

Examining strengths and weaknesses of non governmental organizations



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\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Background](#) \n \t
2. [Knowledge-Based Economy](#) \n \t
3. [National Innovation System](#) \n \t
4. [Non-Governmental Organizations in Thailand](#) \n

\n[/toc]\n \n

The purpose of this paper is to discuss the strengths and weaknesses of non-governmental organizations (NGO) as development actors in a developing country. NGO's have many programs, functions and roles which can assist a community to become empowered and eventually attain sustainable development.

Microfinance programs improve the economic well-being of communities by job creation and income generation. NGOs, through capacity building, develop community capacities such as ability, skill and knowledge of mobilizing resources, planning and evaluating community initiation and solving problems. NGO's mobilize the communities to be self-reliant, assisting communities to discover their own potentials and rely on their own resources.

As a point of reference, the term “ developing country” as used here complies with the criteria for emerging and developing countries as applied by the International Monetary Fund (IMF) (IMF, 2010). The developing country chosen for this paper is Thailand.

Background

Knowledge-Based Economy

Thailand is similar to other developing East Asian countries by having its economic structure change from an agriculture-based economy to an industrial-based economy (Intarakumnerd, et al., 2009, p. 1447). Share of the agriculture sector in GDP has reduced from almost 40% in the 1960's to approximately 10% in the late-1990's, with the industrial sector experiencing an inverse condition (Intarakumnerd, et al., 2009, p. 1447). This economy has been dependent upon labor-intensive manufacturing for many decades; however, this country is in the stage of developing creative industries based upon a knowledge-based economy (KBE). Per the Organisation for Economic Co-Operation and Development (OECD), knowledge-based economies are those “ economies which are directly based on the production, distribution and use of knowledge and information.” (OECD, 1996, p. 7). This is reflected in the trend towards growth in

high-technology investments, ... more highly-skilled labour and associated productivity gains. Although knowledge has long been an important factor in economic growth, economists are now exploring ways to incorporate more directly knowledge and technology in their theories and models. “ New growth theory” reflects the attempt to understand the role of knowledge and technology in driving productivity and economic growth. In this view, investments in research and development, education and training and new managerial work structures are key. In addition to knowledge investments, knowledge distribution through formal and informal networks is essential to economic performance. (OECD, 1996, p. 7).

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Regardless of manufacturing share in the GDP, Thailand, with 42% total land is used for agriculture purposes, still keeps its role of being the rice bowl of the region and positions itself as a key player in the global food and agriculture market (Intarakumnerd, et al., 2009, p. 1447).

Thailand first began to implement KBE with policy framework that was established in 2006: IT 2000 (1996-2000) (Bhatiasevi, 2010, p. 116). The target was to establish a foundation for information and communications technology infrastructure. This has subsequently been followed with an IT 2010 policy framework (2001-2010) which had the following objectives:

- 1) to upgrade the status of Thailand's technological capability from a "dynamic adopter" into a "potential leader. (which will be measured using the United Nations Development Program's Technology Achievement Index).
- 2) to increase the number of knowledge-based workers in Thailand from 12 percent to 30 percent of the total labor force.
- 3) to increase the proportion of knowledge-based industries to 50 percent of the country's GDP. (Bhatiasevi, 2010, p. 116).

Statistical indicators are important in understanding the degree/level at which an economy is becoming a KBE. A framework must first exist in order to be able to measure data statistically (Leung, 2004). Research has shown that investment in information and communications technology contributes to productivity and economic growth (Jorgenson, 2001, p. 8). Thailand still lags behind other developed countries. Thailand has to steadily invest in telecommunication infrastructure and Internet connectivity. Although

initiatives have been made towards this in the form of National IT (Information Technology) 2000 and National IT Policy 2010, there is still no legislation or measurement such as the key performance indicator of how successfully are IT and education being integrated (Bhatiasevi, 2010, p. 118).

National Innovation System

A National Innovation System (NIS) may be defined as an interactive system of public and private firms, universities, and government agencies whose goal is to produce science and technology (S&T) (Intarakumnerd, et al., 2009, p. 1446). Contrary to several OECD countries where innovation have been given high priority in national policy making and the concept of NIS has been well perceived and implemented (OECD, 1999), there is no explicit and coherent national innovation policy in Thailand. Though mentioned in the Eighth National Economic and Social Development Plan (1997-2001), innovation is not well understood conceptually, let alone NIS. It is only a faddish phrase spoken among Thai policy makers (Intarakumnerd, et al., 2009, p. 1448). The Ministry of Finance, the dominant agency which controlled the policy, had little knowledge or experience of industry and industrial restructuring (Lauridsen, 2000, pp. 16-20).

Non-Governmental Organizations in Thailand

In Thailand, NGO's are governed by the Civil and Commercial Code, which specifies the legal purposes and method of governance for non-profit organizations. International NGO's receive permission for a period of two years to undertake their activities, and there is no requirement to be linked to a Thai organization. The International NGO must evaluate the project and <https://assignbuster.com/examining-strengths-and-weaknesses-of-non-governmental-organizations/>

program and submit a report detailing their progress every six months. Coordination and interaction between NGO's and Thai government has been established through both official and unofficial channels. The National Council of Social Welfare was set-up in 1960 to coordinate development efforts of NGO's and the government sector. A national level NGO coordinating committee on rural development and NGO's networks in different regions was formed during the 1980's to improve communication and coordination among NGOs. Per Thailand's 1997 Action Plan for Sustainable Development, revised in 2005, these networks provide a link between the NGO's and government agencies (NESRDB, 1997).

Bilateral funds have to go through the Department of Technical and Economic Co-operation (DTEC). Because of this requirement, non-profit organizations usually do not seek funds which are bilateral because it will require extra efforts to have the projects approved in terms of activities and amount of financial support for each category of activities (OECD, 1998).

During the late 1970's and early 1980's tension between government and non-government organizations was caused by suspicious feelings from the Thai Government. Many government agencies were concerned that liberal non-profit organizations were being penetrated by foreign funders. Labor movements and advocacy activities were viewed as being initiated and financially supported from outside Thailand. This led to tightened rules and regulations (Klausner, 2010).