Polarized Utility of Social Capital in Development:
Learning from the Case of Thailand

Takeko Iinuma

I. Introduction

The 1980s saw development policies and programs in developing countries become more inclusive of social aspects. The alternative approaches had a greater emphasis on people, communities and local situations, in contrast to the conventional development approaches that conducted large-scale and top-down projects with the primary aim to increase economic output. One of such socially conscious phenomena in development approaches was the rise of interest in social capital in development cooperation. Although the concept of social capital emerged from studies based on industrial countries, it has attracted increasing attention in development practice and discussions.

Theories of social capital have flourished in a wide range of academic disciplines such as sociology, political science, communications, social work, and economics, and its definitions have varied greatly depending on disciplines and their research agendas. Putnam (1993a: 167) in his seminal work on social capital and institutional performance defined social capital as “social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions.” This definition developed further to include connections among individuals and the norms of reciprocity and trustworthiness that enable participants to act together more effectively to pursue shared objectives (Putnam, 2000). Social capital can be discussed at the societal level as a whole. For instance, civic involvement above all is considered as the key to the well-being of societies, and economic performance is higher in better-connected societies (Putnam, 1993b). On the other hand, social capital can be discussed at the individual behavioral level. The strong relations were found between individual networks, especially bridging and linking ties, and job seeking (Granovetter, 1973). Coleman’s work (1990) showed that social capital could contribute to educational achievements and human capital building (Coleman, 1990). Lin (2001: 19) recapitulates the premise behind the notion
of social capital as “investment in social relations with expected returns in the marketplace.”

With so many positive effects of social capital on individual and institutional performance, the utility of social capital is considered instrumental in development policies. However, issues particular to development are left out on general social capital theory discussions, such as a question on how we could understand, in relation to social capital, social aspects that were already integrated into development efforts. On the one hand, many social aspects that were related to, and sometimes identical to social capital, have been part of the development process. On the other hand, social capital did become a tool of development agenda in certain occasions. A question would rise with regard to which areas of development social capital perspectives have entered and which they have not.

This article aims to portray the ways in which development policy and practice incorporated the areas related to social capital as an improved approach. This study draws on the case of Thailand, which made remarkable achievements in economic and social development in the past decades. While the earlier years, since the late 1950s, witnessed a rapid economic growth in Thailand, there was growing awareness in both civil society and in the government about the need to include social approaches in their agendas. Following these social concerns and aspects, social capital also entered into the language of development policy discussions especially in development cooperation. In this respect, social capital can not be discussed in isolation from its precursors such as social concerns and dimensions in development. Three actors are of importance in illustrating how social aspects and social capital have been treated: civil society, the government, and international aid agencies.

Rather than judging whether the Thai society is resourceful in the stock of social capital, my research is to examine the social elements that are related to social capital as well as social capital per se that have entered into development policy and practice. This will show which actors of development operation are more keen on adopting social capital as a development framework, and around what themes they utilized it. The discussions will lead to conclusions that there have been many tracks through which social aspects were integrated into the development process of Thailand and that social capital utility has been advocated on the policy level while its implementation has been polarized depending on development actors. Analyses were made based on the studies on development and civil society in Thailand and reports of the government and international development organizations. This study was also supplemented by interviews carried out in 2009 with the government agencies of Thailand, among which were the National Economic and Social Development Board (NESDB) and the Ministry of Finance. The following sections will, first, summarize development situations in Thailand, and then, examine how each development actor took up social aspects and social capital into their schemes.
II. Economic and social development in Thailand

Rapid development took place under the regimes of Field Marshal Sarit Thanarat and of General Thanom Kittikachorn between 1957 and 1973. Through authoritarian rules, Sarit and Thanom led top-down development for import-substitution.\(^1\) Coupled with the US economic and military assistance to Thailand as a forefront of the cold war dealing with Vietnam, the Thai economy achieved a rapid growth. Between 1985 and 1995, the Thailand’s GDP growth rate was the highest in the world, accounting for 8-9 percent. The share of the agricultural sector accounted for 40 percent of GDP before this period, but the share of manufacturing in GDP exceeded that of agriculture in the early 1980s and accounted for 28 percent while agriculture for 11 percent in 1995 (Hewison, 2001: 84-85). The society underwent accelerated urbanization and westernization, all of which has brought to Thailand deep and irreversible cultural and political transformations (Wyatt, 1982).

Although social development did not arise along this impressive economic development, it showed a steady progress in the 1980s and 1990s. After 2000, Thailand often served as a model case of development achievements regarding major social indicators. Adopted by 189 nations at the United Nations Millennium Summit in New York in 2000, the United Nations Millennium Declaration launched a global agenda for people-centered and sustainable human development. Drawn from the actions and targets of the Declaration were the Millennium Development Goals (MDGs), internationally agreed goals for human development and poverty reduction.\(^2\) Thailand marked outstanding progress in meeting most of these targets. For instance, MDGs hold, under Goal 1 “Eradicate extreme poverty and hunger,” Target 1 “Halve the proportion of people whose income is less than $1 a day, between 1990 and 2015.” Thailand’s poverty incidence reduced from 27.2% in 1990 to 9.8% in 2002 (Office of the National Economic and Social Development Board, and United Nations Country Team in Thailand, 2004).\(^3\) Similarly, MDG targets for

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\(^1\) In my text, I use the given names of Thai persons to follow the custom of using only given names in Thailand. For bibliographic references, while many Thai studies list the authors’ given names first, I place Thai authors’ surnames fist in accordance with the international bibliographic practice.

\(^2\) The MDGs embraced eight goals to be achieved by 2015: to eradicate extreme poverty and hunger, to achieve universal primary education, to promote gender equality and empower women, to reduce child mortality, to improve maternal health, to combat HIV/AIDS, malaria and other diseases, to ensure environmental sustainability, and to develop a Global Partnership for Development. These goals contained 18 targets, which were to be monitored through 48 indicators.

\(^3\) Incidence of poverty, or alternatively called poverty rate or head-count ratio, communicates the percentage of the population whose per capita incomes or expenditures are below the poverty line. The international poverty line was originally set at $1 per day per person valued at 1985 international prices, but was updated to $1.08 per day in 1993 international prices. The line is still referred to as the $1/day measure in the UN. The UN and the World Bank have been using a $1/day and a $2/day per-capita poverty line, mainly for international comparisons. However, it has been pointed out that national poverty lines may be more appropriate for within-nation comparisons (ADB, 2006).
hunger, gender, HIV/AIDS, and malaria were achieved more than fifteen years ahead of schedule. Other goals were achieved in more recent years, and as of January 2010, only Goal 1 “Develop a Global Partnership for Development” awaits to be achieved.

After having achieved most goals by 2000, Thailand even set forth more ambitious goals of MDG Plus to go beyond the original MDGs. For instance, one of the MDG Plus targets aimed at reducing the proportion of poor people to below 4 percent by 2009, which would represent a four-fifth reduction in the proportion of people living in poverty since 1990 (Ibid.: 7).

Some have sought the characteristics of the Thai society, which might explain the positive and negative elements and causes for development and might eventually suggest the relationship between social capital and development. Even before the introduction of the concept of social capital, there have been similar concerns of research with regard to the cohesiveness and civic participation in the Thai society. Nartsupha (1984) depicted a prototypical communal society in traditional Thai villages. She portrayed Thai villages as self-sufficient and autonomous communities in terms of production. Beside kinship links, village communities cooperated for land control, labor exchange, and social activities. Villages had no class division and were based on communal participation. Without relaying on such a romanticized view of village life, another attempt has been made to portray the Thai indigenous manners of participation. Tracing the tradition of participatory practice, Ockey (2004) claims that Thailand has a long tradition of participation with a deep cultural root and that political participation is prevalent from the village level to the state-level practice. This presents a clear dissent against the numerous claims that democratization is quintessentially of the Western nature and that democratization of the Thai society requires a departure from the traditional hierarchical social relations.

Social capital could be used as a lens to reveal characteristics of civil society as well as public and private institutions. Certain picture of social capital in Thailand is not particularly rosy. Vichit-Vadakan (2003) points out that, despite the creation of numerous associations in the Thai society, there are factors that inhibit horizontal ties. One major factor, patron-client relationships are the dominant structure that encourage vertical ties rather than horizontal ones. In this regard, the author implies, the traditional factors had more shortcomings than advantages. Examining the state system, Unger (1998) casts a similar point, namely the weakness of cooperation among social organizations in Thailand. Through a political economy analysis, he tries to disclose structural obstacles to cooperation and collective action within the government and business institutions.

Although Thailand’s social achievements in the recent years were particularly significant, there is no single account to elucidate its social causes behind them. Competing explanations are that the Thai society had strong social capital in the communities and culture, on the one hand, and that the Thai society missed out developing horizontal ties and collaboration on the
other. Against this backdrop, the following sections will explore the characteristics of each
development actor, namely, civil society, the government, and international agencies, in relation
to social aspects and social capital.

III. Civil society and development in Thailand

Spaces for civic activities in Thailand were not always open. In fact, they were rather subject
to the sways of the different types of the government regimes. After Sarit came to power in
1958, there was no room for civic activities as he pursued military control to sustain order and
stability and to boost economic development under so-called “despotic paternalism”
(Chaloeomatiarana, 1979).

Thailand’s civic activities started in the 1960s, grew gradually in the 1970s, and expanded
further after the 1980s. There have been many threads of social concerns expressed in a number
of manners, such as development efforts, political groups and social movements. But, much of
Thai people’s activism came about through the awareness on the unjust and unequal outcomes
of rapid development, and a large part of civic activism has been represented by
non-governmental organizations (NGOs), whose causes were built around development issues.
Hirsch (2007: 189) traces the origin of Thailand’s NGOs up to the Thai Rural Reconstruction
Movement (TRRM), which was a national branch of the International Rural Reconstruction
Movement (IRRM). TRRM started activities in the late 1960s under the military regime,
focusing on support to community development in the rural areas. Hirsch points out that it was
not social movements of only marginalized social groups, and that it encompassed the varied
social groups across the society. Persons in influential positions also made claims of reforms.
Many NGOs emerged between 1973 and 1976, which was relatively a democratic period, and
tackled urban slum and human right issues. Even after its economy had grown substantially,
rural life was poor, and thus, NGOs and social movements took up the task of support for rural
development.4

The military crackdown in 1976 expelled students and workers in activism, and they fled to
the Communist Party of Thailand in the north. The military changed the approach in 1980 and
enacted policy order 66/23, which launched an inclusive policy for rural areas. Growing
importance was attached to rural development as the military government shifted its approach

4 Hirsch (2007: 190) notes, though, that during this period the public viewed NGOs as charitable community
development organizations and that political advocacy did not come through NGO activities but through
demonstrations and university student movement for policy reform.
from military control to more economic and inclusive policy towards rural areas through rural development. In this context, coincidentally, NGOs’ assistance for the rural poor came to be in accordance with the government politics. However, development NGOs have been distinctive in their work approach to engage local population in designing and conducting of the activities at the local level. They also strengthened networks of community members and groups. These were *de facto* strengthening of social capital stock in local areas.

Hughes (2009) notes that, since the 1980s associational life expanded dramatically in many countries of Southeast Asia. He points out that especially in Thailand international aid for NGOs became increasingly available in the 1980s. At the same time, the collapse of communism made social movements recognize that communism was no longer an attractive form of radical opposition. Thus, attracting civic reformers, NGOs grew rapidly in number and tackled a variety of issues related to development, health, human rights and environmental protection.⁵

However, another study suggests that NGOs are not necessarily representing the interest of the general society in Thailand. As mentioned earlier, through a civil society analysis, Vichit-Vadakan (2003) points out a paradox of two characteristics, a proliferation of civil society organizations and low horizontal affiliation as well as low social participation. According to the author, development NGOs are not particularly civic or widely supported as they are considered as peculiar in the Thai society.

Hirsch indicates that NGOs in Thailand shifted from the focus on local community development towards advocacy for policy change in the late 1980s. The important issues that pushed NGOs to take up more advocacy roles were those of environment. Advocacy-based NGOs, as Hirsch calls, were successful in halting hydro-electric power development, logging concessions and projects that had devastating effects on natural resources and wildlife.

According to Hirsch, NGOs grew further in the 1990s into advocacy areas. There were two types of NGOs in advocacy: activities purely based on conservation, and activities based on livelihood and human rights, especially regarding landholding and working conditions. Such a division did not damage civic activities as it meant multiplication of issues that NGOs dealt with and of social groups that were involved in. A serious challenge came when civic movement was subject to the 1991 coup d’état and the 1992 military crackdown. Yet, NGOs found increasing spaces for actions as the government returned to elected democracy under Prime Minister Anan Panyarachun, who was favorable for greater civic engagement.

Thus, although much of civic activism for development and social justice was lead by NGOs, they flourished when the government opened up civic spaces and sustained themselves relying

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⁵ It is difficult to grasp the number of NGOs in Thailand as they are often locally based, and of various forms of organizations such as associations, foundations, groups, committees, and projects.
on funding granted by international development support. The major two threads of NGOs in Thailand are conservation-oriented and justice/livelihood-oriented. The roles of many NGOs also shifted from promoters of small-scale community development to supporters of advocacy-oriented agenda. This shows that Thai civic activism aimed for permeating into the social institutions and for influencing both policies and public opinions. NGOs original spheres involved in social capital in terms of reinforcing communities and internal and external networks. It seems that Thai civil society subsequently expanded its efforts to strengthen social capital in terms of civic activities in the political arena. Individuals in civil society or NGO activities have made occasional calls for social capital to be taken into full consideration in the society. Yet, the majority of NGO work avoids the integration of social capital as a framing language or a driving concept. In this regard, although their work content, outcomes and their engagement per se are understood as activities in the area of social capital, careful reinterpreting might be needed to situate the NGO activities and their meanings in social capital research.

IV. Policy-level integration of social aspects into Thailand’s development

Various institutional changes took place in the government allowing a shift towards the inclusion of more social aspects. The most notable institutional change was the formation and transformation of the national planning agency, integrating both economic and social aspects. The predecessor of the Thai national planning agency was the National Economic Board (NEB) established in 1950, which started as an advisory institution on economic affairs. Following the World Bank’s advice, NEB was reorganized in 1959 as a national planning agency, National Economic Development Board (NEDB), dealing with economic planning and launching in 1961 the First National Economic Development Plan (1961-1966). Similarly to many developing countries during this period, import-substitution was the major pillar of the earlier development plans, embodied in the First plan as well as the Second National Economic Development Plan (1967-1971). Thus, the government aimed to promote private investment and to expand manufacturing. In the mid 1980s, as a response to an economic downturn, export-oriented industries were promoted as the major strategy for the following decade.

Social development was incorporated officially in 1972 through the reorganization of this agency as the National Economic and Social Development Board (NESDB) with a wider scope as well as greater responsibility and power under the Prime Minister’s Office. Yet, economic and infrastructural development remained the major concern of the Thai development plans. The first change in the national plan came about in the Seventh National Economic and Social Development Plan (1992-1996), which emphasized balanced development and redistribution.
of income. It also addressed the strengthening of local communities and people-centered development. It is often believed that Thailand steered towards a more socially conscious development path solely due to the 1997 crisis. However, the Thai government was already searching alternative development with larger civic engagement even before the 1997 crisis.

The Eighth National Economic and Social Development Plan (1997-2001) adopted a multi-disciplinary approach with further interest in people-centered and holistic development, which were encapsulated into two pillars: human development and bottom-up development processes. It focused on issues such as development of human potentials, and redistribution of wealth. Underlying notions were very similar to social capital, such as empowerment of people, and popular participation in all development partnerships. Economic development was considered as a tool for social and human development and not a final goal of development. Although this plan assumed the same level of economic growth as the former decade in order to finance these goals, the collapse of Baht and ensuing recession and high inflation in 1997 prevented them from being implemented. In the same year, the IMF’s support package was brought in with economic reform and rebuilding programs.

Having been prepared after the devastating hit of the 1997 crisis, the Ninth National Economic and Social Development Plan (2002-2006) reflected lessons learned in the crisis and became geared towards building a strong social foundation and social protection. The Ninth Plan espoused the ideas of “sufficiency economy (sethakit phor phiang),” which was addressed by King Bhumibol Adulyadej, or King Rama IX. As a response to the economic crisis, which was believed to be caused by a bubble economy and excessive speculation with short-term investment, “sufficiency economy” upheld middle-road economic thoughts without excess or risk-taking behaviors. This plan highlighted, other than social protection, good governance, economic restructuring upgrading macro-economic management and national competitiveness, and natural resources and environmental management. It also sustained the social elements of earlier plans, such as social development and people’s participation. During the period of the Ninth Plan, the Secretary-General of the NESDB, mentioned the importance of social capital and expressed the need to integrate it into the government agenda (“National Economic Plan: Upgrading Social Capital Gets Focus,” The Nation, May 22, 2003). Although the national plans did not enumerate social capital as goals or approaches, there was strong awareness within the NESDB.

Although social capital is not a term the Thai government used upfront in the major national plans, the government agencies, such as the NESDB, are fully knowledgeable of its concept and possible usefulness. With regard to the monitoring and evaluation purposes of the national plans, the NESDB developed economic and social indicators in accordance with internationally employed indicators. Given the existing numerous and unsettled debates on the measurement
of social capital, it is plausible to comply with indicators connected to MDGs and human development. The Thai government has been rather careful not to jump onto the new terminology of social capital and has chosen to explore its utility in related but limited work areas as in the following case.

Parallel to such transformations of the national plans, for instance, was an actual implementation of a program that is very similar to the idea of social capital and civic participation. The Ministry of Social Development and Human Security established in 2000 a new public institution, Community Organizations Development Institute (CODI). Although financed by the government, CODI is a semi-autonomous organization and gives assistance to local communities. It integrated the work of the Urban Community Development Office (UCDO) under the National Housing Authority, of the Office of the Rural Development Fund, and of the Office of the National Economic and Social Development Board. CODI aims to support and enhance the role of the community organizations and of the local mechanisms in the development process. For example, CODI established Community Financial Institutions to operate a community credit system, through which local groups could fund their activities. It also supports regional networks for the community-oriented development and economy. These are very much along the ideas of social capital to strengthen civic participation and networks. Institutionally, CODI’s Board consists of representatives from both government and community organizations. CODI functions as an independent public organization and its status provided it with greater funding possibilities based on the national budget and wider institutional linkages. CODI could support community organizations and their initiatives in a more flexible and direct manner. For instance, in the case of urban slum improvements, CODI assisted the processes designed and managed by low-income households and community organizations by channeling the funds and housing loans directly to the communities (Boonyabancha, 2005).

The Thai government integrated social aspects into its development plans since the early 1990s. These aspects were: multi-disciplinary approaches, people-centered development, and greater civic engagement. The 1997 crisis fortified Thai policy makers’ urge for balanced development with appropriate safety net. In more concrete terms, the establishment of CODI embodied an attempt to seek alternative development facilitation through civic organizations’ initiatives and community development.

V. International development agencies’ involvement in social aspects and social capital

International development organizations have played a notable role in Thai development through development cooperation as well as policy dialogues. Development assistance grew in
the post-World War period, and there has been constant questioning on its approaches. In the 1980s, international development agencies came to acknowledge the importance of social development, encompassing health and education, beside physical infrastructure and economic development. In the 1990s, they raised issues of poverty and more people-centered development approaches. Poverty alleviation became increasingly the key concept, particularly expressed as the central goal of the MDGs, and widely used across many international agencies’ development cooperation. In order to deal with poverty issues, most international aid agencies have placed social development and social aspects as the cornerstone in development.

Throughout such an evolution of development approaches, social concerns were materialized in varied forms in different agencies. The United Nations Development Programme (UNDP) launched in 1990 “human development” as the key framework for development. In order to stress human-centered development to expand people’s choices and capabilities, human development indicators (HDI) included measurements in social development, namely, health and education sectors along with the traditional economic development indicators.

The World Bank advocated “pro-poor growth” in the 2000s and took part in poverty alleviation initiatives based on the Poverty Reduction Strategy Papers (PRSPs) in collaboration with the International Monetary Fund (IMF). The concept of “pro-poor growth” was built around the notions that economic growth needed to be further encouraged for poverty reduction and that the access to the market was critical for the poor. The World Bank had never been the main promoter of social issues among development agencies, and regarding the poverty issues, its position about the market remains the same. However, with regard to social capital, the most ardent advocator turned out to be the World Bank.

The World Bank first set up the Advisory Council to the Vice Presidency for Environmentally Sustainable Development in 1993. The Council members included leading personae from both academic and non-governmental fields, such as Amartya Sen, Clifford Geertz, Edward Said, Mohammad Yunus. Following consultations with them, the World Bank decided to investigate the usefulness of social capital. For instance, it organized a workshop, “Social Capital: Integrating the Economist’s and the Sociologist’s Perspectives,” in April 1997, and the papers presented in it were compiled as a book, *Social Capital: A Multifaceted Perspective* (1999). Its contributors explored liberally and academically the concept and definitions of social capital and its relations to economic performance, poverty, environment, institutions and participation. Moreover, the World Bank hired academics to move forward in this new arena. Among them

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6 The PRSPs, started by the World Bank and the IMF in 1999, were comprehensive and country-based papers and included macro-economic, structural and social policies and programs as well as their sources of funding. The World Bank and the IMF required low-income countries’ governments to prepare PRSPs as the major framework of poverty reduction and to involve all stakeholders in their preparations in order to secure wider participation in this process.
was a sociologist, Michael Woolcock, who belonged to the Poverty Team of the Development Research Group at the World Bank between 1998 and 2007 and produced numerous publications on social capital theory, measurements and its roles in development policy.  

Parallel to this, the Social Capital Initiative of the World Bank, funded by Denmark, aimed to help define and measure social capital and to improve monitoring of the stock, evolution and impact of social capital. Under this Initiative, the Bank published a series of working papers on social capital starting from 1998. This series, which pulled together experiences of over a dozen counties, pursued the Bank’s concerns regarding how to operationalize the concept of social capital, to demonstrate its relations with development outcomes, and to design better development interventions with regard to existing and new types of social capital. In one of the working papers, Collier approaches social capital from an economics perspective, suggesting that social capital would be beneficial in facilitating three externalities: transmission of knowledge about behavior of others, transmission of knowledge about technology and markets, and reduction of free-riding problems and encouragement of collective action (1998: viii). Thus, whereas the World Bank introduced ambitious and multi-disciplinary exploration into social capital’s potentials in development, the non-economic approaches and economic approaches seem to be competing in its outcomes. As the World Bank’s major report, *World Development Report 1990* tackled poverty issues from both a conventional call for economic and infrastructural investment and a social call for service provision in health and education (World Bank, 1990). *World Development Report 2000* underlined again the importance of market access as well as of empowerment of the poor, and especially the role of the state and social institutions (World Bank, 2000). It is certainly recognizable that there was a change within the World Bank to include more social aspects along its emphasis on market mechanisms. Yet, its inclusion of social aspects or its exploration of social capital has not modified the main thoughts of the World Bank regarding the central role of the market.

With regard to the World Bank programs in Thailand, the Bank started a series called *Thailand Social Monitor* in 1999 as a response to the 1997 financial crisis. Therefore, the first issue of *Thailand Social Monitor: Challenge to Social Reform* (1999) reflected on how Thailand used the crisis as an opportunity for accelerating the social reform agenda. The World Bank took up social capital in Thailand for the first time in its issue in 2000, *Social Capital and the Crisis.*

safety net, this study took a practical approach by simplifying the definition and measurement tools of social capital. For instance, indicators were rather easily verifiable such as suicide, orphans, divorce, crime, and family structure.

This study found that certain stock was adequate in shielding the population from the worst impacts of the crisis while certain other was not. At the family and community level, social capital institutions that form the traditional and non-formal safety net were used extensively and even expanded. However, there was also evidence that family and community social capital had been inadequate or broken down, leading to an increase in some adverse outcomes, and that the family as a form of social capital was severely strained. It also found that social capital could provide important systems of social protection in the future. Social capital at the family levels sustained or increased, especially when economic incentives and positive social capital mobilization exist to reinforce each other. At the inter-household level, also, families supported one another especially by transferring funds to the poor. If families had not sustained their transfer of funds to the poor in 1998, poverty would have risen by an additional 5 percent (World Bank, et al., 2000: 27). In conclusion, this study reaffirmed that social capital could cushion the economic and social shocks posed by the economic crisis.

In some cases, the stock of social capital was affected during the crisis, and there were some troubling examples of its loss. As a result, the report claims that family-based coping mechanisms remain effective, and that any new social protection initiatives should reinforce reliance and family cohesion. This type of social capital might be called bonding social capital, but in fact the most narrowly defined one within a family. Its conclusions conducive to give greater value to the family as the most functioning social capital limits the roles of policy and encourages more attention to individual household behavior.

Furthermore, some of what the report depicts as social capital is not, strictly speaking, social capital. For example, the report points, as a positive move of social capital, to the readjustment of household expenditure patterns to cushion the impact of the crisis. It is confusing to see the inclusion of such individual behaviors as social capital, and there is a need to clarify the distinction between what is considered as part of social relations and what is not. This study’s findings tend to give more attention to behaviors of individuals and households than to their relations and networks. Their policy implications regarding the Thai economic crisis require cautious rethinking.

On the operational side, the World Bank explored participatory and community approaches to be implemented in its programs. It created Social Investment Funds (SIFs), or social funds, in the late 1980s in order to channel funds to support community-based and grass-root activities of local governments, community groups and non-governmental organizations. The Bank believed that these funds were logistically efficient, and particularly that they would be
instrumental in promoting the new focus of their program on local communities. Most public investments were determined by central departments of sectoral ministries, both in terms of investment type and location, but SIFs permitted communities to determine what type and location of investments they needed. Also, these funds could be accessed directly by the small-scale groups, such as NGOs and community groups, with which the regular World Bank programs had not dealt with. This was also encouraged by the growing call for the participation of civil society in World Bank projects. The combining of community-based organizations and people’s participation explored in the Bank was significant in setting the stage for later discussions around social capital (Van Domelen, 2006: 179).

The World Bank’s Social Protection Department started the first program of SIFs in Bolivia in 1987. It was not until 1998 that the Bank expanded its social investment funds to Thailand, in need of responding to the 1997 crisis. SIF in Thailand placed an emphasis on social capital formation and its catalysis of government services, such as voluntary social assistance and cash transfer. Taking up the major definition of social capital as the norms and networks that enable collective action, the Bank started to search how community driven development (CDD) approaches with assistance from SIF could enhance social capital (World Bank, 2010).

In comparison to the World Bank’s earlier endeavor in theoretical and multi-disciplinary exploration of social capital, its application of social capital in actual programs in Thailand has been still partial. The Bank’s use of social capital in the Thai context was largely due to the 1997 crisis and was limited to the analyses of relations between social capital and economic adversity and to the establishment of a community-level funding mechanism through SIF. Since among all international aid organizations the Bank is the most inclined towards utilizing social capital in development practice, its approaches and progress will continue to raise both practical and theoretical questions for social capital research.  

Following the World Bank’s adoption of social capital, other development financial agencies started applying social capital to their programs. The IMF tried to employ social capital as a key to connect with civil society and invited a renowned political scientist, Francis Fukuyama, to give input to its initiative. He demonstrated its usefulness in the economic and political spheres, such as the reduction of transaction costs, and the promotion of associational life that is necessary for the success of limited government and modern democracy (Fukuyama, 2000). The Asian Development Bank (ADB) also launched the Social Protection Project to mitigate social impacts of the financial crisis and carried out social impact assessments although it remained schematic about the relations between an economic crisis and community cooperation and trust (Pernia and Knowles, 1998: 6-7). Thus, the major development banks and institution, which had been distanced from social aspects of development, gradually started exploring how to incorporate social capital into their work language and concept.
VI. Conclusions

The concept of social capital entered into development discussions, owing to practitioners’ interest in its possibilities to secure stability in livelihood and to improve risk management. Social capital as a framework to cope with uncertainty came into the scene somewhat conveniently in the age of globalization. This was even more relevant in efforts of development, as they needed to mobilize any resources available to tackle poverty and underdevelopment issues.

Thailand experienced the rise of social concerns in the forms of the political moves and social responses to adverse effect of its rapid economic development, long before the financial crisis of 1997. In this era before the rise of interest in social capital, social development and the social sector attracted much attention in Thai development process. A great deal of social aspects of this period could be easily interpreted as certain types of social capital.

There have been three actors in relation to the introduction of social capital into development approaches. Civil society was the first one to call for a greater emphasis on social dimensions and justice. Grass-root development activities of the civil society were carried out mainly by NGOs. They have been working directly and substantially with communities, dealing de facto with areas related to social capital, although they did not use the language or concept of social capital. They reinforced the ties among community members and with different communities and sometimes formed new groups and associations to carry out community projects. The work areas of these development NGOs have been land issues, human rights, environmental protection, and due to the community strengthening as their approach, they maintained direct contact with social capital issues.

The second actor relevant in social capital was the Thai government, who made a conscious move towards the inclusion of social dimensions in development policies and plans. The national plans in particular came to pay more attention to popular participation, community-oriented development, and social safety net. Although the government does not use it upfront, the incorporation of social capital elements is underway through institutions such as CODI.

The third thread was international development agencies’ approaches that per se were diverse. UNDP’s human development changed the landscape of development cooperation to human-centered development. Quite differently, the World Bank promoted social capital with its new emphasis on communities and civil society. Although the World Bank searched for the possibility to apply social capital into its programs since the early 1990s, it took interest in social capital in Thailand primarily as a result of the 1997 crisis. The World Bank operates SIFs as a community-oriented mechanism in Thailand along other developing countries, where the Bank
considers direct investment into communities is necessary.

Due to the wide range of definitions and measurements, social capital can be utilized for a variety of purposes. One may apply the term and concept of social capital easily to existing social aspects of development. Nonetheless, most development actors do not use it in their core programs or plans yet. If we compare de facto social capital that each development actor works on, the utility of social capital is polarized between NGOs and the public programs of the government and the World Bank. While development NGOs strengthen communities, associational formation, and networks, social capital conceived in the public programs is to engage people’s and local groups’ participation through primarily funding opportunities. In the case of CODI and SIFs, the government and the World Bank seem to be taking the financier role by supporting associational projects to promote well-beings of their members. Nonetheless, it is not clear if these programs are successful in fostering community activities and civic involvement by mere funding operations. There is much to be learned from the work done by development NGOs in this respect.

How much social capital can be promoted and planned through state intervention is an important question for policy makers. While CODI and SIFs both operate on the premise that social capital can be fostered through the public services, there are contrasting views on the relationship between public policy and social capital. A comparative analysis of Thailand and Vietnam implies critical role of political, economic, and cultural conditions as correlations between social capital stock and social groups are different among the Thai and the Vietnamese (Carpenter, et al., 2004). This implies that policy environment could influence the state of social capital. However, Parnwell (2007) shows that social capital rather deteriorates when it is promoted by the government and that local civic engagement is the appropriate way to build or recover social capital. This indicates a warning to development policy makers in the government and international aid agencies. A careful approach is needed in discerning the difference between participation and mobilization.

This study has examined social aspects related to social capital in Thailand has shown multiple characteristics of how social concerns have been dealt with by different actors in different periods. Meanings and agendas of social capital that derived from the pre-existing social aspects also differed depending on development actors and institutions. Furthermore, the kaleidoscopic definitions of social capital allow it the possibility to be adapted to any dimension of pre-existing social aspects. Although the rise of social concerns in Thailand was striking, they proliferated over diverse areas and issues. Due to the diverse social aspects and to the diverse interests of development actors, the utility of social capital has been polarized in its definitions and applications. For instance, the attitudes towards social capital in the public sector are quite different from the social concerns held by non-governmental associations and civil society. The
government is fairly eager to utilize this concept in promoting voluntary participation for balanced development and in strengthening the social safety net. On the other hand, although its development activities were *de facto* strengthening social capital, civil society’s interest lies on social capital that grants greater civic involvement in more public matters not limited to development issues. One example is development NGOs’ move towards advocacy work in the past decade.

Hewison (2001) considers both of the economic boom and crisis being affected by the highly competitive nature of international and regional capitalism. In comparison to such view of the international financial milieu as the defining factor of the domestic economy, the view of social capital would appear as a tool for seeking solutions internally, for mobilizing resources of the people, or for leaving the responsibilities on them to cope with problems.

It may be unavoidable that the position of international development and financial institutions become utility-oriented and that the tools they apply may be simplified for the wide use. However, a full caution needs to be taken in the usage of patches and parcels of social capital as tools for development. The outcomes of experiments such as CODI and SIFs will be of great interest for scholars of social capital in the development context. It is also natural to question how social network functioned in the course of the 1997 crisis in Thailand, enabling individuals to look for job opportunities and to share the limited resources of livelihood. The mechanism that enabled individuals and communities to survive the crisis will most likely be the recurrent topic of studies. However, if one seeks to make this mechanism to be a fixed part of public policy, he/she would fall into the framework of a rational individual who would manage the movements of the market to minimize the damage on a rainy day and to maximize the benefit on a sunny day.

Due to its macro- and micro- nature and to its multiple applicability, social capital is one of the rare social science concepts in the sense that it can appeal to both of the progressives and the conservatives. It can be utilized in civic activism for reforms while it can be adopted in a totally neo-liberal agenda, leaving all the responsibilities on to the communities, families, and individuals. Through its possibility to fall into individual and familial reductionism, social capital can give an excuse to seek solutions internally and individually rather than to suggest transformations in the economic and social structure. This suggests that areas of future research could also include the search for the possibility of social capital that could affect structural issues rather than social capital as maneuvers at the individual level.
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