The Role of NGOs in Thailand on the Current Economic and Financial Crisis

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The emergence of NGO movement in Thailand started in response to the military dictatorship, the establishment of centralized economic planning, and the massive support of the United States in its efforts to build up Thailand as a front line country against communism in Southeast Asia. NGOs then first emerged as an alternative voice for the people’s rights and freedom especially for those in the countryside. The first generation of NGOs is featured by their roles in providing goods and services to the underprivileged people. Later on, the unbalanced economic growth driven by the emphasis of the government on industrialized sector resulted in the differences in the standard of living between the urban rich and the rural poor.

Now their (NGOs’) activities expand extensively covering wide range of problems from rural development, environmental protection, and human rights movement. The shifts in the role of the NGOs correspond with the process of economic and political development in Thailand. Since many organizations can be considered as NGOs, the first section of the paper will define NGOs in the Thai context and within the scope that this paper will discuss. The second section will explain how the NGOs’ role has changed during the process of Thailand’s economic and social development. This section will conclude with a statement that the main roles of the NGOs are not for curing or preventing economic crisis in the country. Third section will provide background information on the sources of funding for the NGO activities in Thailand. The next section will link the impact of the financial crisis to the Thai NGOs’ funding. This part will also contrast the differences between the roles of NGOs in dealing with the 1997 financial crisis with their current actions. The last section will give insights on how the today’s recession affects the work of NGOs in developing social, health, and environmental conditions in Thailand.

Donors are emphasizing on the importance of the environment since Thailand has ‘graduated’ from being underdeveloped to a middle income country. Current NGOs also try to change the practice of the governments. Some NGOs have been strongly criticized for opposing and involving themselves in protesting against certain government policies and projects. It can be argued that the role of the NGOs in the current economic crisis is not a direct one. However the current economic crisis does affect the role of NGOs in dealing with the social welfare issue in Thailand through the decrease of funding both from the international donors and domestic funding. The financial crisis and the economic downtown would then result in decreasing amount of donations from the private sectors and middle income people. The economic downturn also has the impact on NGO funding because of the decline in aids money from international donors. The evidence is obvious from the big international NGOs.

However the development must be kept running. Problems of chronic poverty still exists. Smallholder famers will also be the hard hit especially during the economic crisis. Recipients of micro-credit rely on loans from NGO for buying tools, seeds and other agricultural inputs. Instead of cutting fixed cost, NGO are cutting variable costs such as staffs at headquarters or regional centers. Many events occurred after the 1997 financial crisis which caused the role of the Thai NGOs to change into dealing with the economic conditions. NGOs are now more involved with human trafficking, conditions of illegal immigrants at the Thai borders, and environmental factors and less with the economic crisis. Some Thai NGO activists are working for reducing the elite state power since they exist in the political structure and advocate greater democracy in society.

The role of the NGOs in dealing with the economic crisis therefore directs towards the concept of sufficiency economy. The idea of sufficiency economy also aligns with the Thai government propaganda where the objective is to promote life without depending on the globalised world. Sufficiency economy is also being supported by the environmental conservatives. The philosophy of sufficiency economy coincides with the concept of environmental sustainability that encourages the society to conserve the ecosystems in their surroundings and biodiversity in their agricultural production. Another role of NGOs in the economic crisis is to rally for good governance in order to prevent the same crisis in 1997.
As a result the economic downturn the most vulnerable are the poor who still demand help from the government and the NGOs to take care of their basic needs. The crisis at the same time affects funding for the NGOs. NGOs in Thailand are mostly funded by the charity and few from foreign aids. The charity is mostly given by the private sectors in Thailand and the middle class. The crisis does have impact on the budget of those who donate money to the NGOs. Therefore NGOs are getting limited help from donors as a result of the economic crisis while at the same time the demand for help from the community is increasing. In summary even though the NGOs has no direct role in solving the economic crisis in Thailand, its burden definitely increases due to the economic contraction because of less funding and more obligations.