

PREFACE

This third issue of the *Thailand Social Monitor* studies a complex, but vital topic – the impact of the crisis on social capital. Social capital is “the glue that holds society together”. It can take many forms, from the family level up to national level institutions. Social capital is a bulwark of Thailand’s social safety net: we need to know if existing forms of social capital were adequate to cushion the blows of unemployment, lower wages and falling incomes that have been the mark of this economic crisis, and whether the stock of social capital was strengthened or weakened, augmented or eroded by the crisis.

Social capital has only recently been studied seriously by social scientists. It is therefore an elusive concept, and difficult to measure, both the “stock” of social capital, in an economic sense, and the “flow” of benefits from it, the “manifestations” of social capital. However, as with financial, physical, environmental and human capital, there appears to be mounting evidence of its importance to achieving sustainable development.

To analyze social capital during the crisis, needed is a framework and a set of accessible indicators. Although some scholars would not include family cohesion within the definition of social capital, in Thailand the family and its togetherness are at the heart of social capital considerations. This issue of the *Thailand Social Monitor* assembles the available evidence on social capital at the family and community level. The framework divides these indicators into three categories: external and societal influences on social capital mobilization; the stock of social capital mobilized at the family and community level; and finally the positive or negative “manifestations” of the changing stock of social capital.

With a view to initiating a discussion on the important subject of social capital in Thailand, teams from the four institutions listed below collected data on indicators such as suicide, orphans, divorce, crime, family structure and many others. They analyzed the data to see if each indicator improved during the crisis as compared to the previous years, declined during the crisis, or remained relatively stable during the crisis. The “deviations” from the previous period are important because such a change in 1998 can be expected to have at least some relationship to the economic downturn and can show indirectly if social capital cushioned crisis impacts.

Evidence of the ability of social capital to cushion the economic and social shocks posed by the economic crisis are most important for social protection policy. For example, if households cease providing gifts and remittances to one another, this could have a serious impact on the income of a poor household. Or, if families break up during periods of economic stress, such as through abandoning children, this will have long lasting impacts on the children, who will be disadvantaged, and on the government, which will have to pay for their care.

But when social capital remains intact and even increases, destructive outcomes may be reduced or prevented. Community tensions may be held in check. Families stay together and help one another survive the crisis, and communities form self help groups to cushion hardships.

What happened to social capital mobilization during the crisis in Thailand? Did it increase or erode? How well did it cushion the shocks? This issue of the *Social Monitor* shows a mixed picture, both in terms of the stock of social capital and its manifestations. The findings are summarized in Chapter 1. At the household level Thai families continued to protect their essential expenditures on necessities, their children's education, and basic health needs, and to cut back on luxury expenditures. Most admirably, Thai families have continued to help each other with cash gifts and remittances during the crisis, and Thai family structure did not change off trend in the crisis. Communities have been drawn together and have created new institutions and capacities to help themselves, particularly savings groups. There has been a conspicuous absence of civil conflict in Thailand during the crisis, unlike the experience in other Asian countries. The Thai Government has played a decisive role in supporting community level mobilization.

But there are troubling signs that for some people the stock of social capital at the family and community level declined during the crisis, that some manifestations of social capital also deteriorated, and that overall, social capital (and government programs) could not cushion the adverse economic impacts of the crisis on some individuals in Thai society. Crime, drug use and arrests, suicides and child abandonment rose off trend in 1998.

Such negative outcomes during a severe economic crisis are hardly unique to Thailand, as other developing countries in Europe and Latin America have also endured crisis-related erosion in social capital, particularly property crime.

For Thailand, we cannot be sure if the crisis and its economic impacts are the primary cause for these outcomes in 1998 and 1999, or if they are more a function of long term societal changes in norms and values arising from urbanization, industrialization and migration that have accompanied the years of growth in Thailand. *However, we agree that the most likely hypothesis is that the crisis imposed dire hardships on marginal, vulnerable families, before Government or community programs could reach them, and left these people with little choice but to take desperate steps.* This hypothesis has important implications for social protection policy in Thailand, if borne out by further research. The protection of such marginal groups in future economic downturns—and a better understanding of which groups escape the protection of existing social capital—would be an urgent social priority. It is for this reason that UNICEF and the World Bank, in collaboration with the Social Research Institute of Chulalongkorn University and the Institute for Population and Social Research at Mahidol University embarked on this analysis.

The list of people involved in preparing this issue of the *Thailand Social Monitor* is a long one, including staff and consultants from the four institutions we together represent. They worked very hard to pull together the data, analyze it, and interpret it. Many ministries of the Thai Government assisted the team with data and ideas, including the Ministry of Interior Department of Community Development, the Department of Public Welfare at the Ministry of Labor and Social Welfare, several departments in the Ministry of Public Health, including the Department of Medical Services, Division of Epidemiology, and the Health Intelligence Unit, the Health Systems Research Institute, the Royal Thai Police, the National Statistics Office as well as a number of private philanthropic organizations. Many Thai experts in and out of Government reviewed this issue in draft, as did colleagues from the World Bank, and

we are grateful for their wise guidance. We especially would like to thank K. Paiboon Wattanasiritham and K. Anek Nakabutra of the Social Investment Fund for their participation and advice from the outset. Support from the Asia-Europe Meeting Trust Fund is gratefully acknowledged.

We, the authors, of this issue of the *Thailand Social Monitor*, are alone responsible for any errors in fact or judgement.

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CHAPTER 1: INTRODUCTION AND OVERVIEW

The first issue of the *Thailand Social Monitor* focused on how Thailand used the crisis as an opportunity for accelerating the social reform agenda. The second issue of the *Social Monitor* examined impacts and responses in the education and health sectors from the perspective of outcomes, government spending, household spending and household utilization of services. In this third issue the impact of the crisis on social capital is examined.

There has been a great deal of speculation in Thailand about the fate of social capital during the crisis. Many Thais have noted that the crisis has produced some highly positive effects in terms of social capital. The ADB and UNICEF have sponsored studies showing families and schools acting to prevent school dropouts for example. This view would argue that Thai social capital has remained intact or even increased during the crisis, that families have become more disciplined and resilient, and that Thai communities have been stimulated to expand cooperative and mutual support during the crisis.

Others have seen the crisis with its dramatic decline in average incomes and high unemployment as the source of a further unraveling of Thai moral standards, family cohesion, community cooperation, and of cherished values of self reliance and mutual self help. In this view, the pressures of surviving with less income or none at all have compelled poor Thai families to do things they would not otherwise have done, such as turning to crime, putting their children to work as messengers for drug traffickers, turning to alcohol, prostitution and drugs. The “social breakdown” viewpoint is fed by the frequent, but anecdotal reports in the

press of suffering and disintegration of family values and behaviors.

The debate on social capital is an important public policy issue: what should be the role of family and community in providing social safety net services to Thais in need? As Thailand emerges from two years of crisis and hardship, a major social policy question facing Thai leaders is what kind of social protection system¹ should Thailand build in preparation for future downturns or other economic shocks. Were existing and new forms of Thai social capital that arose in response to the crisis adequate to protect those in greatest need? Did any forms of social capital erode during the crisis, leaving some Thai families without any hope or support? If true, are these weaknesses in social capital and the “informal” social safety net something the Government should seek to strengthen with formal government programs, at taxpayer expense?

These debates and questions have motivated the World Bank Bangkok Office, UNICEF Thailand, Chulalongkorn University Social Research Institute, and Mahidol University Institute for Population and Social Research to undertake a first review and analysis of the following questions: *What happened to the stock of social capital during the crisis, how adequate was that stock in shielding the population from the worst impacts of the crisis, and what are the implications of that changing stock of social capital for Thailand’s future system of social protection?*

¹ By social protection system we include both the formal and informal safety nets necessary to cushion the impacts of crisis.

Social capital is an elusive concept and a new arena of inquiry for scholars and specialists. To devote an issue of the *Social Monitor* to this topic, the authors first agreed on a workable definition of social capital and a simplified methodology to begin this analytical task. The approach taken is based on the following principles:

- A limited definition of social capital linked to practical objective indicators, so that the key task of empirical measurement can be accomplished;
- A framework of indicators that would show the relationship between external forces on social capital, the stock of social capital, and manifestations of the changing stock of social capital, all in a national context;
- A long term time frame, beginning well before the crisis, to detect the difference between long term trends in indicators and their shifts or “deviations” coinciding with the crisis;
- A modest approach to interpreting such shifts and in particular to assigning definite “causes”.

With these agreed principles in hand, the team set out to obtain available data for a diverse array of national social capital indicators. The definition and the framework guiding this work is set out in Chapter 2. The initial full set of indicators researched is shown in Chart 1 in Chapter 2, with the ones in bold showing those used in the analysis. For many indicators, the data were unavailable or unreliable. Nonetheless, and surprisingly, many indicators had multiple sources showing similar results or single high quality sources, thus allowing the team to use them.

Chapter 3 contains the tabulations and analysis of the more reliable social capital indicators. Three different results were

possible for each indicator and for the complete set of indicators: no change off trend with the crisis; improvement of social capital with the crisis; and deterioration with the crisis. As will be seen, the picture that emerged is complex, with some indicators showing improvement, some deterioration and some no change. For some indicators, simple regressions were applied to the data to measure the deviation from trend in 1998 and 1999.

A mixed picture emerges from the more reliable data on social capital during the crisis. There was improvement and deterioration in both the stock and the manifestations of social capital. Chapter 4 contains a summary chart showing for each indicator the direction of change compared to trend during the crisis.

At both the family and community level, social capital institutions that form the traditional, non-formal safety net were used extensively and even expanded. The stock of community social capital may have increased through a surge in the formation of savings and other local groups. A manifestation of this is the virtual absence of civil conflict and violence between communities, groups or regions in Thailand. Other countries in the region experienced sharp increases in civil conflict. Similarly, Thai families managed household budgets to cut back on luxury purchases and “vices” such as alcohol and tobacco. Gifts and remittances between households also performed well during the crisis. Other important indicators of functioning social capital at the family level remained unchanged by the crisis.

However, there is also evidence that family and community social capital was inadequate or broke down, leading to an increase in some adverse outcomes, and that the family as a form of social capital

was severely strained. It is impossible to assign definitive “causes” to the adverse social outcomes in the areas of child care, suicides, mental health, crime, and drug use—whether due to short-term economic downturn or the continuation of long-term trends tied to social transformation and economic development. That each of these outcomes sharply deteriorated off trend in 1998 suggests a crisis link, *but this cannot be proved by aggregate data at the national level* showing only a correlation or coincidence. To conclude that the crisis has caused these changes, more intensive household level research and analysis will be needed to demonstrate that those families so affected by social capital problems also endured poverty or unemployment or other crisis linked misfortunes.

Other “causes” are also possible. Long term social trends are evident in the indicators, pointing to erosion of traditional forms of social capital over many years, perhaps linked to urbanization, industrialization, migration, and the influences of global culture. Perhaps the crisis was a relatively minor “trigger”, compared to the long term trend in values and norms. Another possible explanation for the striking coincidence is statistical; perhaps the 1998 data are heavily affected by increased government surveillance and gathering efforts during the crisis. Or, perhaps the indicators are affected by each other more than by the crisis.

However, the 1998 coincidence is striking. Moreover, other indicators showing sharp improvement in social capital are also coincident with the crisis, suggesting that the tumble in average wages and growing unemployment have reverberated through Thai society with considerable power and effect, both positively and negatively, for the stock of social capital and its manifestations.

What can be concluded from these changes, both positive and negative, for public policy, particularly for the future dimensions of the social protection system? As Chapter 4 argues, if the causes of the negative movements in social capital are essentially long term and not crisis linked, then the policy implications are different than those that stem from a clear relationship with new economic hardship at the family level and an inability to mitigate the impact of short-term economic shocks. Long term shifts in values and norms toward crime, drug use, and family cohesion would be best addressed by institutions of learning and social leadership, such as schools, political leaders and religious institutions, and by long term government support for community strengthening.

However, if the deteriorations in social capital are in fact linked to economic pressures, sudden poverty, unexpected destitution, and other family tragedies linked to livelihood—an inability of the family and community to deal with short-term risks—then the policy implications are more amenable to social protection policy and programs, both public and private. The leading hypothesis based on the currently available analysis is *that most of the off trend deterioration in social capital stock and manifestations in 1998 can be linked to economic factors arising from the crisis*. If this hypothesis is sustained by further research, there are important implications for social protection:

- The informal safety net, and by implication the publicly funded safety net, has substantial gaps and rips, through which some Thai families have fallen far;
- The long term costs to society of these safety net failures may be high, as the

effects are to put more children, families and adults either in orphanages, in prison, in medical care, or sustained welfare support;

- For any future economic downturns, it will be vital to protect families against calamitous declines in income that seem to have led to such behaviors during this crisis. Future social protection programs, therefore, need to reach families directly, as well as indirectly via community organizations;
- To ensure the effective design of these programs, policymakers need a better understanding of the characteristics of those whom existing social institutions

were unable to protect— and why they were unable to avail themselves of the existing safety net;

- The apparent success of community based institutions during the crisis, at least in terms of new activity, may provide a promising avenue for social protection which could merit additional government support;
- Family based coping mechanisms remain effective, and any new social protection initiatives should reinforce the priceless Thai values of self reliance and family cohesion.

CHAPTER 2: FRAMEWORK FOR ANALYZING SOCIAL CAPITAL

Defining Social Capital

Much has been done to describe and measure financial, physical, environmental and human capital and to show their relationship to sustainable development. However, we are still in the early stages of learning about the importance of *social capital* in economic and social development, even though there is mounting evidence that social capital contributes to better schools, fuels more rapid economic development, creates healthier populations, lowers crime, improves environmental resource management, and leads to more effective government.

Social capital originates with people forming social connections and networks based on principles of trust, mutual reciprocity and norms for actions. The relationships and connections can either be egalitarian (horizontal) or characterized by unequal power relationships (hierarchical), so long as the networks and associations which they form operate to facilitate coordination and interpersonal cooperation for mutual benefit. It is important to exclude social connections and networks formed for destructive, anti social purposes. Although the domain of social capital has been defined in many ways, for this issue of the *Thailand Social Monitor*, it can be defined as follows:

Social capital entails those horizontal and hierarchical associations and macro-level institutions, the interpersonal relationships and networks they form, and the norms and values upon which they develop that can affect – either positively or negatively – the economic productivity of families, communities and civil society.

For the purposes of this analysis of social capital and the crisis, we have selected for direct measurement only those horizontal indicators of social capital stock and flow present at the family and community level.

International perspectives on social capital may miss aspects that Thai scholars and activists see in the Thai social landscape. These aspects tend to focus on family and community dynamics, developed in a traditional rural setting, but which extend beyond to modern and industrialized life: (i) norms, ethics, values and beliefs that put much respect on nature and see people as part of nature to preserve and protect natural resources; (ii) local knowledge that carries on from one generation to the next, such as local handicrafts and traditional medicine; (iii) a horizontal social structure which emphasizes reciprocity among communities and groups; (iv) community rights to manage resources; and (v) diversity of local cultures that can enrich the knowledge among communities.

The Thai approach to social capital can be described as more holistic than linear. Social capital for Thailand is a complex matrix of connected institutions, values, spirit, philosophy, achievements and resources, at the center of which sits the Thai family, receiving enrichment from education and religion, from the community and friends, and sharing its knowledge and resources with other families and institutions, and contributing to Thai governance, history, culture, and natural resources.

The Thai concept of social capital also extends to its role in the national social safety net for those unable to help themselves. Families and communities thus utilize the relationships and obligations of Thai social capital to provide support and assistance to those in

need in times of duress, as in the present crisis.

Thus, Thai emphasis on the family's role in social capital formation may not match some scholarly definitions, but family variables are essential in the functioning of the social safety net and must be included in this analysis.

An Analytical Framework for Social Capital

Drawing from UNICEF Thailand's approach to analyzing the situation of children and their families in a changing Thai society, an analytical framework has been developed to help organize the complex task of measuring the crisis impacts on social capital and to assess its role in informal social protection. This framework, shown in Chart 1, contains four domains, each with their associated indicators.

The conceptual framework for Thailand's social capital analysis starts with those *manifestations or outcomes* that most reflect either positive or negative changes in social capital mobilization - the stock of social capital.

Such indicators as crime and drug abuse at this "manifestation" level of the framework, therefore, suggest the extent to which existing and new forms of social capital have been adequate to prevent adverse outcomes during the crisis.

Thus, the analytical framework acknowledges that in times of crisis, families and communities in stress can draw on social capital to form safety nets which can preserve the welfare of the most vulnerable (e.g., the unemployed, children, women) and facilitate their eventual recovery and reintegration into a productive way of life. However, extreme

stress and trauma can overwhelm social capital by breaking connections formed within the family and community, leaving their members in poverty, without safety nets, and may lead to unlawful pursuits or emotional turmoil.

There are three levels of social capital stock covered by the framework – the family and the community, and society. For each, Chart 1 lists selected *immediate indicators*² of social capital stock. The concept of social capital "stock" refers to the social foundations of families and communities and society. It is impossible to measure in financial or economic terms this "stock" of social capital. We can only propose that changes in that stock are linked to various social outcomes or manifestations that affect the productivity of society.

Family level indicators are classified as measuring "cohesion" or "safety nets". In essence, this level centers on answering whether or not the family is functioning as a viable social institution able to create, mobilize and manipulate social capital. Here a family is ideally seen to have at its disposal physical and financial capital for family production and human capital upon which to build meaningful interpersonal and network relations.

No family (in Thailand or elsewhere) exists on its own, depending solely upon its own resources. Particularly for low income families which form a "community," the stock of community social capital is measured by indicators of group formation, activity, and

² Social capital – like financial, physical and human capital – has limited value if not combined with other forms of capital. Chart 2 only presents the more limited picture of social capital, and omits the complex interactions with other forms of capital.

participation. These indicators shown in the framework's community domain play a role in influencing a family's access to social capital (and other forms of capital) and its use.

In the fourth domain are societal forms of social capital and exogenous economic shocks. In this framework designed for the analysis of the crisis, the societal level of social capital and shocks are treated as exogenous to family and community capital formation. These exogenous forces may come from government sponsored activities, from economic events and sudden shocks, as in the current economic crisis, and from ideological forces. These variables are not analyzed quantitatively in this *Social Monitor*.

In the following chapter, evidence on some of these indicators is presented and analyzed. In some cases, data are available but not considered reliable enough to present.

Framework Limitations

While recognizing the holistic, interdisciplinary approach to understanding social capital, this *Social Monitor* will be confined to a more narrow examination that is compatible with the analysis of the crisis from a social protection perspective. Thus, particular attention will be paid to the horizontal connections and networks that integrate Thai society at the family and community level. Excluded are the many complex aspects listed in the fourth domain of societal social capital.

A second limitation of the framework is its use of largely aggregated indicators. In some cases, it is possible, with large data sets such as the Socio-Economic Survey, to analyze social capital at the household

level. However, for most of the indicators listed in Chart 1, there are clear limitations to basing conclusions simply on the assessment of specific quantitative indicators and national level data. These indicators can only imply that a situation may be serious in a broad, collective sense, and they require further investigation into the 'whos, whys and hows.' For instance finer, subnational and population specific data may be needed, along with in-depth qualitative analyses, to answer such important questions as (i) how social capital actually is built, mobilized and manipulated at different organizational levels and by persons of different political, ideological, gender, or economic classes; (ii) what is the impact of policy changes in affecting the stock of social capital and its mobilization at different organizational levels, among different social classes and population groups, and at different time periods; and (iii) what compositional differences exist between different subgroups and especially among vulnerable groups (e.g., those on the fringes of the social mainstream such as the urban poor, people living in remote border areas and ethnic minorities).

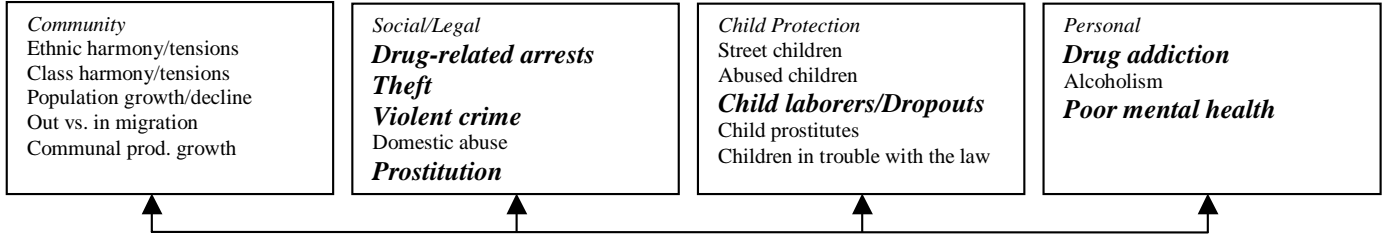
The framework can only suggest the direction of influences between the four domains, but cannot identify specific patterns of causality between the domains.

Finally, the framework cannot address the impact of social capital on development outcomes. Social capital, like other forms of capital, contributes to the overall development process, and sophisticated modeling of this relationship has been undertaken, but not yet for the contribution of social capital. The framework implies but does not diagram that relationship.

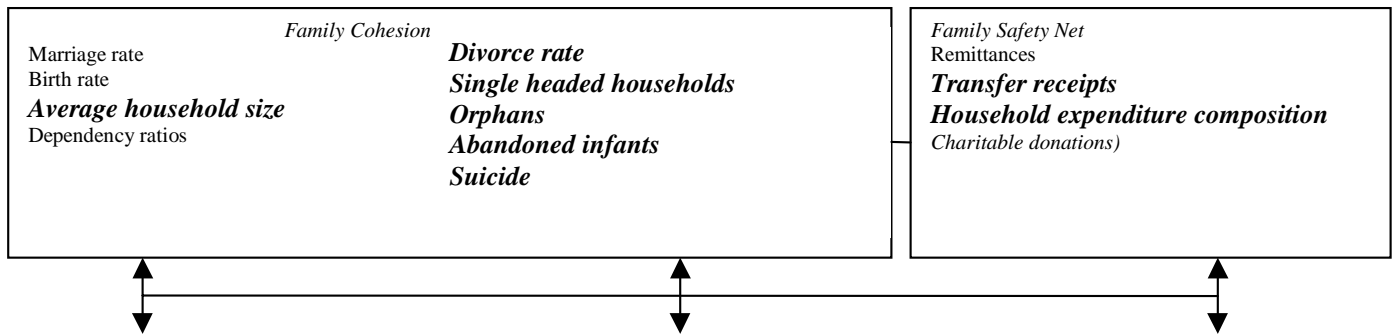
Chart 1 : Framework for Thailand’s Social Capital Analysis

(Note: Indicators analyzed in Chapter 3 are highlighted in italics and bold)

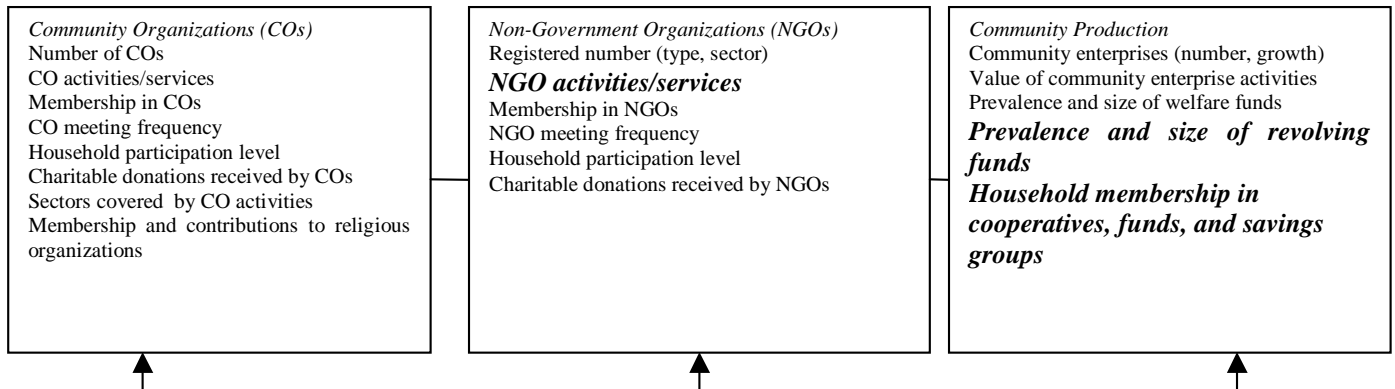
Domain I : Manifestations (+/-) of Social Capital Formation and Mobilization



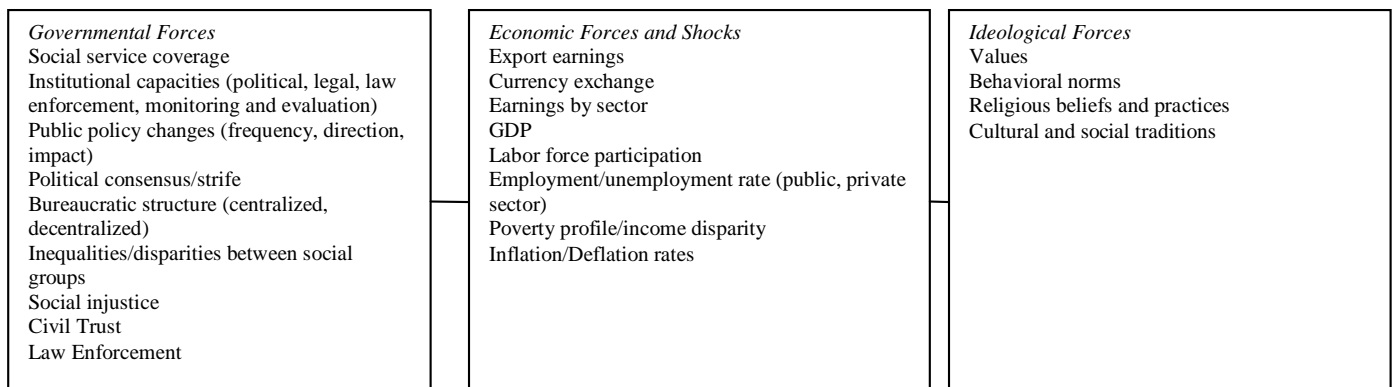
Domain II : Stock of Social Capital at the Family/Household Level



Domain III : Stock of Social Capital at the Community Level



Domain IV : Societal Stock of Social Capital and Exogenous Shocks



CHAPTER 3: INDICATORS OF SOCIAL CAPITAL DURING THE CRISIS

The pressures of economic crisis can exert opposing forces on social capital – both strengthening it, as reciprocity networks are increasingly called into play, and eroding it, as households’ ability to cope deteriorates and community trust breaks down.

(Caroline O.N. Moser, “Confronting Crisis: A Comparative Study of Household Vulnerability in Four Urban Communities”)

This chapter brings together the evidence available on the stock of social capital before and during the crisis. The objective of the analysis is to detect “off trend” deviations of these indicators that may have occurred with the full onset of crisis social impacts in 1998 and 1999. Thus, sharp change of an indicator, either up or down, and off trend in 1998, could be interpreted as crisis induced.

The indicators chosen for analysis here are drawn from the framework in Chart 1 in the last chapter. Many indicators of social capital mobilization have been researched, and many with disappointing results. Serious limitations in the data became apparent: incomplete with missing years or missing segments of the population; unreliable due to inconsistent gathering techniques; unrepresentative due to large scale bias in their collection. These problematic data sources are discussed in Annex I at the end of Chapter 4, but are not used in the analysis.

Thus, this chapter examines available and reliable data in all four “domains” as presented in Chart 1: indirect “manifestations” of social capital; direct indicators of family level and

community level social capital; and finally some indications of the macro/national domain.

Chapter 4 will discuss the interpretation of the findings and relate the findings to the second question of this *Social Monitor*, whether the changing stock of social capital played a role in providing an informal safety net during the crisis.

Indirect Manifestations of Social Capital Mobilization

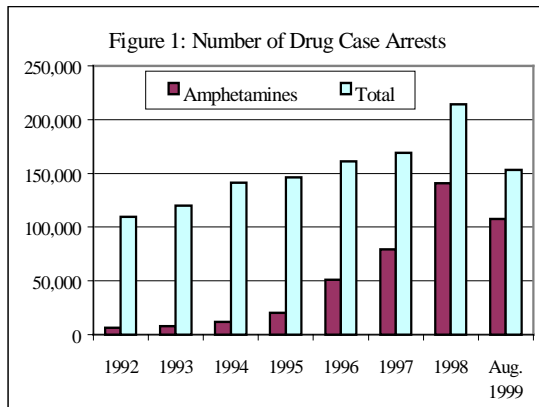
In this section we examine indicators that provide an indirect measure of the crisis impact on social capital mobilization (up or down) at the family and community levels. A review of indicators from this domain show a number of negative adjustments that indicate, indirectly, a deterioration of social capital, particularly in the area of family cohesion.

It is important to note however that, erosion of these manifestations does not necessarily reflect an erosion of societal values. Thus a deterioration in certain key indicators may be a crisis induced temporary coping measure as opposed to a long term trend of eroding values and norms. Further research would be needed to explore the complex question of causation.

Dramatic increase in arrests for drug related crimes

While it is clear the number of arrests for drug-related crimes has been on a general upward trend since 1992, there was a dramatic rise in arrests from 1997 to 1998 that was considerably off trend. There were 27 percent more arrests in 1998 than

1997, and arrests in 1999 had almost reached 1996 levels by August 1999 (see Figure 1). It can be hypothesized that individuals are resorting to more criminal behavior in order to replace lost wages. As for the drug of choice, there was a dramatic increase in arrests related to the possession of amphetamines during the crisis period.



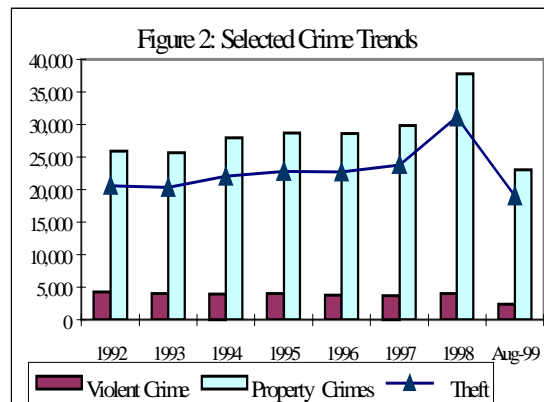
Source: Crime Statistics, Royal Thai Police 1992-1994; Narcotics Suppression Bureau, Royal Thai Police 1995-1999

There is at least a correlation between the rise in arrests for drug-related crimes and the economic crisis, but direct causation is difficult to conclude. To a certain extent some of this increase in arrests may be attributed to other factors, such as increased efforts made by the police to 'crack down' on offenders and the strengthening of enforcement legislation by Government (in 1996 the Government increased the penalties for amphetamine trafficking). According to both newspaper accounts and anecdotal evidence police forces have stepped up their campaign against drugs. For example, narcotics officials have been running an anti-drug campaign in the North (Bangkok Post, August 29, 1999). At the same time there are also reports regarding the increasing number of arrests of children who are dealing drugs. A recent survey conducted among a sample of students between Grade 6 and undergraduate, revealed 12

percent of those polled had some experience with drugs.³

Rise in property crimes coincide with the crisis

The level of overall crimes seems to be on a generally increasing trend, with no noticeable deviation during the crisis years. The level of violent crimes, for example, remained at pre-crisis levels in 1998. However, the arrests for property crimes, and specifically theft, dramatically increased above trend in 1998 (see Figure 2). This coincidence of events again suggests that economic pressures on household and individuals has led to this upsurge in property crimes, but as with the case of drug arrests, other factors could be involved, including more effective police work, changes in the law, and evolving norms and values not linked to the crisis. It is also possible that the surge in property crimes is related to the surge in drug use, not the change in economic conditions.

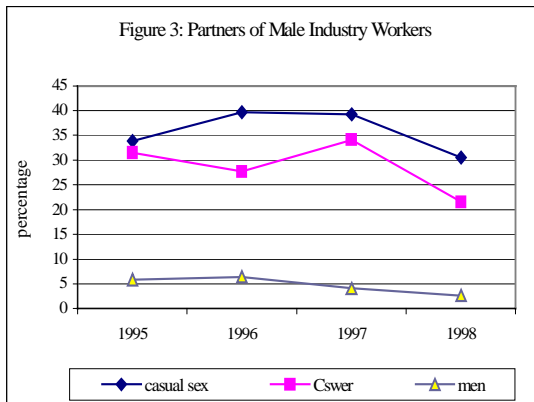


Source: Crime Statistics 1992-1997; Royal Thai Police

³ The Office of the Narcotics Control Board and the Assumption Business College KSC Internet Poll conducted the survey from a sample of 36,337 students from 1,020 public education institutions in 32 provinces.

Decline in Commercial Sex on trend

In the health sector, indirect “manifestations” of social capital can be found in indicators of sexual behavior and particularly the use of commercial sex workers.



Source: Division of Sexually Transmitted Diseases, Ministry of Public Health

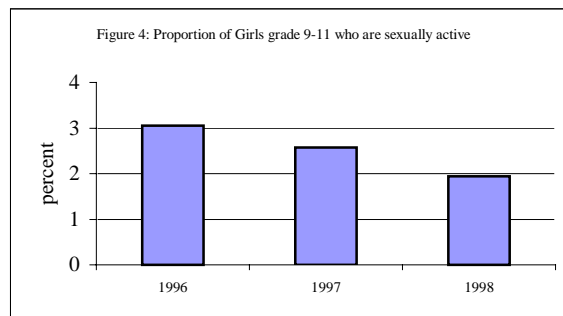
The Ministry of Public Health, conducts regular surveys of the sexual behavior of different groups. Surveys on the number of direct commercial sex workers and their average number of clients shows a continuation of the pre-crisis downward trend in 1998 and 1999. Many analysts had feared that the crisis would reverse this trend which was the result of several years of intensive campaigning of the Ministry of Public Health to support behavior change. This is supported by surveys of male industrial workers, where there has been a decline in commercial sex worker partners between 1997 and 1998, suggesting that the crisis may have induced an improvement in this manifestation of social capital at the family level (see Figure 3).

Steady Progress in Improving Safe-sex Practices

The use of condoms has increased over time in both casual and commercial sex. This happened despite the cut in the HIV/AIDS program budget by 25 percent

between 1996-1998. Contrary to the expectation of many analysts, the crisis did not result in worsening indicators with respect to condom use or STD prevalence. This may reflect long term shifts in behavior and the momentum of long standing efforts by the Government and NGOs to promote safer sexual practices.

The percentage of sexually active boys from grades 9-11 is on trend during the crisis. As for girls in the same age group, the number who are sexually active is decreasing, and this too is on trend (see Figure 4).⁴



Source: “HIV Risk Behavior Sentinel Surveillance in Thailand. The Results of the 1995-1998 Surveys”, Division of Epidemiology, Ministry of Public Health

Child labor⁵ rates: a potential reversal in trend?

As previously noted in the second *Social Monitor*, data from the Labor Force Survey confirms that the magnitude of seasonally adjusted child labor has declined steadily since 1992 with no increase as a result of the crisis (see Figure 5). This decreasing trend was consistent in both urban and rural areas. In addition,

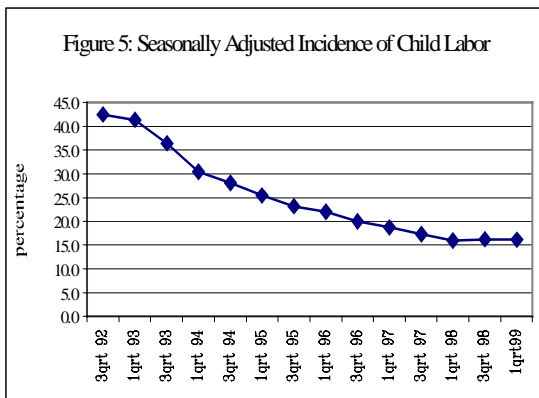
⁴ A cluster survey was used. A nationally representative sample of 1500 were surveyed.

⁵ Child labor is defined as those children aged 13 to 17 (inclusive) who are not attending school and are in the labor force or working at home.

UNICEF Thailand Office attributes this decline to a reduction of the population growth rate and a greater demand by the industrial sector for skilled laborers with at least secondary education (UNICEF 1997).

Nevertheless, the data also seems to indicate that the child labor rates were **off-trend** during the third quarter of 1998 and the first quarter of 1999. Instead of continuing at a steady rate of decline, the incidence of child labor remained static. There is also evidence that the number of children aged 13-17 looking for work increased sharply in 1998, indicating that child labor may not have increased more during the crisis simply due to the lack of employment opportunities. This age group (as opposed to younger children) shows evidence of increased drop outs from secondary school and in particular vocational school.

It can be concluded from this data that the child labor affects of the crisis were muted by the lack of employment opportunities, but that the demand for work by the 13-17 age group increased.



Source: Labor Force Surveys; National Statistics Office

Concern about transition rates⁶

Analysis of school-level data published by the Office of National Education Commission, reveals a small increase in the number of dropouts⁷ as a percentage of population for all education levels. Between 1997/98 and 1998/99, the number of students not moving from primary to lower secondary accounted for 21 percent of the total increase in dropouts. The number of students not moving to upper secondary (general and vocational) accounted for 25 percent. Thus, according to school-based data, the crisis has contributed to a worsening of these two transition rates.

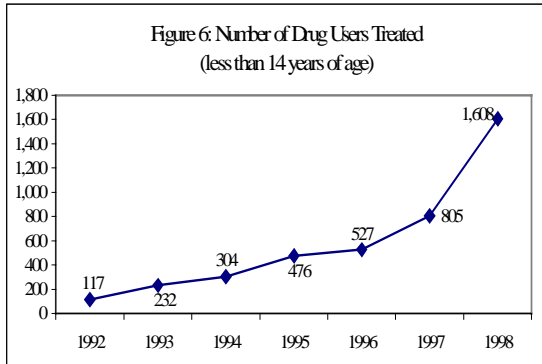
Increasing number of children using drugs

Another indirect indicator showing a deterioration of social capital is the number of children under the age of 14 who have been treated for drug addiction or use, which doubled between 1997 and 1998 (see Figure 6). This data is from the Ministry of Public Health and is based on in patient and out patient admissions. One factor that may account for the rise in the number of children treated, may be the increase in facilities made available and targeted efforts by the Government to assist school age children. Nevertheless, the increasing number of children

⁶ For more detailed discussion on the impact of the crisis on dropouts, and education in general, see World Bank. 1999. "Thailand Social Monitor: Coping with Crisis in Education and Health." World Bank Thailand Office. It should be noted that household survey and school-based data show somewhat different results, with school-based data revealing a more noticeable dropout impact of the crisis.

⁷ Dropouts in this instance is defined as the number of students who do not advance from one grade to the next each year plus those enrolled in the final years who do not graduate.

engaged in such destructive behavior, if prevalent in Thai society generally (as opposed to those using public health facilities) would be a disturbing correlation with the economic crisis.



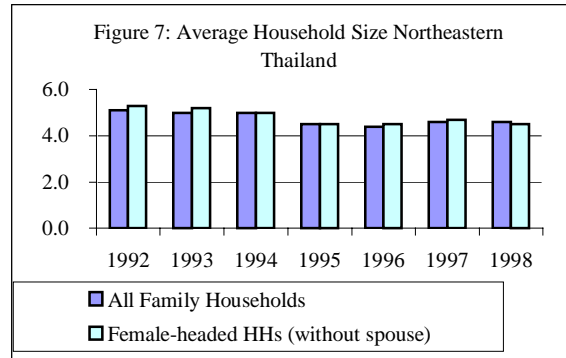
Source: Statistical Report FY1992-1998, Department of Medical Services, Ministry of Public Health

Direct Indicators of Social Capital Stock at the Family/Household Level

In this section, evidence at the household/family level is presented first on family composition and cohesion then on budget impacts and responses bearing on social capital.

Size of Family Households

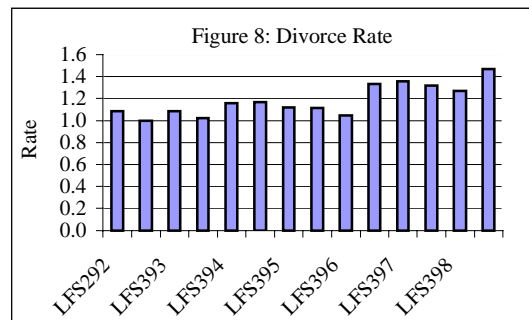
Results from the Labor Force Surveys indicate no crisis induced change in household size. For example, in Northeastern Thailand, overall household size, as well as households headed by women experienced no dramatic changes in composition as a result of the crisis (see Figure 7). This pattern was consistent across all regions.



Source: Labor Force Survey; National Statistics Office

Divorce rate

Labor Force Survey data points to a steady divorce rate until 1996, followed by a sharp increase in 1997, and then a record high divorce rate in early 1999 (see Figure 8). While this may have been crisis induced, it is difficult to make a clear determination of such a result, since the first quarter of 1997 also witnessed an increase in divorces. The latter was a pre-crisis occurrence.

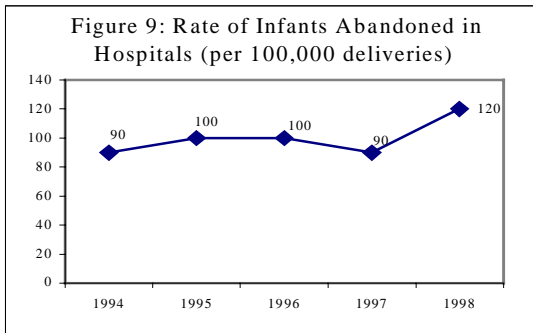


Source: Labor Force Surveys; National Statistics Office

Increasing number of infants abandoned in hospitals

The crisis appears to have resulted in an off trend increase in the number of abandoned infants in 1998 (see Figure 9). Data collected from 40 government hospitals nationwide, indicates that while the rate of abandonment remained fairly constant between 1994-97, 1998 experienced a significant increase. The

data set contains reliable data, but the number of observations, over only five years, limits the interpretation of the clearly higher rate of infant abandonment in 1998.

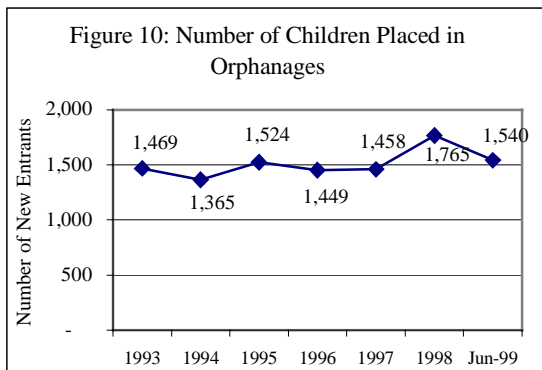


Source: Health Intelligence Unit of the Ministry of Public Health

Increasing number of orphans

Similarly, the number of children newly admitted to orphanages, fairly static through 1997, also showed significant increases in 1998. Furthermore, data available through June 1999, has surpassed the level for 1997 for 21 government orphanages (see Figure 10). While a proportion of the increased number of institutionalized orphans may be related to the AIDS epidemic, in particular the increasing number of HIV-infected mothers, the coincidence with the onset of the crisis suggests that economic pressures may have played a role in this manifestation of family cohesion.

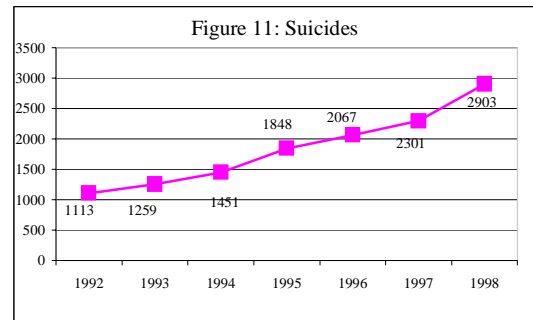
Source: Department of Social Welfare.



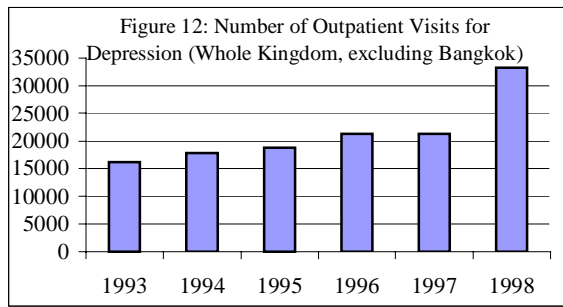
The two data sets on abandonment and orphans point in the same direction, and it can be hypothesized that the crisis has led to a breakdown of social capital in terms of family cohesion for families under stress and without suitable safety nets.

Increasing number of suicides

Data from the Royal Thai Police indicates that the number of suicides per year has been steadily rising since 1992 (see Figure 11). In 1998 however, a significant increase occurred which would seem to be off-trend. There may be a link between the rise in suicides and the economic crisis, as the strain resulting from the loss of jobs and decreasing wages continued to mount. Data on mental health outpatient visits for depression and anxiety was also collected. These data show considerable fluctuation year to year, but the data on depression outpatient visits are more consistent over time and show a strong increase in 1998 in the number of outpatient visits (see Figure 12). The mental health data supports the trend in the rising number of suicides. An implied correlation between the rise in suicides and the economic crisis would raise similar concerns about an increasing fragmentation of the family unit, and the accompanying loss of an adequate support network.



Source: The Royal Thai Police



Source: Department of Mental Health, Ministry of Public Health

Impact of inter household Transfers

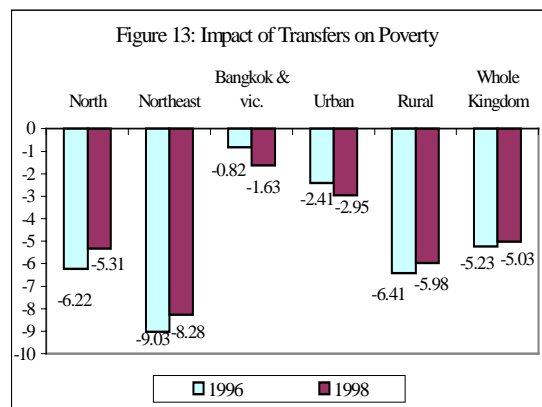
The National Statistical Office conducts the National Social Economic Survey every two years among 60-70,000 households, and records for each their detailed expenditures and incomes, including “transfers”. Under this category of “transfers”, therefore, is a total value of such gifts, remittances, and other transfers that one household receives from other households, from government, from overseas relatives or from charitable organizations.

If the informal safety net is working during the crisis, and inter household social capital is strong, transfers from better off households should compensate for some or all of the loss of wages and income during the crisis. To determine the effect of these transfers on poor families, a statistical methodology is applied that measures the poverty level with and without transfer amount included in each families income. Done for both 1996 and 1998, this method will show if the impact on poverty in 1996 is higher or lower than in 1998.

If transfers between families in 1996 reduce poverty by a similar amount in 1998, it is then likely that better off households have continued to give to their poor compatriots at about the same level

in both years, despite the harder times experienced by all families in 1998. That is, better off Thai families on average continued to help their poorer friends and relatives.

What we see is a very consistent relationship between transfers and their effect on the poverty rate in 1996 and 1998 (see Figure 13). For the entire Kingdom, the reduction in poverty rate by adding back the value of transfers was just over 5 percent in both years. Some regions and groups experienced an actual improvement in poverty incidence due to transfers in 1998, namely urban area households and the Bangkok central region. Thus families continued to provide such transfers to the poor during the crisis, but they did not increase these transfers enough in 1998 to mitigate the fall in incomes and thus overall poverty increased by 1.5 percent. If transfers had decreased to zero in 1998, the poverty rate would have climbed from 13 to 18 percent.

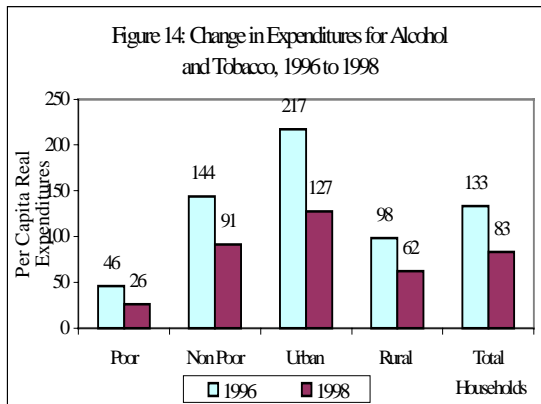


Source: Socio-economic Survey; NSO

Household Expenditure Patterns Adjust and Adapt

The second *Social Monitor* noted families were reducing household expenditures between 1996 and 1998 for luxury and non-essential expenditures, while

increasing or holding steady more vital expenditures. Notably expenditures on tobacco and alcohol were reduced across all groups (see Figure 14). Families were making conscientious decisions to prioritize expenditures, cutting down on those items that were of less importance for the overall well-being of the household unit. This is difficult to evaluate from a social capital perspective, but it would seem to suggest that families were pulling together during the crisis.



Source: Socio-economic Survey; NSO

Social Capital Stock at the Community Level

Community level indicators offer more positive trends with regard to social capital mobilization. The trends show an increasing rate of participation in a variety of community organizations, but the most striking example is the high level of demand for formation of organizations centered around the improvement of the economic situation of group members. Charitable contributions are also a major part of Thai society, and of communal mobilization. However, data is lacking in the amount of annual charitable donations. Finding methods to track such data would be useful in strengthening the understanding of social capital formation at the community level.

Another striking result of the community level analysis is the apparent absence of the social frictions that caused problems of unrest and civil conflict in neighboring Southeast Asian countries. There were no ethnic clashes in Thailand, no regional outbreaks of conflict, and little or no class based conflict. Only two recorded strikes have occurred during the crisis so far.

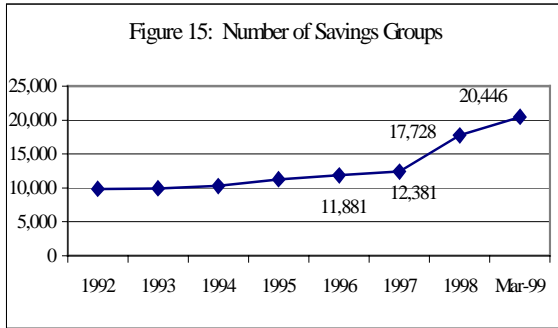
Box 1: NGO Partnerships with the Community

There is a long history of NGO development in Thailand. In 1997, there were more than 8000 NGOs in Thailand working in areas of social welfare and development. Some are very small, running micro-projects, while others are much larger, operating at the national level in multi-sectoral programs. Over 100 registered NGOs concentrate on programs to promote the development of Thai children and youth. There have been increasing efforts to co-ordinate initiatives among the NGO community and build partnerships through greater networking (i.e. NGO Coalition on AIDS and National Council for Social Welfare). NGOs have also been coordinating more with the Government. This partnership has had a greater impact on community development and mobilization (UNICEF 1997).

Increasing participation in savings groups

The crisis appears to have had a positive outcome with regard to the creation of savings group and increased membership participation rates. It should be noted, however, that the savings groups referred to in Figure 15 were created with the assistance of the Community Development Department (see Box 2 on Community Organizations). Government activities in the communities were increasing at about the same time the crisis hit in 1997. Nevertheless, a significant increase can be observed, reflecting both the increased effort on the supply side as

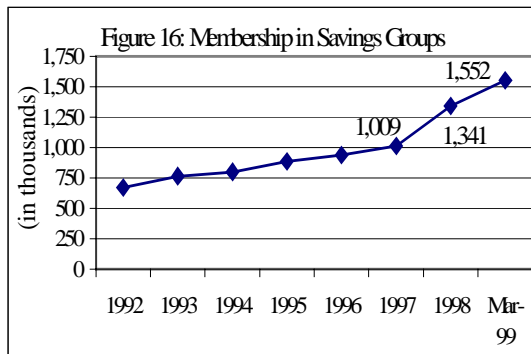
well as community demand for such social capital mobilization.



Source: Technical Services and Planning Division, The Community Development Department

Increasing number of participants in savings groups

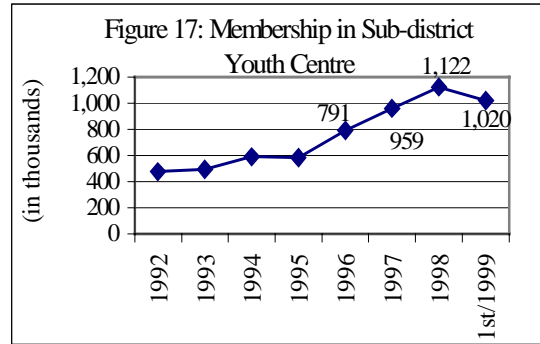
There was an upsurge in membership as well (see Figure 16). Membership rose by 8 percent in 1997 and by 33 percent in 1998. By March of 1999 the level had already surpassed the 1998 numbers. These figures do not take into account already existing groups that were formed spontaneously or with support from other organizations. Despite the limitations of this data base, it does provide insight into what appears to be a growth in community level organization and activity.



Source: Technical Services and Planning Division, The Community Development Department

Building social capital for the next generation

Greater efforts seem to have been undertaken to increase the participation of youths in community organizations as well (see Figure 17). There is some evidence from field researchers to indicate that adults are encouraging children to form their own savings groups.



Source: Technical Services and Planning Division, The Community Development Department

High level demand for Social Investment Fund

The Social Investment Fund began operations on September 9, 1998 when proposals from local communities were first accepted. By December 1999, the Social Fund Office received 8,293 applications. A total of 1,626 sub-projects have been approved with a total budget of 1,607 million baht (approximately \$43 million). The subprojects cover 75 provinces of the country with over 2,000 communities as beneficiaries. Of the 1,626 projects approved, 321 have been completed, 4 terminated, 922 are under implementation, and 384 are in the process of signing the contracts (see Table 1). The demand for social fund resources continues to grow. Observations from the field offer examples of communities strengthening community cohesion due to the common purpose inherent in putting

together a proposal and working together to make the chosen activity succeed. Under Menu 5 for example, communities are using Social Investment Fund resources to provide scholarships to students to help them continue their education. The community comes together and decide on the appropriate criteria⁸ for choosing deserving students. Furthermore, communities are using the opportunity afforded to come together for different purposes, such as undertaking income-generating activities.

Table 1: Distribution of Projects

Category of Sub-Projects	Number
Total Approved	1,626
Total Completed	321
Distribution of Projects	
Menu 1: Community Economy	583
Menu 2: Community Welfare & Safety	330
Menu 3: Natural Resource Management and Cultural Preservation	97
Menu 4: Community Capacity Building/Networking	349
Menu 5: Emergency Community Welfare for the Needy	267

Source: SOFO, December 28, 1999

⁸ Criteria vary from community to community, a few of those noted by community members were: (i) household income level; (ii) behavior of the child; and (iii) how the child was performing in school.

Box 2: Community Organizations

The Thai Government, through the Community Development Department, has been supporting community organizations through the promotion of activities for different target groups. Specifically, the supports of women's development groups, child development centers, and vocational groups have been seen at the village level since early 1970s. Since the crisis, many more community organizations have been promoted. **But unfortunately, statistics were not collected systematically and reporting has been periodic with no definite trend.** Recent statistics indicate a rising number of different community organizations due to government promotion policies.

Since the crisis the Ministry of Interior adopted the strategy to promote **Self-Sufficiency Economy**. The strategy was designed based on His Majesty the King's **New Theory** on integrated agriculture introduced earlier in 1994 and the speech His Majesty the King delivered on the occasion of his birthday on December 4, 1997 a few months after the crisis. The speech provided the Thai people with a vision and hope for an alternative means of livelihood that does not rely heavily on the world market and economic system. Since then, the concepts of self-sufficient economy through integrated agriculture and community enterprises have received a great deal of interest from the public and many government agencies.

The Community Development Department was designated to carry out the strategic plan in pursuing 5 measures that fit with the department's mandate. Thus, CDD identified its implementation plan to include the establishment of 5 activities, i.e., production savings groups, vocational groups, community markets, community stores, and community organization networks. Manuals on how to establish savings group, how to use different types of savings groups, etc. are published to be used at the community level. Since CDD has been working with community organizations for a few decades and have community workers living at the village, sub-district, district, and provincial levels, they succeeded in forming many new groups. The promotion of community organizations during the past two years has shown an impressive growth rate. However, CDD needs to link with the agriculture extension workers to ensure sustainability of these groups through holistic planning in agriculture and non-agriculture production and marketing network.

In the urban areas, statistics from the Urban Community Development Office has shown an impressive trend as well. This increase cannot be contributed to the crisis, however. Growth of urban community networks and members was due to the effort of the Office of Urban Community Development. Furthermore, this office has been instrumental in supporting urban community network members in developing proposals to submit to the Social Investment Fund for support.

Societal Influences on Social Capital

Three categories of macro level "forces" can affect the mobilization of social capital at the family and community level. As shown in Chart 1 in Chapter 2, these are governmentally generated forces, economic forces and ideological/social forces.

Following nearly three decades of rapid economic growth, which was accompanied by large reductions in poverty and impressive improvements in health and education outcomes, the East Asian financial and economic crisis erupted in July 1997. This launched a

very well-known series of events, including massive flight of capital, sharp depreciation of the Thai currency, growing insolvency of financial institutions, and a relentless contraction of economic activity. The crisis in Thailand, as in other East Asian nations, led to many severe, unforeseen and sudden impacts, not only in the financial and corporate sectors but also more broadly in society, with many households enduring losses of wages, jobs, and opportunities. Thus the economy and national income contracted by over 10 percent in 1998; unemployment rose to over 5 percent of the labor force; and wages declined sharply across the sectors. Although these impacts were well

distributed across income groups and regions, the poor in particular seemed to have suffered more, due to their limited savings and other resources and to the pattern of job loss in low wage employment.

The Government also played a role before and during the crisis in stimulating the growth of social capital in Thailand. In 1996, the Ministry of Finance approved a Fiscal and Financial Master Plan for Social Development. One of the key measures included in the Master Plan is the draft bill to establish the Community Organizations Development Institute (CODI). This draft, for the first time, provides definition of community based organizations which are eligible to receive direct financial support from the government. The draft also mentions a funding mechanism to strengthen activities of local community based organizations. A capacity building support arm will be established with a more comprehensive database of community based organizations in Thailand. The draft bill has passed the Cabinet.

In the years leading up to crisis, many currents of social reform were gaining momentum in Thailand. Civil society organizations and leaders pushed for political reform and government policies became more responsive to the lower income and vulnerable groups. Their activities culminated in the drafting of the Eighth National Economic and Social Development Plan (1997-2001), widely regarded as a seminal social reform document in Thailand. The National Economic and Social Development Board has set up a Sub Committee on “*Prajakhom Paan Pad (Civic Forum)*” to provide inputs and monitor the implementation of the 8th Plan. The sub-committee meets monthly. Many of the discussion topics evolve around rebuilding

elements of social capital at the community level.

The Eighth Plan was prepared by the National Economic and Social Development Board (NESDB), the Thai planning agency. A widely consultative process was launched, seeking inputs from local communities and non-governmental organizations in the formulation of the Plan. The result was a document focusing on the poor and under-privileged, and with initiatives designed to empower local communities through decentralization of government, public participation in the Government’s decision-making process, increased transparency and improved governance, and the building of local capacities and self-reliance.⁹

Complementing the 8th Plan’s commitment to “people-centered development”, the new Constitution creates the framework for the restructuring of national representative institutions and reform of the electoral process. Drafted in the three years leading up to the crisis, the new Constitution introduces a number of new measures to empower civil society and safeguard individual liberties. Along with the promotion of greater political accountability and transparency, the Constitution emphasizes community empowerment. The new Constitution was promulgated just months after the advent of the crisis in July 1997.

The Thai Government launched a new instrument of local government, Tambon (sub-district) Administrative

⁹ The Eighth Plan provided a unique opportunity for a multipartite partnership aimed at holistic and people-centered development. It inspired the Royal Thai Government, Thai civil society, and the United Nations System to work together as full and equal partners in launching a Thai-United Nations Collaborative Action Plan (Thai-UNCAP) at the inauguration of the Eighth Plan (UNICEF 1997).

Organizations (TAOs), under the direction of the Tambon Council, the main sub-district governing body. They are legal entities with elected members and command their own budget. TAOs exist at all sub-district levels, but capacity building is required to improve performance. This initiative was just gathering momentum as the crisis hit, and TAO's were utilized to manage public employment programs launched by the Government in 1998 and 1999.

Another area of government activity is the Social Investment Fund, which was launched in late 1998 with World Bank financing. Its objective is to both address the impacts of the crisis and to accelerate the empowerment of communities. Social capital mobilization has become a central objective of the Social Investment Fund sub-project grants, both in terms of eligibility criteria for the communities to apply to the SIF, but also in terms of the activities financed. These include capacity building for community organizations and social welfare assistance programs managed by civil society networks. See Box 3 for a more detailed description of the Social Investment Fund and its level of operations.

Other government programs have focused on social capital mobilization during the crisis. For example, the Government has established the National Social Policy Committee (NSPC) to address social issues in Thailand. One of the key approaches of the NSPC "is to empower communities to respond to the crisis

impact at the community level and to create an enabling environment for local communities to deal effectively and holistically with the impacts of the crisis on the community" (United Nations 1999). The NSPC has set up a Community Empowerment for Response to Crisis Action Plan (CERCAP) which seeks to empower communities to identify and prioritize issues and problems resulting from the crisis through participatory planning and action. UNDP has taken the lead in this initiative. More than 200 staff of the Rajapath Institute were trained to be community facilitators that would bring community groups and other partners to manage and monitor their own crisis-response initiatives. Moreover, the NSPC has provided funding in the amount of 40 million baht (approximately US\$ 1million) for a pilot project to create more opportunities for civil groups at the local level, both formal and non-formal, to participate in local policy formulation. Various kinds of forums and meetings have been organized. The NSPC also trained local facilitators to bring stakeholders within the communities to discuss policy issues.

The timing of these crisis driven initiatives, such as SIF, CERCAP and the fiscal stimulus program through TAOs, is mostly in 1999, as the preparation process consumed most of 1998 and operational outputs are only this year showing impacts at the field level. Thus, most of the Government led forces affecting social capital mobilization will be best measured next year and thereafter.

Box 3: The Social Investment Fund

The Social Investment Fund represented the first occasion when the Thai Government channeled funds directly to civil society organizations in large sums. This was a significant step forward. In addition to alleviating and solving the social and economic problems of the vulnerable sectors of Thai society, the SIF attempts to transform the crisis into an opportunity. The ultimate aim is to build on the available social capital to support highly desirable reforms towards decentralization, better governance, community empowerment, and the forging of broad development partnerships involving civil society. In order to receive the grants, the communities will go through the sub-project proposal procedures, management and administration, and sub-project monitoring, thus resulting in a learning process that will strengthen the community in the long run.

The objective of the Social Investment Fund is to empower local communities and community organizations through increased capacity in decision-making and management for long-term self-reliance. The SIF employs a number of principles in meeting this objective including: investment in social capital, community strength and stability, community organizations as the development leaders, community self-reliance and cooperation, mutual learning and continuous development through civic fora, and strengthening and stabilizing society through civil society networks.

The SIF's menu of eligible investments covers five main categories two of which are specifically targeted at social capital mobilization. They are: **Menu 4** Community Capacity Building and Networking which covers training in community network development, occupation development and savings group capacity development and **Menu 5** which is designed to finance immediate community welfare assistance needs arising from the crisis. Menu 5 was included as another window of support in March 1999. It was designed to respond to the urgent needs of poor communities and the increasing demands on organizations struggling to assist them. The new window finances social assistance transfers through community organization networks to those most vulnerable, thereby strengthening the coping capacities of groups most severely affected by the crisis. While maintaining the fundamental objectives and principles of the SIF, this initiative expands the ability of the Fund to respond to immediate priority needs.

CHAPTER 4: CONCLUSIONS AND IMPLICATIONS

Some of the issues addressed in this *Social Monitor* are of a sensitive nature and difficult to measure, making them subject to wide interpretation. It should be noted that this is a work in progress and much more analysis will need to be undertaken on the many questions that have been raised by this first round of analysis. Nevertheless, provocative findings have emerged, and in this concluding section, three questions are examined: reliability of the data; overall patterns of social capital mobilization; and links to social protection.

Are the findings reliable?

A broad range of indicators was chosen for analysis in order to yield a comprehensive picture on social capital formation and mobilization. The process of collecting these data illustrated the inherent weaknesses of many social indicators. In many instances the data collected only offered a partial picture of events, because of missing years or unrepresentative samples. In other cases the data was inconsistently recorded from year to year. Another problem was the lack of disaggregation that could have helped to shed light on the underlying factors involved. For more on this discussion, as well as a review of some data that was collected but not used due to one deficiency or another, please see Annex I.

While reliable data overall proved to be scarce, the data used in Chapter 3 is sufficiently reliable (and supported by anecdotal evidence) to raise hypotheses for further work. Most of these hypotheses are based on the indicators that “deviated” in 1998, with the onset of the crisis.

Inference that the crisis “caused” the sharp deviations from trend, both positive and negative, would be premature. There are several reasons for this cautious approach. The first is the likelihood of multiple causation. Take for example the case of increasing drug arrests, which, as noted in Chapter 3, saw sharp changes in the indicators in 1998. Inferring direct causation was not possible in this case because a number of other factors were possibly at play. Some of the factors include: (i) increasing awareness and campaigns against the drug trade; (ii) more media attention devoted to the issue; (iii) strengthening of anti-drug legislation by the Government; (iv) increased efforts by the police to combat trafficking. The degree to which these other factors may have been at the root of deviation in trend is not clear.

The second reason for caution is the long term prelude to the deviations. The data on criminal activity for example, do not show all the contextual forces that may have established the pre-conditions for such a steep rise in property crimes. Those forces would probably include rapid industrialization, urbanization and growth in consumption. Global cultural forces through the mass media may also play a role.

The third reason for caution is the problem of random variation, that is the possibility that the observed deviations are a statistical accident that happened to coincide with 1998. Another statistical quirk could arise if the variables measured were caused by each other more than by the crisis, so that for example, increased property crime was caused by increased drug use and trade, not by the crisis. That is drug users committed the crimes, not

the unemployed. Or, the efforts of government to better collect this data or step up efforts to arrest criminals or encourage formation of savings groups in 1998 may have pushed some indicators to change.

Yet, the list of indicators showing a 1998 deviation off trend both positive and negative, is a long one. This effect of plunging incomes and job loss seems to have been felt widely and deeply in Thai society.

What is the overall pattern of social capital changes during the crisis?

Taking into account these cautions, the data indicate a mixed picture on the impacts of the crisis. Rather than a uniform pattern of social capital growth or of deterioration, the results emerging show a more complex snapshot, with some measures of social capital stock in decline during the crisis, and other unaffected, or even strengthening. At the family level, social capital has increased or held steady in many respects, especially when economic incentives and positive social capital mobilization line up to reinforce each other. In other cases, there are some troubling examples of loss of social capital stock (see Chart 2). This mixed picture on changes in stock are reflected in the changes off trend for manifestations of social capital.

Turning first to the positive movements, data show encouraging shifts in behavior relating to readjustment of household expenditure patterns to cushion the impact of the crisis. Households did their best to maintain or increase expenditures in categories essential for the social well-being of the family, while decreasing expenditures on luxury items (i.e. reduction in tobacco and alcohol consumption).

Data from the Socio-economic Surveys also showed, that despite a substantial reduction in wages, families continued to support one another in the form of inter household transfers 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. In many other indicators of social capital mobilization, there were no discernable shifts coinciding with the crisis – in divorce for example, which continues its pre-crisis increasing trend.

There were, however, worrying signs of social capital erosion, which may have long-term development implications. Thai children may have suffered the most. The number of infants abandoned after birth increased during the crisis, and children placed in orphanages also experienced a similar increase. The data as well as field observations show a higher number of children falling into the “drug trap”, either as users or sellers, an important negative “manifestation” of social capital changes.

What kind of impact will these trends have for their future development? And what will be the added costs for Government to support these children? Adults, too, felt the negative impact on social capital in the form of increased crime against property, drug abuse and trade, increased suicide and mental health problems.

There are many unresolved questions that relate to the patterns emerging from the data. Some possible areas for further inquiry include:

- Thailand’s experience with social capital needs to be compared with other nations experiencing similar economic crisis, as there is widespread

evidence that the erosion of social capital is often crisis related.

- Further analysis on level of transfers, in particular to determine what may have happened in 1999 as budget pressures on households continued.
- Collection of 1999 and 2000 data on negative indicators such as crime and child abandonment to determine if the 1998 findings are temporary or persistent.
- Surveying new sources of data on children: (i) collection of data on the number of orphans entering private orphanages; (ii) disaggregation of age of children entering orphanages.
- Crime data: disaggregation by age group and region.
- Formation of savings groups and their impact on communities. A closer evaluation as to why they increased during the crisis period.

Perhaps the most intriguing question is how closely linked the negative shifts are to the shock of the crisis. This is the major “who, what, why” issue for further research, as it bears very directly on the effectiveness of the informal safety net

and the role of government in strengthening the safety net. Research should be focused on the employment and poverty status of those individuals and families engaging in negative behaviors. Qualitative methods would be useful in this context.

The community level, in contrast offers a more uniformly positive picture. Trends here show an increasing level of participation. There is a high level of demand for the formation of organizations, savings groups especially, that will help stimulate the growth of economic activities. And notably, Thailand did not experience the outbreaks of civil violence that marked the crisis in some neighboring countries, a strong positive manifestation of social capital stock at the community level.

The question remains, however, as to whether and to what extent, the mobilization occurring at the community level is trickling down to protect cohesion of the family unit. Further, research needs to be done on the community level to have a more complete picture of the mobilization efforts.

Chart 2 below summarizes the finding of chapter 3.

Chart 2: Mobilization of Social Capital During the Crisis

DOMAIN I: Manifestations	Directions of Change		
	Improvement	Deterioration	On Trend
Community Conflict/Harmony			X
Drug-related arrests		X	
Property Crimes		X	
Violent Crimes			X
Use of Prostitutes			X
Sexual Behavior/Norms			X
Child Laborers		X	
Poor Mental Health		X	
DOMAIN II: Family Level Indicators			
Avg. HH Size			X
Divorce Rate			X
HH. Exp. Patterns	X		
Transfers			X
Orphans/Child Abandonment		X	
Suicide		X	
Domain III: Community Level			
NGO activities	X		
Membership/Contrib. in Savings Groups	X		
Particip. In SIF & other Govt. Programs	X		
Youth Groups	X		

What do the findings imply for the role of social capital in social protection?

Through its new “people-centered development” strategy, the Government is supporting community mobilization that will have long-term positive development impact. Decentralization to the sub-district

level offers an excellent opportunity to support the strengthening of social capital and thus social protection. Government policy is well conceived to support community and family responsibility for social protection, and this is a vital foundation for a social protection system, including formal programs.

The data show a family and community role in social protection, and sustaining of the social safety net. The troubling indicators of social capital erosion during the crisis indicate that some people may have reached their limits. Thus, the data on orphans, crime, mental health, and drugs could be linked directly to economic pressures of such severity that desperate measures were the only option.

Despite uncertainties of the data, the 1998 coincidence remains striking and convincing. The leading hypothesis to explain the 1998 “deviations”, both positive and negative, is the economic crisis inputs on jobs, wages, and incomes. Undoubtedly, long term trends in social variables, including values and norms, have played a role as most were deteriorating before the crisis. However, the leading hypothesis suggests that the social safety net was inadequate to protect all people living, at the margin, and some of them resorted to desperate measures to alleviate this increased hardship in 1998. That these negative movements in social capital and its manifestations were limited, and balance positive movements is due to both government action and the resilience and “TOGETHERNESS” of Thai families and communities.

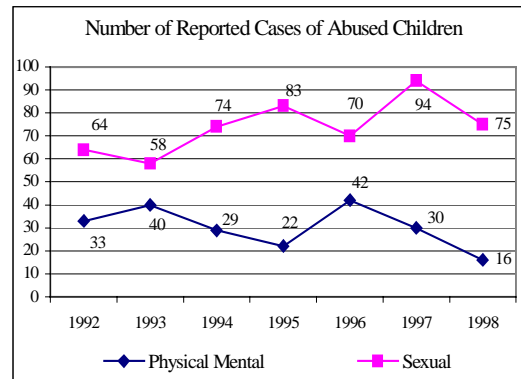
ANNEX I: UNRELIABLE DATA AND FAMILY SOCIAL INDICATORS

The need for social indicators was recognized in Thailand only about two decades ago. Traditionally the development of social indicators, focused on the need to collect data that would strengthen the capacity to report on demographic trends such as birth, death, marriage, divorce, life expectancy, etc. as well as crime data. The two methods of data collection include: national surveys and census carried out by the National Statistics Office (census, labor force, and socio-economic surveys); and registration or program records of implementing or government line agencies responsible for specific social issues such as the police, health, and education departments.

The need to shift from the collection of only basic demographic and crime data to the inclusion of indicators that would offer a more comprehensive picture concerning the status of some of the more vulnerable groups in society, has been recognized since the first World Conference on Women in 1975. But the needs became strongly advocated after the adoption of the Convention on the Rights of the Child in 1989 and the World Summit for Children in 1990. As a result child related indicators are now classified into 4 areas: survival, development, protection, and participation. In the case of Thailand, indicators on survival (health care, nutrition, sanitation, and shelter) are generally readily available. But data in the area of “protection” are quite scanty. Protection indicators generally cover data related to abuse, neglect, and exploitation.

The number of reported cases of abused children is available from 3 sources: one government and two non-government emergency homes. These are reported cases at emergency homes and only reflect

a small portion of the real situation. The pattern cannot be recognized at this stage but it is necessary to realize that these figures show manifestations or symptoms of an illness that may have become an overt phenomena because of media coverage.



Source: Center for Child's Rights Protection

Data on cases of juvenile and family court might help supplement child abuse data. Previously Juvenile and Family Court only kept records of child and juvenile offenders because this court was established to take care of juvenile offenders. In response to demands by those working on child protection issues, information is now collected on the number of child or juvenile victims. Collection of such information began in 1996. The picture offered is not complete however, as the data is only from the Juvenile and Family Court. Information from other courts is not available. It is therefore difficult to make an assessment on whether or not children/juveniles were increasing targets of crime or increasing members of the offending group during the crisis.

Other indicators

Data on the number of street children and child prostitution is scanty despite great interest from the public. The Department of Public Welfare figures on homeless and street children are very low and probably do not reflect actual numbers. Since these figures are quite difficult to obtain due to high mobility of the target group, their reliability is low. What is available is only an indication.

systematically at regular intervals. Meanwhile information from non-government organizations needs to be incorporated to provide another portion of the same picture.

Number of Thai Child Prostitutes

Year	Source	
	Center for Child's Right Protection	The Royal Thai Police
1992	237	n.a.
1993	218	n.a.
1994	49	n.a.
1995	29	n.a.
1996	20	15
1997	5	3
1998	11	0
1999	0	n.a.

n.a. = not available

Number of Thai Street Children

Year	Source	
	No. of homeless	No. of street children
1992	n.a.	n.a.
1993	n.a.	n.a.
1994	3,473	922
1995	3,766	923
1996	n.a.	n.a.
1997	6,525	1,446
1998	n.a.	n.a.
1999	n.a.	n.a.

Source: Department of Public Welfare, Ministry of Labor and Public Welfare

The need to identify methodology and means to collect these indicators effectively and systematically is recognized. Periodic meso-surveys of certain target population may be a solution. Another alternative is for the line agencies to develop a record keeping device to ensure that statistics are kept