

## EDITORIAL INTRODUCTION

### Human Security and Regional Development: The Case of Nakhon Ratchasima in the Northeast Region of Thailand

Douglas Webster

---

#### Introduction

The articles and related commentaries in the Thai section of this volume of *Regional Development Dialogue (RDD)* on the topic of Human Security and Regional Development, are drawn from the Northeast Region's experience and represent a significant contribution to the ongoing debate in this emerging and important issue area. From a policy perspective, the key question is: "what should be the role of regional and local governance in contributing to human security?" The answers are by no means clear — controversy abounds, as indicated by the diversity of views presented by the authors. Unlike in other fields, such as urban management, a best practice consensus has yet to emerge. Although the articles focus on Nakhon Ratchasima Province in Thailand's poorest and most populated region, many of the issues and insights are applicable to other developing East Asian countries, particularly those undergoing rapid decentralization in concert with significant rural-urban transition processes.

#### Core National Roles

In undertaking field research, as presented in the article by Utis Kaothien, Douglas Webster *et al.*, even with an a priori bias in support of devolution of social service delivery to local institutions, it became quickly apparent that there were real limits to the extent to which social security policies and programming can be regionalized or localized. The central government has a key role to play in social security delivery. The most obvious examples of limits to decentralization are **income maintenance programmes** such as public pension plans, unemployment insurance, and income maintenance for the elderly. Such programmes need to be national in scope to pool risk and reduce regional disparity. The actuarial base of even a large province such as Nakhon Ratchasima is too small to support a pension plan or provident scheme. Furthermore, actuarially decentralizing such income maintenance schemes would exacerbate regional disparities. If income maintenance plans are based on national contribution pools, when one region's economy experiences higher unemployment or has an older population, national-scale social security programmes act as *de facto* social security transfer mechanisms. Developed countries, in particular Canada, have long used such social security programmes to reduce regional disparities.

### **Decentralization of Social Service Delivery**

However, **on the ground delivery of social services** is another matter. It is clear that certain services such as primary/secondary education and primary health care, where effectiveness depends on the quality of direct interaction between service providers and local people (e.g., in classroom and clinical settings), should be customized and managed locally in jurisdictions where capacity can be established. Service delivery that is based on an understanding of local culture and aspirations is likely to be more effective; and in the case of education, alignment with emerging economic clusters is likely to yield significant benefits in terms of regional productivity, and as a result, human well-being. However, benefits of devolution of responsibility for such programmes to local institutions will only be realized if national standards related to, for example, performance, and range of coverage are enforced. This requires performance monitoring of local service delivery, effective capacity-building of local social service agencies (government and nongovernment), and that local agencies are held accountable through transparent oversight, utilizing techniques such as consumer surveys, by those being served. In many cases, it may be better to take an asymmetrical approach to decentralization of social service delivery, devolving functions to local agencies when they have sufficient capacity to deliver the service in question. Devolution too soon can be an error. However, equally serious is to wait too long, rationalized by the common argument of reluctant centralized national agencies that local authorities are not ready to “take on” the function, not recognizing that “learning by doing” is often the best way to develop institutional competence.

Access to social services is yet another matter. Control by local officials over **access to social service programmes** may not always be in the best interests of the people. Distribution of health cards is a prime example, as indicated in this volume of *RDD*, village leaders may not distribute access rights, e.g., health cards, to those most in need. Computerized systems that allocate programme benefits based on clear and transparent criteria may result in fairer distribution of access than discretion of local (or national) officials, especially if local appeal processes are in place to respond to special circumstances and needs.

### **Limited Resources: The Role of Nongovernmental Entities**

In Thailand, as in virtually all developing countries, formal social security programming can only partially address social security needs, even narrowly defined. In fact, as pointed out by Kaothien, Webster *et al.*, financial resources to assist vulnerable groups such as the poor, the elderly, and the disabled, are actually declining on a per capita basis. In Thailand, public per capita expenditures on the poor fell from about US\$215 in fiscal year (FY) 2000 to about US\$125 in FY 2001 as post-crisis (the 1997 financial crisis) special expenditures ended and the budget deficit continued to increase.<sup>17</sup> This means that the nongovernmental sector has a vital role to play in enhancing social security. There are two obvious ways in which the nongovernmental sector can contribute to enhancing the social security of the population: (a) through employment creation and economic growth (which are related), as pointed out by Peter Warr in his article; and (b) through greater voluntary (informal) sector involvement in social service delivery, as argued by Woothisarn Tanchai in his comment on Kaothien, Webster *et al.* Both are discussed below.

Warr convincingly argues that economic growth is the most important factor in reducing poverty in Thailand, a finding consistent with international analysis by researchers such as Dollar and Kraay.<sup>2/</sup> However, a significant percentage of the poor cannot work because of age (too young or too old) or serious physical or mental handicaps. A strong argument can be made that available state social security resources should be strongly targeted to such groups, especially in the case of very limited public resources, such as the case of Thailand. However, for those in the labour force, obtaining employment, preferably reasonably secure employment paying a living wage, is probably the best route to social security. And to access employment and advance in the labour market, the most important attribute is skills, obtained through relevant education and experience. Thus, when a longer-term view, especially an intergenerational perspective, is taken, the best investment in terms of human security gains is in more and better education. This situation creates a dilemma for the central governments of developing countries such as Thailand. Should social security resources be targeted to the most distressed, e.g., the disabled, or those whose future returns will be highest, e.g., by keeping children of very low-income slum households in school? In developed countries, the issue of targeting is less serious, for most developed country welfare states prefer to err on the side of providing services to those who may not need them so as to ensure that all the needy do receive services. Such an approach is not viable in developing countries with very limited resources.<sup>3/</sup> This, ironically, generates useful information on social conditions and needs of the population (so that targeting can be more accurate), more important in developing countries than developed.

Given the undisputed importance of education in increasing human security, the information provided by Nozomi Yamaguchi is central in assessing future levels of human well-being and security in Nakhon Ratchasima. She clearly documents the fact that there have been enormous improvements in levels of educational achievement (e.g., enrollment rates, continuation rates, and literacy levels) in the province over the last decade, particularly among females. However, Thomas Rohlen, in his comment, warns readers that the quantitative indicators used by Yamaguchi tell us little about the quality and relevance of the education being delivered, and thus the real potential of this education to improve human security and well-being.

As noted by Woothisarn, the other key players in the nongovernmental sector are voluntary organizations (VOs). They can engage in, for instance, direct delivery of social services, information diffusion (e.g., through network-building), and lobbying of governments to change policy. Woothisarn argues that informal agencies should play a greater role in social security programming. He is right, but the problem is that only some communities will develop vibrant voluntary cultures, particularly through creation of strong community-based organizations (CBOs), thus creating intraregional disparities in social service delivery by VOs. This is where national nongovernmental organizations (NGOs), such as the Urban Community Foundation (UCDO), the Population and Community Development Association (PDA), and the Thai Red Cross have a key role to play in reducing such disparities, essentially diffusing, guiding, and to the extent possible, creating some standardization in delivery of community-based social services. Josefa S. Edralin, in her article, describes in detail the excellent work of the PDA in this regard.

There are real structural impediments to delivery of social services to certain groups, e.g., to slum dwellers by local governments because they do not wish to *de facto* recognize

land tenure, or by many national (and local) agencies to those not holding government identification (ID) (registration) cards or health cards. VOs have a special role to play serving these geographic areas and/or social groups, especially until the structural impediments noted can be addressed by governments. However, at the same time, the VOs need to make it known to the political and bureaucratic power structure that such structural impediments are unacceptable in the long run.

### **Poverty Alleviation versus Equity**

At the forefront of the debate on social security is the weight that should be placed on **equity** (both within and between regions) and **poverty alleviation**.<sup>4f</sup> In simplistic terms, equity refers to relative poverty (how you stand relative to other people, groups, or regions) while poverty alleviation addresses absolute poverty (percentage of people below a given income or expenditure level). Some of the authors, particularly M. Ashraf Hossain, are especially concerned about the equity issue, appearing to give the issue a higher priority than poverty alleviation. If poverty alleviation and reduction in disequity were correlated, policy-making would be easy, and good policy would obviously chase both objectives. Unfortunately, however, economic growth, which is highly correlated with poverty alleviation, is also correlated with increased inequity in Thailand — and many other countries at Thailand's stage of development. This obviously creates a dilemma for Thai policymakers. Effective structural changes to reduce this trade-off would include enforcing a progressive income tax structure and increasing the importance of direct taxes relative to indirect taxes,<sup>5f</sup> strong targeting of fiscal expenditures to the poor, and accelerating urbanization.<sup>6f</sup> However, such structural changes are unlikely to occur in the short to medium term. Barring such structural change, economic growth, at least in the medium term, is likely to exacerbate inequalities. This is because the more economically powerful essentially control the labour of poorer members of society. With economic growth, labour gains, but the economically powerful gain even more. In my view, the policy priority at this point in Thailand's development trajectory should be on alleviation and prevention of poverty; improving equity outcomes should be a lower priority. Experience (from Australia, Canada, Japan, and Western European welfare states) indicates that equity outcomes can be improved later in the development trajectory when it is more feasible to implement the structural adjustments noted.

Geographic disparity may also be overemphasized. Rural areas are not poor because urban and peri-urban areas are rich; rather urban and peri-urban areas are examples of more productive systems set against a poorer rural backdrop; in the early stages of the rural-urban transition process, rural societies still constitute the norm. People should be able to choose where they want to live; in this sense, social security benefits should be reasonably consistent throughout a country (perhaps controlling for differences in costs of living). People in a poor region such as Thailand's Northeast Region (also known as Isan) should not receive lower benefits than those in urban areas creating irrational incentives to migrate, or vice versa. Many of the poor will choose to migrate either to improve their own well-being or to improve the life chances for their children. Good social security policy focuses on the welfare of people, not places. If social security investments are targeted to the most distressed and poorest people, the recipients, especially the young, will be better off no matter where they choose to live. If social benefits are place-based, e.g., ignoring people

from Nakhon Ratchasima when they migrate to cities, major routes to upward socio-economic mobility, and thus enhanced social security, by the poor will be made more difficult.

### The Role of Culture

Another issue raised in the articles, particularly by Akiko Sawamoto and Yamaguchi is that of culture. In the 1950s, 1960s, and early 1970s, culture played an important role worldwide in trying to understand developmental processes, only to fade in importance, perhaps because of the controversy such analysis generated among scholars and practitioners, during the latter part of the twentieth century. However, the cultural variable is returning to centre stage in the developmental literature, epitomized by the popularity of the recently released book, *Culture Matters*.<sup>27</sup> The challenge facing us is to determine how culture works in a given region to affect social security and human well-being. And even if such links can be established, how can such understanding influence regional policy-making in regard to social security and social service delivery? As pointed out by Isra Sarntisart, similar disappointing outcomes from many types of projects and programmes, e.g., local-scale water resource initiatives, have been observed throughout Thailand, despite wide variance in cultural norms. Thus, as argued by Sarntisart and Jarunun Suthiprapa, it is difficult to argue, and certainly impossible to verify, that Isan culture is a primary cause of developmental problems experienced in the region.

A good example of the role that culture may play in contributing to poverty and lack of human security is the reliance on rice cultivation in the Northeast Region, despite strong advice to farmers (by agents such as agricultural extension workers) to change cropping systems, and engage in self-sufficient farming. As indicated by Hossain, about 73 per cent of cultivated land in the Northeast is planted with rice, but from an agricultural capability point of view (which would be consistent with environmental improvement and poverty alleviation), only 8 per cent of the Northeast's land area is "well to moderately suited to paddy".<sup>28</sup> The failure to fit farming systems to the natural resources base in Isan is clearly a major cause of poverty. Furthermore, it appears that cultural norms may contribute to this situation, severely constraining efforts to support moving people out of poverty in the Northeast. (Interestingly, about 63 per cent of farm household incomes in the Northeast are from non-primary agricultural activities.<sup>29</sup> In other words, even farmers in Isan are not earning most of their household income from agriculture — although they may perceive themselves to be farmers and spend a disproportionate amount of their time in agricultural activities. Thus, the society may be rural, but not necessarily agrarian.)

On the other hand, other cultural attributes may increase human security, for example, traditions that encourage community-based social service delivery (see Woothisarn) and ways of life, cuisine, and artifacts that could serve as the basis of a viable cultural tourism industry (see Sawamoto). (Jarunun makes a strong case, however, that a lack of magnet destination attractions, and the fact that the very large Thai tourism industry is controlled externally, will make it very difficult for stakeholders in the Northeast to capitalize on their cultural assets in terms of tourism development.) Yaowalak Apichatvullop's article points to the benefits of self-help community traditions in the case of the Slum Communities for River and Environmental Protection project. Phillip Dearden praises this project because it is aligned with local bottom-up cultural norms, as contrasted with top-down initiatives such as the Korat Healthy City project driven by the World Health Organization (WHO)

and the Thai Ministry of Health.

What is perhaps most interesting is not the stability of cultural norms but the extent to which they can change. A striking example is given by Yamaguchi. She points out that gender-based differences in educational enrollment and achievement in education have virtually disappeared. In fact, as she indicates, the female enrollment rate in lower secondary school in Nakhon Ratchasima Province in 1997 was 73 per cent compared with an overall provincial rate of 68 per cent. At the critical upper secondary level (the real “front line” in overcoming poverty), the gap was even greater — the respective numbers being 45 per cent and 26 per cent, respectively. This change came very quickly indicating that cultural norms are far from static. Yamaguchi quotes a national study which indicated that in 1988, 28 per cent of parents preferred to send boys to school rather than girls; only five years later in 1993, the figure had dropped to 10 per cent. So, even if cultural factors are important in local development, they do not constitute regional norms — they are dynamic.

### **Better Information**

An important point made by the authors is that information in regard to human rights and existing social security programmes should be made widely available, especially to the most vulnerable groups in society. In Nakhon Ratchasima, the importance of visual and audio messages utilizing media such as radio and TV, over the written language, is stressed. Furthermore, the importance of good location of service facilities, and value of mobile units (although expensive) has been pointed out by the authors. The bottom line is that information can play an important role in improving social security both by informing people and groups of their rights, thus prompting action by communities and VOs, and by ensuring that people take advantage of the programming for which they are eligible. The only downside is that increased demand for services may exceed government resources to deliver, but such resources are somewhat elastic, especially if a multiyear perspective is taken.

Just as the population needs more information about social security programming, governments need much better information about target group populations and the effectiveness of policy interventions, so that adaptive management principles can be applied. As has been argued, such information is much more important in developing regions such as Nakhon Ratchasima than in developed countries because resources are so scarce — they must be targeted very effectively.

### **Rural Industrialization**

Edralin, in particular, describes benefits of rural industrialization in improving the well-being of rural people in Nakhon Ratchasima Province. However, as pointed out by Larissa Muller in her comment, rural industrialization can be a slippery slope.

The extended urban region of Nakhon Ratchasima is the only area in Thailand outside the Bangkok Extended Urban Region (EUR) (which includes the Eastern Seaboard region and Ayutthaya) which has succeeded in attracting significant levels of investment in manufacturing, not directly related to agriculture. There is little doubt that manufacturing employment in Nakhon Ratchasima’s extended urban region is a prime means for upward mobility of poorer people in the province — the first step of the ladder. However, rural industrialization is another matter. As indicated by Edralin and Muller, the sustainability and replicability of rural industrialization is open to serious question. International

experience, especially from the People's Republic of China, suggests caution in asserting the viability of rural industrialization. In fact, as Thai analysts have argued (quoted by Muller), attempts to scatter industrialization throughout Thailand have probably enhanced the dominance of the Bangkok EUR by reducing the chances of critical mass manufacturing centres arising in other parts of the country. Furthermore, if the inhabitants of Nakhon Ratchasima want to work in manufacturing they may be better off moving to the Nakhon Ratchasima extended urban region, or to the relatively nearby Eastern Seaboard region (the industrial heart of Southeast Asia) where wages and prospects for promotion and training in corporate environments are better, and life chances for their children may be superior.

### **Summary**

Based on the analysis of Nakhon Ratchasima, what conclusions can be reached? Definitively few because, as noted at the beginning of this Editorial Introduction, no consensus has yet arisen regarding the role that regions such as Nakhon Ratchasima should play in social security provision. However, to help catalyse the debate, allow me to tentatively put forward a list that can be termed a **tentative consensus**:

- (1) Central governments have a key role to play in social security. Because of wide regional variance in well-being, demographic structures, and contributions potential (e.g., to provident funds), pooling of risk in income maintenance programmes is necessary. Also, national standards need to be enforced through performance monitoring. And, the central government has a key role to play in supporting capacity-building at the local level.
- (2) Better identification and monitoring of needy (target) groups, and performance monitoring of social service policy/programmatic intervention outcomes aimed at these groups is needed. This is especially true in developing countries such as Thailand where resources are extremely limited, meaning that limited resources have to be better targeted.
- (3) Decentralization is not a panacea, but if implemented wisely it can yield significant benefits, particularly where value is derived from face-to-face interaction between local people and service providers. Asymmetrical devolution of social service functions makes good sense in many situations, that is, waiting to devolve functions until at least minimal levels of capacity exist in a jurisdiction.
- (4) Poverty alleviation should be a priority objective, more important than reducing inter- and intraregional disequities. The latter can be addressed later in the development trajectory.
- (5) People prosperity should take precedence over place prosperity. In the medium term (especially from an intergenerational perspective), human security will be most improved by investing in individuals, not places per se. This principle has implications in terms of migration and industrialization policies. Migration, should not, a priori, be considered negatively. Most of the world's current urban residents are rural-urban migrants, or recent descendents of migrants. In surveys, few wish to return to rural areas. In terms of industrialization, it should not be assumed, a priori, that it is better to encourage factories to move to rural villages than to prepare people to have the opportunity to move to higher value economic clusters that can seriously compete with primate extended urban regions such as the Bangkok EUR. In sum, ideological

frameworks that a priori favour “keeping people in rural areas” or “accelerating urbanization” are not helpful — the policy priority should be to give people the choice and skills to enable them and their children to live better lives wherever they choose to live. People will make rational decisions.

- (6) Information is key to ensuring that people are aware of their rights and programmes for which they are eligible. Information should be transmitted by means that are most appropriate to the local population, not means that may be traditional (e.g., posters or brochures) or technically chic (Internet), unless such means are, indeed, the most effective means to widely diffuse knowledge.
- (7) It is clear that culture plays an important role in social security. However, it is equally clear that culture is dynamic; the Isan culture today, e.g., attitudes to gender roles, is very different from what it was thirty years ago. The real challenge is in making a link between the cultural characteristics of a region such as Thailand’s Northeast and the design of social service policies, programmes, and projects. This is a challenge to which there are as yet no easy answers.
- (8) VOs have a key role to play in improving social security in a region such as the Northeast. But, VOs alone are not capable of meeting the wide spectrum of social security needs in a province such as Nakhon Ratchasima, such as income maintenance for the elderly, schooling for the disabled, and unemployment insurance. The role of VOs should be to work with official programmes to improve and enhance them, to work in “gray” areas, e.g., with unregistered people or in slums where local governments will not build facilities, and to lobby for change at all levels of government. In some cases NGOs, national or even international, can strengthen local VOs by bringing wider comparative experience and learning to bear. However, the bottom line is that government must play a clear and strong leadership role in providing social security, for VOs cannot adequately substitute for government, although they can certainly enhance its roles and help fill underserved niches.
- (9) Last, but not least, the private sector needs to be more involved in collaborative community processes to improve social security in places such as Nakhon Ratchasima. Aside from the obvious benefits of economic growth and employment creation, which originate primarily from the private sector, the private sector can contribute substantially through workplace safety, training, and delivery of employment-related benefits most important to employees.

## NOTES

- 1/ From Bureau of the Budget, Royal Thai Government and the World Bank.
- 2/ D. Dollar and A. Kraay, “Growth is Good for the Poor” (Preliminary Discussion Paper for the Development Research Group) (Washington, DC: World Bank, 2000). Available from <http://www.worldbank.org/research/growth/absddolakray.htm>; accessed 2001.
- 3/ I am indebted to Peter Warr for bringing this point to my attention.
- 4/ Much of this material in this paragraph is based on analysis by Warr.
- 5/ Even if the political will and enforcement capacity existed, this strategy would have its limits because much of the population, e.g., farmers, those working in the informal sector, is outside the personal income tax system.
- 6/ Inequity is most pronounced between farmers (particularly in the Northeast) and urban dwellers in

---

Thailand, as in most developing East Asian countries. To the extent that urbanization is accelerated, by reducing the number of farmers (and increasing the incomes of those who stay on the land through larger plots, etc.), societal income disequity is reduced. This is the current policy trajectory of the People's Republic of China, and was the route taken by the Republic of Korea which urbanized faster than any country in the history of the world, but that does not mean that such a route to reducing disequity should be the norm, or is even desirable. For example, such a policy trajectory would be unacceptable in Thailand where the government advocates controlled urbanization so that cities are not overwhelmed, reducing their livability.

- 7/ L. E. Harrison and Samuel P. Huntington, eds., *Culture Matters: How Values Shape Human Progress* (New York: Basic Books, 2000).
- 8/ National Economic and Social Development Board (NESDB)/Norconsult, *Key Analysis: A Spatial Development Framework for Thailand* (Bangkok, 1997), p. 173.
- 9/ Based on data from the Division of Agricultural Economics, Ministry of Agriculture and Cooperatives, Royal Thai Government.