

## An Analysis of Policy Development: A Case Study of Thailand's Village and Urban Community Fund\*

วิเคราะห์การพัฒนานโยบาย : กรณีนโยบายกองทุนหมู่บ้านและชุมชนเมือง

Jitsupa Kitipadung(จิตสุภา กิติมตุง)\*\*

### Abstract

This article studies how to develop policy of village and urban community fund in several dimensions such as future development plan and other relevant issues. It is found that for the village fund policy, with 16-year operation, each fund has different management contexts. Therefore, in order to develop sustainable village fund, some dimensions need to be focused on such as target planning, income generating activities, networking for fund management, etc. The main propose is to utilize village fund as a source of income for the community and to create an opportunity for leveling up quality of people's lives. If the village fund becomes a sustainable financial institution and provides service in the community, or even at sub-district level, the community will be able to build up welfares and develop the community's economy in several aspects in the future.

### Introduction

Government policy is seen as an important tool for developing the country. The village and urban community fund policy is one of the strategies launched for solving the poverty of the grassroots directly. It is also one of several tools used for solving the poverty in many previous governments until 2017, covering urban and communities. In addition, this project is the redistributive policy focusing on income distribution.

Because the village and urban community fund affects many people widely for 16 years, the author is interested in studying the development of village and urban community

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บทความนี้เป็นส่วนหนึ่งของวิทยานิพนธ์ เรื่อง วิเคราะห์กระบวนการเข้าสู่วาระ การกำหนดนโยบาย การนำนโยบายไปปฏิบัติ และแนวทางการพัฒนานโยบาย: ศึกษากรณีนโยบายกองทุนหมู่บ้านและชุมชนเมือง

\*\* Student of Doctor of Philosophy Program in Social Development Administration, School of Social and Environmental Development, National Institute of Development Administration, Thailand

นักศึกษาระดับปริญญาโท สาขาการพัฒนาระบบราชการ สถาบันบัณฑิตพัฒนบริหารศาสตร์

fund policy which helps understand the study of public policy of Thailand. In addition, this study aims to present the information obtained from the research to relevant functions in order to improve and prepare before launching similar policies in the future.

### Literature Review

In order to develop the policy, based on Amorn Raksasat (1979), the definition of policy development is aiming to solve the problems. It has goals and it is dynamic because the long-term consequences on the future society will be considered. Policy development is about successful implementation of select solutions. According to Amorn Raksasat, the concept of policy development is that in order to develop and create policy to solve any problems, it is necessary to define fact, information, and then analyze to find the solutions or guidelines for practice before deciding which policy to use.

In order to study and analyze policy development, it is important to consider how the policy maker defines operational guideline in order to improve the content and process to be consistent with the real situations. Also, it helps assure that the policy implementation will be effective. Policy development consists of two components which are 1) Policy formulation and information and 2) Policy application (NorrانيتPadungkarn, 1979). For any policy formulation, when the policy is implemented, there is generally a policy audit to define the appropriate policy. Also, the issues and problems from the previous policy are also taken into consideration for further policy improvement. The process of formulating new policy based on the previous one is called 'Policy development'. In general, policy development has processes and procedures similar to new policy formulation. Also, the scope of policy development is wider than the scope of implementation of existing policy because policy development aims to solving problems. It also has goals and it is dynamic.

Analyzing pattern of policy development can help examine how existing policy is and how it has been improved (Wachirakajorn, 2005) which are as follows;

1) Repetitive Pattern: The pattern is used for analyzing repetitive problems and improvement. Affected people are mostly the same people, but affected in the different periods. This pattern can also be called circle pattern.

2) Waving Patter: This pattern is used for analyzing the problem focused on only some period of time influenced by the speech raising interests or occurrences.

3) Dancing Tempo: This pattern is used for analyzing backward problem, i.e. further development to some point but still need to go back to redevelop; for example, the development of democracy, political revolution, and English education policy in the schools.

4) Ladder of Higher Stage of Development: The example of this pattern is the growth of dog's health which tends to be better. This pattern emphasizes on the incrementally better development like a ladder which each step is not necessarily be equal.

## Methodology

This section describes the conceptual framework and methodology of how to study policy development. It consists of methodology and analysis of policy development of village and urban community fund, which is about how to improve from the previous policy in order to comply with the changes, information, or new trend.

This study adopts qualitative research using both documentary research and in-depth interview for analyzing policy contents. The relationship between contents will be connected according to the conceptual and theoretical framework. After that, it will be analyzed and summarized as descriptive analysis.

## Results

### 1. Future framework of development

For policy development of village and urban community fund, firstly, it is important to consider 'sustainability'. Because the committee members of village and urban community fund always keep changing, the fund in some areas that has been developed to be community financial institution already downgrades to be village fund as previous. This issue reflects that the development of fund mainly depends on 'individuals' (Ukongdee, 2015). Therefore, there is a need to consider more sustainability in development process. For instance, the success of fund should not rely too much on individuals because when changing the individuals who manage the fund, it becomes more difficult for further development. Hence, it is significant to find the solutions for building sustainable fund especially for internal working system so that the fund can rely on itself, and has its own system and standard.

The village fund must classify itself based on the actual contexts. It should consider that, under the legal perspective, what activities that the fund can actually implement and then, develop to be consistent with the community context and satisfy the community demand without following the social trend. The fund should not be isolated from the society or community, but it should be developed until it can finally rely on itself. When considering law that has its own pattern and activities, it is important to define a guideline and scope such as to build up other relevant and useful activities for the village. It is not necessarily the same pattern for the whole country, but it should be practical and conform to the community

context. In addition, it should be linked with the government functions which can support the village directly. It is found that this mechanism is not applied only in Thailand, but also in many other countries. Furthermore, National Village and Urban Community Fund Office (NVUCFO) should be involved the members of international organizations in order to exchange, present, research and collect the academic best practice with other countries having Micro Finance. Also, NVUCFO should develop Thai village fund and spread out the reputation. These concepts should be considered since the momentum of fund development is growing in the future.

### **1.1 Development for being community financial institution**

The village fund can be transformed to community bank or sometime, to financial institution at the sub-district or district levels. Also, there are several models for leveling up. Beside the community financial institution, it also be developed to be social enterprise and be able to find the business partners and networks in order to enhance its potential and knowledge.

Moreover, transforming the village fund to ‘community bank’ can satisfy the community demand very well because it is operated in the local area, and the profit obtained can be used for the development. Hence, the emergence of community is very significantly important. Based on the future trend of this policy, when the fund is strong enough and has appropriate financial management, the villagers will deposit the money to the fund instead of depositing to the commercial banks since they perceive better benefit and trust that their money will be used within their village (Kunpalin, 2015). However, the fund needs to be managed properly so that the government needs to support in order for the fund to grow up and become the financial institution eventually. Consistent with Sathid Ouduongdee (2015), the concept of the village fund is that the community can manage its fund exclusively which the villagers choose to deposit money to the fund instead of the bank so that the village fund is seen as more sustainable for depositing money.

For the pattern of financial institution, there should be the foundation of the village fund institution. The institution should not be stand-alone. Instead, it should connect with other financial institutions such as (1) state banks such as Government Savings Bank or Bank for Agriculture and Agricultural Cooperatives, (2) private organizations such as Development Foundation, alternative organization, cooperative organization, and village fund development foundation, etc., and (3) provincial institutions. The connection might be in the form of pyramid which the base is village fund, the middle is networks and groups, and the top, at the province level, is the foundation (Chotechuang, 2015). When the foundation grows

up, it will connect with the bank or have its own bank which the local university can support in terms of occupational development.

Natee Kliphong, the director of National Village and Urban Community Fund Office (2015), said that the position of the village fund policy should finally be ‘the community financial institution’ or the tool for managing society’s benefits. The village fund should be at the center of the village while the economic community implementing as the tool of village economy for the reason that village fund has mechanism, committee, and process of fund and financial sources management. Therefore, the village fund acts as the mechanism in order to sustain the village and community’s economy. Also, since it is the mechanism at the community level, it should cover saving, investment and benefits. Finally, the village fund leads to saving, investment, and benefit building processes. The fund of the village is like a glass of water. If the glass empty, the villagers will go getting some water from the center. In contrast, if there is so much water, the villagers will also pour it back to the center. Hence, there should be ‘sub-district fund’ from the village fund formed by several villages or other groups called ‘community financial fund’. It is the activity that financial groups or funds try to organize in order to transform to community financial institution by using the village fund law to operate. The village fund is seen as stand-alone organization while the community financial institution is like a working network. The community financial institution acts as the mediator in order to help each other. Some members or villagers might not trust on the fund committee of the village, but they will increase their trust if the committees are from many villages. Also, the members might deposit money to the community financial institution because they have more confidence. Therefore, ‘the community financial institution’ can be alternative solution for the villagers and committee under the enforced law.

In order to transform the village fund to the community financial institution, the National Village and Urban Community Fund Office introduces 3 patterns which are 1) Between village funds 2) Between single village fund and other financial organizations, and 3) between many village funds and financial organizations. However, the implementation should be supported by law and regulations. Also, the strong community financial institution and the village fund can introduce more variant activities. It is suggested that at least one community financial institution should be in each sub-district in order to nurture, coordinate, and manage the village fund to be stronger and more efficient.

In the future, the village fund policy will be developed to be the community financial institution. Based on Boonhome Inthong (2015), there are two goals to be achieved. Firstly, the Act should be enacted in order to support and assure the existence of the financial institution. Nowadays, the villagers do not dare to engage because they are not sure about the law related to financial institution. Secondly, the management program should be established which is the responsibility of the NVUCFO. Normally, the fund is supported by the bank acting as the mentor. However, it still needs the law in order to support. Furthermore, the management still mainly relies on individuals, and the NVUCFO is still lack of emphasis on the fund.

According to Suwit Khunkitti (2015), the village fund policy has been developed at some certain level as the community financial institution called 'the village bank'. However, the Bank of Thailand, at that time, encountered wording issue of using the word 'bank'. Since the word 'bank' is used under the financial institution law, to use the word 'bank' for the village fund might has a consequent effect so that alternative word, 'village and urban community financial institution' is used instead. The commercial banks also support the facilities, tools, and work procedures to build up more formal and systematic management work. However, next step is that to develop the fund to be effective financial institution similar to the labor bank of Netherland which is formed by the collaboration of cooperatives. Furthermore, the institution should be improved to have more flexibility and to satisfy the villagers' increasing demand. The institution should be more sustainable and networked linking the village funds together.

Future development of the village fund should be seen in the same way in order to be the community financial institution by connecting with other saving groups in the area (Duangparn, 2015). In order to be the community financial institution, it is worth asking 'how to manage it in order to maximize the benefit?'. In contrast, if using the concept of 'the bank', i.e. moving to the financial institution with the same path of the bank, people might perceive the institution as the commercial bank. With that way, 'the bank is strong, but the members are weak'. Likewise, the community financial institution is strong, but the members or the villagers are weak (Pinprathep, 2015). Hence, the village fund should be developed to be 'the network of community welfare fund' which can actually be implemented immediately. When the village fund is ready and combines with other funds of other villagers in the sub-district, becoming the network of community welfare fund providing both welfare allocation and loaning services. It might be a financial institution like the commercial bank, but instead, and also a financial institution called 'the financial institution for the society's welfare'.

However, there is an obstacle when transforming the fund to be the community financial institution since the institution cannot be legally established. Also, nowadays, there are many financial laws such as anti-money laundering legislation, counter-terrorism legislation, service legislation, and Legal guarantor legislation (Arwas, 2015). Hence, if the villagers cannot understand these legislations, they might not be able to do a financial transaction correctly, or in the worst case, they might be sued.

### **1.2 Creating people welfare**

The development of the village fund policy is seen as the mechanism to provide people welfare because the government cannot provide quality of people's lives. Hence, strong village fund can allocate the profit for providing people welfare which is good because the villagers can manage independently without waiting for the support from the government. Expecting the welfare from the government, it might create government workload and sometime, and also becomes a political issue, i.e. on the presupposition that people are never satisfy no matter how much they are given. Hence, it is better if people can initiate and develop the fund on their own until it becomes sustainable. Instead, if people wait for the support, they will be weak and not be able to rely on themselves. Furthermore, when the fund is developed to be the community bank, it should not act as only 'the funding source'. Instead, it should provide several types of welfare as much as it can. It is worth studying from the practice of other saving groups in terms of how to manage welfare and then, examining what the village's authority can help in order to develop the community. In fact, there are several forms of welfare such as health, old age and so on (Na Nakorn, 2015). Sometime, the government tries to develop the welfare concept by introducing the community welfare legislation. Hence, a pilot model might be needed, but it does not mean that all areas should have similar models. Instead, they should understand how the model works. Also, the management might be different since some areas might need different types of welfare. Furthermore, when the village fund needs to be extended in terms of the welfare scope, it is import to examine firstly, if it overlaps with the existing welfare, or the benefits provided by the Ministry of Public Health. Secondly, it should be understood that the study in a certain area cannot be fully applied to another area because different funds have different concepts. However, the best practice of management from a certain area can still be appropriately modified to another area instead.

For existing community funds, either the village fund or saving fund, when these funds are strong enough, they should be connected with the community's system in order to be used as the tool for development in that area. The center fund should be established which the village fund is a part in order to help the fund rely on its own, without any external supports. Hence, the stand-alone fund means that the funds are able to support and manage each other with its own budget. Furthermore, the welfare should be focused on which the existing village fund should be a part of relevant fund, or the welfare fund.

However, there are different opinions assume that if the village fund is a mechanism to manage community welfare, the objective of the fund will also be changed because the concept is different. Experiencing welfare as distributing money, no one will not desire offer their money definitely (Kunpalin, 2015). Hence, the government should take part in order to level up the quality of people's lives. In contrast, the village fund that is the money owned by the people and villages should be used for their benefit. Based on PrahAjarn Subin Paneeto (2015), welfare is a big issue needing a lot of money and must provide equality to the people. Hence, without thinking about other forms of welfare for living, just only medical fee is already huge spending. However, the savings should not be used for the entirely welfare because finally the fund will lose and deteriorate.

Welfare should be established from the readiness of the villagers. When the fund has profit, it is possible to share a part of profit to the villagers, and use some part for administration cost and the village welfare. Nevertheless, this depends on the village demand, community, occupation, and the agreement between the fund committee and the villagers. The concept of the village fund is to take own responsibility. For example, there are several types of the welfare such as allowance and funeral expense which the villagers can manage independently without asking help from the government or mediate functions because it might have negative effect on the management system of the village. Hence, this concept is seen as important because it can help build sustainable village fund finally.

## **2. Development of management system**

Weak village and urban community fund becomes the problem for the society. Hence, the 'new solutions' should not only stimulate people to borrow money because that produce people in debt, but also create awareness of long term self-reliance (Benjasab, 2015). The advantage of having saving groups or funds in the area is that people can access to the funding source easily. However, the drawback is that it increases the possibility of being in debt too. Therefore, the village fund or other saving groups must think about the system



helping manage the debt of the villagers. For example, the fund should build a network with external organizations in order to deal with the debt. It can start with surveying the people who are in debt in the sub-district and then bringing some people who are capable of solving the problem. The survey can be collected and stored as the database instead of being done by the government itself. It can be perceived that the village fund can actually help monitor the people's debt.

The strong point of the village fund policy is 'concise and a right answer' for the villagers. The villagers can think and make a decision exclusively according to their perceptions. They also have money and can manage according to their preferences. It can be seen that even though Thailand has been revolutionized, or Thai leaders have been changed many times, the village fund policy still survives while other policies were eliminated (Inthong, 2015). Hence, the village fund becomes the answer for the people and it is the useful mechanism helping develop the country.

In order to revolutionize the village fund, the direction needs to be adjusted. The village fund should be seen as the tool for community and village in order to strengthen the members. The members should be able to rely on themselves, have discipline and know how to save. The best way of self-reliance is that to have own saving system and budget for savings and loan. The management of the fund should be converted from mainly dependence on the government to 'self-reliance and having saving system'. This matters because at some point, when the government does not provide money to the fund, the fund can still survive. In fact, most of the strong village funds are from the area that the saving groups are already strong enough (Pinpratthep, 2015). Therefore, the process of management that the village fund should change in the future are (1) Reforming the policy direction, concept and management by strengthening in terms or quality, together with urgently focusing on the development of each fund. (2) Reforming the National Village and Urban Community Fund Office (NVUCFO) by eliminating bureaucracy. Firstly, NVUCFO is a public organization but because of the Act of the NVUCFO, together with conditions and contexts of the organization, NVUCFO should work as semi-government organization. Most of the people managing NVUCF are from government such as Ministry of Interior, Ministry of Agriculture, Bank for Agriculture and Agricultural Cooperatives and so on. This is why NVUCFO bureaucracy style for management. Therefore, NVUCFO working system should be reformed to be more civic society organization without relying too much on the politics. Hence, the position of NVUCFO is important for the direction of management system and the village funds throughout the country. The top management should be the external people who can help manage the fund and achieve the goals.

Furthermore, the top management audit system should be established. The structure of NVUCFO also needs to be revised for both top management board and audit board to be independent. (3) Evaluating the fund by the network at the province level, sub-district level and district level. The fund should be randomly evaluated in terms of strength and quality by using scientific methods, i.e. creating measures, developing criteria, and then sampling the data.

In conclusion, NVUCFO needs to adjust the working system to be more qualitative and has the systematic evaluation. Hence, the development of the fund capability becomes an important task.

The management of the village fund is like a big umbrella. The main umbrella stick is the NVUCFO helping develop structure or mechanism to be the mediate party for general management. The minor sticks are the village funds in each area. Hence, the roles of these two parties must be coordinated as the work between organizations. The mediate organization plays an important role in monitoring and taking care of the funds. Also, it should develop and provide tools in order to facilitate for future management work.

It is found that to provide money into the system, as the previous government used to do, in order to solve the poverty problem in the local community might not work anymore. This is because money is not always the solution for dealing with the poverty, but it becomes a new problem for the villagers instead (Nasuwanno, 2015). Therefore, money should be only used as ‘a tool, not the target’. When using money as a tool, the outcome of the policy should not be count as the money distributing to the community, but the money should be brought to ‘solve the poverty according to the plan’ which is the sustainable solution and leads to self-reliance in the future. This policy is a tool supporting the villagers to be able to manage. Also, it is a tool that can solve the problem in the local community, and create sustainable community at last. Hence, the target of this policy should be clearer in terms of finance.

Moreover, for the policy target setup, the targets of the village and urban community policy should be clearly reviewed and added up if missing. For example, the network should be reviewed and improved because it is helpful and acts as the joint connecting important policies together.

### **2.1 Creating activity generating income**

To make the village fund self-reliant is fundamental because no government in any country can always infiltrate money into the system. Also, the government might not be able to do it every year. Therefore, the fund must rely on itself by ‘creating activity generating income’ in order to circulate the budget. Also, at present, to strengthen the fund does not mean just providing money, but it is about creating activity generating income such as providing knowledge to the villagers to produce quality products, or market the products. The fund might provide money for the villagers to build a shop and then take the profit to support other villagers. With this way, the villagers can rely on themselves without depending on the money provided by the government (Klipthong, 2015). For example, there is an idea that the fund should have its own power plant so that the villagers can sell the electricity to local people and at the same time, gain the circulating fund. This idea shows that the fund should be self-reliant which it can invest on its own which makes the villagers have income and circulating fund. However, the fund still needs to take risk because of the problems of market, product development and product value. NVUCFO and government should be responsible for these problems by mitigating the risk and providing basic support for the fund. Also, they should encourage the fund to invest in building activity consistent with the context of the area, increase values, and move the fund further by facilitating and providing knowledge, network, market, basic facility, and further development with the bank. These are important factors enhancing the fund to grow further.

Therefore, in the next 15 years, the village fund will transform from the funding source which people can access and is more productive development. To achieve this, the government must support the village fund by providing budget for continuing this policy further.

### **2.2 Audit system**

The evaluation and audit system of the village fund is also important because this policy is mainly related to financial management. However, Boonhome Inthong (2015) disagreed about the idea that nowadays, NVUCFO tries to send the auditors to audit the fund which consumes a lot of budget. Instead, he suggested that NVUCFO should build the server for the whole country and create the single program for each fund to use which the main server is at the NVUCFO in Bangkok. Also, he suggested that there should be the auditors auditing all funds. However, there should be the system for auditing the management between government and community. Also, the community should have the relationship as

‘the partner’ with the government which can be audited by 2 ways (Paneeto, 2015). Not only should the government invest, but also the villagers.

### **2.3 Building network**

Besides the self-reliance, the village fund should also connect with the other groups such as Saja saving group and other saving groups. Also, the fund should build up the connection between the fund networks (Na Nakorn, 2015). The village fund should not be stand-alone organization because that is for single village. Instead, the village fund should build up the network so that the ‘financial institution’ can be established. If there are more than 7,000 financial instructions (one for each sub-district), they can share information online, exchange goods, and work together.

Network helps move to be the community financial institution in the future which the management of the fund will grow up naturally. On the other side, there is a mediator connecting the network and work together. If some funds grow up too much, the network will give a warning sign. To do so, each village fund might send the committee to the center as the community or sub-district financial institution so that the fund will know what is going on and can help and learn from each other. The fund will not be left to grow up without any direction, but it can learn from each other at the sub-district, district, province, and regional levels. Probably, because of the collaboration of the network, the village fund might finally grow up and possibly become the people bank of Thailand.

Building the network of the village fund needs time and collaboration of the villagers. It is the accumulating process of learning, combining, and building until the strong network emerges. In order for the network as the core to guide the village fund to the same direction, the government should support building collaborative network since network will improve monitoring process to be more efficient. Also, NVUCFO should provide knowledge for all funds and support building network to maximize the benefits for the fund as much as possible.

Nowadays, the government sector might not be related to the village fund much. Instead, it might be relevant in terms of being as the supporting committee at the district level, which District Chief Officer and the committer at the province level are the chairmen as defined in to the village fund Act, in order to support and maintain the fund. Based on the experience of Boonhome Inthong (2015), the government should not take part if not necessary. Instead, the government should assign the network to manage. If the network has authority from NVUCFO, the government should step back. If the government wants to see the village fund without any political issues, it should let the fund have its authority because

nowadays, the network has only responsibility but does not have authority for audit or management. Hence, NVUCFO should design the rules and regulation, and enact the legislation for supporting the network to be juristic. In some provinces, it is found that the strong network can gather money and build the office like in Chiang Rai province which the network of the village funds owns the land and has its own office.

However, even though the network of the village fund has the regularity, the network is not juristic. If the network is juristic, it can be utilized easier because its key role is to drive the village fund to the future. The network can proceed something more flexible than the mediate organization like NVUCFO. However, with the condition defined by the people sector, there is no legislation from the government to support. Hence, the network should have the authority to help manage issues and should be juristic as same as the fund status.

### **3. Knowledge development**

The village fund should be as academic source for community development. However, nowadays, the development of the village fund still separates between the fund management and knowledge. Therefore, the local universities should do research and development in order to identify real model and strengthen the community to be able to rely on itself. The community should not only be classified as A, B or C, but also be the pilot area or various models according to the identity of each area. Therefore, in order to match the model with the identity of the area, the capability of the committee and the villagers should be enhanced by building up communication channels, providing knowledge, and making the villagers to be the experts for developing people and solving problems.

For the knowledge management process, target should be clearly set whether it is money-centric or individual-centric. If the target is individual-centric, the welfare should be developed further together with leveling up knowledge and supporting the community to management itself. In the knowledge building process, it should possibly create pilot project for practical learning center. Since the knowledge of the village fund is from the practice and accumulated experience, the villagers should see and learn from the real case, and the government staff will be the teachers. However, this should not be graded according to the success index defined by the government because the villagers who do not know about the evaluation and criteria will not get involved. Therefore, the criteria should be defined by the villagers.

The village fund needs 'knowledge' in order to be strong, sustainable and developed. Hence, the most important knowledge is finance, law, regulation and management. NVUCFO, as the main organization, should provide these funds the knowledge about accounting and finance (Klipthong, 2015). Also, NVUCFO should organize the training program especially for the knowledge about that can prevent any conflicts. The knowledge about management helps collaborate and develop the fund. Hence, knowledge can be seen as the foundation of the strong and sustainable fund in the future. On the other hand, the fund can decide to manage with its own style based on the nature and context of the village or community. The fund can grow up by itself which the government should support and provide the minimum standard such as the legislation for certifying the fund status and the accounting and budgeting management system. When the fund reaches the minimum standard level, the government should let the fund decide if it wants to develop further or not. This makes the people perceive as the owner of the fund since they have authority to manage. Moreover, building knowledge for the development encourages the villagers to think about developing themselves, planning, and defining the direction in order to develop themselves under the social revolution.

However, the village fund has its own unique mechanism. Therefore, this mechanism will change the country's societies. The community at the low level will highly change if the community is encouraged to start defining, managing and developing itself. Also, the community should participate in many processes. Especially for the learning process, the important thing is that to provide the center area for the people and the functions in the area help develop the area together. As a result, the village fund will change and survive.

## **Discussion**

The development of the village fund is an important thing that leads the fund to operate on its own, without excessively depending on the individual, government or other organizations. The fund can be developed consistent with the community context, and can be seen as the center of the village's economy. It can also be the mechanism to develop the villagers' quality of living.

Furthermore, there is an attempt to level up the management of the village and urban community fund to be 'the community financial institution' as the center of the village's economy. However, the fund should be improved to be more flexible in accordance with the villagers' demand. Moreover, the government must enact the clear law or act in order to support this transformation including other laws and regulations relevant to other

operations. For people's welfare management, the village fund can be developed to be the mechanism to distribute people's welfare. The village fund with strong system can allocate the benefits of the fund to the community welfare in order to reduce the welfare provided by the government, resulting in the reduction of government's workload. Also, overall, this makes the people have better quality of living.

For the development of the management system, the village fund should get involved and support the villagers to deal with their debt. The fund should develop the management system to be self-reliant and make the saving and financial management systems to be more professional. Meanwhile, NVUCFO should not rely on the politics too much and help the village fund rely and manage by itself. The work between NVUCFO and the village fund should be coordinated which the target of the village fund should also be clearly set. The target should not focus on only getting money, but also using money as the tool for developing community's economy and human resources. Moreover, for the activity generating income, the fund should be self-reliant by doing activities generating income in order to circulate the budget. Also, the government should mitigate the risk proactively and encourage the fund to create activities consistent with the area's context in order to increase values and drive the fund further. Furthermore, for auditing process, there should be the standard criteria and technology in order to help audit the fund more quickly and effectively. For instance, there should be the main server at the center to monitor the accounting status of all funds, and the audit system from the people sector which makes the audit process transparent. Lastly, for the network building, network is an important mechanism for the fund which the collaborative network leads the village funds to the same direction. The networks of the village funds can be seen as the organization driving the development in sever aspects. Moreover, the village fund has its strength as the tool to strengthen the community because it is the center of the community's leaders. It also has the fund used for creating activity for the people to learn by doing such as public stage, participating in planning, and good management system. Therefore, the network of the village funds in some areas has potential to work related to the fund. The government should support in order to build the collaborative network of the village funds since network can help maintain the funds better. In addition, the government should support the network to have clear legal status and be able to audit and support the management of the fund in the future.

In the context of knowledge development, knowledge is the foundation for stronger and more sustainable village fund. Hence, the important knowledge is knowledge of finance, law, regulation and management. Knowledge is generated from research and development in

order to identify the appropriate model suitable for the area's context. Knowledge is also from experience in the pilot area, or depending on the characteristic of that area. Therefore, the important foundation is that the villagers are able to manage themselves resulting in knowledge from experience and self-reliant learning.

In conclusion, the development of the village funds has several dimensions. However, importantly, the attitude and perception of the village fund should be changed. The village fund should transform to be strong and sustainable organization for developing the community, rather than only seeking for the profit from the loan and being purely financial institution. Consequently, the village and urban community fund will be self-reliant and play a significant role for the community.

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