a sub-district level, and is composed of several Moo Baan or villages which are the smallest administrative units under the present local government structure. The chief administrative officer of a tambon is called Kamnan, who is also the head of the tambon council. Other members of the tambon council include all village headmen in that tambon plus the principal of the tambon school, the tambon doctor, the tambon community development officer, and one special representative elected from the people in that tambon.

3.3 Project Preparation and Implementation

As far as the RJCP is concerned, the involvement or the role of tambon councils is the *sine qua non* for this type of public works programs. Administratively, the RJCP is designed to give the tambon councils a unique opportunity to play an active part in this new approach to rural development. They will plan their own projects, carry them out, and finally make use of the finished projects.

Given the amount of funds available to them under the Program,² the tambon councils select projects from their respective Tambon Development Plans that can be done within the allocated budget limits. These projects must be in accordance with the types of projects that the National Committee will specify from year to year. Once the projects are chosen, the councils prepare the project proposals in detail, taking into account the locations, designs, material requirements and total cost calculations, and then submit these project proposals to the district committees which will check the suitability and technical and financial details of the projects before submitting them to the provincial committees for final approval.

After the projects have been approved by the provincial committees, the tambon councils can proceed with the projects by hiring workers, purchasing necessary materials, or subcontracting contractors. Funds up to 25 per cent of the total costs of the projects can be requested from the district Committees immediately but this advanced funding is only for wage payment, and not for other kinds of payment. It is the primary duty of the tambon councils to make sure that all projects are completed within the allotted periods. If problems occur during project implementation which needs adjustments or extension, the cases must be submitted to the district committees for approval first, and if cancellation of the project is needed, permission must be sought from the provincial committees. In order to effectively carry out some difficult projects, the tambon councils may appoint one or more technical supervisors to supervise such projects until they are completed.

Two issues are of special importance in the preparation of the projects. One is the type of projects that the tambon councils can propose to do and the other is the technical knowledge that is needed to prepare project proposals in detail. On the first issue, the National Committee gives yearly guidelines as to what projects can be proposed. In 1984, for example, the projects that can be proposed and carried out were divided into 10 categories as shown in Table 2.

²For the formulas that were used to allocate the central budgets to the provinces and finally to tambons, see the Appendix of this paper.

Table 2 · Types of Projects Allowed by the National RJCP Committee
in 1984

Types of Projects Allowed

1. Weirs, watergates, levees, sluices, water retention dams, various types of dikes and embankments except earth embankments.
 2. Ditches, canals, water channels, drainage troughs, water pipes.
 3. Ponds, pools, water basins, water reservoirs, fish ponds.
 4. Water tanks, water jars.
 5. Underground water wells, village water works.
 6. Silos or storages for farm produce, rice mills, communal animal stables, wind-powered water pumps, rubber-sheet improvement factories, producer markets, silkworm hut nurseries, drying silos for farm produce.
 7. Roads, bridges and culverts, walkways, embankments to prevent landslide.
 8. Health stations.
 9. Multipurpose building for tambons, or child-care centers.
 10. Others (as they appear in the Tambon Development Plans).
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Source: RJCP National Committee.

As for the technical capability of the tambon councils in preparing detailed project proposals, it has been admitted that council members are still incapable of drawing up a complete blueprint of a project with all necessary cost calculations. However, these problems have diminished since the issuance of a series of technical handbooks for project preparation written by a group of engineers and architects with the rural officials in mind. These technical handbooks which had gone through second edition in 1984 cover several areas of public works, for instance, roads, bridges, waterwells and reservoirs, health stations, multipurpose buildings, and so on. With the help of local community development officers and other officials sent by the district committees, most council members were able to draw up project plans with sufficient technical details and accuracy. After several years of use, many problems still remain with these unique technical handbooks, but without doubt, they have become indispensable in the implementation of the rural public works program in its present form.³

³These handbooks were prepared by a group of engineers and architects appointed by the National RJCP Committee. This national-level Technical Handbooks Committee also monitors the use of these handbooks, collects comments and suggestions and makes plans for future revision of the handbooks.

The National RJCP committee through its Central R. JCP office had issued several standard forms in which the tambon councils would have to use in purchasing project supplies, in contracting private firms to work on certain projects, and in hiring labourers to work in the program. The Ministry of Interior already had existing regulations governing material purchases and disbursement of allocated funds which the tambon Councils must follow while implementing an RJCP project. As a rule, all RJCP projects must be completed by the end of June which is the last month of the Program.

3.4 Financial Management and Control

According to normal budgetary procedures in Thailand, each ministry is responsible for making budget requests each year. When the request is approved by the Parliament, the ministry (through its many departments) can proceed to draw out the money from the government treasury to be used in the programs proposed in the budget. The RJCP is the only major public expenditure program that does not follow the normal budgetary procedures mentioned briefly above. Firstly, the budget request is made by the Prime Minister's Office, not by any particular ministry. Secondly, when the budget has been approved, the money can be allocated to the provincial committees, the district committees and finally the tambon councils directly and immediately, bypassing the management and control of the ministries and their departments. In so doing, the RJCP provides a most direct channel between the top echelon of central government and the grass-root level of local government with regard to a special public spending program.

The RJCP disbursement procedures have enabled both the provincial committees and the district committees to receive the money quickly. In the first year of RJCP in 1980, the financial control system was very tight as the Prime Minister's Office was afraid that a loose system would be conducive to irregularities and corruption. Although this had resulted in widespread complaints about slowness in the disbursement of funds, misuse of funds and other types of corruption were virtually nonexistent. In the following years, however, the government relaxed many of the financial regulations so as to speed up the payment of wages to workers. In 1984, for instance, the chairman of the district RJCP committee was allowed to withdraw up to 25 per cent of the total costs of RJCP projects approved for that district from the provincial treasury to be deposited in a local bank in that district. This advanced funding enables the district officer to pay the tambon councils quickly when the latter submit their requests for wage payments. As for other types of pay-

ments such as contractors' fees, the present procedures also allow for expeditious withdrawal of funds. After many years of use, the present financial arrangements of the RJCP no longer pose bottlenecks to the successful operation of the public works program.

3.5. Monitoring and Evaluation

There are several levels for monitoring and evaluating the RJCP projects. At the tambon level a supervisor who is assigned to supervise a certain project that needs some technical know-how will also monitor the overall operation of that project. The tambon council is of course responsible for the monitoring of all projects in that tambon. It receives assistance from the community development officer who will be especially assigned by the district officer. The district officer himself or someone appointed by him will be required to visit each tambon every 15 days to monitor work progress and check the disposal of project funds.

At the provincial level, the governor receives regular reports on work progress. He and other provincial committee members also attend to other problems that are presented to them for decision. At the national level, four ministers are assigned to monitor the RJCP operations in each of the four regions of Thailand. The Prime Minister himself, from time to time, visits project sites all over the country. It seems that the monitoring system for this program is quite rigorous to ensure that most projects are implemented according to plan, and the timetable.

The so-called "in-house" evaluation is carried out continually by those who monitor the projects, and especially by a special Monitoring and Evaluation Committee headed by a cabinet member. The external evaluation, however, is done by various universities who are commissioned to do the job on a year-to-year basis. The results of this evaluation are published each year and are available to the general public.

These four major aspects of the RJCP, namely, the administrative structure, the project preparation and implementation, the financial management and control, and the monitoring and evaluation are depicted in Chart 1.

4. Economic Impact of the RJCP

In the previous three sections, we have discussed the rationale for, the historical development and the structure of, the Rural Job Creation Program. We are now ready to discuss the economic and social impact of this Program on the rural development of Thailand.

In this section, some salient features of the outcomes of the RJCP will be pointed out before we analyze two aspects of the economic impact, namely, the income generation aspect and the employment generation aspect.

4.1 Some Salient Features of the RJCP

We discuss below some of the salient features (see Table 3) of the RJCP from 1980 to 1984:

(a) Program expenditures

The central government budgets earmarked for the Rural Job Creation Program were 3,500 million baht each for the first two years (1980 and 1981) and 2000 million baht a year for the last three years (1982, 1983 and 1984). The actual program expenditure shown in line 1 (Table 3) was less than the budget appropriation because not all the money was spent. A certain proportion of the funds was reserved for emergency or for possible extension of certain projects which, in the end, did not materialize. The actual program expenditures also did not include that part of the funds taken out from the RJCP budgets and given to all members of parliament for political purpose. Of these actual expenditures, about 1-2 per cent was allocated for the costs of program management.

Even though the RJCP budget has been cut down from 3500 million baht to 2000 million baht in the last few years, this is by no means a small amount of public spending, particularly on a public works program. Compared to such developing countries as Indonesia or Bangladesh, public funds of this magnitude on public works programs were very large indeed.

The distribution of program funds to different regions of Thailand reflects the economic conditions of those regions. The Northeast which is the poorest region in the country always receives the major share of the RJCP expenditures, followed by the North, the Center and the South. But the Northeast region is faced with a declining trend in budget allocation in recent years.

(b) Number of projects approved

When the RJCP was first launched in 1980, many tambon councils were not quite certain what kind of projects to prepare despite their past experience with similar programs in the previous governments. The projects selected and approved, therefore, tended to be small and fragmented. In later years, however, the councils began to appreciate the relative merits of larger projects. Some councils in different tambons even embarked on joint projects which were

Table 3 — Salient Features of the Results of the Rural Job Creation Program, 1980-1984, by Region

	Year				
	1980	1981	1982	1983	1984
Program Expenditures					
1. (Baht million)					
North	721.0	612.6	363.3	410.5	365.3
Northeast	1428.2	1575.5	856.5	844.7	827.4
Center	471.7	427.4	361.7	381.0	381.5
South	379.1	365.9	268.8	262.3	266.4
Whole Kingdom	3000.0	2981.4	1850.6	1898.5	1840.6
2. Number of Projects Approved					
North	12652	13237	4357	4112	2990
Northeast	12956	27946	9898	8460	6166
Center	23719	10404	4998	4439	3600
South	5996	8042	3160	2546	1798
Whole Kingdom	55323	59629	22413	19557	14554
3. Number of Workers Employed (000)					
North	913	852	627	578	389
Northeast	1949	1339	1300	1110	795
Center	643	656	243	205	129
South	249	238	119	85	65
Whole Kingdom	3754	3087	2589	1948	1378
4. Expenditure per worker					
North	790	719	579	710	939
Northeast	733	1177	659	761	1041
Center	734	652	14488	1859	2957
South	1523	1537	2259	3085	4098
Whole Kingdom	799	729	715	975	1336
4. Wage/Non-wage Expenditure Ratio					
North	87/13	61/39	56/44	39/61	35/65
Northeast	92/8	68/32	46/54	43/57	44/56
Center	90/10	60/40	44/56	36/64	27/73
South	89/11	52/48	37/63	32/68	28/72
Whole Kingdom	90/10	60/40	47/53	37/63	32/68

Source: Data obtained from the RJCP Secretariat, Prime Minister's Office.

much larger than what they each individually planned. This enterprise is encouraged by the central government as it creates greater unity and cooperative spirit among the local population. The number of projects has thus continually become smaller as the size of each project becomes larger.

- (c) Number of workers employed; expenditure per worker and wage/non-wage expenditure ratio

The changing nature of RJCP projects in the last few years has also caused some changes in the number of workers employed in the projects. Normally, within the same budget, the number of workers employed should not be affected even when the size of projects become larger unless of course there are changes in the pattern of factor use in the projects. This is exactly what had happened in the RJCP projects in the last three years.

First, the number of workers declined secularly from 1982 to 1984. This had increased the average expenditure per work of RJCP projects for the whole kingdom from 715 baht in 1982 to 1386 baht in 1984. The main reason for this phenomenon is the changes in the factor use and factor intensity of projects all over the country. The figures on the wage/non-wage expenditure ratios clearly substantiate this assertion. The RJCP was started as a very labor-intensive public works program in 1980 with an average nationwide wage to non-wage expenditure ratio of 90 to 10. This ratio was quickly reduced to 60 to 40 in 1981, and the factor reversal continued until the ratio reached 32 to 68 in 1984. In 1984 the RJCP had become a capital-intensive public works program.

What were the main reasons for the transformation of the RJCP from a labor-intensive to capital-intensive program? One reason obviously, was the central government's desire for more durable public works projects. The simple labor-oriented, earth work projects of the first year were quickly replaced by more material-oriented, technically-sophisticated projects. Public criticism to the Program (that it was wasteful as the outcomes were not durable) played a large part in shifting the government's position away from the original intention of using the Program for income redistribution purpose. More permanent structures in the districts and provinces were also favored by the district and provincial officials who wanted to let these structures serve as records of their performances. When a larger portion of the budget is spent on materials and machines, a smaller portion is left for labor. As a result, the number of rural workers employed in the projects in all regions began to decline at the average rate of about 12 per cent per year from 1980 to 1984.

4.2. Income Generation

The first objective of the RJCP in the past five years has always been to augment the rural income during the slack season roughly between January and June each year with peaks around March and April. This income is to be received by working in the projects or

ganized by the tambon councils. Several issues are involved in the process of income generation, such as the size of income received by an average worker, the pattern of spending of households receiving that income, the changing distribution of income after participating in the Program, and so on.

(a) Size of income received

We are interested to know how much income an average worker receives from working in RJCP projects. Is it large enough to help a poor worker? Do they have to work harder than usual? As this amount of income depends on the period of employment and the wage rate, we would like to know how many days an average worker works in the Program and what is his average wage rate.

Tables 4 and 5 show the length of employment in the RJCP in various regions and the total income received by households whose members worked in the Program. On number of days worked, it can be seen from Table 4 that the South was consistently the region where an average worker got to work the longest both in 1980 and 1984. This fact is confirmed in Table 5 which shows that an average household in the South received the highest amount of income from the RJCP compared to households in other regions. On the average for the whole kingdom, the number of days worked in the Program was about 12.3 days in 1980. It seems that this figure would be bigger in 1984 (if one could deduce from the figures for Northeast, Center and South) which means that the people who got to work in the Program lately were able to work longer, and with higher pay. This was traded off by the smaller number of workers who could be employed in the Program as evidenced in Table 3.

Workers in the Program normally get paid either by daily wage or by the amount of work done. On the daily wage system, the basic wage rate is usually the legal minimum wage in force in that location. But often the provincial committees who set wage rates in the provinces were forced to set higher wage rates for RJCP projects to attract workers from other jobs. On the other hand, the piece-rate system is mostly used in earth-work projects where the work done can be easily measured. This method of payment was almost exclusively adopted during the first year of the Program as most of the public works projects were of the earth-work types.⁴

⁴This system also enabled workers who were willing to work hard and work overtime to earn a higher wage income compared to those who were paid on a daily wage rate. In 1980, this fact was clearly seen in the average income of workers in the North in which the daily wage system was widespread as compared to that in other regions.

**Table 4 — Average Length of Employment in the RJCP,
1980 and 1984**
(unit : No of days worked)

Region	1980	1984
North	13.9	n.a.
Northeast	10.4	16.0
Center	14.2	20.7
South	21.8	28.9
Whole Kingdom	12.3	n.a.

Source: Compiled from various evaluation results.

Note: Only data for 1980 are complete and consistent across regions. For 1984 only the figures for the Center and the South are consistent with those for 1980.

**Table 5 — Household Wage Income Received from Working
in the Rural Job Creation Program**

	1980	1981	1982	1983 ³	1984
North					
Income from Project	706	375 ¹	930	—	n.a.
As % of regular income	4.0	n.a.	4.8	—	n.a.
Northeast					
Income from Project	774	909	1015	—	1088
As % of regular income	4.7	n.a.	8.3	—	3.9
Center					
Income from Project	1125	550	726	—	1679
As % of regular income	4.9	n.a.	3.0	—	3.4
South					
Income from Project	1170	1146	1182	—	1976
As % of regular income	5.0	4.9	7.5 ²	—	7.3 ³
Whole Kingdom					
Income from Project	877	n.a.	n.a.	—	n.a.
As % of regular income	4.6	n.a.	n.a.	—	n.a.

Sources: Compiled from various project evaluation reports.

¹ most likely understated

² as % of cash income only

³ Evaluation for 1983 RJCP was not attempted; the survey in 1984 was actually for 1982 operation.

Figures in Table 5 also reveal something about the economic conditions of the people in different regions. In the Northeast where the people are poorest, there were no shortages of workers who are willing to work in the Program each year. The limited amount of work has to be shared among villagers resulting in lower average income received than that of workers in the Central Region and in the South where severe shortages of workers plague certain projects. Those who were employed thus worked longer and were paid better. In terms of the proportion of this income from RJCP to the total regular income of the family of those workers, it can be seen that workers in the South generally fared better than those in other regions. It may be argued that this proportion is too small to make any difference in intra-regional income positions let alone inter-regional income positions. But it can be equally argued that an increase in income of three to four per cent of total annual income after about two weeks of relatively simple and riskless work should not be taken too lightly either.

(b) Spending patterns of income received

What a worker or his household spends out of his income received from the RJCP is of special interest in the overall evaluation of the Program. From these spending patterns, multiplier effects of the Program can be calculated. On a less technical level, household spending patterns of RCJP income can also tell us something about the economic and social conditions of rural households. Unfortunately, resource and time limitations at each annual evaluation prevented a study on the multiplier effects of the Program. However, data on simple spending patterns were obtained during household interviews by asking participating households to rank the item or activity that they would be spending their money on in descending order. The distribution of the types of spending that were ranked first was computed for various years (see Table 6).

Many interpretations can be deduced from Table 6. But what is a most significant revelation is that a large part of the income received from working in the Program was spent on food first as reported by more than 62 per cent of households in 1980. In 1981 and 1984, the percentage was practically unchanged for sampled households in the North and the Northeast, but it was reduced in the Center and increased in the South. Overall, the need for food was still very real for these participating households in all regions, and the RJCP positively contributed to the fulfillment of this basic need in the rural areas.

(c) Post-program income distribution

That the RJCP provides an opportunity for the rural population to earn supplementary income during the dry season is

Table 6 — Household Spending Patterns of Income From RJCP¹

Type of Expenditure	North ²	North-east	Center	South	Whole Kingdom
1. Agricultural expenses					
— 1980	18.9	23.0	11.6	26.8	20.0
— 1984	4.9	14.6	10.3	5.2	
2. Food					
— 1980	67.7	54.5	79.0	44.9	62.4
— 1984	69.7	54.4	64.4	59.7	
3. Education					
— 1980	2.5	3.9	1.8	8.5	3.5
— 1984	7.2	1.3	2.2	17.3	
4. Medical care					
— 1980	0.9	4.8	1.1	1.0	2.7
— 1984	1.3	2.5	0.5	—	
5. Clothing					
— 1980	4.0	6.6	1.7	4.7	4.6
— 1984	7.2	17.2	5.4	7.2	
6. Housing					
— 1980	0.6	1.3	0.2	2.2	1.0
— 1984	2.0	2.5	2.5	—	
7. Spirits, tobacco and entertainment					
— 1980	0.1	0.7	0.4	1.0	0.4
— 1984	0.3	1.2	1.6	1.2	
8. Debt payment					
— 1980	1.6	2.2	1.8	4.3	2.2
— 1984	—	—	2.5	—	
9. Saving					
— 1980	0.8	1.2	0.7	2.6	1.1
— 1984	—	—	2.7	—	
10. Other					
— 1980	2.0	1.8	1.7	4.0	2.1
— 1984	7.2	6.3	7.9	9.4	
Total					
— 1980	100.0	100.0	100.0	100.0	100.0
— 1984	100.0	100.0	100.0	100.0	

Source: Compiled from various evaluation reports

¹ Obtained from the rank order expenditure items by sampled households
The distributions reported here were expenditure items that were ranked first

² Data for North and Northeast are for 1981, not 1984.

well accepted. But who are these workers? Are they well-to-do farmers who really do not need this type of work but were given the work anyway due to their acquaintance with members of tambon councils? ⁵ If richer farmers got most of the work and income compared to poorer farmers, then the income distribution among those who worked in the Program must have worsened. For this we would like to know the income redistribution effects of the RJCP on the rural households participating in the Program.

The total income of households was estimated during evaluation surveys. When we add the income received from the Program into this pre-program household income we would have the

Table 7—Distribution of Income of Workers Before and After the Projects, as Measured by Gini Coefficients, 1980-1984.

	1980	1981	1982	1983	1984
North					
Before	.4687				
After	.4734				
Northeast					
Before	.4337		.4968		
After	.4193		.4706		
Center					
Before	.4797		.5400		.5025
After	.4632		.4500		.4869
South					
Before	.4384	.5198	.4145 ¹		.3005 ¹
After	.4255	.4757	.3870 ¹		.2801 ¹
Whole Kingdom					
Before	.4690				
After	.4349				

Sources: Compiled from various evaluation reports.

¹Based on distribution of cash income only.

post-program household income and its relevant distribution. Comparison is made between these two distributions to find the redistributive effects of the Program. The results of this comparison are presented in Table 7.

⁵In 1980, it was shown that a more well-to-do farmer was more likely to earn higher income from the RJCP than a poorer farmer. See Krongkaew et al. (1981), chapter 6.

The summary indicator of income inequality used in Table 7 is the Gini coefficient. The available estimates clearly show that the post-program distribution has become more even in all regions, in all years, except for the North in 1980 where distribution of rural household income had become more unequal as a result of the RJCP. The improvement or alleviation of income inequality (measured in terms of percentage reduction in Gini coefficients) was in the range of about 3-7 per cent which was quite substantial considering the fact that this was just a short-term relief program.

4.3. Employment Generation

Some of the employment characteristics of the RJCP have already been mentioned earlier such as the number of workers employed in the RJCPs in each region and the wages paid to these workers. In this section additional issues concerning the employment generation of the RJCP will be discussed as follows: employment procedures of the RJCP, the extent of employment creation of the RJCP, effects of the RJCP on rural-urban migrations, and general employment problems of the RJCP.

(a) Employment procedures of the RJCP

A primary intention of the RJCP was to engage low-income farmers in the rural areas in local-level public works that would give them a chance to earn additional money. During the first year, no specific instruction was given to the tambon councils regarding the employment procedures of the RJCP. Therefore, most tambon councils all over the country hired workers who came in to apply for the jobs.⁶ This hiring practice obviously did not favor poorer workers in terms of priority, and length of employment. In fact, it was richer workers who actually benefited more from the program by working longer and receiving higher pay. In later years, the central government did suggest to the tambon councils to specifically hire more poorer workers, but the outcome did not change much. In the Central Region in 1984, for example, less than 10 per cent of the tambon councils surveyed would specifically hire someone simply because he is poor (Krongkaew *et al.*, 1984, p. 62). Theoretically, the income redistribution effects would have been greater if poorer workers were able to work more.

The reasons given by workers employed in the projects are also of great interest. As shown in Table 8, workers in different regions stated different reasons for joining the Program. In 1980, for

⁶The result of the survey in 1980 showed that 70.3 per cent of all tambon councils adopted this "come all, hire all" policy. See Krongkaew *et al.* (1981), p. 53.

instance, workers in all regions except the Northeast cited having no other work as the most important reason for working in the Program, whereas for the Northeastern workers, it was the desire to earn more money. These two reasons together, plus higher wage rates, explained more than three-fourths of all the reasons given by these workers for joining the Program. In 1984, similar data, which were available only for the Central Region, showed that having no other work was no longer the most important reason as in 1980. What was more im-

**Table 8—Reasons Given by Workers for Participating in the RJCP
(Percentages)**

Reasons	1980					1984
	North	North-east	Center	South	Whole Kingdom	Center
Having no other work	35.6	26.0	53.6	24.0	34.5	18.9
Having some free time from regular work	1.6	0.3	2.0	5.7	1.5	26.8
Wanting more money	27.4	36.2	14.6	11.9	27.0	21.0
Higher wage rates than usual	8.8	18.0	9.9	5.3	12.8	0.8
Having been requested or hired to join the program	14.2	3.7	3.6	11.8	6.8	19.5
Wanting to develop village	4.1	4.7	4.4	19.5	5.8	—
Living near work site	2.7	8.4	7.1	13.2	7.2	—
Required by duties	1.5	0.1	0.6	2.9	0.8	2.5
Others	4.1	2.6	4.2	5.8	3.6	10.6
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Krongkaew et al. (1981), p. 34. and Krongkaew et al. (1984), p. 63.

portant was the "underemployment" factor (expressed as having some free time from regular work). As the nature of the work in the Program also changed from labor-intensive to material-intensive where more skilled workers were required, the local authorities (in this case the tambon councils) were forced to hire more skilled workers to work in the Program. This is indicated by the very high

proportion (19.5 per cent) of Program workers who said that they had been requested or hired to join the Program.⁷

(b) Extent of employment creation

As was shown in Table 8, one of the major reasons why workers join the RJCP is the existence of unemployment or under-employment in the areas. To explore this phenomenon in more detail, we asked about the employment status of workers prior to

Table 9 — Employment Status of Workers Prior to Joining the Rural Job Creation Programs, 1980-1984

Region	1980	1981	1982	1983	1984
North					
Unemployed	46.7	78.7	54.9		
Had Some Work	53.3	21.3	45.1		
Total	100.0	100.0	100.0		
Northeast					
Unemployed	39.0	41.6	56.3		27.7
Had Some Work	61.1	58.4	43.7		72.3
Total	100.0	100.0	100.0		100.0
Center					
Unemployed	46.7	11.3	65.4		43.8
Had Some Work	53.3	88.7	34.6		56.2
Total	100.0	100.0	100.0		100.0
South					
Unemployed	22.7	23.6	59.7		67.6 ¹
Had Some Work	77.3	66.4	40.3		32.4
Total	100.0	100.0	100.0		100.0
Whole Kingdom					
Unemployed	41.1				
Had Some Work	58.9				
Total	100.0				

Source: Compiled from various evaluation reports.

¹Likely to be overstated as it included those workers who might already be working prior to RJCP but joined RJCP to receive higher wages.

joining the RJCP, the responses to which are reported in Table 9.

In Table 9, the data for 1980 were the most complete and consistent across regions, except for the Central Region in 1984. For the whole Kingdom, about 41.1 per cent of workers in the RJCP in

⁷It should be mentioned here that the figures for 1980 for this reason referred strictly to those who were requested, not hired, to work in the Program. Only in 1984 was direct hiring practised in addition to ordinary requests.

1980 stated that they were not properly employed or did not have gainful work to do one week before entering the RJCP. This employment-unemployment situations differed from one region to the other, with the North and the Center regions having the highest incidence of unemployment during the dry season of 1980, followed by the South and the Northeast regions. The fact that the Northeast had lower unemployment incidence than the Center and the North might be contrary to the reality that the Northeast is the poorest region in Thailand and thus should have more unemployed farmers during the dry season compared to other regions. But a deeper analysis would indicate that, precisely because the Northeast is poor, the people in this region will have to work almost all the time to earn subsistence wages. It was a different case for the South where the rural people could find work in the rubber plantations during the dry season, thus helping reduce unemployment incidence. The unemployment incidence for the South in 1982 and 1984 was most likely overstated (probably due to changes in interviewing techniques or questions), but for the Center in 1984, the figure appeared to be consistent and reasonable. The Northeast Region was shown to have even lower incidence of unemployment during the slack period in 1984 than in 1980. This may seem odd, especially when compared to the situations in 1981 and 1982. It is advisable that no comparison is made across the years, except perhaps for the Center in 1980 and 1984 where the same sample areas were selected, and sample operations were more or less the same.

To conclude, using the 1980 survey results as reference, the RJCP helped create employment for over 40 per cent of a small group of rural population who would otherwise be without proper jobs⁸. Even in the region where unemployed workers were relatively small, such as the Northeast, the RJCP still provided an opportunity for a higher-wage work. Problems however existed within each region which were not reflected in the data shown in Table 9. For instance, in the fruit-growing provinces of Chonburi and Rayong in the Central Region, the local authorities often had difficulty finding sufficient number of workers who would participate in the Program mainly because they already had higher-paying jobs. In these provinces, the Program did not actually create new jobs but simply substituted one type of work for another which was already in existence. For some provinces in the South, these same problems also occurred.

⁸ According to the RJCP Secretariat data as shown in Table 3, the total number of workers employed in the 1980 RJCP was about 3.754 million people. Forty-one per cent of this would be about 1.539 million people. However, since many were hired to work in more than one project, the actual number of workers involved in the Program would be smaller (by about 23 per cent). See Krongkaew et al. (1981), p. 32.

(c) Effects on outward migration

One of the objectives of the 1980 RJCP was to curb the rural-urban migration, particularly to Bangkok, during the dry season. The results of the first year RJCP had shown that the Program had some effects on the outward migration of farm workers during the dry season, but not much. For those who were not employed before joining the RJCP, the problem of outward migration obviously did not arise. But for those who were previously employed, it would be interesting to know where these workers worked. Table 10 presents the results of the surveys about the locations of work of workers prior to joining the RJCP.

It may be seen in Table 10 that the majority of these workers (about 90.4 per cent on the average for the Whole Kingdom) had been working in the same localities where the RJCP projects were being implemented. In this sense, the RJCP effects on outward migration were rather small, especially for the migration to Bangkok Metropolitan Areas, with the smallest incidence of about 1.3 per cent. Roughly speaking, the RJCP reversed the flow of migration to Bangkok for about 28,000 people for the whole country, which were not many considering the several hundred thousands of rural people who migrate to Bangkok each year. This phenomenon was more or less confirmed by responses to another question asked in later surveys about the type and location of work that the farmers would do once they had finished working in the RJCP. Most farmers would go back to their old jobs which they had been doing before joining the Program; few would migrate to work in other areas after the work with the RJCP (Krongkaew *et al.* 1984, pp. 64-65. It can be deduced, therefore, that the outward or rural-urban migration was not significantly affected by the existence of the RJCP. The decision to migrate seemed to be influenced by other factors not covered in this study.

5. Social Impact of the RJCP

Although primarily designed and intended as a short-term economic relief program, the development within and around the Program in the last several years has moved the RJCP from the economic into the socio-political sphere as well. As mentioned earlier, one of the major objectives of the RJCP was to help develop and increase the efficiency of subdistrict-level local governments in local planning and administration. To see whether this and other related administrative and social objectives are fulfilled, the project evaluation teams have included several questions concerning local self-government and local-level participation in their annual evaluation surveys. Some of the results will be discussed below.

Table 10 -- Location of Work of Workers Prior to Joining RJCP

Location	North		Northeast		Center			South	Whole
	1980	1981	1980	1981	1980	1981	1984	1980	Kingdom 1980
Same Tambon	94.3	80.6	89.6	72.5	88.0	89.4	83.6	91.2	90.4
Same District	2.6	19.4	3.7	10.4	7.6	5.7	9.4	7.8	4.8
Same Province	1.4		3.1	4.8	2.0	1.4	3.2	0.8	2.2
Other Province	1.2	—	1.8	10.8	0.8	2.3	0.5	0.2	1.3
Bangkok	0.5	—	1.8	1.6	1.6	1.1	2.7	0.0	1.3
Abroad	—	—	—	—	—	—	0.9	—	—
Others	—	—	—	—	—	—	5.0	—	—
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: compiled from various evaluation reports.

5.1 Effects on Local Self-Government

Projects in the RJCP are seen in this context not only as economic ends but as socio-political means by which the tambon councils learned to make plans, select and implement projects, and generally carry on the administration of local governments. At first, several problems were encountered by most tambon councils in taking on the responsibilities of RJCP project execution. But as time passed their ability apparently increased and so did their confidence. Tables 11, 12, and 13 present the responses from various groups of people on several questions concerning the administrative capability of the tambon councils.

Table 11 — Different Views About the Planning and Administrative Ability of the Tambon Council, 1984

		Responses (%)			Total
		Good to Very Good	Fair	No Good	
ASK Tambon Councilors					
(1)	The planning of 5-year Tambon Plan	62.7	35.3	1.3	100.0
(2)	The selection and preparation of RJCP projects for approval	81.4	16.0	1.3	100.0
ASK District Officials					
(1)	The planning of 5-year Tambon Plan	35.9	56.4	5.2	100.0
(2)	The selection and preparation of RJCP projects for approval	56.5	33.3	7.7	100.0

Source: Krongkaew et al. (1984), p. 106.

**Table 12 — Evaluation of the Performance of Tambon Councils
in RJCP, Central Region, 1984**

	Total	Responses (%)			No Respo
		Good to Very Good	Fair	Not Good to Worst	
Responses from RJCP workers					
Diligence and devotion to work	100.0	71.2	16.2	1.8	10.8
Honesty	100.0	75.8	11.1	1.9	10.8
Acceptance of villagers' views	100.0	70.2	14.4	4.5	10.9
Team work and unity	100.0	77.3	10.1	1.0	11.6
Overall efficiency	100.0	64.9	22.5	2.0	10.6
Responses from District Officials					
Diligence and devotion to work	100.0	74.4	25.6	—	—
Honesty	100.0	74.4	20.5	5.1	—
Acceptance of villagers' views	100.0	66.7	30.8	—	2.6
Team work and unity	100.0	79.5	15.4	5.2	—
Overall efficiency	100.0	64.1	35.9	—	—

Source: Krongkaew et al.(1984), p. 106.

In Table 11, opinions of tambon councilors and district officials were sought regarding the planning, selection and employment implementation of the RJCP projects at the local level. About 62.7 per cent of these councilors believed that their ability to plan the 5-year Tambon Development Plans ranged from good to very good. For the selection and preparation of the RJCP projects for approval, the positive responses were even higher at 81.4 per cent. This kind of response partly reflected the confidence of the tambon councilors on these matters. The district officials who had to work most closely with the tambon councils also believed in the planning and administrative ability of the tambon councils as can be seen from the responses in Table 11, although the degree of confidence might not be as high as that of the tambon councilors themselves.

Table 12 reports on the evaluation of the performances of the tambon councils in the Central Region in executing the 1984 RJCP projects. According to the opinions of RJCP workers, the tambon councils had performed well in all five categories, namely: diligence and devotion to work, honesty, acceptance of villagers' views, team-work and unity, and overall efficiency; the degree of positive accept-

Table 13 — Different Perceptions of the Ability of Tambon Councils in Handling Rural Development Programs, 1984

	Village Workers	Tambon Councils	District Officials	Provincial Officials
Question: If the Government allocates a certain amount of fund to a Tambon council for the purpose of rural development, do you think the Tambon Council and the people in the village will be able to prepare and operate such projects by themselves without any help from the Central Government?				
Answer:				
1. Yes	86.1	89.3	46.2	32.0
2. No	13.9	10.7	53.8	68.0
of which:				
— knowledge is lacking	7.8	7.3	35.0	48.0
— Corruption will occur	1.5	3.3	10.9	0.8
— No benefits expected	—	—	7.9	8.0
— Others (No unity etc.)	3.1	—	—	4.0
— No reason given	1.6	—	—	—
Total	100.0	100.0	100.0	100.0

Source: Krongkaew et al.(1984), p. 114.

ance did vary from one category to the other. Similar views were also expressed by district officials. It can be concluded, therefore, that the performance of the tambon councils, at least as seen in the administration of the RJCP projects in the Central Region, was met with general approval both from the local population and from their immediate superior, the district administrator.

Finally, the ultimate indicator of local-level ability to handle rural development programs in general was put to test. All the parties involved in the RJCP at the provincial level downward were asked the same question, i.e., whether the tambon councils and the people in the localities would be able to prepare and operate the projects in which the Central Government provides full funding but without any other assistance. The responses from village workers, the tambon councils themselves, the district officials and the provincial officials in the Central Region in 1984 are shown in Table 13. It is evident that the confidence of the tambon councilors in their own ability was still very high at 89.3 per cent, while the trust of the rural

people on the tambon councils was not much lower at 86.1 per cent. The responses from the central government representatives, that is the district and provincial officials were less enthusiastic, however. More than half (53.8 per cent) of the district officials interviewed in the Central region still did not believe that the tambon councils could administer by themselves the entire process of a rural development project. The provincial officials were even stronger in their beliefs that the tambon councils were not fully capable of taking on rural development projects entirely by themselves; the lack of technical knowledge was often cited as the major reason for them being so. In a way this may be correct, but it should be kept in mind also that the local administration of the central government might have a tendency to underestimate the capability of the tambon councils owing to their familiarity with "top-down" administrative behavior.

5.2 Effects on Local-Level Participation in Rural Development Efforts

It was expected that both the rural leaders and rural population would benefit from participating in the RJCP in terms of improved self-government and increased local-level participation in rural affairs. Improved self-government was shown to have taken place in the course of the RJCP in the last several years. Participation from the local population apparently had also taken place, but to a limited extent. Broadly speaking, local participation would be higher if the local people know more about the structure of local governments and who are running them. Moreover, if they (the local people) believe that they benefit from a public program, they would be more likely to take part in the development efforts at the local levels. These two points are brought up in Tables 14 and 15.

Table 14 — Villagers' Knowledge About the Tambon Council, 1980

	North	Northeast	Center	South	Whole Kingdom
Question to Villagers: Do you know what a Tambon Council is?					
— Yes	49.8	37.2	37.7	69.5	43.2
— No	50.0	62.8	61.9	30.4	56.6
— Others	0.2	0.0	0.4	0.1	0.2
Total	100.0	100.0	100.0	100.0	100.0

Source: Krongkaew et al, (1981), p. 43.

Table 15 — Local Population's Perception of the Usefulness of the RJCP, 1980 and 1984

	1980			1984	
	North Northeast	South Center	Whole Kingdom	South Center	Center
Question to RJCP workers:					
Apart from the income that you receive from the Program, do you derive any other benefits from the Program ?					
Answer:					
Yes, a great deal.			50.8		
Yes, moderately.			38.0		
Yes, just a little.			3.4		
No other benefits.			7.8		
Total	95.2	97.2	91.4	97.1	91.4
	4.8	2.8	8.6	8.6	7.8
	100.0	100.0	100.0	100.0	100.0
Question to Non-RJCP workers:					
Do you agree or disagree that the RJCP was a useful public works program ?					
Answer :					
Agree	97.6	97.5	98.1	92.3	97.3
Disagree	2.4	2.5	1.9	7.7	2.7
Total	100.0	100.0	100.0	100.0	100.0

In Table 14, the workers who joined the Program were asked in 1980 whether they knew about the tambon councils. Surprisingly, the majority of these workers (56.6 per cent on the average for the whole country) did not know what a tambon council was. But as the RJCP became more popular, the knowledge about the structure and working of tambon councils also increased among the rural population. This increased knowledge could be looked upon as a concrete contribution of the RJCP in the social development of rural Thailand.

Table 15 further confirms the positive social impact of the RJCP on the rural population. Most of the workers who took part in the Program overwhelmingly believed that the RJCP was good to them. It not only gave them the chance to earn more money during the slack season, but also improved their livelihood through increased water supply, better roads, better sanitation, and so on. Lest this may be looked upon as a biased answer because it was given by those workers who had vested interest in the Program, the evaluation team in 1980 also posed a similar question to villagers who did not participate in the program. Again, the response from this group was overwhelmingly in favor of the RJCP.

While it has become apparent that the rural population like the Rural Job Creation Program and will support it when needed, the RJCP is not without its social critics. Many people who look upon the tradition of non-monetized work-sharing in the rural areas as unique to Thai culture and needs preserving would sometimes cast doubt and aspersion at the RJCP as something that would destroy that local work-sharing spirit. This attitude is indefensible, firstly, because if the farmers themselves should decide to work for money, no one else should be in a position to say that that decision is irrational or improper. Work specialization and monetization of the rural areas are recognized as a part of modern economic development. Besides, not all farmers are money-conscious; it has been demonstrated in many evaluation surveys that the rural farmers knew exactly when to work for money and when to work for community welfare and spirit.

Overall, the RJCP is said to have contributed positively to the social development in the rural areas of Thailand. According to some perceptions, the RJCP is even regarded as more a social rather than an economic program, with its social impact greater than the economic impact. Whether this is true depends on who is looking at it.

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Appendix: Formulae for the Allocation of RJCP Funds

One of the trickiest problems facing the government in implementing the RJCP is how they allocate the program budgets to the target provinces, districts and tambons. They certainly cannot use arbitrary rules to allocate such funds as the resistance from each province competing for funds would be too great. So, some kind of explicit formula will have to be devised as an allocation rule for the RJCP budget.

Since 1980, there have been 3 formulae designed for the RJCP. There was one for the 1980 RJCP, one for the 1981 RJCP, and one for 1982 RJCP which was also used for the 1983 and 1984 RJCP (and probably 1985 RJCP also). The following account will describe each formula in some detail.

1. The 1980 Formula

In this first year of the RJCP, the immediate concern of the government was to relieve the hardships of the rural population as a result of a widespread, severe drought throughout the country in the previous year. It was expected, therefore, that the allocation formula would have to include an indicator of this hardship related to the damages brought about by the drought. The other variables to be included in the allocating criteria were the size of population in the target area and its income level. The final formula decided is as follows:

$$(1) \quad B_i = \frac{P_i/H_i}{\sum_{i=1}^n (P_i/H_i)} \times K$$

$$(2) \quad H_i = 0.25 \left[\frac{R_i}{\bar{R}_i} \right] + 0.75 \left[\frac{YC_i}{\bar{YC}} \right]$$

where:

- B_i = the amount of fund allocated to province i
 K = the total appropriated RJCP budget for the year in question.
 P_i = the size of rural population in province i
 R_i = the actual rainfall in province i in the year in question
 \bar{R}_i = the average rainfall for province i
 YC_i = Per capita income of population in province i
 \bar{YC} = the average per capita income = population in province i

According to the above formula, it is obvious that (a) the larger the province in terms of population, the larger is the allocated fund; (b) the lesser the rainfall for that province in that year compared to an average year, the more is the allocated fund; and (c) the poorer the population in the province in question compared to the average income level of the entire population, the higher is the allocated fund.

Once the funds are received by the Provincial RJCP committee from the central government, it would be further allocated to tambon councils according to another set of criteria which give different weights to the following determining factors: the areas damaged by drought, the non-irrigated areas, and the size of rural population.

2. The 1981 Formulae

The drought problems which beset the rural situation in 1980 did not occur in 1981. It was obvious, therefore, that the 1980 formula became irrelevant and obsolete. The new formula for 1981 was designed to tackle new problems. It can be shown as follows:

$$(1) B_i = \frac{I_{ni} P_i}{\sum_{i=1}^{71} I_i P_i} \times K$$

$$(2) I_{ni} = \frac{I_i}{\sum_{i=1}^{71} I_i}$$

$$(3) I_i = 0.7 \left[\frac{X_{max}}{x_i} \right] + 0.3 \left[\frac{Y_{max}}{Y_i} \right]$$

- where:
- B_i : the amount of fund allocated to province i
 - K : the total appropriated RJCP budget for the year in question
 - P_i : the size of rural population in province i
 - I_i : Provincial index
 - X_{max} : Per capita farm income of the richest province
 - X_i : Per capita farm income of province i
 - Y_{max} : Per capita highest cultivated area in the country
 - Y_i : Per capita cultivated area in province i

In this 1981 formula, the variable related to water, namely, the area damaged by drought was dropped out, and in its place, the factor on landholding was substituted with the stipulation that the smaller the per capita landholding, the more is the allocated fund to that target area.

In 1981 the Government explicitly set a criterion for each province to further allocate RJCP funds to tambon councils. This local level fund allocation formula was as follows:

$$T_{ji} = B_i \times \left[0.5 \left(\frac{A_{ji}}{A_i} \right) + 0.3 \left(\frac{P_{ji}}{P_i} \right) + 0.2 \left(\frac{U_{ji}}{U_i} \right) \right]$$

where:

- T_{ji} : the amount of fund allocated to tambon j in province i
- B_i : the amount of fund received by province i
- A_{ji} : the cultivated area of tambon j in province i
- A_i : total cultivated area of province i
- P_{ji} : total farm population in tambon j in province i
- P_i : total farm population in province i
- U_{ji} : an underdevelopment index of tambon j in province i .

All tambons in each province will be classified into 3 groups according to their development status ranking from Status 1 to 3 in the order of underdevelopment. Thus status 3 would be the most underdeveloped and would be given a weight of 50 points. The weights for Status 2 and 1 are 30 and 20 points, respectively.

- U_i : total points of underdevelopment in province i

3. The 1982 Formulae

The allocation formula was changed once again for the 1982 RJCP. This time an additional weight of consideration was given to

the minimum amount of RJCP fund that each tambon must receive as a matter of right before further funds could be allocated to it according to a set of criteria. The implication behind this change seems to be that the government now takes the upgrading of tambon councils very seriously; each tambon council now will have the opportunity to fully select, plan and implement its development projects with at least the minimum obligatory amount of money that the central government will give it in the RJCP. The new 1982 formula is as follows:

$$(1) B = M + C$$

$$(2) B_i = M_i + C_i$$

$$(3) M = \sum_{i=1}^{72} M_i$$

$$(4) M_i = m TC_i$$

$$(5) C_i = \frac{I_{ni} P_i}{72} \times C$$

$$\sum_{i=1}^{72} I_{ni} P_i$$

$$(6) I_{ni} = \frac{I_i}{72}$$

$$\sum_{i=1}^{72} I_i$$

$$(7) I_i = 0.7 \left[\frac{X_{max}}{X_i} \right] + 0.3 \left[\frac{Y_{max}}{Y_i} \right]$$

where:

B : total appropriated funds

M : total minimum allocated funds to all provinces

C : the remaining funds after the minimum amounts are allocated = $B - M$

i : province 1 - 72; the 72nd province was established in 1982

B_i : the amount of fund allocated to province i

M_i : minimum allocated funds in province i

C_i : funds over and above M_i received by province i

m : minimum amount of fund to be allocated to each tambon. In 1982 this amount was baht 150,000.

TC_i : the number of tambon councils in province i

P_i : total farm population in province i

I_i : provincial index

- X_{max} : per capita farm income of the richest province
 X_i : per capita farm income of province i
 Y_{max} : per capita highest cultivated area in the country
 Y_i : per capita cultivated area in province i

In 1982, the reallocation of funds from the province to tambon council was decided in Bangkok using the formula below which is slightly different from the one used for 1981:

$$T_{ji} = m_i + C_i \left[0.5 \left(\frac{A_{ji}}{A_i} \right) + 0.3 \left(\frac{P_{ji}}{P_i} \right) + 0.2 \left(\frac{RR_{ji}}{RR_i} \right) \right]$$

where:

- T_{ji} : the amount of fund allocated to tambon j in province i
 m_i : the minimum fund allocated to each tambon in province i
 C_i : the remaining funds to province i after the minimum funds are allocated
 A_{ji} : total cultivated areas of tambon j in province i
 A_i : total cultivated areas in province i
 P_{ji} : total farm population in tambon j in province i
 P_i : total farm population in province i
 RR_{ji} : the reciprocal of income of tambon council j in province i
 RR_i : the sum of reciprocals of income of all tambon councils in province i

It is obvious that the 1982 formula was biased in favor of provinces which have a larger number of tambons and thus tambon councils. Despite this apparent distortion, this 1982 formula was adopted also for the 1983 and 1984 RJCPs, and probably also for the 1985 RJCP.