'Can villagers learn to become bankers?'
An Evaluation of the Development of Baan Rienru Community Bank Pilot Program

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Declaration

I, Poramaporn Riewpakorn, declare that this Doctor of Education dissertation entitled ‘Can villagers learn to become bankers?’ An Evaluation of the Development of Baan Rienru Community Bank Pilot Program is no more than 64,000 words in length, exclusive of tables, figures, attachments, references and footnotes. This dissertation contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this dissertation is my own work.

Signed

Monday, 8 September 2008

Date

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Abstract

My research is an evaluation of the steps taken to pioneer the establishment of a community bank in Baan Rienru village in Lampang, Thailand. The program was initiated through the cooperation of a commercial bank, social development agencies, and the community, all of whom agreed to participate in an ongoing action learning project to co-develop a community bank in the village. My aim in this research was to evaluate the effectiveness of the development of the community bank pilot program. I sought to describe what had happened during the development and the implementation of the program as well as the factors that supported and hindered the development and implementation; and then to provide recommendations designed to improve the program.

I utilised an Interactive Form of Evaluation, using a Responsive Evaluation approach, as a basis for evaluating the development of this program in order to improve it. I engaged in an ethnographic study, in which I acted as both an evaluator and a participant observer in the program. I used qualitative research methods to collect and analyse the data. I reported the findings by writing an extensive ethnographic case study consisting of a series of four narratives representing the perspectives of the four groups of participants on various issues about the program and their participation in the program. I used an inductive coding method to reduce and analyse the data and I synthesized and interpreted the emerging themes from the case study by applying Bloom's taxonomy, using vignettes to elucidate key themes. Finally, I applied the force field concept and diffusion of innovations theory to provide a basis for formulating recommendations to improve the program.

My findings reveal both supporting and hindering factors that I classified using the three Bloom behavioural domains: cognitive, affective, and psychomotor. The supporting factors enabled groups to successfully

establish and operate the community bank. On the other hand, there were several emerging problems that hindered the development and implementation of the program. Some of them were handled well; some remain and need to be addressed. Most of the critical problems relate to affective issues. The emerging problems were categorized into three areas: (1) factors that impede the operation; (2) factors that caused poor community bank performance; (3) factors that might lead to the discontinuation of the community bank pilot program. In conclusion, I have provided ten recommendations that I believe would assist the group in reflecting on and making further plans to improve the community bank.

Table of Contents

Declaration ..... **i**
Acknowledgements ..... **ii**
Abstract **iii**
Table of Contents ..... **v**
List of Tables ..... **viii**
List of Figures ..... **ix**
Chapter 1 Introduction **1**
Introduction **1**
Contextual details **6**
Historical background: Globalisation 6
Eco-political background: Thailand in Late 1990s early 2000s 8
Mohammad Yunus and microfinance (Nobel Prize, 2006) 9
Significance of Study **10**
Contribution to society 10
Contribution to knowledge 11
Utilisation of the findings 12
Limitations of the Study **13**
Review of the Chapter Outlines **13**
CHAPTER 2 Literature Review **15**
Introduction **15**
Microfinance: Overview and Trends **15**
Emergence of microfinance institutions (MFIs) 17
Roles of microfinance 19
Trends in microfinance 20
Microfinance in Thailand **22**
Globalisation and the emergence of community self-help groups and networks 23
The economic crisis and reforms 26
Government microfinance schemes 29
Community-based microfinance schemes 31
The role of state-owned banks 33
The Roles of NGOs and donor agencies 35
Evaluation Theories and Approaches: Overview **36**
Program evaluation in rural development 44
Evaluation of microfinance programs in developing countries: Approaches and findings 45
Studies on the development and implementation of microfinance programs in developing countries 49
The evaluation of microfinance programs in Thailand: Approaches and findings 52

CHAPTER 3 Evaluation Design **57**
Introduction **57**
Roles of participants 58
Roles of the researcher 60
Evaluation Forms and Approach **60**
Ethnographic Case Study **61**
Fieldwork and Data Collection **62**
Document reviews 63
Observation and fieldwork journal 64
Data Analysis **69**
Grounded theory 69
Narratives and the use of metaphors 70
Vignettes 71
CHAPTER 4 Four Narratives **74**
Background to this Ethnographic Study **74**
Fellowship of the Fleas: The Villagers' Narratives **77**
The flea committee 79
The elephant's classroom 81
Fasten the safety belt 83
Riding with the elephant 89
Qualities of the fleas 96
My reflection on the fleas 100
The Blue-Collar Bankers: The Bankers' Narratives **107**
Memorable moments 108
The bankers' first assignment 110
Learning about the community: No pain, no gain 112
Becoming the teachers 116
Wearying relationship with the fleas 117
Papert's People: The Allies' Narratives **120**
Reflections on the bankers 122
Reflection on the program 128
Realising the future direction 132
Sprouting Seeds: The Youngsters' Narratives **137**
Problems at the community bank 139
Support from adults 142
The elephant's classroom: Learners' perspectives 143
Effects from participating in the program 145
Patterns Emerging **151**
CHAPTER 5 Vignettes **154**
Introduction **154**
Cognitive domain 154
Affective domain 155
Psychomotor domain 155
Fellowship of the Fleas: Villagers **157**
A vignette of cognitive issues 157
A vignette of attitudes and values 162
A vignette of perception, response and adaptation 167
The Blue-Collar Bankers: Bankers **170**
A vignette of cognitive skills 170
A vignette of attitudes and values 171
A vignette of perception, response, and adaptation 175

Papert's People: Allies **177**
A vignette of cognitive issues 178
A vignette of attitudes and values 180
Sprouting Seeds: Youngsters **186**
A vignette of cognitive issues 186
A vignette of attitudes and values 192
A vignette of perception, response, and adaptation 195
Reflection on these Vignettes **197**
CHAPTER 6 Recommendations and Conclusions **203**
Introduction **203**
Effectiveness of the Research Methodology **203**
Effectiveness of the Development of the Community Bank Program **204**
Affective Influences and the Barriers 204
Current problems faced by the community bank 206
Recommendations **210**
Conclusion **224**
BIBLIOGRAPHY **225**
Appendix A: Some popular credit lending models **242**
Appendix B1: The Villagers: Coding **244**
Appendix B2: The Bankers: Coding **255**
Appendix B3: The Allies: Coding **261**
Appendix B4: The Youngsters: Coding **269**
Appendix C1: The Villagers: Mind Map **275**
Appendix C2: The Bankers: Mind Map **276**
Appendix C3: The Allies: Mind Map **277**
Appendix C4: The Youngsters: Mind Map **278**
ATTACHMENT 1a DESCRIPTION OF RESEARCH STUDY AND PROCEDURES: Participants in Individual Interviews **279**
ATTACHMENT 1b DESCRIPTION OF RESEARCH STUDY AND PROCEDURES: Participants in Focus Group Interviews **280**
ATTACHMENT 2 DESCRIPTION OF RESEARCH STUDY AND PROCEDURES: Villagers **281**
ATTACHMENT 3 PARTICIPANT CONSENT FORM **282**
ATTACHMENT 4 PARTICIPANT'S PARENTS' CONSENT FORM **283**
ATTACHMENT 5a DESCRIPTION OF RESEARCH STUDY AND PROCEDURES **284**
ATTACHMENT 5b PARTICIPANT CONSENT FORM **285**

List of Tables

Table 2.1 Characteristics of microfinance programs provided by banks in Thailand 34
Table 2.2 Review of evaluation theorists and their concepts 38
Table 2.3 Owen's Evaluation Forms 41
Table 2.4 Impacts of microfinance 47
Table 2.5 Factors that affect the design and performance of microfinance programs 50
Table 2.6 Impact of microfinance at community level 53
Table 2.7 Factors contributing to successful community-based microfinance schemes 54
Table 5.1 Bloom's Taxonomy of educational Objectives: Cognitive Domain 155
Table 5.2 Bloom's Taxonomy of educational Objectives: Affective Domain 156
Table 5.3 Bloom's Taxonomy of educational Objectives: Psychomotor Domain 156
Table 6.1 Summary of the findings: Youngsters 198
Table 6.2 Summary of the findings: Villagers 199
Table 6.3 Summary of the findings: Bankers 200
Table 6.4 Summary of the findings: Allies 201
Table 6.5 Community Bank problems 208

List of Figures

Figure 2.1 Big picture of microfinance in Thailand 24
Figure 6.1 Continuous Policy Adjustment Process 217

CHAPTER 1

Introduction

Introduction

My research is an evaluation of the steps taken to pioneer the establishment of a community bank in Baan Rienru village in Lampang, Thailand. I expected that the success of Baan Rienru Community Bank pilot program would result in replicable community bank model and community bank know-how for other Thai rural communities. This would provide equal access to financial services for many underprivileged rural Thais. Personally, I was inspired by the intention of this program and determined to start this research as a contribution to support the program in achieving its goal.

Five years ago, I was introduced to Baan Rienru village by the Mitrapahp Bank when I was invited by my colleague, who was a consultant for the bank, to join its first meeting with the community and their allies. Mitrapahp Bank was linked to this village by Mr. Isra, head of the Pattana Foundation, who had organized this meeting. The meeting was held at the village and was expected to discuss the possibility of cooperation to help the people in community improve their occupations. In that meeting, there were three groups of people – Mitrapahp Bank (henceforth, referred to as the 'Bankers'), the community (or 'Villagers'), and the allies of the community (or 'Allies). During the meeting, I was able to learn about each of the groups and their interests.

Baan Rienru community is a good example of a typical Thai rural community located in Lampang province. It consists of about 170

households; 90 per cent of its population are farmers. Baan Rienru was one among many Thai communities which have been unable to withstand the pressure of globalisation. The change in its social, economic, and consumption patterns and the dependency of technologies had brought the community into both a vicious debt cycle and the deterioration of natural resources. The main strength of this community, at this time, was its determination to solve the community's problems. The people in the community reunited to form self-help groups to deal with different issues; for instance, a savings group that mobilised savings and gave loans to its members; different funds that were allocated to agricultural production, farmers, education, religion, old people, and water management; a community convenience store that sold groceries at cheaper prices and gave year-end dividends to the members.

The community's determination and their willingness to learn had gained the support of the Pattana Foundation – led by Mr. Isra – and its network, who introduced the community to a problem-based learning approach. The team, who called themselves 'facilitators', represented the foundation; they worked closely with the Villagers. The team assisted the Villagers to engage in action learning in order to solve their very real problems. They identified problems, made plans to solve them, implemented the plans, and reflected on the outcomes. From these reflections, the Villagers learnt that their previous problem-solving attempts did not focus on the core causes of the problems. With the assistance of the facilitators, the Villagers concluded that in order to step out of their indebtedness situation, they must improve their occupations, expand investments, or even start new businesses. However, in order to achieve this, they needed more funding. The community's savings group was still inefficient and could not mobilize more savings due to their limited resources and the excessive demand for loans. The Villagers' own efforts, together with the support of the facilitators whom they regarded as their 'allies', enabled the community to recover and to identify the next steps towards solving their problems. In particular, the

community recognized that they needed more funding to initiate new investments and improve the existing occupations. To do this they needed to learn more about finance and management.

At the same time, Mitrapahp bank was beginning to venture into the microfinance business. Responding to the reform and government microfinance schemes, it hired a research company to study and recommend strategies to enter the microfinance market. The research pointed to a significant number of potential clients and several models by which they might pilot their services. Mitrapahp bank then established a new department called Mitrapahp community bank (MCB) aiming to provide microfinance services for the people in rural communities. MCB first piloted direct micro-services to low income entrepreneurs and micro-enterprises for viable income-generating activities charging commercially viable fees and interest rates. To control loan defaults, it performed rigorous credit analysis by visiting, interviewing, and fostering relationships with potential clients, but found they were unable to reach individual micro lenders because of high operating costs. The next step was to explore the possibility of community business finance. The main objectives were to provide financing for viable economic community development, to promote social and economic development in low-income under-served Thai communities, and to achieve and maintain profitability through low transaction costs and minimal credit losses. The target community organizations could be cooperatives, associations, project-driven NGOs, community groups or Tambon Administrative Organisations (TAOs).

Mitrapahp Bank is a commercial bank that had started to venture into microfinance. They had the direction, but lacked know-how and knowledge of rural communities and their financial practices. Baan Rienru was a typical rural community with several financial self-help groups, who had knowledge to share and the willingness to learn. A window of opportunity had opened when the Pattana Foundation linked these two groups together. Each had what the other lacked. At the same time, they had similar interests regarding

knowledge required, improvement of their own organizations, and making a significant social contribution. At their first meeting, the three groups were able to agree to co-develop a community bank pilot program.

The program had an innovative vision: that of inventing a better and more suitable community bank model, which would be replicable for other Thai rural communities. The three groups – the Baan Rienru community, the MCB, and the community's facilitators – agreed to participate in an ongoing action learning project to co-develop a community bank in the village. The main objective was to discover an appropriate, standard, operational model and procedure for a rural community bank that could be adopted by other communities countrywide. MCB were to establish a three million baht fund with very low interest rates for three years as well as contributing its financial and banking knowledge. The villagers were to share and combine the community financial practices with the additional banking knowledge from MCB to design the most appropriate and more flexible, community-oriented bank structure, policies, procedure, and operation. The community would also elect a committee and staff to operate this new community bank. The community Allies were to assist both MCB and the Villagers through an ongoing action learning process to improve the bank.

Each stakeholder expected to gain benefits from participating in the program. For MCB, it was expected that a fuller understanding of the community financial practices gained from this pilot program would lead to more useful and varied financial products, products that answered the needs of the under-privileged people in Thai rural areas. The microfinance model and know-how would also enable MCB to help other communities to set up similar community banks and to expand its outreach cost-effectively to include the micro-borrowers in different communities through local community banks. Baan Rienru would gain financial and banking knowledge in a real setting. They also would be able to utilize the fund to improve their occupations, expand their investments, and initiate new businesses. The lessons from the development and learning would increase the knowledge

and capacity of the Pattana Foundation and its network in extending their supports to other communities. Ultimately, the development of Baan Rienru Community Bank would provide guidelines and model and become a motivation for other rural communities with similar problems.

Inspired by the rationale and the expected benefits of the pilot program, I discussed my research interest with Mitrapahp Bank and volunteered to become an evaluator for the program. The scope of evaluation was agreed to by Mitrapahp Bank project leader and was refined following discussion with all the stakeholders. As a consequence, my research questions and sub-questions emerged.

Thus, for my research, the principal research question is:

How effective has been the development of the Baan Rienru Community Bank pilot program?

The four sub-questions required to answer this question are:

1. What actually happened in the program?
2. What factors have supported and hindered the development?
3. How were the Villagers affected by the development process?
4. How could the program be improved in the future?

Since I was involved in evaluating the program during the delivery stage, I chose an Interactive Form of Evaluation (Owen & Rogers, 1999; Owen, 2006) and Responsive Evaluation approach (Stake, 2004) as a basis for evaluating the development of this program. The nature of the research and sub-research questions prompted me to engage solely in qualitative research. This research evolved, essentially, as an ethnographic study, in which, because of my particular circumstances, I was able to be both evaluator/researcher and a participant observer in the program. Several qualitative data collection methods such as documents review, observation, fieldwork journal, and interviews were employed during the course of my fieldwork. An inductive coding method suggested a grounded theory

approach being applied in the analysis and reduction of the data. The description of what actually happened during the development and implementation of the program was portrayed by a series of narratives forming an extensive ethnographic case study. The emerging themes from the case study, which represented the evaluation finding, were synthesized and exemplified through the use of vignettes.

Contextual details

The shift in economic development regimes in Thailand in recent times has been marked by two major changes – globalisation, and the 1997 economic crisis. This community bank pilot program was initiated as part of a recent economic strategy that was geared towards sustainable development through the strengthening of the economy at grassroots level.

This section provides contextual details that lead to the origin of this program and focuses on the key person who has been most influential in microfinance in the post-1997 period: Professor Mohammad Yunus. It consists of a brief historical analysis of how most Thai rural communities like Baan Rienru developed serious financial problems due to globalisation, the eco-political impact of the 1997 economic crisis, and the post-crisis responses taken by the government, organizations, and rural communities in Thailand.

Historical background: Globalisation

In the past, most Thai rural community, including the Baan Rienru community, were farmers who raised livestock. They lived a simple, uncompetitive, and self-sufficient lifestyle based on rich natural resources. After globalisation, the boom in the industrial sector influenced the rural communities to undergo rapid change. The villagers become more modernized through the advancement of telecommunication technologies like portable phones and when better infrastructure brought services, such as

electricity and roads, reached their communities. Most young villagers left home to study and work in the city. Most villagers became more dependent on agricultural technology and they bought consumer products. They then began to seek higher incomes to spend in exchange for convenience and to improve their agricultural products to keep up with the rising competition. As a result, many villagers started to take loans. Some villagers who had collateral took loans from the bank, while the poorer ones become workers-for-hire and took loans from moneylenders. Their lack of business skills and experience in a highly competitive era caused many villagers to fail. Inability to repay placed them into the state of indebtedness. Expansion of roads, housing, and agricultural area devastated the forest. The change in agricultural culture due to the use of machinery and chemicals led to a rapid deterioration of the soil.

In 1974, His Majesty the King reminded the government, through His royal remarks, to learn from the mistakes of other countries whose imbalanced and too rapid economic expansion had resulted in crisis. His Majesty stressed that economic development must be taken step by step at a level appropriate for the Thai economy. Baan Rienru village was one of the many communities which took a step back to reflect on their problems. The villagers joined together to identify the community problems, causes of the problems, and the strategies to overcome them. Consequently, several self-help groups were formed to deal with different issues. One of these was a savings group. The villagers deposited their savings with the group, who promised to pay a fixed interest rate. This group then lent small, short-maturity, free-purpose loans to borrowers based on their social records. Mostly, villagers borrowed from the savings group to smooth the burden of their new consumption needs, e.g., school tuition, funerals, and medication. In many cases, the communities were assisted by either public or private development organisations in providing knowledge or funds to initiate different community projects.

Eco-political background: Thailand in Late 1990s early 2000s

The most critical event during the late 1990s to the early 2000s was the economic crisis of 1997. The ascending public and private debt following by the sudden devaluation of the Thai Baht caused many large firms to downsize or even to go bankrupt. A large number of people were laid off from work. The majority of those who came from rural communities were fortunate to be able to come home and were insulated from the negative economic impact by their families. After the crisis, His Majesty reiterated and expanded on His concept of Sufficiency pointing to a more resilient, modest, and self-reliant lifestyle. Most rural communities supported these principles with the cooperation of development agencies. The better-educated people who had returned home after the crisis had become an important resource and were able to provide the manpower to help develop and strengthen the existing self-help groups in their community. The rural communities had demonstrated their ability to adapt to change and absorb a major socio-economic shock.

The lessons learned from the crisis, accompanied by His Majesty's Sufficiency Economy principle, prompted the Thai government to refocus its attention from the industrial sector toward strengthening grassroots support. Immediately after the crisis, the parliament passed the People's Constitution, which established a local administrative organisation that decentralised power from the Ministry of Interior, followed by national microfinance and community business development schemes that help gear up emerging Thai community-based initiatives. The government of Prime Minister Thaksin Shinawatra re-examined microfinance policies. It introduced a number of microfinance schemes such as the Social Investment Fund and village revolving funds – the One Million Baht Village Fund and the SML Investment Fund – as well as the One Village or One Tambon-One Product (OTOP) program, which aimed to provide knowledge and skill for local entrepreneurs to improve their local products, to enable them to compete in

the world market. The government policies had induced first the interest and then the participation of the commercial banks, particularly the state-owned banks; and non-government organisations (NGOs). Mitrapahp Bank was one such state-owned bank that responded proactively to the reforms by filling in the gaps in those parts of the rural population that the government schemes might not reach. The reforms, microfinance policies, and the roles of state-owned banks and development agencies will be discussed in further detail in the literature review section.

Mohammad Yunus and microfinance (Nobel Prize, 2006)

This section honours Professor Mohammad Yunus for his contribution to microfinance, which has made known to the world the real needs of the poor and the effectiveness of this strategy in alleviating poverty. Most importantly, he has been a great inspiration to me as a researcher in this field and in finishing this dissertation.

In 2006, Professor Yunus and the Grameen Bank were awarded the Nobel Peace Prize for their 'efforts to create economic and social development from below'. The Nobel committee honoured the contribution microcredit has made to the advance of democracy and human rights worldwide. Professor Yunus believes that financial resources can be made available to poor people on terms and conditions that are appropriate and reasonable; 'these millions of small people with their millions of small pursuits can add up to create the biggest development wonder'. His philosophy is well-reflected in the principle of the Grameen Bank by removing the need for collateral, which so often is required by conventional banking practice, and creating a banking system based on mutual trust, accountability, participation and creativity. The Grameen Bank uses microcredit as a cost-effective tool to deal with poverty and as a catalyst in the overall development of socio-economic conditions of the poor who are not served by the conventional financial systems simply because they are perceived as poor and hence not bankable. Because of his effort, the

perception of the poor has changed. The Grameen Model has been the most well-known and the most comprehensive model for microfinance institutions, which had been adopted and used as a benchmark worldwide.

Significance of Study

This thesis is written on the premise that despite important recent advances of the world's microfinance institutions (MFIs), there are still many opportunities for Thailand to improve its practices. This research aims to witness and evaluate another significant initiative of the cooperation between the three organizations – a rural community, commercial bank, and a NGO – who joined together to start a pilot program to explore the possibility of establishing a community bank using a standard operational model and procedures that could be replicated by other rural communities in Thailand. The characteristics of the Baan Rienru community bank pilot program, which encouraged the Villagers to design and manage their own banks with technical assistance and in partnerships with local NGO and a commercial bank, are what makes this program unique and interesting; moreover, it was the first of its kind to be developed in Thailand.

Contribution to society

I hope that this research will reveal to both public and private organisations in microfinance-related fields in Thailand the spirit and effort of one, among many, rural communities who, to the best of their capability, tried hard to meet the demands of globalisation and other world-changes in order to cope with their community's financial problems, while still being able to retain and preserve important local norms and values. I also hope that these uncovered facts will magnify the significance and contribution of these small players, and draw attention of supporters to engage in similar co-development projects, which focus on innovations and development of know-how in microfinance, as well as other important areas – rather than being

merely philanthropic. Such projects will strengthen the ability of rural communities to learn to cope, independently, with future critical changes, whatever they might be.

Contribution to knowledge

Basically, this research will provide the knowledge, attitudes and physical attributes required for rural stakeholders to improve their community bank. These areas of knowledge include the factors that support and hinder the program development; the effects of the development process on the Villagers; and the strategies required to overcome the emerging problems and to improve the program in the future.

This study also aims to contribute additional knowledge of microfinance program in Thailand on issues that have not been adequately explored, for instance: the local constraints and the important elements of development and implementation microfinance program of a typical Thai rural community; how the stakeholders interact and cope with each other in the complex multi-partnership environment; how, and on what basis, the bank's structure, policies, products, and services are designed; how the funds from Mitrapahp bank were managed; how the Villagers learned to operate the bank.

Besides increasing the understanding of the operation of a community bank and microfinance, the study also provides knowledge on how a responsive evaluation approach can be useful in acquiring insightful information and in uncovering unanticipated aspects of development overlooked by other types of evaluation in which criteria and standards are predetermined. Through this responsive approach, the practical knowledge accumulated from the collective perspectives of the stakeholders becomes applicable and reliable for utilization by different audiences at the micro-level; and hopefully, at the macro level, by the national government in designing more effective microfinance schemes.

Utilisation of the findings

The evaluation findings from this research are directed mainly to the stakeholders of Baan Rienru community bank pilot program; yet, they could also provide invaluable lessons for the wider public and academic audiences. The findings could be utilized at least at four levels: program, organization or community, academic, and policy levels.

At program level, this research is particularly important for the stakeholders of the program. The evaluation findings and the proposed recommendations could be used as part of on-going community action learning. The findings should serve as an additional input for the stakeholders' reflection on the steps already implemented. The recommendations are likely to be useful for the stakeholders in making decisions about how to improve the program and in deriving the next steps of their action plan.

At organization or community level, the findings might be examined by, for example, MFIs, NGOs, donor agencies, or commercial banks: those bodies who are interested to develop a multi-partnership microfinance program. These findings are likely to be useful in helping these organizations prepare themselves to deal with emerging issues they previously have not had to deal with: to be able to weigh the pros and cons of a community action learning strategy, and to be more vigilant in planning and allocating roles for the multi-agent teams.

At the academic level, researchers or students might well utilize the strengths or shortfalls of the evaluation approach or the research methodologies employed in this study as a basis to further develop their own research.

At a policy level, the findings of a single development case might not be sufficient to generalize to the overall situation related to policymaking for community microfinance. However, in the case of Thailand, any studies that focus on the development of such programs are still rare. The findings of this

study should at least provide a better understanding as to how and to what extent the community manage and utilise available funds. Policymakers would do well to consider the relevant issues arising from the findings of my research when designing future microfinance schemes, including the allocation of funds.

Limitations of the Study

It is important to note that this research is performed during the program development. It is a part of community action learning. The evaluation findings indicate issues related to the development and implementation of a program, which is needed for the stakeholders to reflect and make new plans to improve the program. It is not an intention of this research to evaluate the performance, results, or impact of the program on the community.

Review of the Chapter Outlines

The first chapter started with the rationale of this research, and then has provided the background of program and the objectives in conducting this evaluation research. It has also provided contextual details on the historical background and eco-political background of the situation that led to the origin of this pilot program, and its significance as a study.

Chapter 2 engages the related literatures on program evaluation and microfinance within the global and Thai context. It examines the evaluation theories and approaches used in the evaluation of microfinance programs. It also reviews the evaluation findings and the shortcomings of most evaluation approaches undertaken to evaluate microfinance programs. The limitations and shortcomings in both the field of microfinance and evaluation determine the significance and the contribution of knowledge of this study.

Chapter 3 describes the research methodologies and their purposes in answering the research questions. This section also provides the rationale for the selection of methods to collect, analyse, and present data as well as the

triangulation technique used to ensure the validity, reliability and the utilization of the qualitative findings.

Chapter 4 presents the case study that describes what had happened during the development and the implementation of the program. The experiences of the four groups of the participants represented with metaphors and are portrayed through four narratives or stories.

Chapter 5 presents a synthesis of the emerging themes from the case study through the use of vignettes. Bloom's taxonomy is applied to classify these data into comparable categories to provide a clearer perspective of the participants' development in three different aspects: cognitive, affective, and psychomotor.

Chapter 6 presents my interpretation of the effectiveness of the development of the community bank program. It links the effects of the development on the participants and the affective, attitudinal barriers that impeded the community bank's progress. The chapter indicates the key emerging issues and ten recommendations that stakeholders could utilize to improve the program.

CHAPTER 2

Literature Review

Introduction

In this chapter I provide an overview of microfinance and evaluation approaches. My literature review is first concerned with general knowledge of microfinance, and then explores the development and role of microfinance in most of the developing countries and in Thailand, which enable the readers to understand the context of this research. Secondly, I examine evaluation theories and approaches, addressing their implications for the evaluation of microfinance programs. I explore how evaluation findings, and the shortcomings of most evaluation approaches undertaken to evaluate microfinance programs, had a significant impact on the research design that I chose for this research.

Microfinance: Overview and Trends

Microfinance is not a recent development; rather in most countries, there exist microfinance initiatives of many kinds. Microfinance has been acknowledged and used widely as a key facilitator to reduce poverty in both developed and developing countries. The term ‘microfinance’ was first introduced in 1990, referring initially to micro-credit and micro-savings as well as other financial services provided to poor people who were unable or unqualified to obtain financial services from conventional financial systems.

'Microfinance' and 'microcredit' are usually used interchangeably, but practically they are different. Microcredit refers to small loans while microfinance refers to small loans and other financial services such as saving and insurance. Microcredit can be considered as a subset of microfinance (Wrenn, 2005). Microfinance has been defined in a number of ways with slight variations, depending on the types of financial services provided and the population being served. In this study, the term 'microfinance' refers to the provision of financial services such as savings, loans, payment services, money transfers, and insurance to poor parts of the rural population that are not being served by mainstream financial services providers.

The logic underpinning the evolution of microfinance and the innovation of microfinance institutions (MFIs) has been shaped by changing conceptualizations of who are the poor, the nature of poverty, and the financial service needs of the poor. In the past, the poor were usually seen as (male) farmers, whose poverty could be overcome by subsidized or state-mediated credit to induce increases in productivity. From 1980, onward, an increase in both understanding of the needs of the poor for financial services and the ways to provide them had led to changes in the perception of the poor. They were viewed as (largely female) micro-entrepreneurs with no collateral to pledge, but with a business world to conquer with the help of microcredit (Matin & Lutherford, 1999). The main contributor to this new perception was Professor Mohammad Yunus of the Grameen Bank. Yunus (1984) argues vigorously against the agriculture bias in earlier periods of pro-poor credit. He points out that most poor are landless and derive income from non-farm sources and that an agricultural-bias also leads to making women invisible.

Poverty goes beyond the lack of income, to include lack of opportunities. This new perception has generated a 'new wave', sometimes known as the 'microfinance movement', which has invoked enthusiasm among academics, donors and development practitioners (Montagnon, 1998; Dichter, 1997). Recently, the accumulated experiences from practitioners in

this field have further expanded the description of the poor: they are a diverse group of vulnerable households with complex livelihoods with varied needs that require a full set of micro financial services. From such a perspective, microfinance is not only a tool for poverty alleviation, but also as a mechanism that can reduce vulnerability such as sudden drop in income, consumption or assets (Matin et al., 1999).

The results of the 'microfinance movement' are reflected in the observation that the microfinance industry had, by the mid-90s, extended around US$7 billion in loans to more than 13 million individuals around the world (World Bank, 1996). Currently, the steadily growing popularity of microfinance has reached a global audience. The 'decade of microfinance' (Ditcher, 1999, p.12), the 1990s, reinforced with the launch of the Microcredit Summit in 1997, means that microfinance has received an unprecedented global recognition as a tool for poverty alleviation. Following the accelerated growth of MFIs, the United Nations (UN) proclaimed 2005 the 'year of microcredit' in an attempt to globally promote the benefits and potential of the microfinance industry (Microcredit Summit, 2005).

Emergence of microfinance institutions (MFIs)

Most countries with advanced MFIs have their own microfinance history, which mostly evolved from informal beginnings. Many initiatives started from informal local self-help initiatives (Seibel, 2005); they are the initiatives of people in communities with common difficulties in gaining access to financial services. They formed groups based on savings, which were provided by depositors or shareholders. Savings are essential for local MFIs as a basis to provide other micro financial services such loans and insurance, which help their members – individuals, households, small enterprises – to maintain and improve their livelihoods, not merely by giving them access to credit to start or run a business, but also to maintain and improve their human and social capital. According to Seibel (2005), continual access to financial services particularly savings and credit, over a long period of time are crucial

in poverty alleviation and economic development, which are both interrelated; poverty alleviation without economic development is unsustainable. Local MFIs varied in size and in their outreach. Some started small then grew larger by extending their outreach, mostly enabled through external funding from the government, private organizations, or non-government organizations (NGOs). A few of these subsidized local MFIs were able to transform themselves into healthy, self-reliant organizations by establishing extensive client networks, which allow them to operate commercially and profitably without subsidization. They also acquired legal status and became a part of the formal banking sector.

The most well-known organization that has followed this path is the Grameen Bank of Bangladesh. The Grameen Bank started in the small village of Jobra, Bangladesh in 1976. In 1983 it was transformed into a formal bank under a special law passed for its creation. It is owned by the poor borrowers of the bank who are mostly women. Grameen Bank offers loans with no collateral, no legal instruments, and no group guarantees or joint liability, at low interest rates. Borrowers must belong to a five-member group, who will ensure that each member in the group behaves responsibly with respect to loan repayment. The group is not required to be guarantors for a loan to its member, and is not responsible to pay on behalf of a defaulting member.

The Grameen Bank is now operating in more than eighty thousand villages by applying the current financial service delivery model as well as designing new models, which suit local situations to which the original Grameen Bank model does not apply. Grameen Bank's long history has provided stepping stones for others with similar aspirations. The success of the Grameen Bank has led to worldwide replication of this model by both public and private organisations. Unsuccessful replications, sometimes, leading to modifications and even innovations, have resulted in more new microfinance models. Nevertheless, all of these efforts point to a single

determination: to fulfil the variety of financial needs of unprivileged population in different locations to ensure they receive equal opportunities.

Some MFIs advanced, while some failed. Some have remained small but have proven successful in providing micro financial services to their members for generations. The success of many MFIs, particularly the Grameen Bank, indicates the fact that informal local self-help initiatives are not to be dismissed – they have tremendous potential.

Roles of microfinance

In the past, in developing countries, the only sources of credit were pawnshops or unofficial moneylenders who charged excessively high interest rates. Micro-borrowers were forced into the informal market because they were unqualified to get loans from commercial banks. Microfinance Institutions (MFIs) offered a solution by providing micro-loans at a reasonable interest rate without the need of providing collateral. Unlike top-down development initiatives such as debt forgiveness or international aid, microfinance stands out strongly because of its bottom-up approach. It emerges locally and enables micro-borrowers to improve their situation through their own efforts rather than relying on external development strategies. These days, microfinance is based on recognizing that the working poor can act in an entrepreneurial manner and are, in principle, creditworthy.

Globally, it is estimated that a total of over 10,000 MFIs exist. They are made up of a large array of types of MFIs. Different forms of MFIs have emerged in response to the diversity of various ideological, political and economic conditions of different regions they operate (Gine et al., 2006). The Grameen Organization has identified up to fourteen models currently used by MFIs around the world and into three categories: formal, semi-formal, and informal (See Appendix A for details). The formal providers are any registered legal organisation, which is subject to general laws and specific banking regulations and supervision, such as development banks, savings and postal banks, commercial banks, non-bank financial institutions (NBFIs), and

government agencies. The semi-formal providers are registered entities subject to general and commercial laws, but they are not usually under bank regulation and supervision; these include financial NGOs, credit unions, and cooperatives. Other informal providers are non-registered groups such rotating savings and credit association (RoSCAs), self-help groups, village banks, and community banks.

Among the formal models, the Grameen model, or a variation, has been the most popular and widely adopted by countries such as Indonesia, Nepal, Pakistan, and Sri Lanka. In India, a range of microfinance models exists, but an important and successful model is self-help groups (SHGs) with larger and more autonomous groups and a mixture of social and financial intermediation. In Indonesia, the approach to microfinance is different: a range of regulated financial institutions provides financial services in the rural areas. The largest is Bank Rakyat Indonesia (BRI), which established a network of village units to provide financial services in the rural areas. In Sri Lanka, thrift and credit cooperatives societies are an important element in microfinance sector. According to Von Pichke et al. (1997, p. 36), these models are not static:

> Successful models cannot simply be replicated in social and economic environments that may differ greatly. Thus, no single model offers a panacea.

Microfinance models and products continue to evolve with new environments and demands.

Trends in microfinance

Most MFIs were initially founded as non-profit enterprises that focused on assisting the poor through access to credit. Their activities were initially mainly funded through donations, subsidies and grants provided by development agencies and private donors. Recent innovations advocate the development of sustainable MFIs based on principles of self-reliance and

viability, with a potential for innovation, upgrading and mainstreaming and to be able to provide sustainable financial services to the vast numbers of the rural and urban poor (Seibel, 2007). Thus, MFIs following this principle aim to become part of the formal financial system of a country or to attain legal status, in order to access capital markets to fund their lending portfolios, allowing them to dramatically increase the outreach and move toward financial sustainability (Otero, 1999).

Recently, alliances and partnerships have become a greater consideration in the microfinance world as groups seek to expand the scale of outreach and to improve the quality of microfinance services. Through partnerships, MFIs hope to expand the scale and scope of their services to achieve greater profits and sustainability, thus allowing them to reach new clients and offer a broader and/or cheaper range of financial products and services to the existing clients. According to Paul Greener (Greener, 2003), the essence of this approach is to bring together complementary resources and skills from each partner to address the complex development problems that could not be encounter by one party alone. Partnerships have various forms in both financial and non financial sectors: between MFIs, banks with non-financial partners such as post offices, retail outlets, self-help groups, community associations, and NGOs. Partnerships are usually less difficult between only two MFIs. Larger partnerships have much greater complexity, are difficult to establish and maintain, especially when they involve multiple parties with a diversity of backgrounds, when they speak different 'languages', and when they have different motivations. Greener (2003), however, remarks that this latter type of cooperation, although difficult, is possible and holds out greater promise of real innovation.

A prominent example of partnership in microfinance is the case of Bancosol of Bolivia. It started with the development of a non-profit lending group call PRODEM by a group of Bolivian entrepreneurs with the assistance from Acción Internacional Técnica (AITEC) to explore the opportunity to create a non-profit institution that would support the

development of microenterprises in their country. By 1988, PRODEM had grown so large that it was outstripping the capacity of the local banking system to supply it with lending capital. In 1992, PRODEM joined with ACCION International, Calmeadow Foundation, Bolivian banks and other investors to establish BancoSol. BancoSol claimed to be the first private commercial bank in the world dedicated exclusively to microenterprises and the first in history to issue dividends to shareholders.

Consideration of experiences gained from programs from a range of sectors have led to the identification of common factors that contribute to, and detract from, successful and effective partnerships. Greener (2003) indicates that a successful partnership is determined by whether or not there is openness and transparency that builds trust and clarity in communication. Openness and transparency relate particularly to goals, roles, responsibilities, objectives, ground rules, and mutual benefits; mutual respect of the differences in culture, working methods, underlying interests, use of language, decision-making styles, accountabilities, objectives, and timeframe; contribution of the skills and competencies needed to build not only the profitable MFIs, but also effective partnerships. Other elements of a successful partnership include balancing the levels of power or commitment and benefits between or among different partners; and finally, realistic timeframes and resources. Greener also suggests that systematic and sometimes independent, professional facilitation, especially when one or more potential partners do not have the skills to enter into partnership agreement, can be helpful in speeding up the process and increasing the chances of successful partnership.

Microfinance in Thailand

The stories and roles of microfinance vary with the social and economic patterns within each country. Despite the advancement of microfinance worldwide, the story of microfinance in Thailand is still yet to be written. Consistent with the examples discussed above, microfinance in Thailand

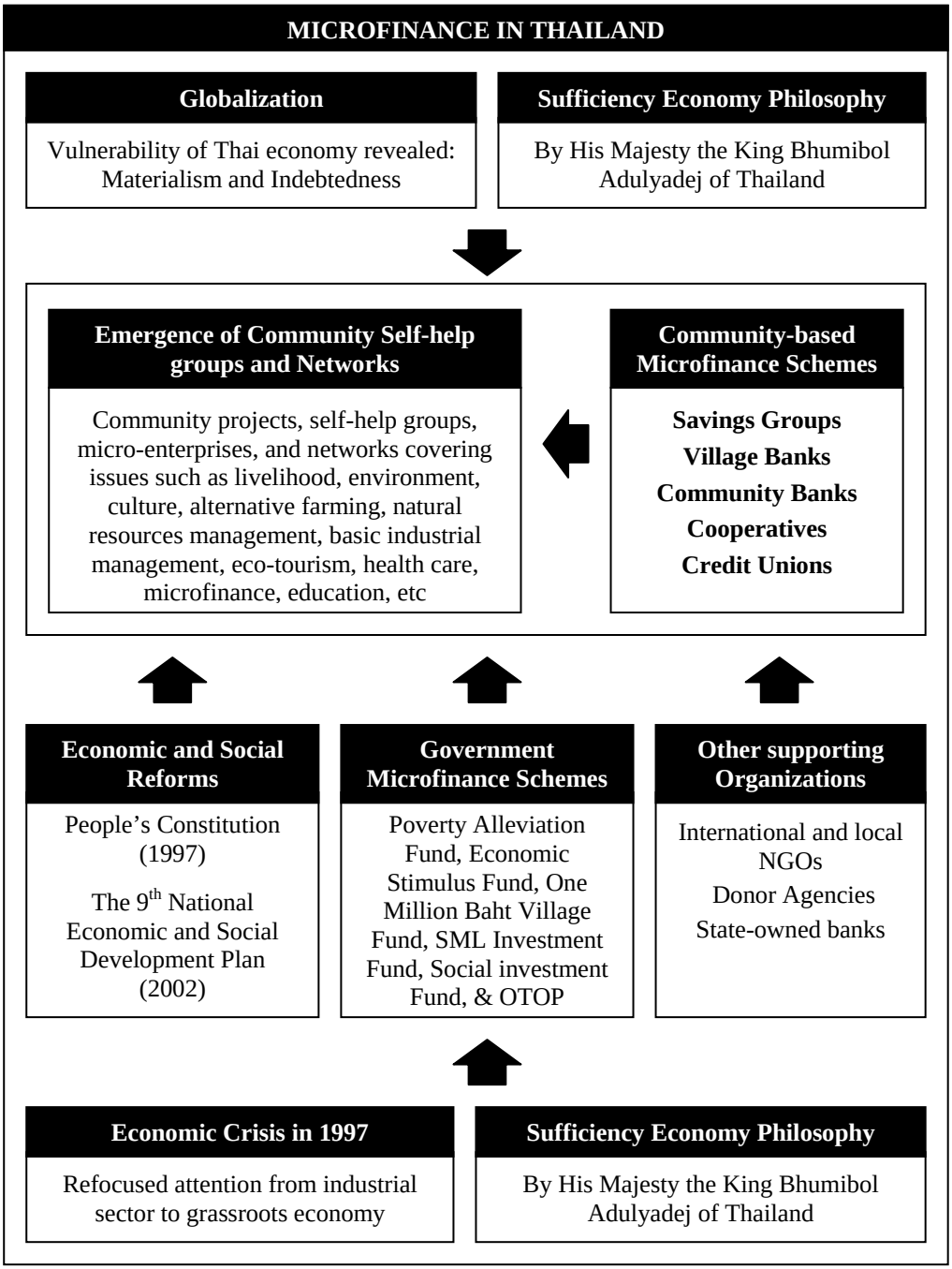
began informally from the pawnshops and moneylenders, then to small scattered self-help groups. More recently, it has become part of a national policy. The evolution was triggered by two major changes – globalisation and the 1997 economic crisis. Until now (2008), there are no specialized MFIs; instead, microfinance is provided through various channels, all of which played significant roles. This section discusses the development of a national Thai policy of microfinance as a result of the economic and political changes, as well as the Thai community-based microfinance initiatives and the trend of their development. An overview of the contributing factors and their relationships in the following discussion is presented in Figure 2.1.

Globalisation and the emergence of community self-help groups and networks

In the past, before the onset of globalisation, microfinance was not a significant issue for the Thai economy. The majority of the Thai population consisted of farming families living in rural areas. The lifestyle of Thai farmers was simple, based on an abundance of natural resources and the religious principle of sharing and empathy; basic education and medical assistance were provided by the state. Rice farming was done annually for selling and for the whole-year household consumption. Farmers planted fruits and vegetables and raised livestock both for selling and for their own consumption. Poverty was less of an issue for most rural Thais because they did not feel any hardship of living in an uncompetitive and self-sufficient lifestyle.

The key concerns for agriculture and rural development were agricultural production. Agricultural credit was simply an input to improve seeds and seedlings, fertilizer, pesticides, tools, and machines. Agricultural credit was viewed as a service, not a business. Funds were provided by the government and donors through projects through an agricultural development bank, the Bank of Agricultural and Agricultural Cooperatives (BAAC).

FIGURE 2.1 BIG PICTURE OF MICROFINANCE IN THAILAND



BAAC was initiated by the government in 1947 to provide mainly loan services to only farmers or groups of farmers based on collateral and joint liability.

Following the onset of globalisation, the context changed. Globalisation rapidly brought the Thai economy into the world of capitalism and industrialism. Advanced telecommunication technologies and massive developmental projects led to the significant improvement of the rural infrastructures, modernizing the rural social and consumption patterns. The people's way of living became 'technologically intoxicated' (Naisbitt et al., 1999, p. 5) – worshiping and dependent on technologies. Agricultural production became more machine-oriented. Large portions of agricultural products were exported, resulting in only a small portion left for local consumptions. Rural life was no longer based on self-reliance, but had evolved toward consumerism and materialism (Pupphavesa, 2002), which induced the need for higher incomes. While opportunities emerged along with globalisation, investing in a highly global competitive market needed more capital; this led to the increasing demand for loans to improve and diversify their agricultural products and to start other types of businesses.

Unfortunately, not everyone had access to loans. Most of the richer farmers and local entrepreneurs were able to obtain loans from the commercial banks by using their lands as collateral – but not the poorer ones, who were either landless or possessed lands without deeds. As a result, most of the poorer farmers ended up working for the richer farmers. Many young people started migrating to the city to study and work. Some went abroad to find work in order to finance their families back home.

The transformation of the traditionally insulated life to more commercialized culture further resulted in the deprivation of land and forests (Dass, 2002), for instance, the expansion of roads, housing, and agricultural area into the forest. Diminishing natural resources made it harder for these under-privileged to even fulfil their basic needs. Many of them sold their land while the other took loans from informal sources such as moneylenders or borrowing from relatives to smoothen their consumptions. Excessively high interest rates, and irregular incomes, led to inability to repay debts. A majority of borrowers fell short and sank into a whirlpool of indebtedness.

These impacts pointed out the vulnerability of most rural communities in trying to keep up with globalisation and to withstand the associated pressure.

In 1974, His Majesty the King Bhumibol Adulyadej reminded the Thai people, through his royal remarks on a number of occasions, of a step-by-step and balanced approach to development in dealing with the challenge of globalisation[1], which is now known as the Philosophy of Sufficiency Economy. His Majesty's remarks helped many rural communities reflect on their problems; as a result, this led to thousands of self-help initiatives and networks, scattered across Thailand, which dealt with a range of different issues – livelihood, environment, culture, alternative farming, natural resources management, basic industrial management, eco-tourism, health care, microfinance, and education (UNDP, 2006). Some were self-initiated; some were supported by public or non-profit development agencies.

Microfinance programs, such as Poverty Reduction and Economic Stimulus Funds initiated by the Ministry of Finance, has also been used as a vehicle to mobilize these community-based initiatives, but they had limited access due to the entrenched traditional top-down political structure through which the state funds were delivered. The resulting inequitable distribution of resources led to insufficient funding to accommodate local capacity building and accelerated expansion. Many of these struggling self-help groups became exhausted; as a result, the growth of this sector became sluggish.

The economic crisis and reforms

Despite His Majesty's remarks, the rapid growth of the Thai industrial sector has received unimpeded support as a result of the favourable government policies. Thailand has exhibited one of the most impressive records of economic growth in Southeast Asian region. Despite this, the poor in

[1] An excerpt from His royal speech in 1974: 'Economic development must be done step by step. It should begin with the strengthening of our economic foundation, by assuring that the majority of our population has enough to live on. ... Once reasonable progress has been achieved, we should then embark on the next steps, by pursuing more advanced levels of economic development. Here, if one focuses only on rapid economic expansion without making sure that such plan is appropriate for our people and the condition of our country, it will inevitably result in various imbalances and eventually end up as failure or crisis as found in other countries.' (Royal Speech 1974, p.12)

Thailand have failed to benefit from the growth of income and credit, despite thriving rural and urban informal sectors for microfinance services (Erhardt, 1999; Kaboski & Townsend, 2002). This inequality is the result of the top-down political structure and the focus on growth of the Thai administration, which assumes that the benefits would percolate down to everyone (UNDP, 2000). The economic boom in the early 1990s led to an excessively high level of debt in the public and private sectors, which later led to the crash of the industrial sector due to the sudden devaluation of the Thai currency following the economic crisis of mid-1997.

Following this crisis, the vulnerability of the Thai financial sector and the weakness of Thai development was exposed. The immediate consequences of the crisis were bankruptcies of huge firms and layoffs. A million Thais became unemployed and were thrown back into poverty indicating the lack of effective social protection (UNDP, 2000). Most people who left their home had no choice but to return to their rural communities. Fortunately, many of the urban unemployed could fall back on the 'safety net' of their relatives in rural areas because agriculture continued to progress better than industry. The Sufficiency Economy bestowed on the Thais by His Majesty the King Bhumibol Adulyadej was an important survival strategy that operated in the period following the onset of the crisis. After the crisis subsided, His Majesty reiterated and expanded His concept of the Sufficiency Economy. The expanded concept focused on the following (Susangkarn, 1999):

- the conduct and a way of life of individuals, families, and communities based on moderation, reasonableness, self-reliance, honesty, patience, perseverance, diligence, while exercising knowledge with prudence;
- providing self-immunity to be able to cope appropriately with critical socioeconomic changes and challenges arising from extensive and rapid socioeconomic, environmental, and cultural change occurring as a result of globalisation;

- leading the Thai economy to a balanced and sustainable development.

As a consequence of this expanded concept, the idea of localism re-emerged amongst social development activists and NGOs. Localism suggested a return to self-reliant ways of life to construct strong communities with the confidence to resist external pressure (Phongphit, 1989; Wasee, 1999). Most rural communities supported these principles; they received support from donors agencies and, most importantly, well-educated people who had returned home after the crisis. The ability of these rural communities to revitalize their lives conveyed an important message to the policymakers regarding their capability of cushioning social shock.

As the people learned from experience, so did the nation. The government refocused on a development shift from the industrial sector to the agricultural sector. This was seen as a post-crisis policy to lay a solid foundation for sustainable stability by strengthening domestic activities at grassroots level since this was the true base of the Thai economy: it comprised the majority of the Thai population. The government then re-examined its previous social and microfinance policies which had had limited success because of they were based on a false assumption: the pouring of funds through the existing centralised, top-down administration hardly ever reached the grassroots because, along the way, the funds were absorbed and scattered amongst regional and provincial administrations before reaching their final destination. Only droplets of funds made it to the grassroots.

In 1997, the parliament passed the People's Constitution[2] which, for the first time, provided basic laws for the accountability of the state to citizens and greater participation by people in public policymaking. It decentralised the power from the Ministry of Interior to local administrative organizations. Local or Tambon Administrative Organisations (TAOs) and

[2] The 1997 Constitution of the Kingdom of Thailand was promulgated 11 October 1997. It was popularly called the 'People's Constitution' because of its explicit acknowledgement of human rights. It was the first constitution to be drafted by a special committee outside the National Assembly. The Constitution Drafting Assembly (CDA) was formed with 99 members: seventy-six of them directly elected from each of the provinces and 23 qualified persons short-listed by the Parliament from academia and other sources.

Provincial Administrative Organisations (PAOs) were established and were given more authority and the right to access and manage budget.

In 2002, the Ninth National Economic and Social Development Plan (NESDB, 2002) stressed the importance of developing local communities' capacity to manage their own economic and social development in partnership with the public and private sectors. It aimed to strengthen communities' capacities to manage community microfinance, and to establish community information centres and network between community organizations to enable exchange of knowledge. In addition, it encouraged the community to develop appropriate local education, to have participative community planning, to take a larger role in managing natural resources, and to develop networks to preserve the environment.

The situation of the Thai economy at this time is well-represented by Naisbitt's (Naisbitt, 1994, p. 5) 'global paradox': 'the bigger the world economy, the more powerful its smallest players'. The collapse of faith in the industrial sector and of large enterprises had led to an increasing importance of small rural communities and microfinance, each of which gave new hope in providing a stronger foundation for the country's economic growth.

Government microfinance schemes

The reforms were followed by national microfinance and community business development schemes to ensure the practicality and success of policies aimed at gearing-up the emerging Thai community-based initiatives. The Thai Government responded proactively to reforms, and to His Majesty the King's advice, by passing different microfinance schemes such as Social Investment Fund and village revolving funds. The Social Investment Fund supported by Australia, Japan, World Bank, and the UNDP, targeted more assistance to the poor through projects to create jobs and provide social services. The fund reinforced decentralisation and participation by directing financing to local governments, civil society organizations and community groups.

The village revolving funds – the One Million Baht Village Fund and the Small-Medium-Large (SML) Investment Fund – were launched in 2001 by the government of Prime Minister Thaksin Shinawatra. Under the One-Million Baht Village Fund, each village was allocated a million baht as a revolving fund to be utilized within the village to finance common as well as individual activities. It was to be managed by a committee elected by the community members. The SML Investment Fund was similar to the village fund but the amount of funding varied with the size of the community; for instance, a small village with 100 to 500 people would receive 200,000 baht; a medium-sized village, comprising more than 500 to 1,000 people, would get 250,000 baht, so on. The Thai Government also recognized the fact that access to financing needed to be accompanied by enhanced earning capacity. Inspired by the success of Japan in promoting their local products, the One Village, or One Tambon-One Product (OTOP), program was also launched to provide the opportunities for villagers to increase income and community wealth by leveraging their unique skills, local knowledge, and wisdom. The program aimed to help villagers apply the uniqueness and abundance of native culture, tradition and nature to create and improve local products, which are acceptable internationally[3].

For Thailand, microfinance can be viewed as a prominent instrument supporting social development strategies rather than a dominant regime to tackle poverty and inequality. Given the right timing and the right beneficiaries, microfinance schemes became much more effective. It is like rain pouring on the seed at the right time, the existing scattered self-help groups and enables these seeds to sprout. With these proactive schemes, self-help groups are able to move forward.

[3] Information on different microfinance schemes are gathered from the Royal Government of Thailand's Website (www.thaigov.go.th).

Community-based microfinance schemes

From amongst the emerging self-help groups, many communities in Thailand have formed financial groups such as a savings groups or a village bank as a solution to limited to state funds. These initiatives have helped counter rising debts to banks and money-lenders, and have enabled the mobilisation of resources to support the other community self-help groups and development projects.

The community-based microfinance groups were either self-initiated or supported by donor agencies, local and international non-government organizations (NGOs). Initial loan capital for the savings groups came from an external source or by mobilizing savings in order to provide low-cost loans for local enterprises as well as individuals, often together with welfare and social protection. These local initiatives usually invented their own ways to provide savings and loan services to their members based on their own community norms and rules. The members themselves ran the bank, chose their members, elected their own officers, established their own by-laws, distributed loans to individuals, and collected payments and savings. Their loans were backed, not by goods or property, but by moral collateral: the promise that the group either stood behind each individual loan or, by their own community management and social sanction systems would ensure loan reimbursement. The community bank pilot program to be evaluated in this study had a similar policy but, in addition, was supported from outside organisations which trained community members in various community banking and financial activities.

In Thailand there is still no specialized MFI. According to a study by the Local Development Institute (LDI) in 1999 (UNDP, 2000), there were as many as 51,667 community financial groups with almost 7 million members and assets of 16,810 million Baht, that provided highly flexible and demand-driven microfinance services. Many of these initiatives had the potential to transform into semi-formal institutions or cooperatives. While the remainder

still operated as saving groups, some were able to expand to become the village or community banks. Like other informal local self-help initiatives in other parts of the world, the potential of these small microfinance initiatives in Thailand also could not be disregarded.

Despite the size and type of MFIs, the expansion towards sustainability, according to Seibel (2007), relies on their ability to:

- mobilize their own resources through savings and equity, augmented by other domestic resources;
- recover their loans;
- cover their operational costs;
- finance their expansion from their profits
- acquire an appropriate legal status, and
- submit to appropriate regulation and supervision.

In Thailand, most community-based MFIs could only reach the stage of profitability. Despite the apparent opportunities arising from the government schemes and from substantial demand, further expansion was still difficult due to the lack of know-how because of the absence of a specialized MFI in Thailand. Both private and public MFIs in other countries also play an important role in knowledge transfer. For instance, the Grameen Bank helps other villages in Bangladesh to apply or adapt from its model; the People's Credit and Finance Corporation (PCFC) of the Philippines funded microfinance rural banks, helps to create client base and to establish an operational institutional delivery mechanism for the purpose of retailing loans to rural entrepreneurs.

The only source of know-how for Thai communities is from other more successful community-based microfinance schemes. The adoption of other models from other countries is bounded by local constraints – the differences in social and consumption patterns, the differences of banking and financial law – and the availability of technical assistance.

The role of state-owned banks

Following the introduction of the reform and the resultant change of government policies, the major state-owned banks jumped on the bandwagon. In Thailand, the commercial banks dominate the financial sector overall, but they have difficulty providing microfinance services to poor people in remote rural areas, who have limited or no collateral or no reliable records, and whose requested loan size is below bank thresholds. Having the advantage of the government subsidised and extensive branch network closer to the rural areas, the Bank of Agriculture and Agricultural Cooperatives (BAAC), the Government Savings Bank (GSB), and Mitrapahp Bank (MB) became a new source of microfinance in Thailand[4]. These three banks are unique in terms of objectives, management structures, target customers, and types of products and services. The characteristics of each bank are summarized and compared in Table 2.1.

BAAC and GSB are state enterprises that operate under the supervision of the Ministry of Finance. On the other hand, as the government's only commercial bank and a listed public company, the Mitrapahp Bank pays the benefits reaped from its business transactions to the government in the form of taxes, and pays dividends to the Ministry of Finance and shareholders.

Microfinance has been, from the beginning, the core business of BAAC. In response to the ninth national plan and the government policies, the Central Bank renewed its mandate for BAAC to expand their services not only to farmers, but also to entrepreneurs. Now, BAAC provides microfinance services to support investment and business development of entrepreneurs, farmers, groups of entrepreneurs or farmers, cooperatives, credit unions, and microenterprises. The expansion of outreach by BAAC

[4] Information is gathered from the bank's websites: Bank of Agricultural and Agricultural Cooperatives (www.baac.or.th) and Government Savings Bank (www.gsb.or.th). Since the Mitrapahp Bank is a pseudonym used to represent one of the state-owned banks, who are being evaluated in this study, I preferred to keep the website confidential.

TABLE 2.1 CHARACTERISTICS OF MICROFINANCE PROGRAMS PROVIDED BY BANKS IN THAILAND

Banks	BAAC	GSB	MB
Microfinance model	Provide microfinance services through existing branches and field units.	Provide microfinance through community banks and loans through People's bank.	Provide direct micro financial services to entrepreneurs through field units
Targeting Method	Farmers & groups of farmers; Entrepreneurs & group of Entrepreneurs; agricultural institutions; cooperatives; credit unions.	Self-help groups; small business groups; entrepreneurs; communities.	Business groups; microenterprises; occupational groups and cooperatives.
Financial services	Savings and credits	Saving and credits	Savings and loans
Strategic Innovation	Joint Liability – group guarantee where collateral is not available; client selection through total household analysis.	People's bank offer up to 20,000 baht loans without collateral, but based on personal guarantee; set up banks close or in the communities and community members participate as advisory committee	Develop credit analysis scheme to assess client potentials; mobile teams unit to visit clients.
Other Services	Personal accidental insurance; health/life insurance; natural disaster protection; funeral Aid Association	Vary with different communities	Link clients to organizations which could provide knowledge or training according the clients' needs.
Training	Technical aid on marketing, management, & finance on a one-stop and systematic basis	Financial, investment, marketing, & product development advice for entrepreneurs	Financial, investment, marketing, & product development advice for entrepreneurs

through the provision of micro-loans of various forms and more supportive lending criteria was an important step, but its criteria remain relatively less flexible than those provided by MFIs in other countries, especially when compared to the Grameen Bank. BAAC still requires collateral and some forms of joint liability or group guarantees.

GSB and KTB have begun to provide microfinance services, partly to support the reform and to expand their market. GSB has initiated several microfinance projects such as school bank and community bank projects to support the government's effort to strengthen the grassroots level and to help

people deal with poverty and unemployment. Using a similar rationale, MB took a bigger step with more commercial intentions by starting an independent microfinance division, called 'Mitrapahp Community Bank' (MCB). MCB mainly provides micro-loans for business groups, cooperatives, community savings groups, and community banks. Similarly, GSB and MCB started to explore more flexible and demand-driven options; however, as newcomers, they still have limited outreach. Conservative estimation suggested that more than two million individuals currently still relied on informal lending sources (AT Kearney, 1999). When comparing the efforts of these three banks to MFIs in other countries, whose micro-service package advances to include savings, loans, and other social protection services; their initiatives still had narrower focus of mainly microcredit services.

The Roles of NGOs and donor agencies

Both international and local NGOs and donor agencies also play important roles in providing funds and technical supports. International donor agencies such as the World Bank and UNDP funded the government microfinance schemes. An international donor agency, Deutsche Gesellschaft für Zusammenarbeit (GTZ), funded technical support by helping BAAC to develop microfinance products (Goodwin-Groen, 2003). At the same time, many local NGOs such as the Population and Community Development Association (PDA) and Community Organizations Development Institution (CODI) supported the development of community-based financial groups and village bank to supplement other social activities.

The new direction of the national development policies invigorated by His Majesty the King's sufficient economy concept and the Thai government's microfinance schemes, which aim to build a stronger nation with the ability to adapt with changes by strengthening the grassroots-level, received nationwide support. More rural communities have started their own financial groups, usually taking their lead from the example of other

successful groups. The Baan Rienru Community Bank pilot program being evaluated in this research is also the part of this initiative. In addition, it has an innovative vision of inventing a better and more suitable community bank model, which would be replicable for other Thai rural communities. It also explores the new trend in microfinance by forming partnerships with commercial bank and NGO to co-develop this community bank.

Since the aim of this research is to evaluate the effectiveness of the development, it is useful to examine next the existing evaluation theories and approaches, as well as the practitioners' choice of evaluation approaches employed to evaluate the rural community programs.

Evaluation Theories and Approaches: Overview

Generally, the discipline of evaluation is devoted to the systematic determination of merit, worth, or significance of objects (Scriven, 1999). 'Objects' refer to the types of entity being evaluated, for example, policies, organizations, programs, products and services, or people. These objects are evaluated for various purposes, but ultimately to support planning, improvement, and decision making. More recently (see Owen 1999, 2006) these objects have been referred to as the 'evaluands'. The literature reviewed in this study focuses on program evaluation – the evaluation of programs.

According to Visser (2003) and Alkin (2004), program evaluation is rooted in two realms: political and social science. Changes in both of these realms have affected the development of program evaluation practices in the 1990s. The political aspect of program evaluation is related to the demand for accountability, which presents a need for evaluation. The programs funded by government or NGOs usually require the programs to be evaluated to ensure the programs' activities were carried out accordingly and the resources granted were allocated properly. The same accountability is also demanded by the business sectors when they have to provide reports for outside auditors and their stakeholders. The other aspect of program

evaluation is rooted in the academic realm of social sciences. A perennial question in social science is which methods are appropriate or applicable in the study of social phenomena, leading to philosophical and methodological discussions and debates. Social theories provide methods for evaluators to study social groups. As social theories and methodologies evolve, the evaluation theories and approaches change as well.

In the last four decades, evaluation theories had been developed and improved by more than thirty theorists in the evaluation field. The approaches used have been tailored to fit various context of evaluation (Taylor-Powell et al., 1996; Scriven, 1999), resulting in new evaluation theories and approaches being added to the list. Mathison (2004) in her work, *The Encyclopedia of Evaluation*, has identified 42 evaluation approaches and models. More conservatively, Stufflebeam & Shinkfield (2007) have identified 26 evaluation approaches, which have been well-articulated and which are used frequently today.

Modern evaluation theories pay great attention to the utilization of the findings (Preskill & Russ-Eft, 2005); flexibility, transparency and democracy of the evaluation design are other important factors (Visser, 2004). There are many theorists who have responded to these issues. Others still believe in the effectiveness of a methodology-dominated design. The concepts, and concept descriptions of a selection of these well-known theorists – from both the utilisation and methodology focused groups – and their works are reviewed in Table 2.2.

Participative approaches are seen to adhere to these emerging concerns associated with utilisation, and therefore, have gained significant interests and increased popularity (Thayer & Fine, 2000; Martens, 2001). Many of the articles reviewed report a growing body of evidence in favour of the utility and credibility of the participative approaches (Johnson, Willeke, & Steiner, 1998; Ryan, 1998; Thayer & Fine, 2000; Unrau, 2001). Other advantages of the participative approach reported by Forster (2002) are as follows:

TABLE 2.2 REVIEW OF EVALUATION THEORISTS AND THEIR CONCEPTS

Theorist	Concept	Concept Description
Barry MacDonald	Democratic Evaluation	The democratic evaluator recognizes multiple perspectives of stakeholders and seeks to represent them without making judgment. The evaluator only collects definitions, perspectives, and judgment from stakeholders (MacDonald, 1979).
Daniel Stufflebeam	CIPP Model	CIPP stands for context, input, process, and product. Context evaluation involves an assessment to understand needs, problems, and opportunity to decide program goals and objectives. Input evaluation identifies strategies and action plan. Process evaluation identifies shortcomings and refines implementation. Product evaluation measures outcomes for making decision. CIPP is cyclical to ensure continuous improvement of the program being delivered (Stufflebeam, 2007).
David Fetterman	Empowerment Evaluation	Participants conduct their own evaluations with outside evaluator as a coach or facilitator providing knowledge and tools for continuous self-assessment and accountability (Fetterman, 1998).
Donald Campbell, Edward Such Man, &Thomas Cook	Quasi-Experimental design	It is used to study impacts of programs when random assignment of participants is not possible. A control group and an experimental group is selected and compared with the attempts to uncover a causal relationship, even though the researcher cannot control all the factors that might affect the outcome (Alkin, 2004)
Egon Guba and Yvonne Lincoln	Fourth Generation Evaluation	The approach is based on constructivist methodology, aiming to develop judgmental consensus from an interaction among stakeholders with different, conflicting, or constructive opinions. The evaluator either moderate or engage in the negotiation (Guba & Lincoln, 1989).
Hallie Preskill	Transformational Learning	Preskill places importance of organization diagnosis on culture, communication style, values, leadership by the evaluator to get a contextual clue to be able to set realistic goals, frame finding, & set expectations for evaluation use. Diagnosis needs are shared to provide opportunity for reflection, transformation of learning, and utilization (Preskill & Torres, 1998)
Huey-Tsyhchen	Theory-driven evaluation	Involves making explicit why and how the program is supposed to achieve its outputs and outcomes, then analyse and investigate likely causal factors and/or alternative explanations for alleged program outcomes (Chen, 2005).
J. Bradley Cousins	Practical Participatory Evaluation	This approach was grounded in an organizational learning framework focusing on enhancing learning capacity of organization. Evaluation responsibilities are equally shared between staff and the evaluator. The staff are practically trained and supervised by the evaluator so eventually they can coordinate new evaluation efforts (Cousin & Earl, 1995).

Theorist	Concept	Concept Description
Jean King	Interactive Evaluation Practice (IEP)	Kings encourages communication and discussion to create shared meaning and trust among participants. This collaborative effort leads to tailoring of evaluation methods for the program. Major role of evaluator is to identify and foster leaders during evaluation process. Leaders are necessary to attract, recruit, and maintain collaboration from participants (King & Pechman, 2003).
John Owen	Form and Approach	Focusing on utilization, Owen provides a framework consisting of five major categories or 'forms' – proactive, clarificative, interactive, monitoring, and impact – according to state or orientation of the program, the typical issues attribute of the program being focused, and timing. Within these forms, he identifies a range of evaluation 'approaches' logically connected to each form each of which has implications for data collection and analysis (Owen, 2006).
Marvin Alkin	User-oriented Evaluation	Alkins focuses on identifying primary users and working with them from the start of evaluation process to enhance the possibility of utilization. The evaluator interacts with the users by present evaluation data as factual as possible without imposing value judgment, unless is demanded (Alkin, 1991).
Michael Patton	Development Evaluation	This involves the evaluator as an integral part of a team whose member collaborate to conceptualize, design and test new intervention. The evaluator elucidates the team with evaluative questions, data and logic to facilitate evidence-based decision-making (Patton, 1997, pp. 103-106).
Michael Scriven	Goal-Free Evaluation	All of the outcomes of a program are examined, rather than limiting the investigation to the outcomes identified only by the objectives (Scriven, 1972).
Peter Rossi	Tailored Evaluation	Evaluation methods implemented are tailored to the stage of the program; that is, "fitting evaluation to program" (Rossi & Freeman, 1985, p.102)
Robert Boruch	Randomized field experiment	Attempts to estimate the relative effectiveness of different treatments that have a common aim, but depend on methods other than randomization to rule out the competing explanation for the treatment differences that may be uncovered (Boruch, 1997).
Robert Stake	Responsive Evaluation	Key feature is responsiveness to key issues, problems, or concern especially those experienced by people at the sites. (Stake, 2004, p. 89). Stake believes that there are multiple realities and stakeholder perspectives need to be represented.
Thomas Owens & Robert Wolf	Adversary Evaluation	There are two groups of evaluators collect and analyse data, then cross-examine the findings. This model was suggested to reduce bias on value interpretation (Alkin, 2004).

- an increase in ownership and a strengthening of commitment of stakeholders to implement corrective actions;
- creating joint learning to improve performance and outcomes;
- results that lead to better information flow;
- increase accountability and transparency.

Despite the popularity of participative approaches, it does not mean they are more superior to other non-participative methods; the best approach is that which best satisfies the aims of the study.

In practice, frameworks, models, or procedures are put forward in an effort to enhance program evaluation. Recognizing the complexity of the evaluation field, many practitioners have attempted to simplify these clustered theories, approaches, and methods into more logical and practical forms. Compared with other works, the framework developed by John Owen (Owen with Rogers, 1999; Owen, 2006), working in Australia, appears outstanding in terms of evaluation 'forms'. Owen has developed an original, comprehensive conceptual framework of the existing evaluation approaches into five major categories or 'forms': proactive, clarificative, interactive, monitoring, and impact. Owen identifies the basic tenets of the evaluation form, then classifies and groups the evaluation approaches accordingly. The basic tenets include the following three aspects:

1. purpose or orientation of evaluation;
2. typical issues or broad questions that are consistent with each purpose; and
3. major approaches.

Other dimensions determining the evaluation form include the state of program, the major attributes on which the program is focused, and the timing of evaluation – prior, during, or after. Within these forms, he identifies the evaluation 'approaches' logically connected to each form and the implication of data collection and evidence analysis. These evaluation forms and their key features are outlined in Table 2.3. These dimensions are

TABLE 2.3 OWEN'S EVALUATION FORMS

Form	Orient-ation	State of Program	Major focus	Timing	Key Approaches
Proactive	Synthesis	None	Program context	Before	• Needs assessment • Research synthesis (evidence-based practice) • Review of best practice (Benchmarking)
Clarificat-ive	Clarification	Development	All elements	During	• Evaluability assessment • Logic development • Ex-ante
Interactive	Improvement	Development	Delivery	Mainly during but could be at other times	• Responsive • Action research • Developmental • Empowerment • Quality review
Monitoring	Checking/ refining/ accountability	Settled	Delivery/ outcomes	During	• Component analysis • Devolved performance assessment • Systems analysis
Impact	Learning/ accountability	Settled	Delivery/ outcomes	After	• Objectives-based • Needs-based • Goal-free • Process-outcome • Realistic • Performance audit

often reflected in the evaluation goals and objectives by which the choice of evaluation form and approach are determined. Owen describes techniques and guidelines for planning and negotiating with stakeholders. He emphasizes the need for evaluators to adapt to stakeholder needs and concerns. Adaptability demonstrates flexibility and willingness to work collaboratively with stakeholders; this enhances the potential for evaluation utilization. Owen supports stakeholder participation in multiple stages of the evaluation, but believes that stakeholder involvement is most critical during the planning and negotiating stage (Owen and Rogers, 1999; Owen, 2006).

The evaluation context of the community bank pilot program is logically consistent with an Interactive Evaluation form and Responsive approach as classified by Owen (Owen with Rogers, 1999; Owen, 2006). Interactive evaluation is used as a basis for this research because it has a

strong formative purpose. Thus it is best used with programs during their initial implementation, or when they are being subject to continuous review and improvement. It focuses on the delivery of program, and also on the utilization of findings, which could influence changes in program plan and thus affect outcomes. Interactive evaluation typically involves the investigation on these issues:

- What is this program trying to achieve?
- How is this service going?
- Is the delivery working?
- Is delivery consistent with the program plan?
- How could delivery be changed to make it more effective?
- How could this organization be changed so as to make it more effective?

Interactive evaluation is used as a means of empowering stakeholders and participants during program development and delivery. Program delivery and evaluation efforts are influenced by the people at the local site – those who are 'close to the action' – in the belief that they are best positioned to create effective solutions to situational concerns. They set program goals and objectives and also determine strategies to achieve them. Program goals, objectives, and strategies are usually evolving and responsive to situation changes. The role of evaluators is to provide input and support for the agenda of organizations, providers, and community groups. The evaluators provide and encourage the utilization of evaluation findings through which stakeholders can make decisions about the future direction of their programs.

The above broadly defines the concerns of Interactive Evaluation, and the roles of stakeholders and evaluators in this evaluation setting. The levels of stakeholder involvement and the roles of evaluators vary with the evaluation approach focused. There are five major approaches, which are consistent with interactive form:

1. responsive evaluation;
2. action research;
3. quality review;
4. developmental evaluation; and
5. empowerment approach.

This research follows Robert Stake's (Stake, 1980), responsive evaluation. Responsive evaluation is based on three principles (Stake, 1980):

1. it orients more directly to program activities than to program intents;
2. it responds to audience requirements for information; and
3. the value perspectives of program stakeholders are referred to in reporting the success and failure of the program.

Stake believes that people's decisions are based on both the generalisations coming from treating formal information logically and from the *naturalistic generalisations* of personal experiences – the grounds for action that people take are primarily from experience (Stake, 2004). In the responsive approach, program evaluators immerse themselves in the evaluation site, negotiate the boundaries of the study, collect data, and write extensive case reports. These reports include formal generalisation (conclusions or assertions), but with additionally useful *vicarious experiences* portrayed in the form of narratives, stories, and vignettes for the readers to help them make up their own minds about program quality. Vicarious experiences refer to additional information and experience that evaluators obtain about other people's experiences and perceptions, places, or events through interaction them during program implementation. Stake prefers evaluation to be performed by evaluators, but he maintains that the multiple realities and stakeholder perspectives need to be represented, in this case, through the additional description of these vicarious experiences.

Program evaluation in rural development

The best evaluation design for any program is the one that best satisfies the objectives of the study. However, in the specific context of rural community development programs which often deal with poverty issues, participative approaches are acknowledged to best serve the development goals. Today, evaluation results are not only used by those funding the programs, but also the beneficiaries of the program in learning about themselves.

'Sustainable development' is the central issue of rural development programs. Many studies have shown that the benefits of intervention usually are not sustained when there was inadequate participation of the beneficiaries in program planning and design resulting in the lack of sense of ownership and the reluctance of maintaining the program (Precis, 1997). Philanthropy is good-will, but would be never ending if the poor themselves did not understand why they are poor and how they might have better lives. The World Commission on Environment and Development (WCED, 1987, p.43) defines sustainable development as:

> development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

One premise of sustainable development is an appropriate evaluation system that enables people in the communities to understand the situation that they are facing. This enables them to figure out if and how they need to maintain or change that situation, to determine what questions to ask about their situation, and to find answers to those important questions. Through this process, people are given the leading voice in their destiny (Ukaga, 2001). Through the communities' participation in development and evaluation activities, their voices become strengthened and relevant to the donor organizations in improving program objectives and activities of their community development programs (Sen, 1997; Karl, 2000; World Bank, 2001; Bresnyan, 2004).

Several other studies indicate the use of participative approaches in program development and evaluation to be significantly useful, as follows:

- to promote a sense of ownership among participants and sustainable development; improve program performance; improve capacity and skills to undertake the research and evaluation in others areas; promote other forms of participatory development (Oakley, 1991; Jackson & Yusuf, 1998; Souhlal, 1999; Ukaga, 2001; Zukoski & Luluquisen, 2002);
- to build *social* capital – the norms and networks that enable people to act collectively for mutual benefits of the community (Karl, 2000; Winter, 2000; Grootaret, 2001; Gustavsen, 2003; Schafft & Brown 2003).

Despite the attraction of participatory evaluation, in practice few community development organisations involve program participants in any aspect of evaluation other than providing information (Moore et al., 2001).

The next sections explore the evaluation approaches used, and results of existing microfinance initiatives both in developing countries and in Thailand, in order to form a basis for the evaluation design employed in this research.

Evaluation of microfinance programs in developing countries: Approaches and findings

In the field of microfinance, MFIs mostly focus on performance and impact evaluation. Evaluation of microfinance programs originated from the demand of MFIs and donor organizations to estimate the performance of their programs and the impacts on the lives of people using the provided products and services. Impact evaluations, or impact/performance monitoring, are usually used either to estimate the impact of an entire program or to evaluate the effect of a new product or policy. They involve comparing outcomes on a set of parameters where the intervention is applied, against outcomes where the intervention does not exist. The parameters used to assess microfinance

programs could be contextually derived from a specific program, while many programs use the standard assessment tools provided by well-known international MFIs such as the Consultative Group to Assist the Poor (CGAP), Small Enterprise Foundation (SEF), or U.S. Agency for International Development (USAID).

There is considerable debate on the shortcomings of using resolutions that are too simplistic when assessing outreach and the impact of microfinance on poverty (Rogaly, 1996; Sinha, 1998). Many impact studies fail to reveal the exact processes by which poverty is affected (Sharma, 2000). Woolcook (1999) points out that there are many weaknesses in the empirical and methodological foundations on which many successful claims rest. Since most studies of microfinance programs have drawn their conclusions exclusively from successful borrowers in large, mature, and successful programs, generalisations can be dangerous (Sharma, 2000). Woolcook suggests that the MFIs and donor organisations should evaluate both successes and failures. He argues that failure cases provide a more accurate picture of the range of performance outcomes possible; even the most famous programs have regions, branches, centres, groups, and individuals that are struggling.

According to Misra (2005), such evaluation method eases the operation of the implementing agencies, but leads to a situation where the poor are grouped as a homogeneous lot that have similar developmental aspirations. Many impact studies ignore the fact that development involves a complex system of interrelationships between people, socio-economic processes, and local condition. Misra suggests the importance of adopting a participatory approach to identify target group and criteria for assessment as opposed to pre-defined benchmarks. Although many MFIs have documented and reported the results of their program development in the form of case studies or success stories taking into account the perspectives of the beneficiaries, the issues reported are still limited to the predetermined

criteria, which neglect the other possibility of outcomes and full range of benefits produced by other social services (Sharma, 2000).

Microfinance is proven to have positive impacts on the target population in various ways: improved socioeconomic welfare, creation of social capital, better family and personal life, more public awareness and supports, microfinance products innovation, and improved social welfare. These impacts are presented, with details of various aspects, in Table 2.4.

TABLE 2.4 IMPACTS OF MICROFINANCE

Types of Impacts	Aspects of Impacts
Socioeconomic impact	• Poverty Alleviation (Hulme & Rutherford, 2002; Khandker, 2003; Littlefield, Murduch & Hashemi, 2003) • Increase income (UNICEF 1997; Wright, 2000; Bhatt & Tang, 2001; Robinson, 2001; Khandker, 2003; ADB, 2006) • Smoothen income flows and consumption (McCulloch & Baulch, 2000; Remenyi & Benjamin, 2000; Robinson, 2001; Hulme & Rutherford, 2002; Khandker, 2003; ADB, 2006) • Create employment (Bhatt & Tang, 2001; Khandker, 2003; ADB, 2006) • Improve economic welfare (Schrieder & Sharma, 1999; UNCDF, 2004) • Increase access to credit and saving (ADB, 2006) • Reduce vulnerability (Wright, 2000; McCulloch & Baulch, 2000; Zaman, 2000; Khandker, 2003; UNCDF (2004)) • Increase household and community asset (Khandker, 2003) • Increase productivity, enlarge and diversify micro-businesses (Robinson, 2001)
Impact on family and personal lives	• Improve self confidence, self esteem, and better ability to manage livelihood activities (ADB, 2006) • Women empowerment (Khandker, 2003; Littlefield, Murduch & Hashemi, 2003; UNCDF, 2004)
Public Impacts	• Positive outcome lead to encouragement of previous risk-averse banks to venture into microfinance (ADB, 2006) • Positive outcome lead to increased awareness and contributions of public, private, and non-profit organisations on microfinance (Gupta, Davalos, & Hextall, 1993)
Impacts on microfinance products and services	• Financial innovations associated with microfinance appear to reduce costs of financial intermediation at the agent and client level (Schrieder & Sharma, 1999) • Expansion of microfinance services (ADB, 2006)
Social Impacts	• Associated with Improve health and education (Littlefield, Murduch & Hashemi, 2003). • Increase human capital (Khandker, 2003)

Other findings conclude that microfinance is unique among development interventions for delivering social benefits on an ongoing, permanent basis and on a large scale (Littlefield, Murduch and Hashemi, 2003). It is cost effective (Khandker, 1998; Wright, 2000) and has powerful leveraging effects when credit is combined with the effort and skills of the entrepreneurial poor to create the conditions necessary for the development of income-generating activities (Garson, 1996). Evidence from successful MFIs shows that microfinance leads potentially to financially sustainable development (Dunford, 2001; Woller, 2000; Gibson & Meehan, 2000).

Microfinance also has its limitations. It is less universal in its application because it relies greatly on local conditions, conditions that might limit success such as post-conflict situation, severe poverty, dispersed or unstable population, population with single economic activity, and reliance on barter rather than cash (Khandker, 1998; Marcus et al., 2000; Peaker & Pearch, 2001). Borrowers need to be suitably entrepreneurial: utilising loans in productive activities requires entrepreneurial skills that most people might lack (Khandker, 1998). An inability to utilise loans productively may force people or groups of borrowers into debt they cannot repay or into business where they can barely subsist (Montgomery, 1996). Elas Bhatt of India's Self-Employed Women's Association (SEWA) program believes that poverty is not a lack of funds, but vulnerability, powerless, and dependency. Many poorer people, especially the poorest cannot make use of credit because they are in no position to undertake an economic activity (Garson, 1996). As a result, the extremely poor are still being left out, and this exclusion increases over time.

Sustainable progress in any one area depends on advances in all areas (UNICEF, 1999). Dichter (1996) stresses the importance of providing poor entrepreneurs with market and business development services, for without input other than credit many micro-loan recipients would have enormous difficulty making productive use of these small loans. Recognising also the limitations of microfinance, many MFIs – in order to enhance the effect of

microfinance – have extended their objectives to include social services such as business training, adult education, entrepreneur development, environmental awareness, healthcare, and marketing assistance (Bhatt & Tang, 2001). A number of studies confirm that integrated services, a combination of microfinance and other development tools, enhance synergies and effectiveness (UNICEF, 1999; Johnson & Rogaly, 1997).

Studies on the development and implementation of microfinance programs in developing countries

Factors that affect the development of microfinance programs have been studied through case studies of both successful and unsuccessful cases. Studies indicate that most practitioners were unable to design appropriate systems for delivering financial services to the poor (Bhatt & Tang, 2001), while others replicated the model from successful programs implemented by other MFIs. The successes of MFIs, usually cited as BancoSol, Bolivia; Bank Rakyat, Indonesia (BRI), and Grameen Bank, have triggered replication efforts in one form or another worldwide, but the performances of most such programs have been discouraging (Seibel & Torres (1999). Failures are most common in the early stages of a program's development (Woolcock, 1999). The causes of failure were noted to be high default rate, inability to reach sufficient numbers of borrowers, and unending dependence on subsidies (Selbel & Torres, 1999; Bhatt & Tang, 2001). The studies point out that replication of successful MFI did not always work; success or failure factors could not be applied (Bhatt & Tang, 2001). The literature shows vast differences in performance of microfinance programs; despite similar design features, some failed and some succeeded. Success by replication is not automatic, inevitable, or guaranteed. When lessons are being copied or adapted from successful programs, as in the cases of Ireland, Myrada, Pakistan, they must still be modified to suit local circumstances.

There is an incoherent picture of the microfinance landscape. A success factor of one program may not apply to the other. Studies have

shown that each development is unique; different, successful programs revealed different sets of success factors. A review of the findings points to a number of critical areas and issues, which could influence the outcomes of program development; a summary of these is contained in Table 2.5.

TABLE 2.5 FACTORS THAT AFFECT THE DESIGN AND PERFORMANCE OF MICROFINANCE PROGRAMS

Program design and implementation	
Local condition	• Local context: traditions, norms, community sanction structure, credit discipline and moral commitment (Bardhan, 1995; Woolcock, 1999; Seibel & Torres, 1999; Chowdhury, 2006) • Consider the needs for non-financial services to make productive use of the loans (Bhatt & Tang, 2001; ADB, 2006).
Social relationship	• Relationship among stakeholders, between community and sponsors, group or community members, between borrowers and staff, among staff themselves and so on (Woolcock, 1999). • Capability and commitment of staff to deliver the services (Quinones, 2000) • Donor/sponsor's commitment on financial and technical supports (Graziosi, 2002; Goodwin-Groen; 2003) • Confidence building (Syed, 2005) • The presence of social capital or community network (Olomola, 2002; Ito, 2003; Dowla, 2005)
Development Approach	• Identification of goals and objectives, the means to achieve the goals, and roles of each stakeholder (Graziosi, 2002) • The adequacy of monitoring (ADB, 2006) • Products innovation • Approaches used to design new products and services • Choice of training methods
Other factors	• Use of telecommunication and technology (Syed, 2005) • Government policies (Remenyi & Quinones, 1997)
Financial products and services design	
Local conditions and circumstances	• Clients' literacy and numeric skills (Quinones, 2000) • The reasons for the lack of viable formal financial intermediaries in specific communities (Bhatt & Tang, 2001, ADB, 2006) • Obstacles faced by the targeted communities in their attempt for economic and social advancement and how these obstacles related to the lack of financial services (Bhatt & Tang, 2001) • The cause of poverty (Bhatt & Tang, 2001) • Financial behaviours and preferences (Hasan & Iglebaek, 2004)
Cost structure (Woolcock, 1999)	• Resolution on these areas must be negotiated: interest rates, organisational costs, lending policies, identification of active borrowers.
Policies	• Convenience, accessibility, and affordability (Hulme & Rutherford, 2002) • Flexibility of services in responding to changing market needs (ADB, 2006) • Transparency of transaction (Syed, 2005)

Financial products and services design	
Other factors	• Use of telecommunication and technology (Syed, 2005) • Consideration of laws and standards practiced

The success of development depends on the program's ability to adapt to local conditions and in mobilising and maintaining different types of social relationships (Woolcock, 1999). In the process of adaptation, program organisers should engage in 'learning by doing' in the local setting. This action learning task is a time-consuming, ongoing process which may involve setbacks and disappointments until the best practices to suit a given social environment are discovered. This process relies greatly on the support of other stakeholders. The presence of social capital enables mobilising and maintaining social relationships among stakeholders and influence group performance (Olomola, 2002; Ito, 2003; Dowla, 2005). Social capital, such as community networks, establishes norms that foster social trust to collective action to solve problems and secure group benefits.

The success of development also depends on appropriate products and services. Effective product innovation requires an insightful knowledge of local conditions, circumstances, and preferences to be able to set suitable cost structures and policies. Product innovation, especially when it is based on the understanding of financial behaviour and preferences of extremely poor, has become a significant strategy for deeper poverty outreach (Hasan & Iglebaek, 2004).

Another important factor to consider is the need for training (Nelson et al., 1996). Most microfinance programs today do not only provide financial services but also other social services to enhance the possibility of success. Basic education to improve literacy and numerical skills, business skills, and credit management are often provided to make sure that borrowers could participate in the program and utilise the loans in the productive manners. Thus, it is also important for program sponsors to design appropriate training programs and approaches in order to overcome the community's weaknesses. Training can be delivered in many forms such as

formal courses of short duration, on-the-job training with field back-up, study visits to other successful groups, peer review, workshops of leaders across groups, and cluster meeting.

Participatory approaches are encouraged to create these favourable conditions of success. Participatory approaches facilitate program sponsors' learning about the local context by allowing the participants to do the following: express their difficulties; share knowledge about their communities; talk about their financial behaviour; and identify their financial preferences. An environment of 'learning from each other' creates an atmosphere of trust enhancing social relationships among stakeholders. Research findings confirm that an involvement of stakeholders and beneficiaries in decision-making processes in all phases of a program, including evaluation, help to create a sense of ownership of the process and products and promote participants' learning from each other (World Bank, 1997). In turn, this is extremely important for long-term sustainability (English, 1997). Participation also makes poor people become self-reliant, capable, informed, confident and proactive to take initiatives that solve their problems, which prevent them from deeper poverty and allow them to pursue sustainable livelihood. This, in turn, strengthens the pre-existing relationships or even builds social capital or social safety nets, which cushion the effects of economic and social shocks (Severo, 2002).

The evaluation of microfinance programs in Thailand: Approaches and findings

There are relatively few studies on microfinance in Thailand. There is no clear evidence of the effect of microfinance on poverty; however, the incidence of poverty in Thailand continuously decreased from 16 per cent in 1999 to 10 per cent in 2004[5]. Several studies (McGuire et al, 1998; Meyer & Nagarajan, 2000) have noted that specialised microfinance services are not

[5] The figures come from Human Development Report 2007/08, UNDP. Poverty incidence is measured by comparing per capita income against the poverty line, which is based on the minimum expenditure needed to obtain basic human needs. In 2004, the total population was about 65 million and the poverty line is 1,242 baht per year.

important in Thailand because poverty problems in Thailand are relative minor. Another contributing factor is that most Thai communities are able to form self-help groups and networks which, to a certain extent, help them to cope with problems.

Most evaluations of community-based microfinance programs have been undertaken by NGOs and donor agencies involved in the program they have supported. The findings are mostly in the form of stories outlining the benefits and success factors of the programs. A review of the impact of community-based microfinance schemes in Thailand reveals similar results including improvement of economic welfare, creation of social capital and protection, improve personal lives, and enhance community self-esteem in dealing with their own problems. These impacts are listed, with details of sources, in Table 2.6.

TABLE 2.6 IMPACT OF MICROFINANCE AT COMMUNITY LEVEL

Types of Impacts	Aspects of Impacts
Socioeconomic impact	• Production credit groups and women's groups promote asset growth (Kaboski & Townsend, 2002) • Pledged savings account lead new jobs and new businesses (Kaboski & Townsend, 2002) • Reduce probability of borrowing from moneylenders (Kaboski & Townsend, 2002) • Offer credit access to the poor (Anh, 2003; UNDP, 2006) • Improve economic status (Anh, 2003) • Increase income (Anh, 2003) • Income smoothing (Anh, 2003) • Facilitate self-employment (Anh, 2003) • Expansion in household assets (Anh, 2003) • Diversification by facilitating self-employment (Anh, 2003) • Improve housing and related infrastructure (Anh, 2003) • Increase expenditure on agricultural inputs (Anh, 2003)
Impacts related to social capital	• Women's groups can facilitate members changing jobs (Kaboski & Townsend, 2002) • Products such as optional savings, flexible saving account and provision of emergency services help to reduce adverse effects of income shocks (Kaboski & Townsend, 2002) • Community empowerment through joint decision making (Anh, 2003) • Increase women and children participation (Anh, 2003) • Build solidarity among community members and enables them to help each other, especially in time of crisis (UNDP, 2006) • Increase community's negotiation power over external resources to expand their activities (UNDP, 2006)

Types of Impacts	Aspects of Impacts
Impacts on personal lives	• Increase self-esteem (Anh, 2003) • More confidence about the future (Anh, 2003) • Improve lives of poor people (UNDP, 2006)
Social Impacts	• Higher education attainment (Anh, 2003; UNDP, 2006) • Improve community welfare (Anh, 2003) • Raise community's political awareness and enhance capacity and confidence to address their social, economic, and environmental problems (UNDP, 2006) • Become more capable of planning and managing their own development (UNDP, 2006)

UNDP (2006) has studied four community-based microfinance schemes in Thai rural area. The study revealed several success factors such as self-initiation, participation, leadership, social capital, networking, external supports, and community learning. Each of these factors is explained briefly in Table 2.7.

TABLE 2.7 FACTORS CONTRIBUTING TO SUCCESSFUL COMMUNITY-BASED MICROFINANCE SCHEMES

Factors	Explanation
Self-initiation	Microfinance schemes must be developed from local context, rather than being imposed by outsiders.
Participation	All success groups encourage community members to participate in designing of objectives, rules, and activities so that schemes are responsive to their priorities.
Leadership	Group leaders are crucial and must have a certain qualities such as knowledgeable, committed, hard-works, have good communication skills, forward-looking vision, democratic, and never stop learning.
Building of community's Social capital	Community can recognise its own potential by proper management of their social capital such as traditional values, cultures, knowledge and wisdom.
Networking	Network of communities allow them to learn from each other, strengthen their capacity, increase self-reliance, better manage resources, and promote mutual care and support.
Supports from outside agencies	Support might be important at the outset of a program, but the supporters' role should be reduced as the communities take control.
Community learning	Chance of successful implementation result from continuous planning-action-reflect process, which allows group members to gain new understanding which leads to new actions.

Despite the benefits, microfinance schemes operated by both government and communities also have shortcomings. Microfinance schemes of Prime Minister Thaksin Shinawatra's government were perceived as a populist approach, which used the rhetoric of microfinance without absorbing the lessons of its experience because the funds were given without careful evaluation on how they are utilised by the communities and whether these funds had achieved its purpose in helping the poor (IMF, 2001; Conroy, 2003).

Although community-based microfinance schemes are well-known as a strategy to provide a deeper reach to the poor than all other schemes, an in-depth study by Coleman (2006) indicates that the poorest are still left out. Coleman explains that the wealthier villagers are significantly more likely to participate than the poor. The former are often selected as program committee members. They are likely to be the group gaining access to loans because they are more creditworthy. As a result, the positive effect of increasing welfare is more likely to be applied to the wealthier section of the community; the poor are excluded. The implications of the findings suggest that implementers need to be more vigilant in targeting the poor. Another concern is raised by Anh (2003) on the long-term negative impact of community's access to too many sources of loan. Ahn points out that if these loans are used in non-productive ways, the communities might face a more severe indebtedness situation.

The review of literature points out a number of limitations of most microfinance programs, as follows:

- not targeting the poorest;
- the weakness in the empirical and methodological foundation of the evaluation findings; and
- several emerging issues in microfinance and evaluation approaches that needed further exploration.

The review has inspired me to acquire more practical knowledge, which is the strength of this particular piece of research. The most significant feature of my research is that it employs a participatory approach in both the development and the evaluation of the program. Participatory approach has become increasingly significant as a way of overcoming the weaknesses in earlier research approaches, and in program development. The literature review has also pointed out the shortcomings of the empirical foundation of most evaluation findings, which often have drawn their conclusions only from successful cases. The empirical approaches have also been criticised for neglecting the development aspects of the programs, aspects which involve interrelationship between people, socioeconomic processes, community learning and local constraints. Thus, it was expected that an application of a participatory evaluation approach, such as responsive evaluation, in this study would overcome these weaknesses particularly taking into account a full range of perspectives and issues, including both positive and negative aspects, that could be expected to emerge during the development and implementation.

In addition, it was preferred by the stakeholders of this program to engage in action learning as a method for developing the community bank. As recommended by the research reported in the literature review, the adaptation of a microfinance program to the local context is one of the most critical factors that determine success, and that it can only be done by encouraging participation of the beneficiaries in all aspects of the program. This rationale coincided with the plan for this pilot program.

The limitations and shortcomings presented in this literature review indicate that there remain gaps in the microfinance and evaluation literature; ultimately, this highlights the significance of this research. The shortcomings of evaluation approaches previously undertaken have also been taken into account in designing this evaluation research. The next chapter describes in details the selected research methodologies and their purposes.

CHAPTER 3

Evaluation Design

Introduction

The program under evaluation in this research initially emerged from the interest of the Mitrapahp Bank to study the development of the community bank. An Interactive Form of Evaluation (Owen & Rogers, 1999; Owen, 2006) was used in order to improve the established community bank at Baan Rienru and to make recommendations that would provide improvement guidelines to refine the rural community bank model for future applications in other potential client communities.

After several meetings and discussions with the project leader of Mitrapahp Bank prior to the outset of the program, I had fully become aware of the context of the program and the objectives of the evaluation. The project leader was interested to know how well the program had been developed and delivered. She had expressed her evaluation interest in four issues: the factors that supported and hindered the development of the community bank, the effects of the development on the community, the outcome of the development, and recommendations for further improvement. I had shared and discussed these evaluation objectives with other stakeholders to refine these objectives, which finally had become my research questions. As a consequence, these evaluation objectives corresponded with my research question and sub-questions, as follows:

The principal research question is:

How effective has been the development of Baan Rienru Community Bank pilot program?

The four sub-questions required to answer this question are:

1. What actually happened in the program?
2. What factors have supported and hindered the development?
3. How were the Villagers affected by the development process?
4. How could the program be improved in the future?

Combining the evaluation objectives and research questions with my acquired knowledge about the program context and setting, I selected a Case Study approach for the Interactive Evaluation and used corresponding qualitative methodologies for fieldwork, data collection and analysis, each of which will be described in the following sections.

Roles of participants

Before proceeding to discuss the methodologies I had undertaken, it is useful to first identify and describe the role of each group of participants, as well as my role during the development and implementation of the program, in order to provide the background for the succeeding sections. During the development and implementation of the community bank program, the stakeholders joined the program as participants, and I assigned them roles according to their expertise, capabilities and background: I divided them into four groups according these roles. There were all together 23 participants: 13 adult Villagers, three staff from Mitrapahp Bank, three community allies, and four young people from the community.

The first group, labelled by me as the ‘Villagers’, consisted of adult Villagers. During the implementation, they always had multiple roles as learners and community bankers. The Villagers were learning about the basic banking and financial knowledge, at the same time, performing assigned tasks. Most of the Villagers were assigned the double task of being both staff and members of the community bank management committee. Others chose

to have a single role on either a management or an audit committee. The management committee made decisions about the structure, policy, regulation, and loan criteria of the community bank. The audit committee inspected the work of the management committee and the staff to ensure transparency and accountability. The community bank staff worked in one of five departments: accounting, financial, credit, loan collection, and administration. The staff worked only once a week because the community bank only opened on Sunday from 09:00 to 15:00 hours.

The second group was the staff from Mitrapahp Bank, labelled by me as the 'Bankers'. The Bankers' role was that of a *provider* operating in three main areas: transferring banking and financial knowledge to provide the Villagers with foundation to perform their assigned tasks; providing necessary banking equipment and infrastructure such as computers, file cabinets, transaction slips, and hiring programmers to develop a customised community banking system that corresponded to the community bank transaction style.

The third group – consisting of community advisors sourced from public, private, and non-government organisation – was labelled by me as the community's 'Allies'. They had joined together with the same interest in urging the Villagers to learn to solve their own problems. The Allies were assigned the role of facilitators during the implementation. They had two main tasks: assisting community participants from within their field of expertise – accounting, learning, and business; as auditors for the community bank.

The fourth group was the young people in the community, labelled by me as the 'Youngsters'. The Youngsters worked as the community bank staff in the accounting, credit, and administration department; however, their main role was to act as bank clerks. In this role, the Youngsters needed to learn about various banking transactions, and more importantly, to operate the new community banking system. Like other staff, they had to work at the community bank on Sundays.

Roles of the researcher

Initially, I had joined the program as an evaluator for the Mitrapahp Bank; however, during the implementation, I found that as I became more acquainted with the other participants, my role underwent considerable changes. At first, I was an observer in the program and usually discussed my findings only with the Bankers. Later, as I developed a closer relationship with the other participants, this group recognised me as a part of the program – a participant. My role evolved from that of non-participant to participant observer. In the meetings and during program activities, I was asked to give my opinions in various issues. I began to regularly share and discuss my information, findings, and recommendations with other participants More importantly, I really felt the experience of being in the program – something which I could hardly have experienced simply by observing from the edge.

From outsider, I became an insider. Although my role as an evaluator seemed to overlap with my additional role as a participant, this did not affect the direction of the evaluation objectives or my evaluation tasks. On the contrary, they are complementary. As an evaluator, I engaged in a normal data collection tasks. I did not only acquire information about the program by observing people in actions and asking them to reflect on their actions, but also by being in those actions. This actually helped overcoming people's fear of being judged by me. Thus, I gained other participants' trust and willingness to share feelings and problems, which made the acquired information more meaningful and insightful. As it turned out, I helped them develop a bank. At the same time, I evaluated how well they have developed it.

Evaluation Forms and Approach

The evaluation issues addressed by the stakeholders in this study related to program delivery and improvement and thus indicated the use of an Interactive Form of Evaluation (Owen, 2006). Because the Community Bank

Pilot Program was an innovative program, its development could not be evaluated using standard criteria: as the evaluator, I needed to address problems that had never been explored before.

The community bank pilot program was developed by and for the people in the community, based primarily on their own local context. In order to answer the research questions on how well they developed the bank, I needed to understand the cultural background on which the community operates. This type of understanding could only be obtained by observing, talking to people in the community, and sharing their way of life.

The quality of program delivery depends on how participants experience it and how participants' interpret it. Hence, I followed Robert Stake's (Stake, 2004) responsive evaluation approach in capturing the participants' perceptions of various program activities. I sought to represent the quality of program delivery by focusing on issues that emerged from the participants while, at the same time, paying attention to multiple sources and grounds for valuing or what Stake called 'multiple realities'. As suggested by Stake, in order to obtain these data, I had engaged in an ethnographic study and immersed myself in the evaluation site to negotiate of evaluation, collect data, and report the findings to the stakeholders as a mean for improving the program by writing an extensive ethnographic case study, which is described in the forthcoming section.

Ethnographic Case Study

Ethnographic study can be described as the observation of people's interactions – in their social setting, in their activities, and in the cultural context (Silverman, 2002). It involves extensive, in-depth description or 'thick description' of an interplay of all variables in the program such as the participants' experiences, their perceptions and feelings, their interaction with other participants, development activities, and other emerging issues. Thick description also involves cultural context. A culture is defined by

Massey (1998) as being '... made up of certain values, practices, relationships and identifications'.

Ethnography usually concerns the methodologies used to collect the range of qualitative data, the processes through which these qualitative data depict reality of the situation, and the questions on how to report findings. The case study brings out and presents these details from the viewpoint of the participants. The case study, in the form of narratives, described these experiences as the *process*; portraying these experiences revealed *program quality* (Stake, 2004).

Case studies are particularly valuable in program evaluation when each program is unique (Patton, 2002). The case study approach is a comparatively flexible method, which emphasises on exploration, which allows researchers to discover and address issues as they arise in natural settings. In addition, the flexibility of case studies allows the researchers to begin with broad questions and later narrow their focus to the emerging issues rather than attempt to predict every possible outcome from beginning.

The case study is often criticised for being subjective because of its reliance on personal interpretation of data and inferences. In this research, I overcame this weakness by representing multiple perspectives from the four groups of stakeholders, resulting in four narratives: the Bankers, the Allies, the Villagers, and the Youngsters. The data collection methods employed in the research reflected the validity or truthfulness of the findings. Each method is appropriate to collect data from different data sources, and has its strengths and weaknesses. The data collection methods employed in this research are discussed in the next section.

Fieldwork and Data Collection

In practice, ethnographic studies depend not only the observation method to collect data but also on other data collection methodologies such as the use of field notes and interviews. Case studies are likely to be much more convincing and accurate if they are based on several different sources of

information. During the course of fieldwork, I employed several methodologies to collect evidences to produce the evaluation findings. The choice of my data collection methods was based mainly on two principles: the nature and the validity of my data.

According to Stake (2004), the quality of a program relies on the participants' interpretation of their experience as they engage in the program activities – as represented by their reactions, opinions, resulting relationships and tensions. These experiences are either tacit or explicitly expressed. Data collection methods employed should be able to capture and extract the participants' account of both types of experiences. The collected data must be truthful and represent complete and realistic picture of the program.

Thus, I employed both data and methodological triangulations (Denzin, 1987), which means I used multiple data collection methods to acquire different types of data from different sources. The combination of methods minimised the inadequacies of any single approach. The advantages of each methodology complement each other making stronger research design, resulting more valid and reliable findings (Patton, 1990). These multiple data collection techniques were undertaken to overcome partial views and ensure a complete and realistic picture of the program being studied (Silverman, 2001). By drawing on other types and sources of data, observers also gain a deeper and clearer understanding of the setting and people being studied (Taylor & Bogdan, 1998). For this research, I incorporated four qualitative data collection methods: document review, observation, focus group interviews and semi-formal interviews.

Document reviews

I found it easier to start my fieldwork by obtaining knowledge of the program stakeholders with whom I would be working. Documents were the main source of this valuable knowledge. I gathered different types of documents at different point of times according to their purpose. Before the development started, I was kindly assisted by both the Bankers and the community in

acquiring documents relating to the background of Baan Rienru community and its prior developmental projects. While these documents did not provide me with much data related directly to my evaluation, they gave me a preview to the community's unique norms, culture, and traditions of which I needed to be aware during the course of my fieldwork.

During the development and implementation of the program, I collected minutes of meetings, together with copies of emails between me and the other participants. I must admit that I could not observe everything all the time. I visited the community almost every month, but I could only stay about ten days on each visit. Minutes of meetings and emails were able to provide the missing jigsaws pieces of the program's processes and activities while I was not present.

Observation and fieldwork journal

My fieldwork in the community lasted for 18 months commencing with the program negotiation and continuing for a year after the official establishment of the community bank. During this time, the extent of my participation in the program became greater as I developed closer relationships with other participants. I found myself fully immersed in the community, and this influenced the process of my observation, which was responsive rather than planned. For me, my observations and my fieldwork journal were inseparable; a pen and a small notebook had become my new body parts.

Although it is claimed that observation method only allows the collection of data from the external perspective; I had the opportunity to gain more insightful data as participant observer. I not only observed but actively interacted with other participants. I observed and talked with others about whatever was happening naturally all the time; thus my field notes involved a combination of the situations I had witnessed, my reflections on them, and the information I had obtained from talking with others. I took notes in different ways depending on the circumstances. In the meetings or during the program activities, I observed and recorded notes openly. At other times, in

situations like conversation or informal discussion, I waited until later to make notes of what had eventuated. From my experience, my fieldwork involving complete immersion as a participant while, at the same time, being responsive to what was happening or what people were talking about, yielded fresh and meaningful data relating to recent events and program activities.

Semi-structured and focus group interviews

There were some types of data such as the participants' thoughts or feelings, which I could not obtain from observation; however, these data were able to be captured through my interaction with the participants and interviews. Initially, considering that I needed to interview 23 participants, focus group interviews appeared to me to be most appropriate for my research. After considering the limitations of the focus group approach – lesser control of discussion topics, requirement of special skills of moderators, difficulties in assembling group, difficulties in analysing data (Krueger & Casey, 2000), tendency toward group conformity, unequal involvement, and unwillingness to discuss controversial issues (Morgan, 1997) – I decided, selectively, to use both individual and focus group interviews. The wisdom of my decision was made evident as soon as I began to make arrangements to interview participants. There were two main circumstances, which made an individual interview more favourable: first, not all the participants were comfortable with focus group interviews; second, there were many participants whose time availability did not match with that of others.

Although the use of unstructured interviews constitutes a major tool for ethnographic fieldwork, I preferred to employ a semi-structured interview for my research. I found it was useful to have a set of open-ended questions as a guideline to ensure the smoothness of conversation and that the important issues needed to answer my research questions had been covered during the interviews. These questions might not necessarily be asked during the interviews, if the participants had already raised issues that were related to them.

I applied a similarly semi-structured interview technique to the focus group interview, but my role was slightly different. I had to become both the interviewer and the moderator (Krueger, 1994). As a moderator, I needed to be responsive to all participants and their interaction toward each other's opinions as well as ensuring that the discussion flowed smoothly.

I conducted two sets of semi-structured and focus group interviews at different stages of the program: the first time, at the end of the developmental phase; the second time, one year after the implementation of the program. The second interviews utilised the data I had obtained from the first interviews: seeking to expand the information that was previously addressed, to gather information about issues that had not been addressed; to find out whether the participants' points of views were consistent those expressed in the first set of interviews.

My initial plan was to conduct focus groups interviews with the Villagers and the Youngsters and semi-structured interviews with the Bankers and Allies. It turned out that I had to modify my plan to be more responsive to the participants' schedules. Consequently, I ended up conducting two rounds of focus group interviews with the Bankers and the Youngsters, and two rounds of semi-structured interview with the rest of the participants.

I was able to conduct focus group interviews with the Bankers and the Youngsters and individual interviews with the Villagers and the Allies. After the two rounds of interviews, I recognised that it was unfortunate that my situation had not allowed the possibility of conducting focus group interviews with all groups of participants. From the focus group interviews with the Bankers and the Youngsters, I found it was more beneficial in terms of both time and quality of data. My experience of employing focus group interviews confirmed the position of Krueger & Casey (2000) that this interview method produced insightful data; moreover, the interaction among the participants provided checks and balances on each other and could screen out false or extreme view. The size of data obtained from the focus group

interviews was less than from individual interviews and more distinguishable in determining issues that the participants agreed and disagreed on.

Questions design for the semi-structured and focus group interviews

The questions for the semi-structured interviews were designed to capture the participants' experience from the time when they joined the program and to generate detailed accounts rather than brief answers or general statements. The interview questions were open-ended, which allowed the participants to select their repertoire of possible responses that were most salient to them (Patton, 2002). From my questions, I hoped, in their responses, to obtain the participants opinions, feelings, and values about what they had been doing in the program. During the semi-structured interview, I initiated the conversation with an open-ended question, which enabled the participants to respond freely with whatever came to their mind. Participants were asked to respond to the following questions during the interviews:

- Please tell me about a memorable event that occurred during the *development* of the Baan Rienru Community Bank pilot program.
- Please tell me about a memorable event that occurred during the *implementation* of the Baan Rienru Community Bank pilot program.

The following set of questions, derived from the research questions, were used by me as a guideline for the first interviews:

- What do you think about the program's activities?
- How do you feel about your work as a banker?
- What would you see as the positive outcomes of involvement in this pilot program?
- What would you see as the negative outcomes of the involvement in this pilot program?
- How do you feel about the program?
- What do you think about the outcome of the program?

- What do you think are the factors that lead to this outcome?
- What further improvements, in your opinion, are needed in the program?

For the second follow-up interviews, I prepared different guidelines for each participant. The guidelines were developed from the initial set of questions and the participants' individual data obtained from the first interviews. The questions were, for example, 'Why do you think differently from your earlier comment that …?' or 'How do you feel about the problem about … that you had mentioned on our previous conversation?

Prior to the interviews, I had provided the participants and the parents of the under-18-years-old participants with several documents: the descriptions of the research study and procedure and the consent forms (Attachment 1-5). The interviewees and the participants who joined the focus group interviews were all being informed that the conversation would be recorded. During both the semi-structured and focus group interviews, I used a digital voice recorder to record the conversation and also took notes on other observations, which might be useful for data analysis and could not be captured by tape recording such as the interview atmosphere and the participants' attitudes and gestures. I took about two months to transcribe all the interview data. Before translating these data from Thai to English language, I performed first the data reduction using open coding - which would be further exemplified in the next section. The size of interview data is huge; the selection of the relevant information in the original language assured me that I would not overlook the important ideas and their contextual meanings. Then it took me about four months to translate all the selected data into English language and to have my colleagues improved and verified the transcriptions.

My intention was to learn from people, not to study them. My position as a participant observer allows me to gain access to data without much difficulty and in the welcoming ways. The use of multiple data

collection techniques allowed me to gather invaluable data from different sources in various opportunities. Starting from the first day of program negotiation, I had spent two years visiting the community to collect data; as a result, the data were massive. The next challenge was to reduce and analyse this huge amount of qualitative data. I used an inductive procedure – open, axial, and selective coding – to reduce the data into themes and categories, identify patterns, and construct a framework to communicate the essence of my findings.

Data Analysis

To reduce and analyse the data, I utilised the coding method suggested as the application of grounded theory by Corbin & Strauss (1994) to reduce my data into themes and analyse for patterns that lead to theory that fitted the data. The themes discovered from coding were integrated and displayed in an organised and meaningful way through narratives. Vignettes were used to explore and highlight significant issues as the interpretations and explanations for the outcome of program delivery. All the names used in the narratives and the vignettes were replaced with pseudonyms.

Grounded theory

The inductive process of the grounded theory helped generate explanations from data that were grounded in the participants' lived experience as a result of participating in the program. Grounded theory served as a guideline for data reduction and analysis but did not direct the whole process of my research. Grounded theory offered a framework for the coding procedures, and helped me reconstruct data in a systematic and meaningful ways. By following the coding process, I was able to discover patterns and theories that assisted in the interpretation of the data. I did not aim at generating new theories; rather, I chose to compare the emerging pattern with existing theories.

Grounded theory uses three sets of coding procedures that help the analyst break down the original data, conceptualise it and re-arrange it in new ways to find the emerging pattern. The three coding stages are termed open coding, axial coding and selective coding (Strauss and Corbin 1998). These procedures can be used together or selectively (Flick, 2002). In this research, I used the first two stages of coding – open and axial coding – to discover themes or categories. First, I had identified and named phenomena found in the text with codes or short names for the interview transcription of the four groups of participants. The data were grouped according to their code to form themes and sub-themes. Then, I looked for relationships or patterns among the main themes and sub-themes to formulate the plot for the storyline for the case studies' narratives. Finally, selective coding was used to identify the core category. The main themes and sub-themes from four case studies were rearranged in different ways to find the theoretical concept, which data were compared and analysed.

I use Microsoft Office to ease my data reduction. I utilised the features available in Microsoft Word and Excel to create matrices for the coding and Mind Map technique to create conceptual maps. An illustration of usages is provided in appendix B and C.

Narratives and the use of metaphors

According to Riessman (2008), the term 'narrative' carries many meanings and is used in variety of ways by different disciplines. It can simply mean storytelling, or it can be view in more complicate context as a storytelling in the forms of either verbal or written text that demand linking of events and ideas in some temporal or meaningful patterns. Narratives are everywhere. Narratives could be stories told by participants about their experience, which are themselves interpretive, or interpretive accounts developed by the researchers based on their dialogue and interaction with others. I regarded these various forms of narratives as my data. I collected these narrative data

from different sources: transcripts of the interviews, my field notes, participants' journal, and minutes of meetings.

In this research, I followed Polkinghorne's (1995) notion of narrative analysis employing a thematic method to synthesise the emerging themes from the narrative data to form the explanatory narratives about each group of the participants' experience as a result of their participating in the program. These themes were configured into a temporal unity by plot, a thematic thread that laid out the themes as parts of an unfolding movement that culminated in an outcome in each of the narratives.

Not all data from the themes could be displayed in the narratives. I discovered a wide range of stories in the field and, from these, I had to decide on my 'own story'. Only the data that fitted the plot – the data that were significant in setting the scenes and that were related to the outcome of the narratives – were selected.

In this research, emerging themes from the four groups of participants were located in four narratives; combined, these narratives formed a single case study that described what had happened during the development and the implementation of the program. The voices heard in the case study are those of the participants and mine.

From my experience, the central ideas of the narratives were better communicated to the reader with the extensive use of metaphor. I found it to be a powerful tool to connect the reader to the complex, interwoven character of the participants' experience. I used metaphor to represent the four groups of participants in the narratives and even to create the plot for one of the narratives.

Vignettes

The vignette technique enables the elicitation of perceptions, opinions, beliefs and attitudes from the participants' responses. It is useful to interpret actions and occurrences that allow the program related context to be explored

and influential factors to be elucidated (Barter & Renold, 1999). Vignettes are defined by Miles (1990, p. 38) as providing

> …a snapshot, or perhaps a mini-movie, of a professional practitioner at work. They engage the professional directly in reflecting on a recent episode of practice, first describing it, and then producing thoughtful explanations. They combine a systematic, structured approach with the expression of 'emic' or personal meanings.

In my research, the vignettes represented snapshots of participants experience as the community bankers. During the interviews, the participants were asked to describe their memorable experience, either good or bad and to reflect on the issues that emerged from their own comments. The vignettes, which represented core issues, were then selected from the participants' responses on these matters together with my own personal interpretation from my experience as one of the participants.

Viewing in terms of utilisation of evaluation findings, the thick description of evaluation outcomes might appear a bit lengthy for the stakeholders who would be utilising this research to further improve their program. On contrary, these narratives and vignettes presented the participants' own stories, which are more meaningful to them than merely the reports of problems and recommendation. According to Stake (2004), the readers read the narratives based on their own experience and understanding leading to naturalistic generalisations – interpretation based on the prior experience. As a result, by adding new data to their existing frame of reference, the stakeholders would develop new knowledge and understanding about the program, which enhance their plans to improve the program.

This chapter entails the research methodologies designed in order to answer the research questions and the rationale, which provide the basis for selecting these methodologies. An interactive evaluation form and approach, the qualitative data, and the need for validity, reliability and the utilisation of the findings determined the methods for data collection, analysis, and

presentation. These methods were selected so that they complemented each other. The next chapter presents the four narratives constructed from an analysis of material gained through my participation in the program development.

CHAPTER 4

Four Narratives

Background to this Ethnographic Study

The community Bank project emerged from the coincident interests between the Baan Rienru community and Mitrapahp Bank. The community had indicated to their allies (the 'Allies') that they needed more funding to initiate new investments in the village and to learn about finance and management. At the same time, Mitrapahp Bank had also started to pioneer new credit market by extending a loan service to small-scale investment projects in the rural areas of Thailand, but had, until this time, been unable to reach individual micro lenders because of the anticipated high operating cost. The community's Allies, who had been working with the Villagers to encourage them to learn to solve their community problems, were the main coordinators who matched these two coinciding interests.

The Villagers and their Allies had invited Mitrapahp Bank to the Baan Rienru community to discuss the possibility of cooperation and mutual benefits. After several meetings, the Community Bank pilot program was initiated with an agreement that Mitrapahp Bank would provide three million baht loan charging minimum interest rate with three-year term, customised Bank operating system for the Community Bank, as well as necessary training and support for the Villagers, who would operate and manage the Community Bank. Given the community's successful background in designing and managing their own financial group, which they called the

'Savings Group', Mitrapahp Bank and the Villagers would learn cooperatively from each other to construct the appropriate banking model for the Community Bank, which was going to be the first villager-managed Community Bank in Thailand. Mitrapahp Bank would be able to lend small loans to individual villagers through this self-managed Community Bank with an inexpensive operating cost. The Villagers would acquire the funding they needed and were able to practically learn about banking and financial management by setting up and managing a real bank.

I was invited to attend the first meeting held at the village and was introduced to the key people of the program by a friend who worked as a consultant for Mitrapahp Bank. After listening to the presentation and discussion, I had become so enthusiastic that afterward I had successfully negotiated myself to become the researcher for Mitrapahp Bank on this Community Bank pilot program. As a researcher, I began to visit the community by travelling with Mitrapahp Bank team on the first several trips. Because of the team's limited opportunity for regular, extended visits and an invitation from Krue Wai – a prominent woman and the elementary teacher in the village with whom I had become acquainted – for me to stay at her house, I later on decided to travel there, regularly and alone. This was the start of my two-year-long fieldwork involvement with the community.

I visited the village almost every month, each stay lasting about ten days, for two years: I virtually become a permanent resident at Krue Wai's house. I was very fortunate to stay with Krue Wai, for I became acquainted also with her husband, Jah Choke, who was the one of the most respected community leaders; and with as her daughter, Nat, who was the leader of many projects managed by the Youngsters (whose impact on the project will be discussed later). Through Krue Wai and Nat, I was able to become acquainted with the Youngsters and their parents. In addition, I also had the chance to meet and get to know well the many Villagers who regularly visited Krue Wai and Jah Choke for consultation on various community projects. In the early stages, most of the Villagers did not talk much with me

until we were acquainted: I chose to build trust through friendship. I was invited by the Villagers to join various community activities such as growing and harvesting rice; attending monthly meetings, sports days, yearly rituals and ceremonies, and funerals; community projects such as the Savings Group's monthly transaction day, English Camp, and building flood-prevention dams. From these activities, I was easily able to become acquainted with other Villagers who otherwise I would have had no chance to meet; through them I learnt details of important community norms and beliefs.

For the Community Bank pilot program, there were four main groups of people including me, who had roles in the development. The first two groups were the Villagers, which I had distinguished them clearly as adult Villagers or the elected committee members and the Youngsters or the Bank clerks. The third group was the Bankers from Mitrapahp Bank. There were two teams: the Bangkok team, whom I worked with and had interviewed and the Lana team. Bangkok team was assigned by the headquarter to provide the necessary Banking infrastructure and knowledge for the Villagers mainly during the development with necessary supports after the establishment of the Community Bank. The local team, on the other hand, was assigned mainly to provide timely supports after the establishment because they were located nearer in the same province. The fourth group was whom the Villagers called 'Allies' or 'Fa' for facilitators. After the negotiation completed, they had changed their roles to consulting, monitoring the progress of development, and auditing the year-end Community Bank performance. For me, my roles after the program had started were constantly changing. I had attended the meetings and the discussions quite regularly, until the Villagers and the Bankers treated me as if I were one of the participants and asked me for my opinions. I also attended the Banking system trainings with the youngster and helped them at the Bank on Sunday. At the end of the first six months, I helped the Allies audit the performance of the Community Bank. Primarily, I only observed various ongoing

activities of the Community Bank, but afterward I had actually participated in everything.

I had obtained data for the case studies mainly from my participation in the program and from the interviews. I had a focus group discussion with the three Bankers from the Bangkok team and four youngsters, but the separate interviews with thirteen committee members and three Allies because they could hardly find corresponding time. The information I had obtained from the four groups portrayed the live images in four different perspectives of Community Bank development.

In the following sections, I will portray each of the four groups in a series of narratives: the Villagers, the Bankers, the Allies, and the Youngsters. These narratives form the first part of a case study of the establishment and development of the Mitrapahp Community Bank in Baan Rienru, Thailand. The material presented in this case study will constitute the data to be used in the interactive evaluation of the implementation of the program.

The idea of using metaphors originated during the reflection between me and my supervisor and from my attempt to describe the situations that each group was facing during the development. The difficulties of explanation coincidently brought up the use of metaphor that surprisingly represented the whole story. In the same way, the metaphor could provide the readers with the preview of the characteristics and story about each group forthcoming. I found the use of metaphor a subtle and creative way to convey a picture of my intricate experience that shaped my understanding about each group.

Fellowship of the Fleas: The Villagers' Narratives

I was reviewing the Community Bank project proposal and documents again as I was on the train heading for Lampang. It was dark outside – except for my thinking light which was still on. I was reflecting on something of significance to me in relation to Charles Handy. I thought about Charles

Handy, a man whose ideas influence organisational work. I remembered reading his article (Handy, 2002) entitled, 'The Elephant and the Fleas: Is Your Organisation Prepared for Change?' According to Handy, if organisations are going to survive in a turbulent and changing world, they need to constantly reinvent themselves. Handy used the quirky, but powerful metaphor of the elephant and the fleas to critique the dilemma between common organisational practices and desired inventions. Handy (2002, p. 29) used the 'elephant' metaphor to represent the behemoth – slow-moving organisations that have deeply ingrained ways of working and behaving:

> By elephants I mean the established organisations, be they in business, government, or the voluntary sector. These organisations have a settled way of doing things; they have formalised systems and routines. They deliver efficiency and scale and cultivate predictability, which see as the key to efficiency.

These elephants usually joined with other elephants to increase scale and pool resources believing that size is the safest in a turbulent world. Handy (2002, p. 30) argues that these organisations do not by themselves guarantee success; instead they need some 'fleas' to help them start investigating other business alternatives.

The fleas represent these creative, independent individuals – or groups of small independent business or community ventures – who are more innovative:

> The first important thing to note was that these innovators, or fleas, saw themselves as different from other people and destined, in their own eyes, to make a difference. They were not conformist, something that on its own makes it difficult to accommodate them in any institution.

Elephants need fleas, but the fleas in this case study hardly need elephants to be able to survive. These fleas are non-conformists who find the bureaucratic corporate life intolerable. The need for conformity suffocates them; they need space for independence. The need for survival leads elephant in search

of ways to live happily with the fleas. Some elephant organisations buy successful villagers' organisations then incorporate their innovation. Some organisations chose to finance the fleas to set up an innovative department or organisation, while others try to make themselves 'natural home' for fleas.

The Community Bank project was similar to Charles Handy's (2002) organisation survival story. To me, the state-owned Mitrapahp Bank looked like an elephant; the Baan Rienru community is a fellowship of creative and dedicated villagers who are willing to commit themselves for a common cause. Mitrapahp Bank joined with Baan Rienru to cooperatively develop the suitable Community Bank for the rural community. To confirm my assumption, it remains necessary to use this case study to reveal whether or not Mitrapahp Bank and Baan Rienru were, in reality, Charles Handy's metaphorical elephant and fleas.

The flea committee

The villagers organised the community meeting to nominate and elect the village committee to coordinate and work with the Mitrapahp Bank to set up the Community Bank. Thirteen villagers were elected to form a Community Bank committee. The Community Bank had one manager and five departments: accounting, financial, credit, loan collection, and administration. Besides this working committee, there was also an audit committee to ensure the transparency of the Community Bank.

Most of the committee members also worked for different departments – apart from two senior villagers, Poh Luang and Poh Lert. They participated only in policymaking. 'Poh', in Thai language, means father and is used as a title for respected men of the village. Poh Luang was the village headman, and Poh Lert was a village committee member.

Mr. Boon was the manager of the bank. He was chosen because of his experience in dealing with the commercial bank, as well as for his business skills. He was a significant businessman in the village because he helped create jobs for the Villagers.

Noina and Moh Pam worked for the Accounting Department. Noina was a young housewife, a mother of two children, and a leader of the family. Now she made sausages to sell at the community's convenience store to earn income while her husband was away to work in other district. Unlike Noina, Moh Pam was a public health officer at Baan Rienru Public Health Centre. The villagers respected his equivalence as a doctor: in the Thai language, 'Moh' means 'doctor'. Loong Jaidee, Loong Dang, and Phi Chai worked for the financial department. 'Loong' means uncle, and 'Phi' means brother. Then, Loong Jaidee used to be on the district council; now, he had resigned and raised pigs. Loong Dang was the school caretaker and the committee member of many ongoing projects of the community. Phi Chai, on the other hand, worked in the nearby district as civil construction worker.

Loong Mahn and Phi Nueng were assigned to work for the credit department. Loong Mahn was the assistant to Poh Luang. He had retired from the army to raise cattle and grow fruits. Unlike Phi Chai, Phi Nueng worked in the village. He owned a small motorcycle repair shop close to Krue Wai's house where I stayed. Loong Tong worked for the Loan Collection Department. Most of the time, Loong Tong went to the forest to find snakes, frogs, and wild mushrooms.

During my visits to the village, I stayed with Krue Wai and Jah Choke. Both of them were prominent persons in the village. Krue Wai was an elementary teacher at Baan Rienru School; her title, 'Krue' means 'teacher'. She was the main coordinator for the Allies on many community projects. Jah Choke was a soldier; 'Jah' refers to the army rank of Sergeant Major First Class; he was also the middleman for the village craftwork. For the Community Bank, Krue Wai was a secretary of the Community Bank working under the administration department, while Jah Choke worked for the audit committee.

The elephant's classroom

The different backgrounds of the Mitrapahp Bank staff and the Villagers made working together quite difficult. The Mitrapahp Bank staff's first task was knowledge transfer. There were two steps of knowledge transfer – before and during the implementation. Prior to implementation, Mitrapahp Bank organised a two-day workshop at the village's primary school. Besides the Community Bank committee members and staff, Mitrapahp Bank staff encouraged everyone to attend the workshop to get more familiar with the banking procedures, which might be different from the procedures of the savings group. Mitrapahp Bank staff handed out the banking operation manual and explained about the transaction documents and deposit-withdrawal procedures, accounting, loan application form, and basic credit analysis skills. Then, after the preliminary sessions, the Mitrapahp Bank staff assisted the Community Bank staff on their actual routine tasks.

I had discussed the appropriateness of the knowledge transfer approach of the Mitrapahp Bank staff with the Community Bank staff. A few of these community members told me that they did not attend the workshop, while some of them had to leave earlier because they had to work. Most of the Villagers who were present admitted that the material presented during the workshop was hard to understand, and that they liked on-the-job training better. Noina said that their explanation were very technical, using a lot of financial terms:

> During the lecture, I listened but didn't understand, confusing, and hard when they used the overhead slides to explain technical things. I was not familiar with their financial terms.

Like Noina, Loong Mahn did not understand the Mitrapahp Bank staff's explanation during the lecture:

> The lectures were full of financial term; it was hard to understand. I did question them. Sometime I didn't understand at all what they were talking

> about. I had to really get together with them learning intensely one-to-one and word-for-word, and then I understood.

After the lecture, the Villagers underwent on-the-job training with the Mitrapahp Bank staff. Although Loong Mahn did not learn much from the workshop, he caught up later during on-the-job training. Like Loon Mahn, Loong Dang had also experienced similar benefits from his on-the-job training:

> I began to understand what they had taught during the later part when implementation started. They coached us repeatedly until we could do it correctly.

Loong Mahn and Loong Dang's progress was clearly a product of the Mitrapahp Bank staff's close assistance.

I found Loong Mahn and Loong Dang able to work independently less than two months after the Community Bank started to operate. Moh Pam also agreed with them; in addition, she provided an illustration as to why on-the-job training was necessary:

> The systematic banking procedures were quite hard for the fleas. It certainly required longer time as well as practical training not just explanation; for example, there would be a computer software for the clients' accounts as well as the bank balance sheet, which I needed to get a hand-on experience to know how it really work. Only until then, I will understand.

Aside from her critique and recommendation on the Mitrapahp Bank staff's teaching style, Moh Pam made a significant additional comment about the banking system manual:

> They also gave us the manual which I tried to read and understand. During the explanation, I thought I understood, but afterwards, I forgot. I needed to really put my hands on especially the banking program. It should be simplified.

Moh Pam suggested that the manual was too complicated to follow and should be made easier.

When it come to banking software training, the adult Community Bank staff waived and passed on responsibility to the Youngsters. Loong Dang made his excuse:

> Oh, no! Now I am too old, I guess. Bad memory! Indeed, I had thought about it, but I don't have the courage to start learning it. Admittedly, I think I wouldn't be able to learn.

Being too old and slow to learn was the most frequent excuse: Poh Luang made just such an excuse:

> Most of our members of the Community Bank committee are unfamiliar with computers and modern technology. We have to rely on our youngsters. If there were no younger generation, we alone would never make it. We are too old to learn this hi-tech stuff like computers and the Internet. We are very slow with these things.

The adult's fear of the technological aspects of the program was not taken into serious account because this task had already been assigned to a group of youngsters.

Despite the struggles and regardless of how inadequate were the Mitrapahp Bank's classroom sessions, the Community Bank staff managed to learn and practice the relevant skills they needed to operate the bank. Mitrapahp Bank staff knew that their classroom sessions had failed, but they finally tuned in during on-the-job training session. The knowledge transfer sessions, eventually, were successfully completed.

Fasten the safety belt

The Community Bank committee set out to draft bank policy, particularly its loan policy. They had specified the lending criteria on the basis of their prior experiences from running the savings group – with the guidance of

Mitrapahp Bank. An unpleasant experience of being sunk into the whirlpool of indebtedness prompted the Villagers to be better safeguarded when developing the Community Bank's loan policy; therefore, the flea committee's main concern was to secure the minimum non-productive loans as well as profitability for the bank. To reduce the risks associated with bad loans, they chose to fasten their safety belts by demanding a tight loan policy. I had acquired this aforementioned information during the policy discussion with the flea committee; however, it was only the tip of an iceberg. I had become aware, from subsequent interviews, both of reasons that might lead to the committee's decision to tighten the loan policy as well as foreseeing the consequences of their rigidity.

During the interview, Loong Tong had reassured me that the Community Bank committee had designed a tight loan policy to minimise bad loans:

> However, if the criteria were not strict like this, the three million baht that we've got would never be enough and could soon pile up as non-performing loans which would add up to our prior community debt.

The committee was concerned that if they were inattentive to the lending criteria they might repeat the same mistakes and end up with even more debts. Jah Choke mentioned another reason related to the committee members' apprehension of being regarded as responsible for re-payment of the three-million baht loan:

> The members of the committee who signed the loan contract were scared of losing the money because if the Community Bank couldn't make the repayment, all the members would have to be responsible for it.

This was true; the three-million baht loan contract required three committee members to sign as the borrowers, and the rest to sign as the guarantors. The fear of this burden was thought by Jah Choke to be the committee's main reason for imposing a tough loan policy:

> That's why everyone was trying to make the lending criteria very strict; as a result, the Community Bank credit accounts had not moved anywhere yet.

While the positive effect of this tight loan policy was still indeterminate, Jah Choke had discerned the consequence of such stringency:

> The workflow was held up a bit, we couldn't move forward or backward. The committee was reluctant to approve loan application because they were afraid of having non-performing loans. I think this impedes the community's chances for new investment. Although some projects were good projects, the application was rejected because the applicant did not have enough collateral.

He believed that such hesitation would hinder the development of the Community Bank. The tight loan policy had increased the numbers of disqualified applicants and had highlighted their inability to utilise available Community Bank reserves.

Along with the committee's decision to impose tight loan policy, it had also decided to adopt the criteria proposed by the Mitrapahp Bank staff. Krue Wai provided grounds for the committee's decision:

> We had all the information. We knew the risk we had to take. It was our anxiety that sometime led us to think like them. They explained to us how they did it commercially. In fact, we wanted to learn about banking, but we didn't want to apply all of their ways. When we knew all the information, we felt terrified.

Having been notified of the possible risk, the committee began to feel uncertain about their lending practices, and chose to adopt some of the commercial criteria presented by the bank. While Krue Wai believed that it was the decision of the committee to follow the Mitrapahp Bank staff's way, Phi Nueng was convinced that they were being forced into accepting the commercial bank's ways:

> During the lending criteria write-up, I think there was too much intervention from Mitrapahp Bank staff. They were thinking from the commercial bank ways, and very little about micro businesses like in our case. Yet, our committee thought we had little knowledge so we had better listen to them.

He was indignant at the way the flea committee was being directed. He appeared to disfavour the Community Bank lending criteria to be like those of the commercial banks in the city.

Jah Choke illustrated a thought-provoking example of an adopted commercial bank criteria – the requirements for obtaining a mortgage:

> Mitrapahp Bank staff and we would definitely have different ways of thinking. The best example was about the mortgage. The land around here does not have title deed, but everyone knows which piece of land belongs to whom, and everyone respects that. With our Saving Group, our title deed-less land has value and can be used as a mortgage. I could buy, sell, or transfer them to my children even without the title deed. Even the trees in my land; no one would cut them. They wanted the Community Bank to only accept the land with title deed as mortgage as well as make the contract official by law. We are not thinking commercial here. However, it was already the consensus to follow the bankers' suggestion about legalising the contract.

According to Jah Choke, a small number of villagers who owned land with the title deeds would have greater benefits over the majority of the Villagers who did not have the land's title deeds. Loong Tong had similar thoughts to Jah Choke:

> Frankly speaking, the Community Bank was not really for the underprivileged: they couldn't get it. If a rich person wanted to apply for the loan, they could get it right away.

Loong Tong felt the required mortgage criteria would discriminate against poorer villagers. Poh Lert drew a similar conclusion:

> I think this Community Bank does not truly help people in our community. The loan we got from Mitrapahp Bank had relatively low interest rate compared to any of the funding we have got in the village. However, because of the extremely strict criteria, we couldn't utilise it.

He concluded that the present policy structure had made the Community Bank irrelevant.

Loong Mahn compared for me the difference between the community savings group versus the Community Bank's discipline related to collateral and mortgage:

> For our savings group, if the lenders could not repay debt, we would not be tough enough to take away their collateral; we sympathised with them. However, for the Community Bank, I think we could not follow the old ways anymore. There must be rules and regulations because our committee had borrowed this three million baht loan from Mitrapahp Bank. We now need to follow regulation more strictly.

According to Loong Mahn, seizure of assets was not a regular action for the savings group, but might be for the Community Bank. According to my knowledge, the savings group usually applied social punishment and extended reimbursement period to secure the principle capital, but for the community, Loong Mahn had reemphasised the need for a more commercialised and assertive loan policy to safeguard the committee members against the charge for reimbursement capability.

Besides the dispute over the collateral and mortgage criteria issue, Loong Mahn also mentioned that there were many applicants who complained about the loan application form as being too complicated and lengthy. Loong Mahn summed up the complaints he received:

> I work in the credit division. There were some applicants whose proposal had already passed but still wanted to cancel. The process is not complicated if the documents were ready. The trouble is with the paper work. The documents for a single contract are so thick. Everyone was

> bored – both the applicants and the guarantors. We worked hard to coordinate for complete and correct documents.

This was a surprising fact for me. I could not imagine how an application form could be such an obstacle. Could a difficult loan application form really lose the Villagers' interest in obtaining a loan?

As more standardised banking practices were introduced, some of the committee members, especially Jah Choke, felt that his Rienru Community was being ruined. He referred to the community as being 'systematised':

> In a way, the commercial banking style shattered our community. Our community is systematised; villagers do not think in a commercial way. We used to honour each other's loyalty. We have our own social sanction system here. The bank came in and spoiled our community fellowship. Our context must be well respected. This is our individuality; we could manage ourselves well.

The loan policy not only affected intended borrowers, but also adversely affected the community's identity. Jah Choke asserted that Mitrapahp Bank staff had swayed the Villagers towards a commercial way of thinking, which rendered unsympathetic conditions and led to the depletion of community values. He also perceived that the committee was acting unnaturally due to their reimbursement obligation:

> However, we were trapped as the legalised borrowers of the three million baht for which we must be responsible. We do not earn any benefit whatsoever; the profits would go to the community, not us. With this condition, that was why the Community Bank turned out this way. If the funding was without charge, the Community Bank policies would have become something else.

Jah Choke expected that different and more natural development would be possible only if the funding were free. In fact, the Community Bank committee had chosen to combine both communal and commercial aspect to

develop their loan policy. Most of the Villagers, however, sensed that it was more commercial and systematic and they did not like it.

Loong Jaidee accepted the fact that the commercial banks' loan policy was applied nationally, but he argued that it might not work for the flea community:

> It's true that that was the standard, but it would be too difficult for the rural community like us to follow. I felt pressured and stress-out. The combination of two streams of thought didn't quite match. The development of Community Bank was quite slow because the commercial bank's way and our way weren't quite synchronised. However, we both tried to adjust.

Loong Jaidee believed that the incompatibility between the two streams of thoughts had hindered the progress of Community Bank. Many of the committee members believed that the differences between communal and commercial practices had made the adjustment difficult and unpleasant.

Riding with the elephant

The goal of the Community Bank was to help the Villagers to broaden their occupations and finally solve their debt problem; working toward the predetermined goal required hard work and dedication on the part of the program participants. These villagers found themselves being affected – some more, some less – by participating in the Community Bank development program.

For many, hope sprang from the three-million baht news but Krue Wai felt that she was still not ready for it:

> It's not that easy; the three million baht that the Villagers always wanted. We should be able to think first, like what do we do if we get three million baht? We did not think it through yet, and here came three million.

The lack of a fund management plan was what worried Krue Wai. But it was not only just the lack of plan that worried her; there was also the lack of human resources:

> I tried asking people to help me manage. All the Villagers said this was good, but everyone said I had no time; I had lots of work. It was very hard to find because everyone was reluctant to shoulder this responsibility.

Although she knew from her experience that many of the Villagers would not join the program until it was stable, she still felt bad when she encountered with their refusal to allow her to join the Community Bank management team:

> Misery! Misery! This bothered me. I couldn't sleep, you know! Initially everyone wanted to join, but afterwards I asked them to be in the management team; they said wait, wait! We had to constantly find new people.

Earlier, I had not recognised her worries; after hearing her account, I found the Community Bank program, especially in the initial stage, had had a negative impact on her.

Like Krue Wai, all the other committee members were community activists each of whom had a huge workloads. Time was their major constraint. Most of them admitted that they could not dedicate all of their time to the Community Bank because there were also other equally important work to do, the most important, earning a living. Poh Luang gave me an illustration on this:

> We all have routine work; for instance, this month is the harvest season. We all are very tired. Although everyone would attend the meetings, there was no soul – no contributions. So it would be worthless and waste of time; therefore, we had better wait until after the harvest season to have the meetings.

Almost every family saved part of their land to grow rice. The harvested rice was sufficient only for family consumption for the next coming year. It was clear to me that the Community Bank definitely could wait, for harvest time came only once a year. For the salary-earners, they certainly had to go to their regular work. Moh Pam related her situation as a government officer:

> In my case, I am a public health officer. I am very busy most of the time; as a result, there was a limitation for me to fully commit to the Community Bank's works.

Moh Pam admitted that she had not yet given her best effort to the Community Bank's work.

Like Moh Pam, many committee members were also preoccupied with their everyday work. As a consequence, many had to sacrifice their leisure time with family to work for the Community Bank; for instance, Loong Dang mentioned that he had less time to work and to stay with his family:

> I had less time with my family; however, my wife understood me well. Sometime, I also felt depressed, but not disheartened!

His disclosure surprised me. Earlier I had not realised that the Community Bank's work had an impact on his feeling. I met him at the Community Bank office very often. There, I had seen him working attentively without any sign of discouragement.

Beside the financial and emotional impact of this work, many members of the flea committee were adversely affected by the negative consequences of the bank's lending policy. The lending criteria had become the subject of constant dispute among themselves, and also their loan applicants. The committee members had to cope with the Villagers' complaints about the rigidity of the lending criteria. Loong Jaidee expressed his feeling:

> I was sometime downhearted because of the blame from customers, with their saying that we had made the regulation too tight for them to be beneficial. I didn't know what to say further (pause). If we didn't manage well, the bank would not progress well. I felt a bit discouraged.

He was mindful of both the Community Bank's success, and at the same time, his customers' welfare; the discrepancy in needs placed him in a difficult situation.

Phi Nueng had also confronted the same situation:

> Criticism! That's what I got. I didn't really care. I did what I believed was right. I care about them. I did not want them to take the loan that they were not able to repay. I tried to make sure that's why I checked all details, but they said I tried to restrain them from getting the loan.

He preferred to examine the loan application with meticulous attention to ensure the borrowers' reimbursement ability. Despite his concern, he had received complaints from the applicants disapproving his action. Frustration from being misunderstood coupled with work constraints caused him to later resign from the Community Bank:

> The other negative affect was related to my occupation. I couldn't finish fixing customers' motorcycle on time. I needed to focus more on my jobs. Community bank's work had taken much of my time. For example, when the customers brought their motorcycle to fix to be able to use tomorrow, I could not finish it on time. I lost credibility. As a result, I resigned.

Phi Nueng was worried that he might lose customers; therefore, he had chosen to quit from the flea committee and save his motorcycle repair shop instead.

A majority of the committee members voted to keep their tight loan policy regardless of the complaints, while some of them realised that they were digging themselves into a hole which would be very difficult to get out of. At some stage, some of the committee members had come to be loan applicants themselves; they found out that they did not pass their own

criteria! Poh Lert, for example, was disqualified because his age was over sixty. Although he was one of committee members, who volunteered to sign as borrowers of the three-million baht loan from Mitrapahp Bank, there was no exception. I arranged an interview with him afterwards. Initially, I was a bit scared to ask him for a personal interview because I heard that he was very angry when his loan application was rejected. He, however, accepted my request and talked to me very kindly. He told me what had happened:

> The lending criteria were too tough, which made most villagers became under qualified. In the case of myself, I had applied for a six-digit loan, but the committee didn't approve because my age is more than sixty. I was one of the three committee members who signed the three million baht contract with Mitrapahp Bank. My son-in-law wanted to borrow, but also got rejected because he wanted to invest outside of the community. With my credit, I could get the loan from banks in the city, and how come not from our own bank. I couldn't work for the Community Bank anymore, so I decided to resign.

He felt strongly discredited as he compared the policy of the Community Bank to those of the commercial banks. After his application was declined, he began to feel that the committee had not commiserated with his difficult situation. He became very disappointed and resigned.

Despite the negative responses, the participants were thankful that no matter what happened; they had the benefits of knowledge and self-improvement. During the interviews, the Villagers talked proudly when I asked them about their learning experiences. Noina told me the Community Bank had changed her attitude toward investment:

> It also drives me to think more about investment, for example, what business should I invest in to make my money more fruitful. I have a better attitude toward investment.

Most villagers found the banking and financial skills they had acquired to be useful. Phi Nueng, although he had resigned, acknowledged that he had learnt a great deal:

> I learnt about management, financial matters, loan contracts, and indemnification. I have more knowledge; that's the good part.

Jah Choke was particularly pleased with the accounting program introduced by Mitrapahp Bank:

> We have learnt more modern banking system which is more universally accepted, rather than being self-centred. We could make comparison. The most important, we have learnt how to use banking program which calculate and store data more accurately.

Although he did not like the community to be systematised, as he mentioned earlier, he had acknowledged helpfulness of technology.

Krue Wai took a step further in applying the knowledge to improve her own work:

> I learned to work more systematically and rigorously. I planned the future more carefully and tried to figure out possible problems as well as solutions. This was the positive effect

In addition to speaking of her own experience, Krue Wai, in an interesting account, related her ideas about her community's learning experience:

> [The link] between villagers and learning, I still could not see. But here are the three millions, it is the interesting instrument. My expectation was not about the money matter. They gave, so we have to get it. Since it was a coincidence that villagers said that the funds they had were not enough for their new investment projects, so we brought in the fund. If we said let's learn about accounting, who's going to care? But now with the three millions, we have a three years commitment to take care of that money and the most important, to learn about accounting. That's why I was happy with it. Although not many people borrow from the Community Bank, this

> is not a big deal. Not a problem! Beneath the stagnation, something was moving well.

For her, Community Bank and the three million baht loan was just an 'instrument' that had encouraged the Villagers to learn about accounting. Krue Wai also found the Community Bank had indirectly influenced the Villagers in many good ways. She raised an example about how the Community Bank had influenced the savings group management:

> Actually, I found them learning a lot of things. After countless meetings and discussions about the Community Bank regulations and lending criteria, they have changed at last. Our Saving Group hardly changed their regulations. However, after they'd seen how things worked out, they were more careful with their money and cared more about the possibility of being cheated.

Krue Wai told me that it had been very difficult to introduce change to the savings group just by explanation. Telling the Villagers what to do was no substitute for them actually dealing with reality: real cases talked louder than words!

Adding to Krue Wai's comment, Poh Luang, head of the savings group, also acknowledged the benefits of the systematised banking operation routine:

> Now we have tools like computers and accounting program, which we could save massive amount of financial data of in a more organised way. The Community Bank had a systematic way of arranging their file cabinet neatly. We also learned how to keep our files and paper work more systematically.

He had adapted what he learned to the community's savings group:

> This month, our Saving Group would reorganise our three-four years stocked documents. I planned to buy new computer and folders to start new filing system for our Saving Group.

The emerging fact amazed me. It was true, as Krue Wai had said: the Community Bank program could be an 'instrument' or an indirect change agent for the community.

Qualities of the fleas

Regardless of the difficulties, the Mitrapahp Bank staff and the Villagers were able to establish the Community Bank on May 2003. On June 20, 2003, the Prime Minister visited the fleas' village to witness and reopen the Community Bank officially.

Following the Prime Minister's visit, many newspapers and television media made contact and interviewed the Villagers. They were busier. I waited until things were back to normal then I discussed with them about their first-step success. I ask them, 'What do you think made you come this far?' Each of the committee members answered me fluently and confidently: I realised that I was asking the right question at the right time. I found their answers were well-prepared. Noina emphasised unity as the main success factor:

> It's the unity! If this quality was lacking, then nothing could be accomplished. In whatever we do, if we are constantly pushing against one another, we I would never have what we have today. It's undeniable that people have different opinions, but the most important thing is how we compromise.

Noina as well as the committee members believed that the major factor for successful establishment of the Community Bank was their fellowship and compromising nature, which partly resulted from their close relationship with each other. Noina described the fleas' relationship in terms of their being 'kinsfolk' – such as brothers and sisters; mothers and fathers; aunts and uncles; …:

> I should say that all the projects we did was kind of hard, but it was because of our close kinsfolk that make it easy for us to find the middle

> ground. Conflict of interest was not our obstacle because we would finally be able to resolve them anyway.

When she mentioned about kinship, it reminded me of a fact that had really surprised me. I found out that there are almost 600 people in the same community who shared as few as 20 family names. I noticed from my fieldwork that this village is indeed a relatively small village. It was about 27 years ago that the road first connected the village to the world. Most people who lived in the village are descendants of common ancestors. There were only a few outsiders who chose to settle at the Rienru Village; because of this, the Villagers, themselves, believed in the community's discipline. Loong Jaidee said that most villagers were meticulous in their debt repayment:

> From my experience, this community had good debt repayment record. Personally, I am not sure about other community. From my experience as district council, there were many people who plan to deny their debts repayment responsibility even though the commercial banks have strict criteria as well as those legal contracts.

Loong Jaidee believed that most villagers showed strong self-discipline. In addition, Phi Nueng suggested that orderliness also came from strict community regulations:

> I trusted that most villagers have the discipline on debt repayment. I am not sure whether other communities had this quality. In our village, besides the regulations of each group, we have the community regulations as our big umbrella. If any group created debts, the village committee would make sure the group would not blamed others and that they would be responsible.

The Rienru community had their own regulatory and social sanction system; for instance, any fleas who disregarded the community regulation would have their name announced to the public, or they would even be prohibited from using the village's electricity and water supply. These

regulations were decided by consensus: everyone was willing to comply with them. From their perspective, the Villagers were proud of their community. Mr. Boon added that he trusted the community's management skills and their honesty:

> I trusted this community for having reliable debt management. They really could manage it. What I've known so far, there is no corruption here. Each group has its own monitoring system, and on top of those, there is the village committee who provides overall supervision.

Moh Pam exemplified for me the 'monitoring system', which she believed was the foundation for good governance:

> We had the community consensus to establish the Community Bank. It was our norm that the important issues must be proposed to the community hearing for their consensus to be accepted or rejected. The village committee could not make decision by themselves; they needed approval from the whole community to be able to proceed. In our community we have the elected village headman and village committee. With this, I am sure that there would not be bribery or loose credit criteria for relatives.

The villagers hold a community hearing at the end of each month. At these meetings, the village leaders report the progress of all the on-going projects to the Villagers, in order to ensure transparency. Every proposed project, as well as its management team, must receive community approval by consensus before it can be implemented. Moh Pam also suggested that the committee members' knowledge from working for the savings group were advantageous:

> All of the committee members and I had participated in the establishment of our community's saving group. We already had some financial knowledge that I thought would also help in establishing the new Community Bank.

Besides financial knowledge, loan management experience made Loong Jaidee more confident that he could manage the Community Bank successfully as well:

> We could establish the bank successfully because we already had the experience of creating our own Saving Group, and it has worked well. If we'd never had a glimpse of it, we would not be so confident. We know how to lend the fund to our community members and how to manage so that there would be no bad loans.

I agreed with this perception. They had managed their savings group successfully. The savings group started four years ago with only several hundred thousand baht, but by 2004, they had raised over three million baht of funding.

The adult villagers were more familiar with policymaking and management than with banking technology; however, they were fortunate to have the Youngsters' aid to complement this, their weak side. Moh Pam paid credit to the Youngsters for their ability with information technology:

> The youngsters played a major role here as our bridge towards the information technology. If we didn't have these youngsters then it's going to be very slow. Our youngsters would learn the banking program from the programmer, and we're going to learn from them later. They were fast learners especially on these IT stuffs.

The adults' lack of knowledge of information and computer technology led them to believe that they were slow learners; for this reason, adults preferred to learn with lesser pressure from their youngsters rather than from the programmers.

The qualities such as these were what enabled the program to continue and to prosper. The committee had demonstrated their ability to ride through setbacks and keep going through adversity. These really are the qualities of the fellowship of the fleas.

My reflection on the fleas

Time is so valuable. As a researcher, my fieldwork had also been challenged by time constraints. At first, I had planned to organise focus group discussions of about four to five people in a group on the weekends. It turned out that my plan needed to be modified because the Villagers and I could not find free time that coincided with each other. Most villagers worked every day. They either went out to raise cattle, to plant or harvest crops in their fields, or stayed at home to carve wood and weave clothes. Each of the Villagers worked separately. Some of them went to work in the fields for the whole day, while some went out to work in the city. They were all at different places for all of the time except at night during the meetings. Initially, my back-up plan was to arrange group discussion right after the night meetings; unfortunately, on every occasion, the meetings ended so late, at about midnight. I saw the fatigued faces and people yawning all the time, and thought to myself, 'What is the next, next back-up plan?'

I consulted Jah Choke. We decided to do small interviews, either individually or in groups of two. He was so helpful and kind. Jah Choke conducted me around the village to mark each of the fleas' houses, and also asked them to agree to meet with me. Sometimes when he was free, he would also accompany me during my interviews. On a number of occasions, we were able to invite the committee members for a group interview at Jah Choke's house.

As well as Jah Choke's assistance, in the evening after schools and during the weekends, the village children played good navigators. They could easily lead me to the fleas' house I would like to visit. I had learnt a few shortcut routes in the village. I felt so honoured to receive their kind consideration and generosity; all the children said they were more than happy to spare their time to talk with me.

Another nine months had already passed since the Community Bank's official opening. The villagers were familiar with their routine tasks. For me, I was eager to conduct follow-up interviews. I was interested to

know how they felt after the program had been in operation for nine months. I chose, first, to interview the manager of the Community Bank, Mr. Boon. I asked him, 'What is your feeling toward our Community Bank at this moment?' He gave a thoughtful and serious response:

> At first, the information I had was that Rienru community needed more funding. Ok! But now, we could not lend out the money! So we had to change what we had perceived earlier. It's not about the lack of funds anymore. There are many funds here, and many of them still have funds available. I think we needed to change our plan. It was like having a pocket full of cash and not knowing what to do with it. We have not thought about it yet. We don't know how. I don't know, please help us think.

His comments reminded me that the Community Bank still had more than two million baht of reserves left. Mr Boon did not understand why the Villagers did not want to apply, and neither did I. Presumably, the funding was not the most important support they needed at this moment. His response aroused my curiosity.

After several interviews, I found there were two common concerns: new occupational challenges, and a growing investment phobia that, together, explained why the Villagers did not want to borrow from the Community Bank. Due to the community's hilly geography and the long drought period, the Villagers' choices of occupation were quite limited. Most villagers chose to become either farmers, herdsmen, or workmen, while efforts to create new occupations usually failed because of unfavourable environmental factors and the lack of investment knowledge. These repeated failures and capital losses had made the Villagers become afraid to reinvest.

According to Poh Luang, most of the fleas' occupations were undependable:

> Fleas' occupations were the problems. The Community Bank committee didn't want to lend the money if the applicants didn't have occupation with reliable income.

Partly, it was the committee's reluctance to approve the loan because, in some cases, the applicants wanted loans to improve or consolidate their existing occupations that were perceived by the committee to yield unpredictable income.

Phi Chai, however, indicated that a reason for the committee's conservative decision-making was related to the community's prior unsuccessful investment records:

> We did try new occupations, but we did not get profit. In the beginning, we started with 20-30 people. We did well in the beginning. Because of the trend and promising impulses, we formed groups. Sometimes after an investment, initially when there was no return yet, most Villagers thought that they were already running at a loss; as a result, people started to quit. They went back to their old, but reliable occupations, although they earned little income from them.

He revealed that in the past, the Villagers had tried many times to form cooperatives to start new businesses, but had been unsuccessful because sometime they were unable to sell their harvest and products. Moh Pam expressed her concern with this matter:

> Until now, we still don't have a good occupation that is considered income generative. This caused me to worry. I'm afraid that the Villagers' investment projects would fail like what happened in the past where we produced but couldn't sell.

These were the problems that the Villagers were constantly facing, and which had led them to be risk averse to make further investment in agricultural products. Loong Jaidee said that these experiences made the Villagers afraid to make new investments, even with the assistance from their Allies:

> Although, there were many advices from our Allies, the Villagers did not have the courage to start any of them yet. This might be because they didn't have experience, and they were afraid to repeat their failures

Repeated failure would most certainly decrease the fleas' confidence.

Phi Chai suggested that occupation development should be the Community Bank's next goal:

> What I expected from the Community Bank was about occupations. After the establishment, if the occupation would be the next thing of interest, then it would be great because in our community there weren't any outstanding occupation we could hope for.

He believed that, without creating new occupations, the demand for the Community Bank's loan would not increase:

> As far as I am concern, one of the funding criteria was pre-specified as for investment only. If our occupation choices were not expanded, then the practical aspects of this policy would be hard to implement.

I easily noticed that Phi Boon's main concern was about occupation development. He had consistently highlighted the connection between the progress of the Community Bank and the Villagers' occupation.

Krue Wai was the next person to be interviewed. She often came up with unexpected comments and ideas. With regards to this issue, she presented an alternative viewpoint to me: she suggested that the lack of funding had never been an issue; instead, it was the lack of entrepreneurial spirits and skills that counted:

> Of all of our funding, the funds which could be borrowed easily for any purposes had high liquidity. However, for the funds with specific purposes like poverty reduction funds, even though it didn't charge any interest, nobody wanted to borrow. It was similar to the Community Bank where you needed to submit your investment project to apply for loans, in other words, for investment only. The poverty reduction funds granted short term loans of one year only. The loan conditions were not that strict. When there was this condition, people thought about what if they raised cattle or pigs which would take more than one year; where were they going to get money to repay the one-year loan. So they didn't borrow and never tried. Just like the Community Bank, they also think that the regulations were

> too strict; they wouldn't be able to get it. So they didn't even try to submit their projects.

In the community, there were as many as 40 revolving funds. Most of them were still available. According to Krue Wai, if villagers really were interested in new investments, then they could borrow from these funds. Jah Choke reemphasised Krue Wai's point and further indicated the Villagers' true investment demand:

> We needed this funding to help our villagers develop larger scale investment. Micro businesses here in the village already obtained many community sources of funding. Mitrapahp Bank expected us to lend to smaller loan cases, so we told them that we were not worry about that because we still have the poverty reduction funds of about 40,000 baht left. Anyone who needs a little extra cash for investment could get it without interest charges. Why would these micro-investors want to borrow from the Community Bank that would charge them while they have got a better offer!

By his comment, I understood that he was indicating that the Villagers could manage to fund their own small-scale investment through local funding. He was relying on the Community Bank to provide loans for large-scale investment.

I have found many linkages within this revealing information. There were many reasons why villagers did not want to borrow from the Community Bank, and they seemed to be interrelated. The Community Bank only granted loans for investment purposes. The maximum grant criterion had caused many groups of villagers, who were interested in investing in large-scale project, like pig farming, to lose their interest; other villagers gave up hope of obtaining loans because of previous unsuccessful investment experiences, and insufficient business knowledge. The villagers were risk-averse; they were afraid that if they failed again, they would have more debts. I believed that I had found reasonable answers for Mr Boon. which

would explain why villagers did not bother to apply for loan from the Community Bank?

Personally, I realised that the Rienru community was like ‘a bald man who gets a comb’. This is a Thai saying that represents a person who has something that he is actually unable to use. An equivalent phrase in English context would be, ‘to give a refrigerator to the Eskimos’. The Flea community, like a bald man who has been given a comb, had been granted a three million baht loan which they were unable to utilise.

I talked with many committee members about their future directions. In their plan, Mitrapahp Bank was not included in their overall thinking. The committee planned to raise as much funds as quickly as possible to be ready to return the three million baht loan. Loong Dang’s comment, although briefly, reflects the committee’s feeling very well:

> Mitrapahp Bank would not always be with us. We have to try to increase the Community Bank reserve through the savings. In the case of them really leaving us, we would still have established reserves.

It seemed to me they were not interested in prolonging their relationship with Mitrapahp Bank. The Mitrapahp Bank staff’s absence had loosened their confidence. Mr. Boon commented that they gave up coaching to quickly:

> The bankers left us too quickly. They should come more often because, in case there was a problem coming up, they could help us solve it in a timely manner.

At the same time, villagers were uneasy and frustrated by the current loan conditions, which caused an unsolvable tangle. For the Villagers, the savings group would always be their first priority. I asked Loong Dang how he felt about the Community Bank. He replied:

> Yes, I am proud to establish the Community Bank, but it is second to our Savings Group. Although our savings group charges a more expensive

> interest rate, it is truly ours. We started it. It has everyone's effort in it. It is completely our idea and, most importantly, our way!

I felt he was hinting that as long as the Villagers did not have the freedom to manage the Community Bank by themselves they would not to give the Community Bank full support. Noina gave me a clue that supported this position:

> I could say that it is 'our' Community Bank but not wholeheartedly. I need more time to ease up because we have to insure the three million baht loan from Mitrapahp Bank. Every time the committee endorsed the loans, I felt anxious. We needed to be very selective because we were worried that the endorsed loans would turn out to be non-performing loans. I am quite pressured.

Instead of ownership, she felt the Community Bank was her burden. While the other committee members tended to place an emphasis on banking issues, Krue Wai untied herself from the tangle and focused on learning:

> I had the feeling that we might lose that opportunity. We wanted to lose this way for the sake of learning experiences, so that from now on the Villagers wouldn't have to insist that they need more funds. This problem would let us know that the most important thing was learning.

As she was talking, it had already been almost a year after the three million baht loan was granted. Throughout this time, it caused her distress:

> If in the end we could return them this three million baht, I would be very happy. Having too much money is troublesome. I really wanted to know how I would feel on that day we returned the money.

Now I really felt that they had given up with the Community Bank. My last interview question with Jah Choke was, 'How could the Community Bank be improved?' His answer was unequivocal:

> Nothing for now! Let's wait another two years until our contract with the elephant is over. We will return them the money, and let the younger generation manage our ways.

I felt reassured: the fleas were planning to jump off the elephant's back after which they would celebrate their independence.

I sensed that my initial supposition was partly correct. The case study reveals that Mitrapahp Bank and Baan Rienru community respectively possessed many of the qualities of Charles Handy's elephant and the fleas. Mitrapahp Bank was the established organisation with systematic routines, and the Villagers were an independent and innovative group of people. To the bank, the Villagers seemed to behave in an unexpectedly different way from their perceived nature. Mitrapahp Bank, meanwhile, appeared only to want to transfer their own banking knowledge and made no attempt to seek to provide a desired innovative rural Community Banking style. The fleas suddenly gave up their identity and followed the elephant's way because of loan bearer constraints.

The fleas hardly lived on the elephant. Although the community had compromised some of their independence to make the establishment successful, the commercial bank's needs for conformity really suffocated it. I agreed with Handy's metaphor: now the Villagers found themselves engaged in a long struggle to be free; they were awaiting the time when they would be liberated from this obligation and would regain their identity as independent fleas.

The Blue-Collar Bankers: The Bankers' Narratives

It had all started out when a team from Mitrapahp Bank was sent to Baan Rienru community to study the possibility of Community Bank development in the village. That was an outset of program as well as my most memorable experiences. I had travelled with them several times during our initial visits. We had started on the same learning curve as strangers. Together in Baan

Rienru community, we had gradually learned from the unfolding facts the other aspect of lives completely different from ours. The team consisted of three staff including Mr. Samak, the team leader; Joe, the project coordinator; and Mr. Pinit, the accounting specialist. This team of bankers barely worked in their office at the headquarters; instead, they travelled all the time, visiting and working the communities.

Memorable moments

Mitrapahp Bank staff and I had sat together for focus group interviews twice. The interview setting was quite unusual for us compared to where we usually met in the village. Instead of the wooden tables, trees, and cool northern breeze, the four of us sat around a small aluminium table in the eating area, on the sixth floor of the department store, next to where the Mitrapahp Community Bank Department was located. As usual I anticipated a long relaxed talk like the first interview. After the greeting, I went right away to the opening question, 'Please tell me about a memorable event that occurred during the development of the Baan Rienru Community Bank pilot program.' My question had brought a moment of pause. Mr. Samak gave the feedback that for me was quite unexpected:

> I don't quite find anything that is memorable. It was more about work. Every time that I was there (in the village), there would be problems; otherwise, the Villagers had problems, and they needed us to go to the village. We have to work until the last minute before going home. Most of the time we travel to Lampang on Friday, and we spend the whole Saturday to solve problems. We would return to Bangkok on Sunday. Most of the time, we usually visit the village again before we return, but it turned out that we have to work until sunset. So I wonder, is my home in Lampang?

His answer made me remember those travelling and working days in the village especially during the month of June 2003, before the Prime Minister's visit. The Prime Minister was coming to Baan Rienru for the

official opening of Baan Rienru-Mitrapahp Bank on June 20. Everything was in a rush and needed to be finished on time. Mitrapahp Bank staff had told me that this was the longest trip they have ever had in Lampang, 21 days and 20 nights of hard labour, and that they missed home. As this issue had been brought up, everyone sighed a relief that those blue-collar works and the tiring days were over. Mr. Samak related the negative impact on his family life. He could only assist his family's problems via telephone:

> Each of us has equal time, where Saturday and Sunday are supposed to be the holidays. Instead we have to work -- days and nights. Before the Prime Minister's visit, we have to stay in Lampang for almost a month. Even though my family had problems I couldn't go home. The shorter time we stayed, the more tired we were.

Then Joe made a comment, which in a way heartened me that at least there were some good moments that he could still remember that the others might have not thought about or could have forgot:

> I felt as if I am almost happy, and sometimes not so happy! The moment work was done, after the Prime Minister had left, it was such an extremely happy moment for me. Extremely glad! Do you remember? (smiling) And also there was one time at Krue Wai's house (community teacher) at night, when we were all there having dinner and beers, chatting, and playing guitar. That was fun and relaxing, at the same time, could get acquainted with the Villagers.

This rewound my thoughts and the others' back to our early trips to the village that were indeed fun and exciting. It had been about a year and a half now since our first fieldwork in Baan Rienru community. That was the first time I met the Mitrapahp Bank team, and that trip was the starting point of our friendship.

The bankers' first assignment

The wheels started rolling. My objective was no more than to observe; but for the team, it was an assignment. In January 2003, the team was assigned to visit the site to collect relevant community information necessary for the bank to negotiate appropriate financial support. Like their prior customer cases, interviews with community leaders and different occupational groups were the main sources of inputs, according to Joe:

> Mostly, the interview topics were related to business like the needs for loans, investment capital, profits and losses, for example. These topics required very detailed questions, so we need a dig! The questions were, for instance, what do you want to do? Is it weaving? Cotton or silk? Where are the materials from? From the village or from outside? Are you making herbal product? Do you raise cattle? Which breed? What about machine / equipment? Do you buy them? What kind of equipments do you use? How much are they? How long did it take to raise cattle until they could be sold? Etc. We needed these detailed to enter into the bank credit analysis software and made reports on the results. These were our normal and almost routine fieldwork schemes.

The procedure was relevant for them to obtain the necessary data for their credit analysis program. At the end, the team felt that the mission was quite unsuccessful. Yet, it was this task that the team had found themselves in an unfamiliar territory, which brought on them a quick turnaround.

> The data collection was not so successful. The more we asked, the more they got confused and scared. Sometimes we could not relate from the answers we got from the Villagers.

Although the team could not communicate well with the Villagers, Joe thought that at least they could learn more about each other:

> However, there was more important thing. The fieldwork that we did helps us to get more acquainted with the Villagers, and it was through these interactions and confusions (giggled) that we learnt their true needs.

While trying to be optimistic about the situation, Joe started to feel unconfident about his team's approach and retreated over for a new plan based on the theories they had learned from their workshop:

> At this point, we began to see a new perspective to our working philosophy. We have tried to pull together the theories that we've learnt from the workshops. Instead of concentrate on collecting data from clients as we usually did, we use a 'participatory learning' approach to 'unfreeze the behaviour' of each stakeholder.

Joe's philosophical term had confused me, so I asked the team to investigate more about what they meant by 'to unfreeze the behaviour'. Mr. Samak explained from his understanding:

> To unfreeze the behaviour means to adjust personal norm such as thoughts, beliefs, or practices to encourage change and to be able to accept new or different perspectives. The objective of self-revelation is to create a congruent understanding among stakeholders that would allow us to work together effectively.

From my understanding, the team believed that if they could put their prejudice behind, they could more receptive to other people's opinions and remarks. In Joe's context, he needed to disregard himself as a banking veteran and listen to what others had to say about their ideas on Community Banking:

> We have to put away our egos to hear their problems as well as accept their opinions and real needs so that the established Community Bank would not be bounded by our knowledge of the commercial banking procedure, instead we should reflect as well as serve the real needs of the community.

Donald Schön's (1983) notion of reflection-on-action had come to life before me. The team had thought back on their unsuccessful experience and examined them to develop better practices to enhance their relationship other stakeholders.

Learning about the community: No pain, no gain

I had noticed the team's efforts, at the same time, an undeniably on-going, silent conflict of interests. Stakeholders had met several times to negotiate scope and contents of Community Bank pilot program development. I, too, could feel an increasing tension during each meeting. The prolonged negotiation had led to an acceptance of the facts that afterwards initiated an expressive, consolatory 'disclosure session' - a moment of truth. Mr. Samak related about what had happened during the session:

> Disclosure session was something like a reflection session, where the representatives of each stakeholder get together to re-examine the sources of the tension. It is like 'let's sit together and have a frank talk'. The issues we discussed were: How did each feel about each others? How do you (villagers) feel about having your own community-operated bank? For us, we also told them how we think; and that in the beginning, we didn't know what they want exactly. The other issues were like are we heading the right direction? It is good or bad? Is this what everyone wanted? We hoped the discussion would improve our attitude and better understanding toward each other.

Moreover, during the discussion Mr. Samak had surprisingly come to realise why their first-time data collection was unsuccessful:

> They also criticised one of our staffs about the interview attitude that was too strict; furthermore, they want him to be withdrawn from the program. That's why he did not join us ever since. It was his first and only trip to Baan Rienru.

The participants' disclosure of their feelings and attitudes had reduced the tension between the Mitrapahp Bank staff and the Villagers. Despite this, I still sensed a persisting tension between the Mitrapahp Bank staff and the village's Allies. Out of curiosity, I asked them about their relationship with the Allies. The team hesitated, but revealed a little about the situation they had encountered. According to Joe, there were people he liked and people he did not:

> It is different from person to person. For the staff from Thai Cement, the relationship between us is fine. He liked to ask us out to play golf, but for the other one, he liked to ask us for extra favour. This is not the way we work; the bank has procedures. We do not have the power to handle extra enquiries!

It was a difficult position for the Mitrapahp Bank staff. Mitrapahp bank is a huge bureaucratic organisation. As employees, the team needed to be concerned with procedural correctness; therefore, they could not grant extra enquiries from their clients without approval. Enquiries from the Allies, therefore, had made them uncomfortable. Mr. Samak added that the team had been pressured from not only the Allies but also the Villagers:

> I think this community is strange. In our earlier trip to the village, they seem to make us and the others, who came to work with them, learned and experienced things by ourselves. They did not tell us about their enquiries; therefore, we felt a little oppressed. And when there were problems they would not tell us directly, but would tell executive levels. This made us feel pressured and depressed.

The villagers had belittled their presence due to the fact that they had a better intermediary. Joe reported:

> When there was a situation, our boss and the Allies' executives who were involved with the program always knew about it, but not the staffs of our level. This is not normal. They (villagers) are not ordinary. They could

> manage to make connection directly with the executives. They had the mediator. So we had to be extra careful in everything that we did.

The bankers felt powerless among these superior groups of people. Joe compared the condition of his team as being in a 'dark room':

> Sometimes I felt like I was always in the state of stress. When it happened, it felt like being pushed into a dark room and then kicked back and forth. You would not find a door. It was hurt, oppressed, and couldn't breathe. But I'd get through anyway. Although there was blood-mouth or ripped ear, that was normal.

Joe was noticeably sensitive with this issue. I supposed his insinuation implied that there was no easy solution or counter-measure to improve the situation rather than to be passive.

The team had experienced substantial pressure during the course of their fieldwork; each of them had experienced and coped with them in different ways. Despite discouragement, there were other aspects of Joe's work that kept him enlighten:

> Inspiration which keep me from becoming discouraged could still be seen from time to time during my fieldwork -- fellowship and affection. I feel very grateful. The most important was the acceptance from other community. This might be the only thing that revitalised me.

Joe felt his relationship with the Villagers had become better. He provided an illustration from his own experience:

> A daughter of a community leader that we stayed with said that her mom has another son and daughter. One is you (me), and the other is me [smiling]. I didn't know whether she really meant it, yet I feel good having someone's acceptance. The other thing that made me feel good was that when I walked around the village, villagers seem to notice and greeted me. We come and go for about a year, before we could get this acquainted with the Villagers.

Beside the evidence of their professional development through reflective practice, which I believed was one of the most significant benefits for the team, Joe had recognised the value of friendships offered by Baan Rienru community, and more importantly, his new friends named 'Obstacle' and 'Experience'. Joe, in his journal, had described the obstacles he encountered while working for the program as being his 'faithful friend':

> I am quite certain that 'obstacle' was my faithful friend that was always beside me. And from now on, I have learnt to understand them more and fear them less, and this is because I have a new friend that will help me deal with the 'obstacle friend' when he become naughty. My new friend's name is 'Experience'

Joe's metaphorical explanation had a significant implication. Obstacles were not always threatening: they could be important tools for personal development. His point of view had inspired my outlook and probably Mr. Samak's, as he shared his discovery:

> This community was very different. Instead of giving the answer right away after the discussion, they had to bring the issue to the community meetings to be reviewed and voted. Then after that, the community leaders would tell us the answer from the consensus. The community leaders alone could not make decisions. However, we never had a chance to sit in the community meeting. One of the community leader said, that with our presence, the Villagers would not talk freely. At first, this made us felt uneasy having to wait for their decisions. However, after we got used to it, and I think this is a good thing that other communities should imitate. I should admit that they would only use the decision from the consensus rather than from individuals.

Mr. Samak found the community decision-making process, which he once felt unaccommodating, was in fact necessary to gain the consensus of the community. Fortunately, I had a chance to sit in several of the meetings. Most of the Villagers attended these monthly meetings, where they would be informed about the status of the on-going projects and voted for the issues

being proposed. The atmosphere in these meetings was both argumentative and constructive. Personally, like Mr. Samak, I found the process to be an invaluable democratic process that encouraged community unity and consensus participation.

Becoming the teachers

While the evidence of minor conflicts persisted, everyone needed to work together to meet the deadline. The team's accounting specialist, who had later joined the fieldwork during the configuration and implementation phase, had expressed his concern on the tight time constraints:

> I think this was a pressured task, especially when we were forced to finish all the technical configurations before the Prime Minister's visit on June 20.

The team had two days to provide an overview of banking knowledge and only about a month for the accounting and software training. The brief workshop session was shown to be ineffective. Joe illustrated this through his narrative:

> That night, I had to talk to the participating villagers about credits and loans. But it was already very late at night before I could start my session. Many of them fell asleep! Some of them had already been sleeping while they were waiting for the teaching to begin. I remember after I finished you (the team leader) had to continue about the banking documents and about how to fill out the loan application form. One of the Villagers said that the handout was fifty pages!! So I told him, that we had to pass the complete set, in case if there was problem afterward, we could refer to them. We are establishing the bank; these much of the documents were normal. Then after I started talking his wife and him (the Villagers mentioned earlier) fell right to sleep openly at the end of the room, so sarcastic!! He really didn't care. I was a little disappointed.

The snapshot has impressed me about the interesting interaction between the team and the Villagers, which I also had been observing. Each party made

the contribution in their own ways, while still managing to complete their mission. The team was talking, while the Villagers were sleeping. And after all had been said and done: 'Everybody, class dismissed!'

The team had recognised the shortcomings of such tight timing for knowledge transfer. Although they were able to make the deadline, Mr. Samak admitted that the outcome was still sketchy:

> Initially, the program looked as if it was successfully established, and that was because we met the deadline. The truth was that the Villagers could not digest all of what being taught. They might know how to perform simple transactions like deposit and withdrawal because they were similar to the operation of their saving group. For other tasks that we were not ready, we would transfer them later on.

He also acknowledged the villager-staff's previous experience from the Savings Group, which had enabled the Community Bank to set off in such a short time. In addition to Mr. Samak, Mr. Pinit addressed the need for more training and coaching:

> We need more time to add better accounting foundation, but because the limited time, we had to rush. We had to compete against time. The result was not so good. We needed more time for revision, practice, and coaching.

Mr. Pinit found that timing was the major constraint for complete knowledge transfer. Despite the incompleteness, he planned to review the contents with the Community Bank and coach them to practice when there was more time available after the establishment of the Community Bank.

Wearying relationship with the fleas

After the Community Bank started providing service, the team had to make several visits once in a while to coach villager-staffs and fine-tune some detailed tasks like book keeping and credit analysis as well as to help solving problems. Mr. Samak, however, found the last several visits quite different:

> During our early fieldworks, we found that the Villagers were very enthusiastic to learn about new things. It looked like that wanted us to give them information and advice. This made us this that this community was different from other communities, in that Baan Rienru still has a heart to learn. Because of this, I had the impression that they really want to have this Community Bank, but at this moment, it's not what we thought. It seemed like it was the outsiders who tried to make the villager do this and that. It was only a very few people were ready, but not the majority.

He felt that fewer people had pursued the interest in the Community Bank. As ever, Joe exemplified his team leader's comment by comparing themselves and the Villagers as wearying 'lovers':

> It's like lovers! You know, they will say and do things to impress each other, but after sometime, they seem to care less about each other. Most problems with the Community Bank were not solved in a sustainable ways. There were also internal problems as well. At first there were a lot of people attending the meeting, but after the opening, there were less and lesser. At the moment, there were only few villager-staffs who were still working. I felt that they were not determinate anymore, not like in the beginning. I felt that we have failed.

As Joe pointed out the likelihood of their broken relationship between, Mr. Samak explained that the disengagement of a group of villagers did not indicate their lacking of determination:

> One of the objectives of most villagers who wanted to participate in this program was to get loan. The Community Bank's regulation turned out to be quite strict, so when the chance was not opened, they inclined not to come. Some had withdrawn from the program.

Mr. Samak was persuaded from the observed evidence that there were some villagers who were attracted to the program because of the loan. When the loan policy became unfavourable, their withdrawal from the program was normal. Mr. Pinit, on the other hand, suggested that the Villagers might as well feel that they had been neglected due to the team's irregular visits:

> I think it's also about the distance. A pilot program in Lampang; it is far. It might look as if we had neglected them, but this was because we could not travel to the site that often. If the pilot site were closer to Bangkok, we were certain that we could coach them better, and the result is going to be better as well.

Distance constraints, I agreed, had made it hard for the team to maintain a close relationship with the community. I empathised with the team who need to give up their weekends to travel more than 600 kilometres from Bangkok to Lampang.

The case study here reveals that there was a crisis in their professional practice as bankers. I found the situation parallel to Donald Schön's popular quotation (Schön, 1987, p. 3):

> In the varied topography of professional practice, there is a high, hard ground overlooking a swamp. On the high ground, manageable problems lend themselves to solution through the application of research-based theory and technique. In the swampy lowland, mess, confusing problems defy technical solution. The irony of this situation is that the problems of the high ground tend to be relatively unimportant to individuals or society at large, however great their technical interest may be, while in the swamp lie the problems of greatest human concern. The practitioner must choose. Shall he remain on the high ground where he can solve relatively unimportant problems according to prevailing standards of rigor, or shall he descend to the swamp of important problems and non-rigorous inquiry?

Working in the swamp, the team had encountered several problematic situations, such as value conflicts and politics, which cannot be solved easily through their technical means. As a consequence, they had found themselves sunken in the crisis of confidence in their profession. Their lives had become unmanageable. But only until they started to reflect and generate new understanding toward the situations, they had changed for the better. Their relationship with the Villagers had been improved dramatically. The team's 'behaviour dissolution' decision to conform to the community's value, led

me to believe that they had been already chosen to descend from their 'high ground' to the 'swamp'.

Papert's People: The Allies' Narratives

During my fieldwork, I became acquainted with the Villagers' group of friends whom they called 'Fa' or facilitators. They assisted the Villagers on the development of their village as well as on the development of the Community Bank. The prominent and respected member of the group was 'Tan Somkid', as being called by the Villagers. In Thai, 'Tan' is the title used with a highly respected person. Tan Somkid had been the student of Professor Seymour Papert of Media Lab, Massachusetts Institute of Technology, who is famous for the constructionism theory. Like Papert, he believed that knowledge is constructed, not absorbed. People especially children could learn with particular effectiveness when they follow their own interest, rather than having information poured into their heads, and especially when they are engaged in constructing meaningful artefacts such as computer program, animations programs, or robots. Tan Somkid is very keen about the constructionism concept and a devoted practitioner of it as well. He is now the Head of the Constructionism Lab at Prachburi Non-Formal Education Department Services Centre, where teachers from the Northern Region are trained to become grounded in the constructionism practice and to become more fluent with their technological skills. It was also here that Baan Reenrol's teachers, students, and parents were introduced and became impressed with the constructionism methodology. Tan Somkid always employed the constructionism approach in assisting the community to initiate and implement their development projects. Tan Somkid is calm, yet conversational. During the development of the Community Bank program, I had many good, stimulating conversations with him. I discovered that he is a great visionary man.

Another man I had become familiar with was 'Mr. Kom'. He is an accounting specialist from Prachburi Cement Company Limited. Prior to his

involvement in the Community Bank pilot project, he came in to help with the community cooperative convenience store and household accounting. As the community ally, he was invited to join the new learning project about Community Banking which definitely needed a person with good accounting knowledge. Mr. Kom came in to replace the previous Prachburi Cement Fa who was transferred to Bangkok at about the time of my earlier fieldwork. He was quite new to the village. We got acquainted quickly. I guessed it was because of our similar status as newcomers and that he visited the village quite often; as well he appeared to me to be a polite and optimistic man.

The other friend was 'Loong Chao', as called by the Youngsters in the village. The title 'Loong' represents close relationships. 'Loong' mean uncle. He was facilitator from the Brain Bank Royal Project who had also participated in the constructionism program at the constructionism Lab. He was acquainted with the Youngsters because he was the youth's Brain Bank assistant. He also taught them photojournalism. Loong Chao is also a businessman. He had been helping villagers to develop certain occupations, especially on pig farming which he had good practical experiences. I usually met him during the Community Bank meeting, and a few times at the Lab. The three facilitators had played active roles in both the development and implementation of the Community Bank pilot program. They were invited by the Villagers to fill up positions as the management and audit committee as well.

A focus group discussion was indeed the first priority of my initial plan. Anyhow, it turned out that I could not manage to organise one. Tan Somkid was frequently busy and travelling. Mr. Kom would be able to come into the village only on the weekends, while Loong Suk usually come in on the weekdays just before noon. As a result, I had to select the second option, individual interviews.

Reflections on the bankers

Although we worked together during the development of the bank, I was still very excited especially when I wondered how they would respond to my questions. When I asked the Allies to reflect their memorable experiences during the development and implementation of the Community Bank pilot program, each of them responded; however, along with their narratives, they mentioned similar issues about Mitrapahp Community Bank team's roles during the program development.

Tan Somkid referred to the origin of the Villagers-managed Community Bank concept that emerged from the Villagers' desire for learning about financial management as his most memorable experience. He began by relating the admirable constructionist starting point:

> We had one meeting in one of the community teacher's house. I suggested that this should be another learning project because Mitrapahp Bank never also had this kind of project before. For us, although we have a saving group; we know one thing that the management system is still not good. We've never done a Community Bank before. So we asked each others, no one had done it yet. This is good. We should try to do it; therefore, this is the beginning of our learning project, especially with respect to financial knowledge, which the Villagers had once said that they wanted to learn about management, especially financial management. The best way to learn about management was through learning by doing, setting up real bank. Then use the experience gain from the practices as a vehicle for learning.

I could understand why the beginning was memorable for him. The Community Bank idea originated from the Villagers' financial interest, and for this reason, the Villagers could actively engaged in constructing a real bank which would them to learn more effectively. It was really a constructionist start. For Tan Somkid this was an opportunity of innovation, and constructionism was the perfect approach. Nonetheless, the Mitrapahp Bank team was not the type of Fa he hoped that they would be:

> Anyhow, although the starting point was about learning, later it became a disharmony. The bank (Mitrapahp Bank team) did not understand about learning. We told them we wanted the Villagers to learn about the banking system. On the bank side, they said they wanted to learn what the Villagers' managed bank would look like. But it turned out to be that they wanted us to practice from their banking knowledge which they already have. They did not demonstrate to us that they wanted to acquire new knowledge.

I think Tan Somkid was referring to the knowledge transfer approach of the Mitrapahp Bank staff, which is in a form of 'teaching'. I had attended several sessions between the Mitrapahp Bank staff and the Villagers. Although the staff always request for participation before beginning the discussion, I had observed that most sessions ended up like a traditional 'classroom', in which the teacher gave handouts, talked from the overhead slides, and asked 'do you understand what I am saying?', and the students took notes. I realised, at this point, that there was friction growing between the two groups who were meant to be working together. During the interview session with Loong Chao a week later at Baan Rienru library, Loong Chao mentioned another aspect of the similar issue that Tan Somkid had talked about:

> For the Villagers, there were mixed feelings. Coaching was like 'telling the Villagers what to do', but if they didn't coach then the Villagers didn't know what to do; therefore, we had to be careful as to what should be an appropriate level of intervention, especially with decision-making. For instance, the loan approval decision, the team shouldn't judge for the committee (villagers) because the committee already knew their customers personally. They know how much credits does a person has; they know about their family background; what type of the person is – all the inside information. It is not like the commercial bank where you don't know the client personally. However, I understand that this is the first villager-operated Community Bank that is why Mitrapahp Bank staff was very concerned about how the Villagers would manage it, and so they were tempted to meddle with the Villagers' management decisions.

Loong Chao believed that a 'Community Bank' must be customised and should be different from a 'commercial bank' because the rural culture is definitely different from the urban culture. For this reason, it was not appropriate for the Mitrapahp Bank staff to intervene the Villagers' decision; instead they should allow the Villagers to manage it their own way. Loong Chao expressed his disapproval by referring to Baan Rienru Community Bank as Mitrapahp Bank's 'new branch':

> I had this feeling that the Mitrapahp Community Bank team was trying to dominate the Villagers all the time. I felt like we were trying to start a new branch or something like that.

It seemed that there was a consensus among the Allies that the degree of intervention by the Mitrapahp Bank team was inappropriate. I doubt whether there is such thing as best practice. Had the bank staff been informed since the beginning how they should act to be accepted? He admitted that the problem could also have come from the incomplete data dissemination from the management:

> Between executives and the field staffs, they seemed to have different direction. The executive level people talked about the scope of the project, but didn't pass all details to the field levels. For the field staff, without specific directions they treated villagers like other groups of customers applying for a loan; therefore, in the beginning they tried to investigate everything – villager's occupations, financial data, demographic – checking everything! And this was quite annoying for villagers.

He made me realise that actually it was not completely right to blame the field staff for acting inappropriately. Having the awareness of the impediment that was disrupting the progress of the development, the Allies used the reflection or what one of the facilitator called 'open-minded talk' to convey appropriate 'constructionist practices'. Tan Somkid commented on the session:

> There was one time; we (the bank, village leaders, and Allies) had a reflection session at the lab (Lampang's non-formal education centre). We told them about 'learning', how do we act that would be what is called 'learning'. The event occurred after the bankers were blamed for not acting properly; for instance, the way they seek for information, or the way they advice and told villagers what they should do; this was in the beginning.

It appeared that Tan Somkid had repositioned himself as a 'Fa' not only for the Villagers, but for the Mitrapahp Bank staff as well. I remembered that after the session, the working atmosphere was better; everyone was more conciliatory. My observation was consistent with Mr. Kom's. He was impressed with the session and chose to also regard it as his most memorable moment:

> It was the later part when we frankly talked to each other. There was some time when we had a conflict of interest. Then we had an open-minded talk to clear our misunderstanding. The Mitrapahp Bank team told us about their opinions and how they think, and we told them ours; as a result, both of us tried to accept the goods and the bads of each other, and consider what else can we improve? We might misunderstand something about each other. This required real, open-minded talk. However, they did change, and behaved better.

Mr. Kom was also mindful of the difficulties involved in the constructionist approach especially for newcomer like himself and also Mitrapahp Bank staff:

> The development and implementation of this sort of project was definitely a different experience. At first, the Mitrapahp Bank team didn't value this kinds of information much, I guess. They didn't contact and talked with the Allies of the community first about how to make appropriate approach; that's why there were problems. For example, they didn't understand that the Baan Rienru community was in the learning process based on theory called constructionism, which require an appropriate knowledge creation approach. This was hard to completely understand, even myself.

According to Mr. Kom, constructionism concept could be quite complicated to understand and practice; for this reason, the Mitrapahp Bank staff should be working closely with the Allies, who were keener about constructionism, to ensure appropriate approaches. For Tan Somkid conflict was a normal occurrence in a true learning project. He teased a bit at the end of his narratives as if he was uncertain about calling this pilot project a 'learning project':

> After that we continually had issues to argue; there was dissatisfaction and misunderstanding. Yet, to me these were usual things to happen as a part of any learning project. There is nothing that matches perfectly. If we were a branch of Mitrapahp Bank, then there wouldn't be as many problems, but this would be impossible. Or could be possible, but we didn't realise it (laughing).

I wondered; how should the Fa act in a situation like this? Was it a 'discussion' and/or 'dialogue' (Senge, 1990; p. 238) they were having? In other words, were they trying to throw one's perspective at another or explore ideas with an open heart without defending their own view? Was the session aimed toward 'team learning' to resolving conflicts or was it a 'constructionist mission' of some kind? I found this quite ironic. Although with good intention, it seemed like the Allies were trying to influence people to change their mindset to become constructionism practitioners. Truly, they were Papert's people. Yet I could also applaud; after all, this could be creative tension and a mindful attempt that to a certain extent might the working atmosphere more pleasant.

Tan Somkid and I also talked about the implementation and banking skill training, he had brought up the issue about Mitrapahp Bank staffs doing the 'telling' instead of 'facilitating' again, but this time he complained about the Mitrapahp local bank team that they did not give the Villagers their full commitment and support:

> They (villagers) want to learn, but when there were problems, they had no facilitators; no one wants to get involved. Especially with the bank staffs from Lampang Branch of Mitrapahp Bank, they had not given us full commitment. They did not come to facilitate, but as a judge who said what should or should not be done. For the Mitrapahp Bank team (Bangkok team), they had a lot of work so they couldn't come. It's true they had transferred some knowledge, but their training method was not applicable. That is, they only told the Villagers that they would have to do this and that way. The villagers didn't understand. Instead they should facilitate them to think, plan, practice, and then reflect on what they did; therefore, the way they did was not appropriate with the Villagers.

Mr. Kom gave corresponding comment. According to him, villagers could not fully understand what they were being taught because the time was limited and the lessons were too brief:

> The time use for lessons and trainings was too short. The lessons were too brief, which made it hard for villagers to follow through.

Besides their comments about the appropriateness of knowledge transfer sessions, Tan Somkid and Mr. Kom both mentioned the inadequacy and discontinuous technical support from the Mitrapahp Community Bank on the Community Banking system maintenance. According to Mr. Kom, the newly developed Community Banking program was, at that time, not stable and needed close monitoring from the Mitrapahp contracted programmers:

> At the moment, the Community Bank IT is not working properly; however, Mitrapahp Bank had not provided close technical support, especially since this is the first and the pilot program which should deserve a close monitoring. It is impossible to put the burden on the community's shoulders. If the bank really needed the community to handle the IT problems themselves, at least they should give the program source code; so that we could continue. I see that they should provide continuous IT supports until the system is stable.

Baan Rienru Community Bank relies very much on the banking program to maintain the customer database, to update customers' bank books, to calculate interest, and to prepare the year-end Community Bank report. When the banking program is not working properly, all the calculations are wrong. The benefits of the customers were affected. In my opinion, this is a critical issue. Tan Somkid sounded discouraged with he discussed about this matter:

> I am very frustrated. This was commercial. Mitrapahp Bank hired programmers to write out this bank accounting program, and promised to use their programs with other sites. Later, Mitrapahp Bank changed its attitude. The commitment here was breached. So the programmers stopped developing the software. For all that, it was like we had put our lives on the account of other people. It's about being commercial; when there were problems, they tended not to respond quickly. The IT that we hoped would help did not work as anticipated. We could call this a failure, and for this reason, we wanted to develop our own bank program. From this experience, we came to think that why do we need to rely on somebody else. Our youngsters should learn how to develop computer program and be able to rely on themselves. This idea would draw us back into the learning project once again.

It seemed that the matter was unsolved. I thought that they might need another similar 'open-minded talked session' similar to an earlier occasion, but in fact, they did not organise one. Instead the Allies were indignant about the way Mitrapahp Community Bank had reacted. As a result, they stopped requesting cooperation and tried to be more self-reliant.

Reflection on the program

The episode was memorable for Tan Somkid and Mr. Kom, and also for me. Everyone had put in so much effort, not for themselves but for the community. Loong Chao, on the other hand, had a different memorable experience. From his experiences as being both the onlooker and the participator in the program, he was inspired by the Villagers' eyes that he saw through his camera lens:

> It was the light of hope that was reflected in the Villagers' eyes that I remembered; the hope and chance that they would be released from debts through this new source of funding. I remembered seeing villagers starring at the Mitrapahp Community Bank staffs while they were talking because I was a photographer at that time. Most of the time, I was in the scenes from the front of the meeting room rather than at the back.

He was glad to see the Villagers filled with hope again. He was also impressed with the commitment and devotion villagers put in. How, then, can he let them down?

> Another thing that impressed me was the villager Community Bank committee. They worked without any remuneration, while they were the ones who shouldered the risk. They were the ones who signed the three million baht loan contract with the Mitrapahp Bank. The outsider like I am and the Youngsters didn't have to carry that risk, but for me, I feared that maybe it was me who was creating for them more debts.

Loong Chao had been worried that if the Community Bank is not successful financially, the Villagers would have more debts, and they would lose hope once again. On the contrary, Tan Somkid's main concern was about, 'did the Villagers learn what they needed to know?' He was even more concern with the voices of the Youngsters that had still been neglected. He suggested that the main reason for this was the arrogant adults' mindset:

> My most impressive moment was to see villagers help each other in putting forward the Community Bank's rules and regulations. I went to the Community Bank meeting one night. I saw there was an argumentation among villagers. And also I saw youngsters listening to the discussion, but still having no say. There was a point here to learn: what could we do to enable the Youngsters to be able to learn about adult's works? The money matter is definitely adult stuff not a kid stuff; therefore, the Youngsters would not have a chance to learn. Although some topics are taught in classes, they are not practical experiences. Our 'learning' should involve all – housewife, head of the family, and youngsters. Hence, we requested the inclusion of youngsters in every village committee. As a matter of fact,

> youngsters still had no say because these were seen as adult's issues. The adult's mindset had not changed.

Tan Somkid was addressing a very important point. I, too, believe that the success and sustainability of the Community Bank relies very much on the Youngsters' participation. I had observed that they were very helpful with the information technology and front office operation.

Most memorable events occurred during the development of the pilot program where there were many unexpected shifts and turns. After the complication was untangled, it was time for doing the real works. During the implementation, there were barriers that they needed to be breached; one of them was the Community Bank policy and regulations. Mr. Kom said that the policy and regulations were not really as customised for the community as had been intended:

> At first, I thought we would be able to develop a Community Bank whose policy, rules and regulations were developed by villagers. During the development, I think more than fifty percent of the policy, rules and regulations were influenced by the standard of commercial banks.

Mr. Kom added that the objectives of the bank were not clearly discussed from the beginning; for this reason, both Mitrapahp Bank staffs and the Villagers kept on drifting away from the main objective that learning objective:

> I think the hardest part was how to make villagers understand the real objectives of the establishing Community Bank. It was not about what the bank wanted the Villagers to do; instead the objectives should reflect the benefit of the target group, in this case, the villager. Since the objectives that were not clearly discussed in the meeting, and this made the Community Bank developmental process a little distorted. It took quite a number of meetings to be able to sort things out. The objectives of the Community Bank were not only for the commercial purpose, but also for villagers to learn about financial and banking management. After several

> meetings, we'd managed to convince the Villagers to focus on learning; however, after sometimes commercial issues became their focus again.

I could not help but wonder; was everyone ever looking toward the same objective? I guessed Tan Somkid was aware of this issue as well. I noticed this when he suggested the need to improve the present misdirection; the goal and objectives should be reemphasised clearly with all stakeholders:

> If we wanted the bank to progress well, the goal and objectives of the Community Bank must be communicated thoroughly with all villagers; for example, what is the main goal? What are the objectives? Where are we heading? What's likely to happen? What benefits would the Youngsters gain from this?

Again he readdressed the importance of the Youngsters in the program. The goal and objectives must also include youngsters. While the Youngsters were striving to make their voices heard, Mr. Kom mentioned that there were still many villagers who did not want to participate:

> In Baan Rienru Community Bank's case, there was still not much sense of ownership yet; unlike the Saving Group which all the Villagers were shareholders. In my opinion, the Villagers thought the Community Bank was not truly theirs; it's just another Mitrapahp Bank's branch. It would be better if the Villagers could participate more in the Community Bank's activities.

From his experiences in the business sector and lessons learned from the Saving Group, Mr. Kom had suggested a plan draw in more villagers' participation:

> In the long-run, we needed to think about the ownership factor. How do we make villagers feel a full sense of ownership? For instance, the bank customers might have dividends, or they might raise their reserve through shareholders. No matter what kind of business you are in, whenever the members of any organisation feel that they are parts of their organisation,

> they would participate willingly. This would create massive drive that would also lead to sustainability of that organisation.

Mr. Kom recommended that the Community Bank committee should impose shareholders and dividends policy to increase the Villagers' sense of ownership for a longer term improvement and prolong the program.

Realising the future direction

At this point I became aware that each facilitator was responding very much according to their background. When I asked him the question, 'What would you see as the positive or negative outcomes of your involvement in this pilot program?' Loong Chao told me that he too had learned many things. He explained his findings about why only a few villagers applied for a loan:

> I had thought about this for some time now. It turned out that the Villagers didn't know what to do with the funds they'd got. They are not risk takers. This might be because they had limited knowledge. It also might be their culture, or the way they make a living. For example, suppose they earned a thousand baht and they had to repay debt; they would try to spend less, but they would not think about new investments.

As a businessman, he was interested in how villagers made investment decisions. He found out that for most villagers, investment would not be their first priority. I think the Villagers were like 'a bald man with a comb!' This is a Thai proverb meaning that although a bald man was given a comb, he will not be able use it because he has no hair. The comb, then, becomes useless. Baan Rienru villagers were in a similar dilemma. Although the Villagers were now given three million baht, they did not know what to invest in. The fund they have, then, also become useless.

When I asked Mr. Kom the same question, his response indicated that he was quite a sensitive man who cared about other people's feelings. His narrative about the result of participating in the program illustrated this character:

> I think that for the Mitrapahp Bank staffs I am not a significant person because I was seldom informed by them about the meeting. Most of the time, I was informed by the Villagers to attend the Community Bank meetings. When the Villagers asked for my opinion, there were several times when I made suggestion from my technical knowledge, of how things suppose to be, but it seemed to be the opposite to the villager Community Bank staffs. Sometimes, I felt bad not being on their side. The direct personal impact was about time. As a bank committee, I had to attend meeting at night and weekends. I did lose some of my personal leisure and family time.

His task had sometimes placed him in a difficult situation with the Villagers and, most of the time, with his family. As mentioned earlier, Mr. Kom was an accounting specialist; he had always been interested in accounting. He reported that he had developed clearer 'accounting' ideas to enhance the community's investment projects:

> This lit up my thought. Before we only thought that after we borrowed we had to make profit to repay debt, but from now on we had to rethink about what was the purpose of borrowing. We have to be honest with ourselves. Now we need to have better plan for spending the borrowed money. We needed to know about cash flow; for instance, what would be the expected monthly income. Prior to bank development, villagers never thought about this. This is a good opportunity because there would not be any other commercial bank which would help villagers individually to develop such small loan accounts.

Mr. Kom realised that the window of opportunity only opened once; the Villagers should learn from the problems and make new plans. I saw evidence of that to which he was referring. After the establishment of the Community Bank in the village, villagers had the opportunity to access inexpensive loans. At least, they began to think more about investment. Many villagers began to renovate their shops and bought new equipments. Some villagers expanded their businesses, while some even started new

businesses such as a small internet shop in the nearby district and a small dried banana factory.

At this time, Tan Somkid had been facilitating learning using a constructionist approach for over six years. I was not surprised at all for constructionism was evident in everything that he said. I also discovered that he was a very visionary man. His response to the question on positive and negative outcomes was an outpouring that lasted for five minutes. In this time he described the lessons he had learned from participating in the program and what he had initiated to improve it. In particular, he emphasised two lessons: the Villagers lack of entrepreneurial skill; and insufficient participation by the Youngsters. He commented:

> For the impact on me, I considered myself as a facilitator. I think that from whatever had happened; I had learnt many lessons. One lesson was that the Villagers couldn't solve the Community Bank's problems because their learning about management, financial management, and investment were relatively inadequate.
>
> Another lesson was that even though the Youngsters had a chance to participate in the Community Bank development and implementation, they still could not make their voice loud enough to be heard. In the community, there are two banks: one is the Baan Rienru - Krung Thai Bank; and the other is the Youngsters' Brain Bank, which I had proposed them to do. The Brain Bank is not managed commercially, but more for benevolence. In the Community Bank case, this is commercial. But the Youngsters were given lesser roles in credit analysis and follow up (as they used to do with their Brain Bank).

His findings led him to initiate two 'learning projects' for the Villagers. The first project aimed to develop the Villagers' management and investment skills through the concept of a balanced score card:

> We had realised what the weaknesses are and which direction should we go. In the past, the Brain Bank used to give loans, but now we are starting on the investment and management side because we had not touch

> anything about creating entrepreneurs. Mostly we focused on deposit, withdrawal, and credit. Now we had started introducing a balanced score card concept. We could not talk about finance or investment right away because their ways of living and thinking still did not catch up with the new way. So we have to find an indirect ways.

A simple version of the balanced score card (BSC) concept recently had been introduced by Fa from the Prachburi Cement Company. The villagers learned how to make plans for their living circumstances and for their occupations. For instance, villagers learned to figure out the cost of their children's education and how much money do they have to reserve each year. Villagers also learn how to estimate production cost and expect profit for each of their investments. With BSC, it was hoped that the Villagers would learn to think more systematically about their financial and investment plan.

The second project focused on the roles of the Youngsters and women's participation to restore of the community's natural resources:

> Another conclusion was that prior development was not related to long term investment like youngsters or environmental development, for example, to restore the richness of the forest; when there was forest, villagers would have water to use for the whole year. In fact this is the most important factor of production. It is necessary, although it would take a long time like 10 years. That's why we had stirred up interest among women and youngsters to participate in this type of long term investment projects without having to lead first with funding.

Baan Rienru is a village located at the foothill of a mountain. Vast areas of the forest had been destroyed resulting in longer drought periods. Although there was sufficient rainfall during the rainy season, the water run-off had become insufficiently impeded so that the village water reservoirs were filled up rapidly with the sediments from the mountain with the result that the reservoirs were able to hold less water. Since Baan Rienru village is an agricultural village, there was insufficient water to ensure a good harvest and to raise cattle that were adequately fattened. Therefore, most of Baan

Rienru villagers earn just enough for day to day living, and not much is left for investment. Tan Somkid realised the fact that although the Community Bank is now providing inexpensive loans, villagers' investment capacity in the village is too low because the natural resources, mainly water, were not sufficient. Tan Somkid hoped that after the forest was fully restored, the richer natural resources would enhance more investment possibilities:

> That's why we want to conserve forest instead of make and sell herbs or promote tourism. If we start with business, the forest and water would never increase. Later, if the foundation was strong, we could handle any of their investment decision.

His expectation toward this environmental project was two-fold. He did not only aim to increase the community's production capacity, but also to indirectly inform the adult villagers that sometimes funding was unnecessary to start new investment projects:

> That's why we had stirred up interest among women and youngsters to participate in this type of long term investment projects without having to lead first with funding. That's why we had stirred up interest among women and youngsters to participate in this type of long term investment projects without having to lead first with funding. Mostly, the community would wait for the funding, and then start the project. This is not investment. They had not changed their old ways of thinking; that is why they still did not understand. Therefore, we have tried to do this to set an example so that the adults (who were now in charge) would discard their old ways of thinking.

Tan Somkid aimed that this environmental project would reconsider their priority on funding when they think about new investments and that the Youngsters would absorb this thinking system and pursue it.

I quickly understood what he was saying. I agreed with him that the real problem of the Villagers might not be about funding anymore, but it should be about how to improve the natural resources and entrepreneurial skills of the Villagers and about the most productive teaching and learning

techniques that would facilitate this. After the interview, I found out that I had learnt how to think like a constructionist! I began to value learning. The Community Bank was just the mean; it was not meant to solve the Villagers' debts problems. Instead, it helped the Villagers to realise further what their real problem was indeed something else. This must be how we get new knowledge from 'constructing meaningful artefacts', which in this case was the Community Bank.

This narrative revealed clearly that there is an unsolvable friction going on between the Allies and the Mitrapahp Bank staff. The Allies' greatest value and concern was about learning. They valued the acquisition of learning skills and knowledge more than the outcome of the program. Their mission was against the reality of the materialistic world that banks do need profits. It was observable that they were quite unhappy with many unfolding facts. They had to admit that indeed the constructionist approach was not of everyone's greatest interest. However, regardless of the outcome, the constructionists believed and acknowledged that the pilot program was a knowledgeable and enlightened experience.

Sprouting Seeds: The Youngsters' Narratives

The young generation at Baan Rienru was totally different from what I saw myself at their ages. Ten years ago, other than my studies, I found myself going out with friends, getting together on the weekends, and having as much fun as I could. The teenagers at Baan Rienru, on the other hand, were instilled to help the community work since they were little. This small village was relying on them to continue different community development projects they had started. These teenagers were their seeds of hopes.

For the Community Bank pilot program, four young women were allocated to work for the bank. Nat was like the taproot for the youngster in the community. She was a third year university student. Influenced by her mother, she was an influential community leader and a primary school teacher, Nat also assisted her mother in many community projects. Nat is a

responsible and dedicated young woman. Although school and community work had given Nat enormous workloads, she could manage them well.

Another young woman is Kaew, a young mother. She was about the same age as Nat. They were in their early twenties. At first, Kaew appeared to be a quite a timid young woman because she did not talk much. Until we were personally acquainted, then I realised that she was a cheerful and friendly young woman. Prior to working for the Community Bank, Kaew worked as a computer lab caretaker. She would collect usage fees and assist people who came to use the internet at the computer lab.

Pon is younger than Nat and Kaew. Pon is a clever girl. She had just finished high school and planned to further her education. Pon's role as a community activist was influenced by her father, an influential community leader, and to a greater extent, by Nat. She worked with Nat all the time in different community projects.

Ying is the youngest among the four, with an age of only fifteen. She joined the later part of the project after she stopped attending the tuition classes in the city on the weekends. Prior to joining the Community Bank, Ying have been working with the other young women on many communities projects. She was young, lively, and quick-witted. As a newcomer, she learnt quickly about her new tasks as a computer operator and a customer service officer.

I knew them all quite well because we were usually hanging around together, especially during the community work. On Sunday, we would be at the Community Bank. The adult committee members had assigned the young women to operate the computerised banking system and service customers at the Community Bank counter from 9.00 to 15.00. Each young woman was assigned different responsibility. Nat and Ying handled daily deposit and withdrawal transaction, while Pon dealt with loan applications and credit accounts. Kaew, on the other hand, worked in a different context. As a secretary, she arranged, confirmed, and took minutes of the Community Bank committee meetings.

Problems at the community bank

Nat and Pon's additional task was to work with their trainers and the programmers in giving them feedback on the user interface design for the pilot Community Banking system; therefore, we often discussion during their idle time without customers about the problems they had encountered. It appeared to me that their main difficulty had to deal with the banking program errors. According to Nat, this custom-made banking system was still underdeveloped:

> At first we only dealt with deposit and withdrawal transactions; the banking program was fine. But after we started the loan accounts, the interest rates condition became more complicated that even the programmers had not thought about. The program needed to be continuously developed.

The Community Banking software was newly developed by Mitrapahp Bank's contracted programmers to provide a unique and simplified version that suited the Community Bank deposit and loan policy. Errors were, therefore, common. Nat had done her job well in detecting these errors:

> I discovered program errors from time to time, yet they could not be fixed instantly since programmers were so far away. There were continuous problems since the beginning. After the programmer checked the program, it was good for another several days and then there's something wrong again.

After reporting the detected errors, Nat, however, needed to wait for the programmers to fix them. Nat also admitted that she was also the cause of some of these errors:

> I think it was also me as well as the software itself that was not quite complete. When I input data, I needed to follow specific formats. There were so many details which sometime were not explained in the manual.

> Sometimes I input numbers in wrong format; the transaction was wrong, and I could not edit.

Nat had initially attempted to undo her mistakes, but the given system manual did not provide basic trouble-shooting instructions:

> I understood what the Mitrapahp Bank team taught me, but the manual didn't cover all the trouble shootings to the problems that I could try to fix before contacting the programmers.

When self-help attempt could not be accomplished, it was necessary for Nat to wait for the programmers. Unfortunately, waiting could be forever. According to Pon, distance was that mattered:

> The main problem here was not about the banking program. There were times when the program had errors. It couldn't compute correctly. Sometimes, the bank booklets printing were not aligned; moreover, the programmers were in Bangkok; it's far. It took longer time for them to fix. Sometimes online and sometimes they had to travel to here; therefore, the banking program development was quite slow and troublesome.

Pon had demonstrated how small system's problems could delay the development of the pilot banking system; and this setback, according to Nat, had affected the bank's customers:

> I have to wait for a long time until the error could be managed. It usually took week, and sometime even longer. Customers' document had to wait a long time until their transaction could be updated.

I found Nat and Pon's indication significant in terms of the Community Bank reliability to its customer, and was glad to notice that they were mindful about their given responsibility. They were sprouting!

Other than technical problems, Pon discovered that the Villagers had difficulties dealing with loan application process and documents:

> I found out that most villagers had difficulties understanding how to complete the loan application form. Sometimes they bought the application forms but never turned them in because they found out that they had to prepare and sign so many documents. They were not used to the process. They complained, "It's complicated!" and gave up.

The effort appeared to be too great. While the document was at least ten pages long, the receiving copy machine was only thirty kilometres away!

Nat and Pon were articulate with their reflection, so I discussed with them further on how they felt about the main goal of the Community Bank in urging entrepreneur development through low cost loan. Nat's response was unconfident:

> I would admit that I really didn't know what to expect. Our community is not like in the city; it's different context here. Most villagers were wage earners with very few entrepreneurs.

Nat viewed her community as 'wage earners'. For Nat, she felt this perception was hard to change because breaking this employment habit was quite painful:

> I have noticed that our community's group investment projects were not so successful. For any investment, it would take certain amount of time until you could see the profit. Sometimes it took longer than anticipated, so villagers thought they were running a loss; as a result, they felt discouraged and quitted.

I had reminded Nat that the Community Bank was established in her community aiming also to provide the Villagers with funding and investment knowledge to assist the Villagers through this apprehensive stage. Nat disputed my statement. She believed the opportunities were well outlined by the Allies, but were not grasped:

> Our Allies had been helping us with this problem too. They took us to see many communities initiated projects as well as introduced to us new

> investment opportunities, but it was actually ourselves who lacked the courage to start one of our own.

Nat thought that it was the Villagers' lack of determination that constrained them from these new opportunities. Later, Nat had shown me the Community Bank's stagnant loan account:

> Our loan accounts had not moved anywhere. Up to now, the committee had approved only about six or seven applications. The Community Bank still had another two million baht untouched.

Nat's illustration had brought me to a big question mark, 'If only few people were interested to invest like Nat said, then why do they need the Community Bank?'

Support from adults

Having to deal with circumstances, on the contrary, the young women felt they had received little attention from the adults. Pon outlined of her opinion straightforwardly:

> Personally, I felt that the committee concentrated on the policy, and neglect the operation part. Our manager was busy and could not come here every week. Adult staff did not have much free time.

For the young women, infrequent assistance from long-distance programmers might be an annoyance, but inadequate assistance from their adult fellows could be discouraging. When Pon mentioned this issue, I had recalled that Mitrapahp bank had assigned a staff member from its local branch in Lampang to assist the young women whenever they needed consultation. So, I asked the young women about the assignee. Nat was frank:

> He only visit us a couple of times. If he would really come here every Sunday, I might feel uncomfortable, or he had to readjust himself a lot. When he came here, I preferred him to think of himself not as a banker,

> but a kind uncle. He often said, "Why did you do that?" when I did something wrong. This made me hesitant about asking questions.

Even with his availability and readiness for consultation, Nat felt uncomfortable to consult him; on the other hand, the relationship between the young women and Mitrapahp Bank staff was better although they lived far away. Kaew felt she could familiarise herself more easily with the Mitrapahp Bank staff than with the other Allies:

> For the bank staff, I thought they were very friendly and informal. I felt I had become acquainted with them very quickly and easily compared to the other facilitators.

For the young women, the comforting attitude of the facilitators was more important than their expert advice or availability. They were clear about their needs: they wanted 'friends' not 'teachers'.

The elephant's classroom: Learners' perspectives

Despite their closeness, the Mitrapahp Bank staff was not forgiven for making the lecture too hard for the young women to understand. Pon complaint about their banker's terminology:

> They used the overhead slide to teach us. Sometimes I understood, but most of the time I didn't; for example, they talked about accounting as if they were talking about the bank themselves.

Pon particularly pinpointed the appropriateness of the Mitrapahp Bank staff's discourse, while Nat chose to comment on the overall contents of the lecture:

> I did not quite understand! So I tried by myself first on a trial-and-error basis. Some of the contents they taught us came from what they did in the commercial bank in the city, which I think is different from our context.

According to Nat, the 'different context' referred to the differences in the nature of her Community Bank from the commercial bank. Although the

established Community Bank provided services on a commercial basis, the banking process, loan criteria, banking system interface, and documents were greatly simplified; therefore, the teaching materials should be simplified as well. In addition to Nat and Pon's comments, Kaew further mentioned that the knowledge transfer timing was too tight:

> Knowledge transfer timing was too short. In some nights, the bank staffs taught us like three topics in a row. I didn't have any background of these kinds of things, it was hard. I had to try to take them all; however, after the next day I forgot.

The use of difficult terminologies and contents coupled with tight time frame had made the hard concepts even harder to assimilate. The young women had not given only the comments, but also some recommendations. Nat related her idea on how to improve the contents:

> If I were them, I would learn about the background of the learners first to be able to provide suitable teaching materials. You see, no one in our committee graduated with financial or accounting degree. So it is difficult to understand from just their explanation.

Nat suggested that the Mitrapahp Bank staff should be more attentive to the Villagers' ability to comprehend with these difficult concepts in order to design more apprehensible teaching materials. She further pinpointed the need for more extensive training program:

> I think it would be better if they would emphasise training. The bank should give us a chance to do on-the-job training at their bank in town during our vacation, like one or two weeks, so we could learn to work with the real stuffs.

From her recommendation, I assumed Nat hoped extra training at Mitrapahp Bank could enable her in learning to handle the operational problems more independently.

Effects from participating in the program

Personally, I respected the young women's self-sacrificing spirits. Such commitment has emerged spontaneously not only from the given responsibilities but unanticipated from the sense of ownership towards the bank and the spirits of those involved after they have been engaging in bank development for a certain period of time. During the interview, Nat expressed her sense of ownership towards the Community Bank:

> I had dedicated so much to this job. I worked here every week, days and nights. I felt I love it. It's mine! It's me who really got it started to work. Many staffs were quitting, but I am still here.

Nat's strong sense of ownership had been the result of her intense participation as the sole system operator and co-system developer. Like Nat, Pon also mentioned her affection for the Community Bank:

> If I were to look at the whole picture, I believed the founder committee of the Community Bank also loves this Community Bank like I do.

Pon believed the other staff had developed similar feelings as she did, but not yet for other villagers:

> For other villagers, they still didn't participate as much as they did with the Saving Group. Only a few saved their money here. I think it would need long time to make them feel the same way with the Community Bank as they did with the Saving Group.

I understand there was a different degree of participation due to the different establishment background of the two. The Saving Group was developed and operated collaboratively by the consensus of the community, while the Community Bank pilot program was co-developed with the commercial bank whose long-term partnership was still doubtful for most villagers.

Another problem of the newly developed community projects was a lack of volunteers. Nat demonstrated this through the community's Saving Group example:

> Even with our own Saving Group, which operated once a month; we still had difficulty trying to draw people into work. Strong leadership counts. When the leader is someone the community trust, people like to volunteer to work.

From her experience, Nat found that strong and trustful leadership served as an important magnet to attract the Villagers to join the community work. For the Community Bank, Pon reported that the committee had already approved to pay the staff working at the bank on Sunday:

> The youngster in our community normally helped the community work for nothing, but for adults they had to earn their living. If they had to come here every week without any remuneration, it would be the waste of time for them. I agreed with the policy to give remuneration to staff who worked at the bank on Sunday. We had already come up with schedules. We all got wages now. Now things were getting better.

Unlike the Saving Group, the Community Bank required the staff to work every Sunday; therefore, remuneration was given in compensation for the staff's lost income as well as to assure their attendance. Pon further indicated the community had a clever strategy to draw in new participants:

> In our village in every project, we would rotate our duties with new staff every one year. This should be the same with the Community Bank. After the present committee, other people would come to learn with us on the second year, and by the third year, we would resign. This would help to prolong our project.

Job rotation, I agreed, would improve the possibility of the projects' continuation as well as enabling the staff to gain diversified experience. For

me, a voluntary involvement of this younger generation in the program was another intimation of a brighter future for the Community Bank.

Before joining the project, I was confident that the young women were aware as to how their personal lives and leisure could be affected, and I applauded them for pursuing the work. As a team leader, Nat's task required a great deal of responsibility. She described her work, as follows:

> About my work as an accountant, this was very tiring working alone because of its details and numbers. Sometimes the other staff had neglected little details like not keeping and recording receipts or rounding up numbers. If at the end of the day, the account turned out imbalance, I was in trouble. It was hard to track records when there was no receipt or recorded document, so I had to think and recall. Imagine sometimes it took me like a month or two and figured out nothing!

Nat had recognised the significance of her work and was fully committed. She also thought that her assigned task was the most arduous and time-consuming when compared to others:

> I felt that it was difficult and burdensome. Most work was on me and the system was still messy. I felt depressed from time to time. Other staffs' work was routine; recorded transaction, finished, and go home. The rest of the work was on me. I had to stay late to prepare reports and summaries.

Nat had found this emerging obligation burdensome, and sometimes became stressful when she confronted unsolved problems:

> I was depressed facing with continuous problems. Sometimes I couldn't solve problems by myself, for example, problems like program errors. Even after the work, I was still thinking about it. It bothered me all the time until the problems had been solved.

Nat's serious commitment to her responsibility was a good example for young women, especially Ying. Ying behaved like a normal teenager and preferred to keep her weekend free to play with friends and stay with the

family; however, having recognised the dedication of the other young women, Ying had changed her mind:

> For this job, I lost my free time. I am tired, but lesser afterwards. I saw other people work; I saw their spirits. So I decided to help.

If their difficulties were one side of the coin, the young women had as well realised the other. They had recognised and appreciated the acquired benefits from participating in the program. After Ying joined the team, she was motivated by her colleagues, who had indirectly brought her to realise the significance of her work:

> I was especially impressed with our staffs. We are friendly. I saw Nat advised the customers to fill in the form step by step; this would not be a service you would always receive from banks in the city. Some bank staff in the city did not even care to explain, and they sometimes scolded you for not being able to do things correctly. For example, once I asked about what I had to do to open an account, and she asked me back, 'Where are you from? How could you do not know how to do?

This realisation made Ying felt proud and important. In a manner similar to that of Ying, Kaew talked proudly about the privilege that had been given to her:

> I am proud to take part in the development of the first Community Bank in Thailand. If there was no this program, it would be definitely impossible for me to be a banker. People admired me.

Kaew had changed compared to the early days I had met her. I observed she now talked more confidently. Along with higher self-esteem, Kaew had learned a lot from the job she was assigned:

> The Community Bank is much more systematic; for example, credit analysis steps, follow-up works, and monthly meetings. Everything must be according to the regulations. I had learned more about finance and banking.

As a secretary, Kaew had attended committee meetings where she learned different aspects of the Community Bank broadly. Nat's case was different. She learned greatly through practice:

> The positive aspect was that I had a chance to learn about banking program and accounting. I learned and practiced to be more patient because I had to work for a lot of people, both the staff and customers.

Nat interfaced greatly with not only the system but also the stakeholders, where the likelihood of differences in opinion and approach always present. In such circumstances, she had learned to handle these conflicts more patiently. To my surprise, Nat even mentioned that conflicts were somehow relevant to enhance the Community Bank's outcome:

> Personally I think conflicts are good things. They created new creative ideas we have never think of. If the suggestions were useful and factual, then things could be improved. The bank did make some suggestions. We did learn many things from them; sometimes something different and sometimes additional.

I concurred with her suggestion! Constructive arguments could lead to more creative output. Working in a similar context, Pon had a similar reflection:

> I learned to be more responsible, and that in working with a lot of people, there would be times when there would be conflicts, but that was not the big problems because if we really talked, there would always be solutions. Personally, I didn't feel discourage.

In the similar manner, Pon had developed a positive attitude toward conflicts and believed that they could always be managed. From the emerging facts, it was apparent to me that a person's ability to cope with conflicts could well be developed through practical learning.

Adding to their interesting disclosure about their learning experiences, Nat and Pon did not forget to emphasise their recognition on the benefits of information system. From their past experience with the Saving

Group's manual approach, Nat was now aware that banking program was necessary for better performance:

> I was quite satisfied with the present situation. I completely understood how difficult it would be to run a bank without hi-tech stuffs like computers and good banking system. The staffs would be very discouraging without these helpful devices.

Pon exemplified Nat's comment through the situation of their Saving Group:

> The good thing was the use of computer program. Because if there was no computer, it would be hard; just like what we had experienced with our Saving Group, which always required a lot of manpower. We had to calculate using calculators, and it's hard because the figures were quite big now. We also needed to keep a lot of database. It was difficult every time we wanted to find something.

Nat and Pon had distinguished the effectiveness between the database management approach of the Community Bank and the Saving Group. It seemed they had found the missing tool that could enhance their Saving Group's performance.

After all, the case study did not only reveal the young women' perception on different aspects of the program but also the interesting and unexpected learning experiences that they had encountered. Of Nat's memorable moments, unlike the other young women, talking to the Prime Minister was not her highest pride; instead it was what she had realised while she was talking with the Prime Minister that mattered:

> The happy moment was during the Prime Minister's visit because while we were working, everything seemed so unclear, not ready. But when the Prime Minister came, we had to prepare the presentation for him and for the people. At that point it became clearer to me what we had accomplished. We were somewhat successful. Our work could be more or less an example for other communities.

This was the first question I asked and her response was the last thing I had come to understand. Throughout the case, mostly the young women mentioned about their difficulties and discouragement. In fact, it required only a short moment for Nat to realise how much she had accomplished. I was listening to her presentation for the Prime Minister. It was about the Community Bank's accomplishments and her learning experiences, and I had to admit that it was a long presentation!

I also had to admit, from this case study, that Nat, Pon, Kaew, and Ying had played important roles in this Community Bank pilot program, especially with regards to technological implementation and possibly sustainability of the program. At some stages they were despondent about the difficult problems and the apparent desertion; by way of contrast, I found these impediments a perfect environment for these seeds to sprout beautifully. The young women's participation in the Community Bank pilot program had taught them valuable lessons that obviously were nothing like learning from the textbooks. They had been instilled with higher self-esteem, conflict management skills, and the most importantly, a greater sense of ownership towards the Community Bank.

Patterns Emerging

I identified five main themes emerging from these four narratives:

- relationships among the four groups of participants;
- effects of program on participants;
- supporting factors;
- emerging problems;
- actions taken and recommendation; and
- goals.

The narratives reveal the layered relationships among and between groups of participants. They reveal how each participant responded to the others'

attitudes – in particular, how the participants felt about or formed attitudes towards each other.

Each group had addressed the positive effects and the consequences of their participation in the program, which I was able classify into three areas: the benefits of new knowledge; positive and negative emotional affects; and improvement of their banking-related skills and perceptions. Each of these categories showed a remarkable correspondence to Bloom's three Domains in the Taxonomy of Educational Objectives; the Cognitive Domain (Bloom, 1956) the Affective Domain (Krathwohl et al., 1973); the Psychomotor Domain (Simpson, 1972). Each Domain is represented amongst the factors that the participants recognised and believed to be in support of the development of the Community Bank. These include existing community practices; norms, and values; and the participants' attitudes toward the Community Bank resulting from their involvement – both in the rewards the experience they gained in working in the bank.

The participants had recognised the problems that had impaired the performance of the Community Bank and the staff's skills development. Many of the problems had resulted from the participants' own feelings of disapproval towards the Community Bank's regulation and other participants' behaviours that contrasted with their own beliefs and values. The participants also described how they had dealt with some of the problems they could handle as well as how they could provide suggestions that might be applied to unsolved problems.

The last theme is related to how the participants had established new goals after the implementation of the program. The narratives suggest that some participants had intuitively formed a new goal or direction for the Community Bank. There were also some, who had quite different goals – varying from feelings of repentance to major changes in personal values.

The case studies have focused on making meaning of remarkably diversified sets of data from four groups of participants with completely different roles in the program; however, these sets of data can all be assigned

within the three Bloom domains – cognitive, affective, and psychomotor. The domain model has provided a convenient system for classifying the data from these four groups of participants into similar categories in order to be able to compare and evaluate them. In addition, the synthesis of these data into each of these domains, which will be presented in the next chapter as vignettes, provide a clearer perspective of the participants' development in different aspects such as the knowledge and skills they had obtained from both formal and informal learning activities, and, more importantly, the effect on their attitudes and values.

CHAPTER 5

Vignettes

Introduction

The emerging pattern from the data in the previous case study points out that the Bloom's taxonomy is applicable as a tool to classify these data into comparable categories for the interactive evaluation. Bloom's taxonomy classifies behaviours into three domains: cognitive, affective, and psychomotor. Cognitive refers to the mental skills or knowledge. Affective deals with the feelings, emotions, or attitudes. Psychomotor simply means physical skills or manual tasks. Each domain is subdivided into levels or stages of competencies, ranging from the simplest behaviour to the most complex, with an underlying assumption that each must be mastered before progressing to the next. The following three tables provide the structures and explanations for each domain.

Cognitive domain

The taxonomy of cognitive objectives involves knowledge and intellectual development. Referring to Bloom (1956), the cognitive domain has six levels of intellectual competencies ranging from low to high order thinking skills: a summary of the key elements is contained in Table 5.1, below. The lower order thinking skills start from a simple recalling of information to

TABLE 5.1 BLOOM'S TAXONOMY OF EDUCATIONAL OBJECTIVES: COGNITIVE DOMAIN

Category	Behaviours
Knowledge	Recall or recognise data or information.
Comprehension	Understand the meaning of information and be able to explain by restating, translating, interpreting, or extrapolating it.
Application	Use or apply knowledge in real situations.
Analysis	Break down information or material in to components parts to understand the relationship between them and their how they are organised.
Synthesis	Put together, combine, or rearrange parts of information to form new whole by creating new meaning, structure, or plan.
Evaluation	Make judgment about the value based either internal or external criteria.

After Bloom, 1956.

analysis, synthesis, and evaluation could then be built from these basic thinking skills.

Affective domain

The taxonomy of affective objectives is concerned with the emotional component of behaviours such as feelings, interest, attitudes, motivation, values and beliefs. Krathwohl et al (1973) had identified a continuum of five subcategories, which represent the degree of acceptance or rejection or the level of internalisation starting from simple awareness to finally characterising the value complex as the person's lifestyle. A summary of the key elements is contained in Table 5.2.

Psychomotor domain

The psychomotor domain deals with physical tasks of the participants. There are three popular contributors for the psychomotor domain, namely Dave (1970), Simpson (1972), and Harrow (1972). I preferred to use Simpson's version with two additional prerequisites phases because I think it is

TABLE 5.2 BLOOM'S TAXONOMY OF EDUCATIONAL OBJECTIVES: AFFECTIVE DOMAIN

Category	Behaviours
Receiving	Aware or attend willingly to environment or information being received.
Responding	Respond or participate actively with compliance, willingness, or satisfaction.
Valuing	Express and display behaviours consistent with beliefs or attitudes about the value or worth of something. This ranges in degree from acceptance, to preference, and to commitment of a value.
Organisation	Organise different values to form internally consistent value system by comparing them, determining their relationships, or synthesising them into new value.
Characterisation	All behaviours displayed are consistent with the internalised value system. This value system becomes a lifestyle.

After Krathwohl et al., 1973.

important for the participants to develop a positive perception and attitude toward the physical tasks they are about to perform in order to do them well. According to Simpson, there are seven stages, as summarised in Table 5.3.

TABLE 5.3 BLOOM'S TAXONOMY OF EDUCATIONAL OBJECTIVES: PSYCHOMOTOR DOMAIN

Category	Behaviours
Perception	Become aware of objects, their qualities or importance.
Set	Readiness to take particular action with physical, mental, and emotional set.
Guided Response	Attempt to learn complex skills through imitation, following instruction or trial and error.
Mechanism	Perform skills with confidence and proficiency or become habitual.
Complex Overt Response	Perform skills without hesitation and automatic with high proficiency indicated by quick, accurate and highly coordinated performance, requiring minimum energy.
Adaptation	Skills are so well developed and could be modify to fit special requirements or new situations, or to meet with problem situation.
Origination	Creating new movement patterns or actions based on highly developed skills and creativity to fit a particular situation or problem.

After Simpson, 1972.

In the following sections, I have employed the model devised by Bloom and his colleagues ('Bloom's Taxonomy') to classify the selected data from each of the four groups of participants into the three domains and presented them as vignettes: vignette of cognitive issues, vignette of attitudes and values, and perception, responses, and adaptations. This chapter will present all together 11 vignettes. Each group has three vignettes except the Allies because their role as consultant related mainly to the cognitive and affective domains, but hardly at all to the motor skills.

Fellowship of the Fleas: Villagers

The differences between the community and Mitrapahp Bank's social and working norms serve as a basis to explain the Villagers' cognitive and affective objectives in their responses to different situations. The first vignette analyses two main issues regarding the Villagers' cognitive learning styles and their utilisation of high order thinking skills to determine and analyse the emerging problems. Although the Villagers could recognise these cognitive issues, they chose to respond to them affectively, as explained in the second vignette. The third vignette determines their level of psychomotor skills development as well as its influences on their cognitive and affective enhancement.

A vignette of cognitive issues

One of the main objectives in developing the community bank was for the Villagers to learn how to operate a bank. The Villagers had to learn the basic financial and banking knowledge as a foundation prior to training. This part of learning, however, had become problematic when most Villagers were unable to comprehend the lectures. Noina had explained why she could not understand the lessons taught by the Mitrapahp Bank team:

> During the lecture, I listened but did not understand. It was confusing and hard when they used the overhead slides to explain technical things. I was not familiar with their financial terms.

Noina could not conceptualise the main ideas from the lecture because the Bankers' explanation and overhead slides contained unfamiliar financial terms, none of which she understood. As I perceived the situation, the Villagers used mostly a combination of Northern dialect and simple Thai language in their daily life; thus, the Bankers' explanation using formal Thai language, together with technical terms, would be very hard for them to follow and understand.

Loong Mahn, Loong Dang and Loong Jaidee had similar problems to Noina. They managed to catch up with a mix of private tutoring, slow and painstaking personal review, and relating the content to their work situation.

Regardless of the Villagers' ability to comprehend the lessons, Loong Jaidee was confident that they knew how to analyse the borrowers' credibility:

> We could establish the bank successfully because we already had the experience of creating our own Savings Group, and it has worked well. If we had never had a glimpse of it, we would not have been so confident.

The Villagers' financial management skill previously developed when they were operating the Savings Group was a hidden supporting factor that eased the Bankers' teaching load and masked the underachievement occurring in the classes.

The case study of Villagers in the previous chapter has shown the adult Villagers' great interest in lending criteria design and credit analysis, in both of which they had performed exceptionally well. Having participated in such activities, they had found their cognitive skills improving in different ways. Although Phi Nueng had already quit the program, he agreed that a good part of it was the knowledge he had obtained:

> I had learnt about management, financial matters, loan contracts, and indemnification. I have more knowledge; that was the good part.

Most of the Villagers whom I interviewed had been able to employ their new knowledge of banking methodology. In particular, they had improved their planning and problem-solving skills as a result of their participation in the program,

Although few of them had not mentioned directly the development in their higher order thinking skills they had demonstrated to me, in various ways, the ability to employ their thinking skills to identify and examine emerging problems. This included making adverse inferences regarding sluggish loan growth which arose for two main reasons: first, only a few Villagers applied for community bank loans; second, strict lending criteria had disqualified many Villagers from obtaining loans.

Three Villagers provided me with three separate pieces of evidence to explain why the Villagers chose not to apply for the community bank loans: previous unsuccessful investment experience, lack of interest to invest, and the formalities of loan application documents. Phi Chai pointed out that many Villagers tended to revert to their original occupations because of indelibly imprinted negative investment experiences:

> We did try new occupations, but we did not get profit. In the beginning, we started with 20-30 people. We did well in the beginning. Because of the trend and promising impulses, we formed groups. Sometimes after an investment, initially when there was no return yet, most Villagers thought that they were already running at a loss; as a result, people started to quit. They went back to their old, but reliable occupations, although they earned little income from them.

He explained that many Villagers did not take into account the payback period, and decided to give up too early thinking they had failed; as a result, they went back to their original occupation which gave them a guaranteed income.

Similarly, Krue Wai had found that many Villagers were taking out free-purpose loans rather than investment loans. The main reason that Villagers had were not investing was that the one-year reimbursement policy of the poverty reduction fund did not match the payback period needed for pigs or cattle investment: the Villagers did not apply, because they believed that the regulations were too strict. Krue Wai had analysed and evaluated the situation and, in the process, had found the root cause of the Villagers lack of interest in investment.

The third piece of evidence was unrelated to investment: it addressed the problem of the complicated loan contract, as elaborated by Loong Mahn:

> … There were some applicants, whose proposal had already passed, but who still wanted to cancel. The process was not complicated if the documents were ready. The trouble was with the paper work. The documents for a single contract are so thick. Everyone was bored – both the applicants and the guarantors …

Loong Mahn suggested that the unfavourable impression created by the formidable length of the community bank's loan application documents had deterred the Villagers from applying for loans. This was aggravated by a number of other factors: strict lending criteria meant that many Villagers were disqualified from being eligible for them; the committee, as the guarantors of the three-million baht loan received from Mitrapahp Bank, felt under pressure and consequently had imposed strict collateral to safeguard the community bank from non-performing loans. The lending groups in the Baan Rienru community previously had never used availability of collateral as a lending criterion; instead, they evaluated previous debt repayment discipline and social contribution of borrowers. Provision of collateral was introduced to the committee by the Mitrapahp Bank team as a standard criterion of commercial banks. Most Villagers criticised the committee's decision to adopt this criterion; which had made the Community Bank no different than other commercial banks.

Poh Luang gave an example of the restrictive criteria – the reliability of income:

> Villagers' occupations were the problem. The community bank committee did not want to lend the money if the applicants did not have an occupation with a reliable income.

Having reliable, regular earnings was crucial in signifying the applicant's ability to repay the loan. Poh Luang saw the Villagers' transient occupations as the main obstacle that would disqualify them from accessing a community bank loan.

It was clear that occupation had become the critical issue that influenced the community bank's willingness to establish a loan. Occupation-related problems such as unsuccessful investment experience, lack of investment interest, and transient occupation adversely affected both the Villagers' decision and qualification to apply for loan. Phi Chai urged the committee to prioritise occupational issues in order to pursue successfully an investment-oriented loan policy:

> What I expected from the Community Bank was about occupations. After the establishment, if the occupation would be the next thing of interest, then it would be great because in our community there weren't any outstanding occupation we could hope for.

He pinpointed the need to promote a wider range of occupations along with the expectation that the community bank would find these as being adequate for the granting of the loans.

The lectures and training sessions organised by the Bankers had apparently improved the Villagers' lower order thinking skills in many ways. The Villagers' cognitive skills in banking developed systematically, but not particularly in the direction that the Bankers had intended. They learned about forms and conventions of banking from the lectures, but could not immediately understand their significance without there being any implementation. It was unclear how the Villagers' participation in the

program affected their higher order thinking skill development; nevertheless, they had demonstrated their ability to determine various interconnected factors as the causes of the problem situations that arose. The Villagers' analysis of the problems tended to be partial rather than integrated; as a result, they were unable to construct a practical, holistic solution.

A vignette of attitudes and values

Baan Rienru is a community based on shared values and norms. These values and norms serve as a basis for all their community development projects, including the community bank pilot program; they are the determinants of their success. Noina shared the value she thought most important – unity:

> It is the unity! If this quality was lacking, then we could accomplish nothing. In whatever we do, if we are constantly pushing against one another, we would never have had what we have today. It is undeniable that people have different opinions, but the most important thing is how we compromise.

Noina was realistic about inevitable conflict occurring but, at the same time, was confident the community could maintain unity through compromise, and more importantly, their kinship ties. This connectedness, she believed, had provided a natural affinity in protecting the community members from developing disharmony. The community had also developed close ties with its younger generation: the Villagers accepted their dependency on the Youngsters in bridging the community to the modern world of hi-tech information technology such as the computerised banking system of the community bank.

Phi Chai gave an example of a community self-management norm which he perceived was beneficial to the community bank development. He trusted his community's ability to manage the community bank appropriately within its existing management framework:

> … In our village, besides the regulations of each group, we have the community regulations as our big umbrella. If any group creates debts, the village committee makes sure the group would not blame others and that they would be responsible.

Similar norms were strong enough to hold the borrowers accountable for their loans and to act as a safeguard against bribery, and to ensure the transparency of the community bank's loan approval process just as it did for the other lending groups.

Although these values and norms played crucial supportive roles in the community bank development, they only defined partially the community identity. I found the community had a much more complex system of values and social norms that contributed to form the Villagers' attitudes toward the community bank, and more significantly, their roles as community Bankers.

According to Phi Nueng, the Bankers, initially, had easily influenced the committee members because they lacked confidence in their banking knowledge:

> During the lending criteria write-up, I think there was too much intervention from the Mitrapahp Bank staff. They were thinking about commercial bank ways, and very little about micro businesses like in our case. Yet, our committee thought we had little knowledge so we had better listen to them.

While Phi Nueng did not support the idea of applying common commercial lending criteria to the community bank, the majority of the committee chose to follow the Bankers' advice. Despite their anxiety as guarantors of the three-million baht loan from Mitrapahp Bank, the Villagers felt pressured to act against their natural beliefs and values.

This was a controversial situation for the committee. Some Villagers felt that the committee should not think commercially despite the legal consequences that awaited the committee if they were unable to pay back the three-million baht loan. Most of the committee members felt they had done their best under the given circumstance, despite the fact that the result was not what they had

wanted. The developed lending criteria had created a divergence of views and attitudes between two groups of committee members. Some agreed, while some started to question the practicality and worth of these criteria. This reflected the harmful effect of the lending policy that was imposed regardless of the prevailing community's values and norms with respect to its social and cultural capital – the main supporting factor of its prior successes.

As well as the dispute among themselves, the committee had to cope with the Villagers' complaints about the imposition of very strict lending criteria. As the credit officer, Phi Nueng elaborated his feelings regarding the complaints he received:

> Criticism! That is what I got. I did not really care. I did what I believed was right. I care about them. I did not want them to take the loan that they were not able to repay. I tried to make sure that is why I checked all details, but they said I tried to restrain them from getting the loan.

He had held on firmly to his personal values, and believed he had done the right thing. Together with other members of committee, Phi Neung felt discouraged because the complaints indicated the Villagers' dissatisfaction with the lending criteria; there was the additional concern that there would be a negative emotional impact on the community bank officers who had to deal directly with the complaints.

The community bank work had also affected the Villagers' personal lives; however, unlike the Bankers, they had more choices. Following consideration of their personal position, some Villagers decided to quit. Phi Nueng, for example, had decided to give up his work at the community bank to save his motorcycle repair shop, which was performing poorly without his direct involvement:

> I could not finish fixing customers' motorcycle on time. I needed to focus more on my jobs. Community bank's work had taken much of my time. For example, when the customers brought their motorcycle to fix to be able to use tomorrow, I could not finish it on time. I lost credibility. As a result, I resigned.

Phi Nueng could not allow his unpaid work at the community bank to be more important than his motorcycle repair shop, which was the main source of his income. Other Villagers felt pressure on their family life; one was experiencing personal financial difficulties that were linked adversely with their work at the community bank:

The Villagers' performance as community bankers were bounded by their obligations with others: reimbursement obligation to Mitrapahp Bank, social commitment, and personal commitment to family and work. Among these factors, the Villagers were most conscious of their reimbursement obligation because of its great financial consequences. Their panic-driven conformity to commercial rather than community norms made them feel uncomfortable with the community bank and amongst themselves. Noina described her ambivalent attitude towards the community bank:

> I could say that it is 'our' community bank but not wholeheartedly. I need more time to ease up because we have to insure the three-million baht loan from Mitrapahp Bank. Every time the committee endorsed the loans, I felt anxious. We needed to be very selective because we were worried that the endorsed loans would turn out to be non-performing loans. I am quite pressured.

Noina's uncomfortable feeling about her status as a guarantor caused her to perceive the community bank as a burden that prevented her from giving the project her full commitment. Loong Dang shared these feelings. Together they considered the community bank to be socially divisive and that it had failed to serve its original purpose in supporting all Villagers – especially the underprivileged – to improve their financial situation. Community values such as loyalty, autonomy, and unity defined the community's identity; the committee's conformity to commercial principles disrespected these values.

Despite the ambivalent feelings amongst most Villagers, there were expressions of broader valuing of the banking experience. Jah Choke, essentially a conservative man, unexpectedly revealed an attitude of openness:

> We have learnt modern banking system, which is universally accepted, rather than being self-centred. We should make comparisons.

He welcomed the innovation for its educational implication rather than strictly adhering to established community practice.

While some of the Villagers chose to abandon the circumstances of the community bank as it had deflected the Villagers from facing their real problems, the valuing of the 'learning' was shared in the community. The community had indirectly learned from the community bank program, and had gradually changed its old, ineffective work norms: the community bank, despite the problems associated with the three-million baht fund that they had to administer, had become a vehicle for learning. The fund had effectively caught the Villagers' attention and influenced them to join the program. Although they did not have an initial interest in learning, the Villagers were required to learn at least the basic banking knowledge and operational skills from Mitrapahp Bank team in order to become community Bankers. Despite the community bank's operational problems, the bank development program had progressed the Villagers' learning activities – both directly and indirectly – despite it being a very expensive 'instrument' indeed.

At this point, I understand that the committee was fully aware of the bank's unattractive lending policy and criticisms but had chosen to act passively by adapting themselves to the commercial norms and by thinking positively about the benefits of the learning experience provided. Where were they heading? How did they perceive their future? The evolving relationship between the Villagers and the Bankers was the final piece to be placed in the jigsaw puzzle that this project represented. It provided me with clues as to the community's perception about the future of the community bank. Mr. Boon was sensitive to the Bankers' uncaring attitude:

> The Bankers left us too quickly. They should come more often because, in case there was a problem coming up, they could help us solve it in a timely manner.

Mr. Boon was aware of the community's dependency on the Bankers but disapproved of them for being inconsiderate to its need for assistance. Other strong feelings emerged: abandonment, instability and insecurity and divided loyalties over the bank's continued operation; the need to be 'unleashed and independent' from bank control and to regain autonomy over the community bank.

A statement by Jah Choke, 'if the fund was without charge, the community bank structure would have become something else' has summarised well the central theme of this vignette – every decision that directed the identity of the community bank was mainly affective-driven. The Villagers' freedom of thinking, creativity, and the will to pursue their norms and values was bounded by their anxiety as the three-million baht guarantor. If the fund had been free, if the Villagers had not been anxious, if the Villagers had been able to make a decision freely within their own values framework: would an ideal community bank have been possible?

A vignette of perception, response and adaptation

Some Villagers were assigned to the community bank as operations officers. Their main tasks were to operate the computerised banking system; to manage banking transactions, file documents, bookkeeping, and loan application documents inspection. Thus, the Bankers needed to train and assist the Villagers to develop these skills. I discovered that most of the adult Villagers who had voted to accept this project were not ready to participate in the training or to learn about the computerised banking system.

Krue Wai related the difficulty that she had had in persuading people to join the program:

> I tried asking people to help me manage. All the Villagers said this was good, but everyone said I had no time; I had lots of work. It was very hard to find anyone because they were all reluctant to shoulder this responsibility.

While most Villagers had recognised the potential benefits that would eventuate from their participation in the program, they were not physically ready to participate because of their routine workload.

Of those adults who did agree to participate, all declined to operate the computerised banking system. They felt they were too old; they had poor memories: these were the most typical reasons using to justify their incapability to learn to use computers. Nevertheless, they were aware of its advantages. As Jah Choke pointed out:

> Most importantly, we have learnt how to use the banking program that calculates and stores data more accurately.

He had been able to appreciate the capacity of computers from the Youngsters whom the Villagers believed were more capable than they were in learning the new technology. Most of the Villagers were confined to the mindset that they were too old to learn a new technology. It was hard to persuade them to change this skill-deficient attitude especially when they had such good support from the Youngsters on whom they could depend.

Before the Villagers received training, the Bankers had organised lecture classes to provide them with basic financial and banking knowledge. As discussed earlier in the cognitive skill section, the outcome of these classes was unsatisfactory because most Villagers could not comprehend the content of their lessons. The Bankers, nevertheless, did not have time to extend nor readjust to their teaching style. They had proceeded with the training which, surprisingly, turned out to be successful. Loong Dang provided this feedback after he had finished document inspection training:

> I began to understand what they had taught during the later part when implementation started. They coached us repeatedly until we could do it correctly.

During the training, the Bankers had coached Loong Dang closely until he could perform his tasks effectively. As he had become more skilful in

performing his tasks, he also started to relate to and understand the Bankers' earlier lectures.

The significant implication here is the complementarity between the development of psychomotor skills and cognitive skills. In this case, Loong Dang's pragmatic experience had enhanced his intellectual skills in linking practical and theoretical knowledge to form his working logic. Coaching, according to Loong Dang, had enabled him to develop his skills effectively, Moh Pam added that the working manual was also important and deserved greater consideration. She had demonstrated her readiness to improve her skills. She knew the importance of the working manual which would have provided her with an appropriate reference for practicing her skills, but she found that the manual was too hard for her. She wanted it to be simplified.

To this point, the only indication about the Villagers' level of skills achievement, using Simpson's psychomotor classification, was at the third level – guided response. At this stage, the Villagers had demonstrated their ability to perform their tasks correctly by following the Bankers' instructions. Although the implication regarding the Villagers' actual level of skills development seemed unclear, Poh Luang already wanted to leap to the sixth level – adaptation. He told me that he was planning to adapt these new filing skills to restructure the Savings Group's filing method:

> Now we have tools like computers and accounting program, by which we could save a massive amount of financial data of in a more organised way. The community bank had a systematic way of arranging their file cabinet neatly. We also learned how to keep our files and paper work more systematically … This month, our Savings Group will reorganise our three-four years stocked documents. I plan to buy new computer and folders to start a new filing system for our Savings Group.

Here I recognise that cognitive and affective learning is concomitant with psychomotor learning. Like Loong Dang, once Poh Luang had practiced the document filing skills at the community bank, he had acquired the practical knowledge of the filing system and its benefits. This knowledge –

gained from actual experience – had affected Poh Luang more strongly than the knowledge delivered in the lectures. He convinced me that he did not just know, but that he really believed in what he knows. Poh Luang had developed a stronger awareness of the effectiveness of the community bank filing techniques; as a result, he became motivated to apply these learned skills and knowledge to improve the Savings Groups' filing system.

The Blue-Collar Bankers: Bankers

This section provides three vignettes that describe how the Bankers thought, felt and acted in response to different, emerging issues. The first two vignettes explain the cognitive and affective influences on the Bankers' choices in handling their work and relationship with other participants; the third vignette focuses on the level of the Bankers' skill development, as well as how well they performed their tasks.

A vignette of cognitive skills

The way in which Bankers set their work goals and handled problems during the course of their fieldwork was determined mainly by the use of their cognitive skills. The Bankers had responded rationally to the emerging communication problems between them and the Villagers. They chose to apply a particular theory they had learned from the Mitrapahp Bank's employee professional development workshop provided by Mitraphap Community Bank. Joe called it, a 'participatory learning' approach:

> At this point, we began to see a new perspective to our working philosophy. We have tried to pull together the theories that we've learnt from the workshops. Instead of concentrate on collecting data from clients as we usually did, we use a 'participatory learning' approach to 'unfreeze the behaviour' of each stakeholder.

Joe had also identified a concrete aspect of the theory – unfreeze the behaviour – from which the team had constructed their action plan, and more

importantly, a new goal of their fieldwork: to be less egotistical, and more attentive to the opinions and needs of the community.

The Bankers followed their plan in trying to be altruistic rather than egocentric during their fieldwork. Although an application of theory to the real situation was a little confusing, Joe still concluded that the team was satisfied with the results:

> …The fieldwork that we did helped us to be more acquainted with the Villagers, and it was through these interactions and confusions (giggled) that we learned their true needs.

Joe reported that by adjusting their mindset, the team could be better acquainted with the Villagers, which then enabled them to learn more from the community.

The Bankers had demonstrated the use of their higher order thinking skills in dealing with the circumstance and convincingly proving to be successful both in terms of their relationship with the Villagers and of the knowledge they had acquired. The Bankers had learned two important things: the true needs of the Villagers and the most appropriate ways to approach the rural community.

In reflecting on the team's development of higher order thinking skills, I have come to the realisation that the changes in their cognitive behaviour brought about significant changes to their attitude to, and an expansion of, their professional practice as the community's Bankers. These changes in their attitudes and values will be discussed in the next section.

A vignette of attitudes and values

This section demonstrates how the changes in the Bankers' attitudes and values had affected them and their ways of responding in relation to work and relationship issues. The Bankers' initial attitudes during data collection had created a negative impression on the Villagers. From their answers when

the team was interviewing the Villagers, Joe had become aware of the Villagers' agitation in having to respond to their questions:

> The data collection was not so successful. The more we asked, the more they got confused and scared. Sometimes we could not relate to the answers we got from the Villagers.

The reason behind this became clearer when Mr. Samak learned more about the feelings of the Villagers towards the team's interviewing attitude during the 'disclosure session'. The team was willing to receive the Villagers' criticism that the problem had in fact emerged from their appearing to be both too serious and unfriendly. The team then showed their responsibility by dismissing one of the team members, whom the Villagers had particularly disliked.

As the team leader, Mr. Samak had decided to respond to the Villagers' request to comply with the original intention for attending this session:

> The disclosure session was something like a reflection session, where the representatives of each group of stakeholders got together to re-examine the sources of tension. It is like 'let's sit together and have a frank talk'….We hoped the discussion would improve their and our attitudes and to create a better understanding towards each other.

As new comers, the Bankers felt that in order to work smoothly together they needed the community's acceptance. They had hoped that the session would improve the team's working attitude as well as the attitude of the community toward them. These intentions had influenced the team's choice to cooperate with all the community's inquiries in order to gain their social approval. The circumstance had changed the team's working attitude permanently. The Bankers had accepted the differences of social norms and the limitation of their banking knowledge which, as a result, prompted them to be more attentive to the opinion of others.

The team had learned important lessons from their mistake and developed more thoughtful attitudes about their working context. Mr. Samak's open-minded attitude had allowed him to explore the other community aspects such as the community decision-making culture, with which he had previously felt uneasy, and later found it was beneficial and supportive to his work:

> This community was very different. Instead of giving the answer right away after the discussion, they had to bring the issue to the community meetings to be reviewed and voted on. Then after that, the community leaders would tell us the answer from the consensus. The community leaders alone could not make decisions. … At first, this made us felt uneasy having to wait for their decisions. However, after we got used to it, I began to think this is a good thing that other communities should imitate. I should admit that they would only use the decision from the consensus rather than from individuals.

The community's mechanism for making consensus decisions became useful for Mr. Samak only when he valued it. As he began to embrace the culture, he found this community practice had become a powerful tool, which he could utilise to hear opinions from the whole community. He also recognised the possibility of applying this good practice with other communities with whom he was working.

The relationship between the Bankers and other participants can be viewed in terms of two aspects: their work life and their social life. When it came to working, the Bankers needed to be submissive to instructions from the MCB headquarters and unexpectedly, to the Allies and Villagers. Joe was vigilant with their actions concerning these 'elites':

> When there was a situation, our boss and the Allies' executives who were involved with the program always knew about it, but not the staff at our level. This is not normal. They (the Villagers) are not ordinary. They could manage to make connection directly with the executives. They had the mediators. So we had to be extra careful in everything that we did.

The Bankers had a better regard for the consequences than to disregard their power, and chose to respond dutifully. It was strange, however, to find that the Bankers could recognise the need for a more passive approach to their timid work life as they developed a better social relationship with the Villagers. 'Fellowship and affection' from the community, for Joe, had become the main source of his emotional support.

As someone working far from home in an unfamiliar environment, Joe needed 'acceptance' to reassure him of the Villagers' support and to inspire him to pursue his work with minimal discouragement. Mr. Samak, on the other hand, believed that the bond between him and the Villagers was characterised by their shared determination. The two Bankers were holding on to two different value sources: Joe was able to retain his valuable friendship, while Mr. Samak was less fortunate, likening the Villagers' diminishing determination to the diminution of feeling between departing lovers:

> It's like lovers! You know, they will say and do things to impress each other, but after sometime, they seem to care less about each other. Most problems with the community bank were not solved in a sustainable ways.

The changing relationship between Bankers and the other participants accentuated the process of emotional adjustment arising from changing attitudes and values. The Bankers were overcoming the disappointment they were experiencing in working with the 'elites' by relying on inspiration from the friendship and shared determination of the others in order to keep them motivated.

The Bankers' relationship with the other participants not only affected their motivation, but also their feelings. Joe described his feelings while he worked in the village as being in a 'dark room':

> Sometimes I felt like I was always in the state of stress. When it happened, it felt like being pushed into a dark room and then kicked back and forth. You would not find a door. I was hurt, oppressed, and couldn't breathe,

> but I'd get through anyway, even though there was blood-mouth or ripped ear That was normal.

Joe felt stressed and oppressed by the pressure to fulfil the expectations of others, expectations which differed from his own. Mr. Samak, on the other hand, was feeling homesick. He was aware of the sacrifice his family was forced to make while he was working in Lampang; like Joe, he was obliged to stay with the community until his mission was completed.

It was more important for the Bankers to respond dutifully to their assignment than to safeguard their own unhappy feelings. The Bankers were compelled to accept these difficulties as an inescapable part of their work life, and began to become more tolerant and confident in dealing with them. Joe believed he could deal with any forthcoming difficulties with the help of a new friend, whom he called 'experience':

> I am quite certain that 'obstacle' was my faithful friend that was always beside me. And from now on, I have learnt to understand them more and fear them less, and this is because I have a new friend that will help me deal with the 'obstacle friend' when he become naughty. My new friend's name is 'Experience'.

Joe's narrative suggests a more optimistic outlook toward his participation in the program in terms of the experience that he had gained – an experience which would, in the future, enable him to deal with new and different challenges.

A vignette of perception, response, and adaptation

The Bankers had two main assignments – data collection and knowledge transfer. In response to these two tasks, the team started out as absolute novices. Without any given guidelines, they had to learn by themselves on a trials-and-error basis.

Successful fieldwork by the Bankers was an essential element of data collection and community bank development. The Bankers were required to

learn about the community and their ideas about community banks as well as to negotiate the scope and details of cooperation between each party. The Bankers needed to develop skills to deal with this dynamic work context. Joe had realised from the team's first data collection attempt that they needed to develop better communication skills:

> The data collection was not so successful. The more we asked, the more they got confused and scared. Sometimes we could not relate to the answers we got from the Villagers.

This was a costly mistake! The team had received a tremendous amount of criticism from both the Allies and Villagers. Fortunately, the Bankers had learned from their mistakes, and were able to identify acceptable ways for behaving in the community. Using these as guidelines, Joe had – despite some on-going confusion – managed to accomplish his task and had determined the Villagers' true needs. He had progressed his fieldwork skills by being responsive to the Villagers' reactions. He was engaging in a self-learning experience. Learning through trial and error had been painful, but it truly guaranteed the Bankers' skill development and had definitely provided an unforgettable learning experience.

The Bankers' assigned task had been to provide the Villagers with basic banking knowledge and to train them to operate a computerised banking system. Their progress in this provision was severely hampered by an external factor that was outside their control: the bank had to be in operation before June 20, 2003, the day of the Prime Minister's visit. This inflexible deadline forced the team to compress their teaching and training schedule. Joe described the Villagers' response to his fifty-page handout as he was about to start teaching:

> …it was already very late at night before I could start my session. Many of them fell asleep! Some of them had already been sleeping while they were waiting for the teaching to begin.

Finishing a fifty page handout in one night was definitely too much for the Villagers after a hard day at work. The Villagers' response suggested to Joe that there was a high likelihood that the teaching methods employed by the Bankers were going to lead to failure; subsequently, this proved to be the case. There was too much information to digest in the limited time available; the Villagers were not ready to learn more complex transactions; there had been no time for practice and consolidation of their newly learned skills; everything had been rushed.

Even though, from the Villagers' reaction in the classroom, the Bankers were aware that their teaching methods were failing they tended to ignore this in order to meet a deadline. Later, they were able to readjust their approach when they had more time to do so. The Bankers' knowledge-transfer skills development was significantly limited by this constraint.

Papert's People: Allies

The main role of the Allies, as facilitators, was to provide professional opinions from their fields of expertise for both the Bankers and the Villagers. All three advisors had been working closely with Villagers for many years, during which time they encouraged the Villagers' self-development through the use of a constructionist approach. The Allies applied constructionism in all their projects, including this community bank development program. Most of the Allies' opinions and judgments that were based on this principle were deeply affected by their attitudes and values. This makes it quite difficult to discuss the cognitive and affective objectives separately; however, I have extracted several interview excerpts that best represent the Allies' cognitive abilities and present and discuss them in the vignette of cognitive issues section minus their affective components. The vignette of attitudes and values provides a more comprehensive illustration of the influences of the affective components on the Allies' cognitive behaviours and responses toward various aspects of community bank development.

A vignette of cognitive issues

Once the community bank had been established, the Allies found various ineffective aspects of its development and outcomes. They had evaluated the Bankers' performance in terms of their training and technical support; they had evaluated the Villagers' performance in terms of their learning and their commitment to the community bank.

From his observations concerning the Bankers' task in sharing their expertise with the Villagers, Mr. Kom inferred that the Bankers had allocated insufficient amount of time for their lessons and training:

> The time used for lessons and training was too short. The lessons were too brief, which made it hard for Villagers to follow through.

In fact, the Bankers had allocated two days for their lessons and about a week for training. Within this limited time, Mr. Kom found the Bankers needed to shorten their explanations; this limitation made it harder for the Villagers to follow and understand the new training issues. Another demanding role of Mitrapahp Bank was to outsource the technical support for the community bank system. Mr. Kom criticised Mitrapahp Bank for being remiss in delivering on its commitment:

> At the moment, the community bank IT is not working properly; however, Mitrapahp Bank had not provided close technical support, especially as this was the first and the pilot program which deserved close monitoring. It is impossible to put the burden on the community's shoulders …

Mitrapahp Bank had hired programmers to develop a pilot community banking system with more user-friendly interfaces to handle key elements: the customer database, simple deposit/withdrawal processes, and loan transactions. Mr. Kom logically had anticipated possible inefficiencies and errors in this test-run of the system, but expected these to receive prompt response from the programmers when the system operator detected any

errors. In the event, Mr. Kom noted that the Bankers did not provide this necessary support.

Mr. Kom realised that the Villagers had a lower sense of ownership towards the community bank compared with that of the Savings Group. This led them to perceive the community bank as 'another Mitrapahp Bank's branch'. He recognised that the possible consequence of the Villagers' low commitment could lead to the failure of the community bank. As a result, Mr. Kom determined to improve the Villagers' sense of ownership towards the community bank:

> In the long-run, we needed to think about the ownership factor. How do we make Villagers feel a full sense of ownership? For instance, the bank customers might have dividends, or they might raise their reserve through shareholders…

Integrating knowledge from his experience as an accountant in the Prachburi Cement Company – a very large company – Mr. Kom proposed that the community bank should sell dividend-bearing shares to the other Villagers because, as shareholders, they could better relate themselves to the community bank to the end of ultimately being a part of it.

In relation to the community bank's lending activities, the Allies discovered the Villagers had remained relatively inactive towards applying for some of the three million baht available to them. Tan Somkid analysed this situation in terms of inadequate learning on the part of the Villagers:

> One lesson was that the Villagers could not solve the community bank's problems because their learning about management, financial management, and investment was relatively inadequate.

He deduced from his observation that the Villagers had developed inadequate financial and investment knowledge which inhibited their ability to solve problems.

The Allies had engaged in higher order thinking skills when they analysed, synthesised, and evaluated the elements associated with a number

of development aspects and activities: Bankers' training and technical support, the Villagers' ability to solve their lending problems, and the level of Villagers' commitment to the project. The Allies had demonstrated their ability to utilise extensive cognitive skills when examining the outcomes of these issues; however, when they started to examine the Bankers' approaches and behaviours, the Allies' higher order cognitive skills were rather blinded by their attitudes and values, as will be described in the next section.

A vignette of attitudes and values

The development of Villagers' learning, via a constructionist approach, was one of the main reasons behind the initiation of the community bank development project: Tan Somkid aimed to use this development as the 'vehicle' to enable the Villagers to gain knowledge of financial management:

> … The best way to learn about management was through learning by doing, setting up real bank. Then use the experience gain from the practices as a vehicle for learning.

The main strategy used by the Allies and in setting up the Villagers' community bank was 'learning by doing'. Constructionism is the Allies' principal workplace learning philosophy; it guides their role as facilitators and forms their internal basis for evaluating every learning project including this one.

Between the Villagers and the Allies, there was a mutual acceptance of the constructionist approach; however, for the Mitrapahp Bank's staff, this was something completely new. This created a major problem for the Allies who had expected that the Mitrapahp Bank would recognise and embrace the same principle when they worked with the Villagers. During the early program negotiations, the Allies had frequently and obviously emphasised the need for the Bankers' collaboration in practising a constructionist approach in the development of community-oriented banking and financial

knowledge. Although the Allies had promoted this preferred value to the Bankers, Mr. Kom found the Bankers had been quite unresponsive.

The Allies judged the appropriateness of the Bankers' fieldwork and knowledge approaches and behaviours based on their holding value. The Allies disapproved of the Bankers' instructions-oriented approaches in sharing their expertise. Tan Somkid admitted that the Villagers did gain some knowledge from instructions-oriented training, but this method was inappropriate because it did not involve a constructionist approach – one in which learners are encouraged to reflect on what they had learned from practice, and then to discuss with one another to improve themselves or to find solutions for emerging problems. In my understanding, this type of facilitation would require greater time, patience, and commitment. Tan Somkid criticised the Bankers for being 'judges' rather than 'facilitators':

> The Villagers wanted to learn, but when there were problems, they had no facilitators; no one wanted to get involved. Especially with the bank staff from the Lampang Branch of Mitrapahp Bank, they had not given us full commitment. They did not come to facilitate, but to act like a judge who said what should or should not be done.

During the interview, I had noticed that he became increasingly emotional when talking about this issue; this was reflected in his later statements which were strongly critical of the Bankers. Tan Somkid had internalised constructionism more deeply than any other of the Allies. He rejected the approach of the Bankers when he realised that they did not value constructionism.

The working philosophies of the two groups of people were in direct opposition. Holding and acting from a different values base created a difficult relationship which led each party to form negative attitudes regarding each other. The following interview excerpt of Tan Somkid represents a critical point in his relationship with the Bankers:

> … But it turned out to be that they wanted us to develop a practice from their banking knowledge, which the Bankers had already established. They did not demonstrate to us that they wanted to acquire new knowledge.

It seemed that the value differences did not bother him as much as the Bankers' specific lack of commitment to constructionism. It was, however, necessary for them to find a way to work with each other. Tan Somkid had organised a reflection session reattempting to convince the Bankers of the value of practicing a constructionist way of learning.

Tan Somkid had organised a group discussion for stakeholders to share their opinions and feelings in order to understand more about each other. During the discussion, each group shared their opinions and feelings about each other and tried to readjust their attitude. According to Tan Somkid, the result, while good, was only temporary. The relationship between Allies and Bankers reached another critical point when Tan Somkid realised that Mitrapahp Bank had stopped its IT support:

> I am very frustrated. This was a commercial venture. Mitrapahp Community Bank hired programmers to write out this bank accounting program, and promised to use their programs with other sites. Later, Mitrapahp Bank changed its attitude. The commitment had been breached; therefore, the programmers stopped developing the software. For all that, we had put ourselves out on account of other people...

Tan Somkid felt that he was forced to accept the circumstance. He was very disappointed to find out that the Mitrapahp Bank had not extended the programmers' contract; as a consequence, they stopped developing the banking program. The community bank would have to handle the programmers' expenses itself. I believe that this event marked the main turning point in their relationship – they started to turn away from each other; the Allies were indignant with the Bankers and the changed circumstances. They chose to rely entirely on themselves.

The Allies found not only the Bankers but also the Villagers hard to persuade; Mr. Kom expressed his concern about the Villagers' indifference to learning:

> … It took quite a number of meetings to clarify things. The objectives of the community bank were not only for commercial purpose, but also for Villagers to learn about financial and banking management. After several meetings, we had managed to convince the Villagers to focus on learning; however, after some further time passed, commercial issues became the focus again.

As they had done previously with the Bankers, the Allies continuously emphasised the learning objective of the community bank project, but the Villagers were more responsive to commercial issues – such as discussing lending criteria or figuring how to return the three million baht loan – than they were towards learning.

During the implementation, the Allies preferred the participants to be aware of the community norms and to support the participation of the Youngsters. Loong Sak believed the community's credit analysis norms had intrinsic worth, and that the Bankers should not try to change them:

> … the committee already knew their customers personally. They know how many credits a person has; they know about their family background; what type the person is – all the inside information. It is unlike a commercial bank where you do not know the client personally…

Loong Sak understood that the Bankers might perceive that the Villagers' credit analysis was ineffective and that the Bankers would tend to persuade them to change. He believed that these norms were already working well in their context.

For Tan Somkid, the Youngsters' participation was a top priority: he saw in them the future of the community. Tan Somkid observed that the Youngsters still did not have much opportunity to share their ideas and develop their financial knowledge:

> …I saw there was an argumentation among Villagers, and I saw Youngsters listening to the discussion, but still having no say. …. because these were seen as adult's issues. The adult's mindset had not changed.

Tan Somkid expected the Youngsters to participate in every project so that they would be able to obtain practical experience. He strongly believed that the Youngsters could share their ideas and do adult's work; however, he was disappointed to realise that the adult Villagers were rather narrow-minded and did not listen to, nor accept, the Youngsters' opinions and capabilities.

It seemed that the outcomes of the community bank development program had not fulfilled any of Tan Somkid's preferred objectives. He tended to give up on the community bank, but was driven to initiate other learning projects to ensure the constructionist learning and full participation of the Youngsters. As a result of his frustration with Mitrapahp Bank's lack of commitment, Tan Somkid was striving to be independent of Banker support by starting several self-dependent projects: a computer-programming project, a 'balanced scorecard' workshop, and an environmental project. The computer programming project was directly for the Youngsters to learn to create their own application programs, while the balanced scorecard workshop was for both the Youngsters and the interested Villagers to learn about simple finance and investment plans:

> …. Now we had started introducing the balanced score card concept. We could not talk about finance or investment right away because their ways of living and thinking still did not match up with these new ways of thinking. Therefore, we have to find indirect ways.

The concept of the balanced scorecard was simplified to suit the community financial context by the facilitators from Prachburi Cement Company, where Mr. Kom was working. Tan Somkid hoped that the Villagers would have a better attitude towards investment.

Tan Somkid started the environment project because he had recognised the cause of the committee's inability to utilise the three million

baht fund: the fact that the Villagers' investment ideas were limited because of the scarcity of water which prevented them from expanding or starting new agricultural projects. For these reasons, Tan Somkid started a long-term environmental project for Youngsters and housewives to restore the richness of the forests in order to guarantee a whole-year water supply. Tan Somkid had started this project without the need of funding to demonstrate to the adult Villagers that investments did not always require large amount of money:

> Mostly, the community would wait for the funding, and then start the project. This is not investment. They had not changed their old ways of thinking; that is why they still did not understand. Therefore, we have tried to do this to set an example so that the adults (who were now in charge) would discard their old ways of thinking.

Tan Somkid's target project population was the Youngsters and women because they were more open-minded to learning. He hoped that with these purposeful projects that he had initiated, the adult Villagers would broaden their thinking and develop a more open mindset.

The Allies' judgements and evaluations link their cognitive behaviours with a strong affective component: beliefs, attitudes, feelings and values. In the community bank development program, the Allies had made judgments and evaluations about different issues based on a number of key values: constructionist learning, community norms, and Youngsters' participation. Each ally had their own sets of values, which they had internalised at different levels and to a different extent. Holding similar values, the Allies responded to the same situation in a similar manner – but with different magnitudes, attitudes, and feelings depending on level of internalisation of their values or beliefs; these they used as a basis for their judgments.

The values of Mr. Kom and Loong Sak were reflected in their stated points of view, but not necessarily in their behaviours. This represented an intermediate level of internalisation, denoting their 'conceptualisation of a

value'. Tan Somkid, on the other hand, represented 'characterisation', the highest level of the affective domain where, in all situations, his thoughts and behaviours were consistent with his value system. This is why Tan Somkid had criticised the Bankers more strongly than had the other two Allies. He felt disappointed by the Bankers' obstinacy and judged their behaviours and performances harshly, while the other two Allies had offered more compromising critiques and suggestions. These affective components significantly determined how the Allies' defined 'effectiveness' and the criteria in evaluating the 'effectiveness' of the community bank development as well as in their emerging goals – the development of new learning projects.

Sprouting Seeds: Youngsters

This section takes a fresh look at the community bank through its banking operation – a feature rarely mentioned by the other three groups of participants, and one which involved a group of young women whom I have referred to as the 'Youngsters'. The first vignette is concerned with cognitive issues and examines the Youngsters' responses from two perspectives: one, as Bankers; the second as learners. In this vignette, two cognitive issues are considered: emerging problems; and outcomes of learning and work. The second vignette examines attitudes and values regarding their roles and responsibilities that define their attitudes toward the community bank. The third vignette focuses on perceptions that emerged as a result of further skill development.

A vignette of cognitive issues

The Youngsters played important roles in operating the community bank as well as contributing reflections that were as interesting as those provided by the adult participants. As bank clerks, the Youngsters were mindful not only of the problems that had complicated their work but also of the emerging

problems of the community bank; as learners, they recognised the concrete outcomes and limitations of their learning. Each of these elements is considered in this section.

As bank clerks, their main duties were handling customers' deposit-withdrawal and instalment payments as well as assisting customers to prepare loan application documents. They had identified several unsolved problems that had emerged during the course of their work. Nat and Pon had continuously detected banking system errors, but the programmers were unable to provide prompt support. Pon had described these problems and concluded that they were the result of inadequacies in the development of the banking system:

> …It could not compute correctly. Sometimes, the bankbooks' printing was not aligned; moreover, the programmers were in Bangkok; it is far. It took longer time for them to fix. Sometimes online and sometimes, they had to travel to here; therefore, the banking program development was quite slow and troublesome.

The Youngster concluded that distance was the limitation which caused the banking system development to be ineffective and slow. Either online or on-site support required time-consuming arrangements to be made between the programmers and the Youngsters. The consequence of these delays was that while the Youngsters could still record the transaction into the system, they could not calculate balances nor could they print bankbook entries correctly. The customers, therefore, had to wait until the programmers fixed the system before they could have their bankbooks updated.

Besides the limitation of technical support from programmers, the Youngsters had observed negative customer reaction to the loan application process. Pon found that the Villagers tended to give up applying for loans after she had explained to them details of the application process:

> I found out that most villagers had difficulties understanding how to complete the loan application form. Sometimes they bought the application forms but never turned them in …

From the complaints made by customers, she recognised that the loan application documents were complicated simply because the Villagers were unfamiliar with the new process.

The Youngsters also noticed from the customers' database that a small number of Villagers had opened savings accounts with the community bank. The Youngsters had made sense of these figures and distinguished the difference between those Villagers who saved with the Savings Group and those with the community bank. They concluded that the Villagers had not developed the same positive attitude and level of ownership towards the community bank as they had with the Savings Group. Nat suggested that the community bank should use the Savings Group's successful approach as a model and follow its example:

> Even with our own Savings Group, which operated once a month, we still had difficulty trying to draw people into work. Strong leadership counts. When the leader is someone the community trusts, people like to volunteer to work.

She also suggested that the community bank also needed a strong and trustful leader to draw in more volunteers. Pon added another successful example of the community practice which she believed would be a useful guideline for the community:

> In our village in every project, we would rotate our duties with new staff every year. This should be the same with the community bank. After the present committee, other people would come to learn with us on the second year, and by the third year, we would resign…

Pon had applied her knowledge about job rotation to a situation about which she was concerned. She indicated that, by applying similar management, the

community bank could be sustained because each year more Villagers would be able to participate and learn about the project.

The Youngsters' access to the customers' database had given them the necessary information to monitor the performance of the community bank. Like Pon, Nok also recognised the implication of these data; however, she was more interested in the loan accounts. She realised that the loan accounts had remained stagnant:

> Our loan accounts had not moved anywhere. Up to now, the committee had approved only about six or seven applications. The community bank still had another two million baht untouched.

Nat had informed me of this realisation to reinforce her view that the objective of the community loans for investment might be hard to accomplish because most Villagers were indifferent towards investment because of several interconnected reasons. Nok found that most Villagers were wage earners rather than being entrepreneurs; therefore, they had neither investment knowledge nor experience, which had caused them to quit their past investment projects thinking they had failed. This imprinted negative investment experience, according to Nat, had caused the Villagers to become unresponsive to new investment opportunities:

> Our Allies had been helping us with this problem too. They took us to see many communities initiated projects as well as introduced to us new investment opportunities, but it was actually ourselves, who lacked the courage to start one of our own.

Nat had combined the evidence gained from her community work experience to demonstrate the apprehension Villagers felt towards investment and to explain the cause of the static loan accounts.

Up to this point, the Youngsters had demonstrated a range of higher order cognitive skills: defining and analysing problems, recommending solutions, and evaluating performance. When considering their overall cognitive development after participating in the program, there was evidence,

however, of both limitations and improvements. Like the adults, the Youngsters admitted that they could not understand the Bankers' financial and accounting lessons because they did not have a background in finance and accounting. Pon had failed to understand most parts of the lesson because she was not used to the Bankers' explanatory style and jargon:

> They used the overhead slides to teach us. Sometimes I understood, but most of the time, I did not; for example, they talked about accounting as if they were talking to Bankers themselves.

I observed that the Bankers had used a lot of banking terminology in their presentation and explanations; extensive use of overhead slides further complicated the presentations. The Youngsters also recognised that some of the content could not be applied in the community bank context. The community bank's operation and system were simpler than those of a normal commercial bank: it was concerned only with the three basic functions of deposits, withdrawals and loans management. They found that it was not important to teach the entire range of banking concept since they were too hard to understand. Instead, they had suggested to the Bankers that they should focus on on-the-job training at the real commercial bank to learn all the necessary commercial banking concepts and skills.

Although the Youngsters experienced limited learning as a result of the lectures, they learned a great deal about banking once they started working at the community bank. Kaew was able to generalise the principles of her community bank work:

> The community bank is much more systematic; for example, credit analysis steps, follow-up works, and monthly meetings. Everything must be according to the regulations.

As a secretary, she dealt with every department; therefore, she obtained a broad view of the community bank. Kaew found the community bank work was more systematic and regulation-oriented than other groups she had been

working with. Pon, on the other hand, worked mainly with the computerised banking system. She had gained an important insight into the application of the computer program for the Savings Group:

> The good thing was the use of the computer program. Because if there were no computer, it would be hard; just like what we had experienced with our Savings Group, which always required a lot of manpower. We had to calculate using calculators…

Pon applied her knowledge of the usefulness of computers to re-examine the ineffectiveness of the Savings Group's database management. Nat's learning involved the combination of Pon and Kaew's learning; she had learnt both general and specific aspects. She had learned mainly from her work and partly, yet most significantly, from her preparation for a presentation to be made to the Prime Minister:

> The happy moment was during the Prime Minister's visit because while we were working, everything seemed so unclear, not ready. However, when the Prime Minister came, we had to prepare the presentation for him and for the people. At that point, it became clearer to me what we had accomplished. We were somewhat successful. Our work could be more or less an example for other communities.

During her preparation, she had incorporated all aspects of her team's work and results into her presentation. She was surprised to realise how much she had learned and accomplished. With this insight, she sensed that the community bank development, to a certain extent, had been successful and was ready to become an example for other communities.

Like the adult Villagers, the Youngsters had developed their higher order thinking skills following the implementation of the program. They began to understand the complex accounting and financial concepts once they started to operate the bank. Although the Youngster's tasks required mostly psychomotor skills, they were able to identify problems that emerged from their interactions with both the computer system and the customers. In

suggesting solutions to these problems, they were able to utilise their higher order thinking skills to determine the causes of the problems. They were then able to draw on their community work experience to make useful suggestions and recommendations.

A vignette of attitudes and values

The Youngsters had expressed their feelings and attitudes particularly towards their roles as Bankers, the work, their relationships with the Bankers, and the operation of the community bank. As a team leader, Nat was the main cog who kept the community bank operation running. She shouldered the heaviest responsibility which, together with the high expectations of the other participants' expectations, frequently caused her to feel heavy-hearted:

> I felt that it was difficult and burdensome. Most work was on me and the system was still messy. I felt depressed from time to time. Other staffs' work was routine; recorded transaction, finished, and go home. The rest of the work was on me. I had to stay late to prepare reports and summaries.

Nat maintained this workload, becoming increasingly wearier as she had to solve also the mistakes caused by other people's carelessness. Despite personal feelings of discouragement and isolation, she did not lose her sense of responsibility. I noticed she rarely blamed others for the extra work she incurred as a result of their mistakes.

Pon was a good companion although she could only offer Nat limited support. Pon felt that they had received very little support from the community bank committee:

> Personally, I felt that the committee concentrated on the policy, and neglected the operation part. Our manager was busy and could not come here every week. Adult staff did not have much free time.

While Pon could not avoid feeling neglected, she tried to understand the limitation of the adult's routine work.

The Youngsters main support came from the Bankers about whom they felt ambivalent: they both liked and disliked the Bankers. Nat was uncomfortable with one of the Bankers from the Mae Lah Branch of the Mitrapahp Bank:

> He only visited us a couple of times. If he would really come here every Sunday, I might feel uncomfortable, or he had to readjust himself a lot …

Nat felt passive and tense because of their negative facilitation style. She chose to follow, rather than discuss alternatives; as a result, she had developed a rejecting attitude and preferred them not to come too often.

In direct contrast, the attitude of the Youngsters toward the team from Bangkok was very much better. Kaew welcomed this team because of their friendly attitude. The Youngsters preferred their informal facilitation style; it was as though support was provided by friends rather than by teachers. This approach made them felt much more relaxed to learn, as well as developing a positive attitude towards accommodating diversified opinions. The Youngsters also learned that differences of opinion could actually be constructive: such differences could lead to more creative ideas and improvements.

Just as the right level of support generated inspiration, appropriate remuneration was able to revive staff enthusiasm. Pon was satisfied with the remuneration scheme arranged for the staff who worked on Sunday:

> …I agreed with the policy to give remuneration to staff who worked at the bank on Sunday. We had already come up with schedules. We all got wages now. Now things were getting better.

The Youngsters felt they were being rewarded for their hard work; at the same time, the adult staff's income problem had been solved. Noticeably, the Youngsters were more enthusiastic with their work, especially in arranging their own working schedules. For Ying, rewards such as wages were less significant than having an improved social situation. Ying was motivated by

the dedication of her peers and had decided to join the community bank's operation team:

> For this job, I lost my free time. I am tired, but lesser afterwards. I saw other people work; I saw their spirits. That was why I had decided to help.

Nat and Pon were Ying's role models. Through their constant dedication, they had set an example for Ying to follow; this kept her motivated while coping with the hard work that interfered with her leisure time. Because of this, Ying began to develop a more positive attitude that helped her overcome the negative aspects of her new role as a community banker.

Ying was still a beginner, while the others had been involved with the program for sufficient time to have developed specific attitudes towards their roles as bankers, and towards the community bank. Kaew was particularly satisfied with role as a banker:

> I am proud to take part in the development of the first community bank in Thailand. Without this program it would be definitely have been impossible for me to be a Banker. People admire me.

Her participation in the program had lifted Kaew's self-esteem. She felt proud to be involved in pioneering the first community bank in Thailand. Pon, on the other hand, went beyond mere satisfaction to feelings of affection; she felt attached to the community bank. Nat felt she owned it:

> I had dedicated so much to this job. I worked here every week, days and nights. I felt I love it. It is mine! I really got it to work. Many staff quit, but I am still here.

Nat's ownership attitude toward the community bank was the strongest of all Youngsters; she had shouldered the heaviest responsibilities. She felt she had put forward her best effort and was devoted to its success. For Nat, running the bank was not anymore a responsibility: it was a total commitment.

From their role as Bankers, the Youngsters had developed positive attitudes towards the community bank. These attitudes were independent of what they felt about their work and their relationships with the Bankers. The roles and responsibilities of each young woman determined the level of their involvement. This then defined the Youngsters' attitudes toward the community bank: they were expressed in terms of feelings of satisfaction and ownership. For the four Youngsters, Nat was the team leader with the highest level of responsibility and involvement in the operational activities; therefore, she developed the strongest sense of ownership toward the community bank. For her, the community bank work was not anymore a responsibility, but a commitment. Pon's feeling of ownership was not as strong as Nat, but was sufficient for her to accept the community bank as her value. Kaew and Ying only had the positive attitudes towards the community bank. Kaew, however, enjoyed higher self-esteem and was satisfied with her role as a Banker. Ying, as the newcomer, only demonstrated responsiveness through her willingness to join the program.

A vignette of perception, response, and adaptation

The Youngsters had developed most of their banking skills through trial and error. Since the contracted programmers only visited from time to time, the Bankers' manual provided essential guidelines for the development of local banking system management skills. As Nat started practicing management of the banking system, she found that the manual was inadequate in providing guidelines that she could follow:

> When I input data, I needed to follow specific formats. There were many details that were not fully explained in the manual. Sometimes I input numbers in wrong format; the transaction was wrong, and I could not edit it.

Inadequate instructions caused her to make mistakes which she could not edit because the manual also did not provide trouble shootings directions:

> …the manual did not cover all the trouble shootings to the problems that I could try to fix before contacting the programmers.

Because of this, Nat had to wait for the programmers to explain and demonstrate functions that had not been clearly stated in the manual. Only then could she correct errors that enabled her to improve her practice.

In the operation of the community bank, the Bankers had mainly focused on developing the computer skills of the Youngsters. When real work began, they needed other skills as well. Many of these skills had not been taught; instead, they were developed during the course of their work – for instance, according to Nat, skills in dealing with customers and team-mates.

> I learned and practiced to be more patient because I had to work for many people, both the staff and customers.

At the bank each Sunday, Nat had to handle transactions with customers who usually who were unfamiliar with the process of making transactions; therefore, in most cases, Nat had to explain and assist customers in the filling out of forms. Through these interactions, she learned to become more patient.

Improvement in the level of skills development corresponded with an improvement in the Youngsters' perceptions of their roles as Bankers. As Nat became more skilful in managing the new banking system, she began to appreciate its functionality:

> …I completely understood how difficult it would be to run a bank without hi-tech stuff like computers and a good banking system. The staff would be very discouraged without these helpful devices.

As a result of her skills development, Nat had a much stronger appreciation of the relevance of computer in operating the bank. Similarly, Ying's familiarity with her clerical skills had influenced her attitude towards the community bank:

> I was especially impressed with our staff. We are friendly. I saw that Nat advised the customers to fill in the form step-by-step: not the type of service that one would expect to receive in city banks. Some bank staff in the city did not even care to explain, and they sometimes scolded you for not being able to do things correctly. For example, once I asked about what I had to do to open an account, and she asked me back, "Where are you from? How could you not know how to do it?"

Unlike the other Youngsters, Ying had not been trained by the Bankers; rather, she started working directly with Nat and Pon. As she learned her clerical skills, she started to compare what she was doing with the staff at the commercial bank in the city, and noticed the differences. She felt proud of her community-oriented and friendly banking services.

The Youngsters had managed to develop the necessary banking skills through use of a trial-and-error approach. As they were mastering the different skills related to their tasks, they developed stronger positive perceptions toward what they were doing that affected them both cognitively and affectively.

Reflection on these Vignettes

The factors that emerged from each group of participants are summarised discussed below and summarised in Tables 5.4-5.7. I believe these factors are critical in determining the successful performance and survival of the community bank.

The above vignettes suggest that the Youngsters were the most rational group of people in the program (see summary, Table 5.4). Most of the problems that they discussed emerged from their work and from their interaction with other participants. Although their work-related problems were beyond their capability to solve, they were able to provide recommendations. Comparing them to the other groups of adult participants, they were more emotional in dealing with problems.

TABLE 5.4 SUMMARY OF THE FINDINGS: YOUNGSTERS

	Cognitive Issue	Attitudes and Value	Perception, Response, and Adaptation
Supporting factors	• Understanding the positive aspects of conflict • Job rotation	• Supports from the Bankers • Remuneration • Sacrificing spirit of colleagues	
Hindering factors	**Community** • Lack of volunteers • Few entrepreneurs • Low sense of ownership **Lectures** • Time allocated was too short • Difficult handouts • Contents was too commercial bank-oriented • Contents were hard to understand **Loan application** • Complicated loan application and process	• Little attention from the Villagers	**Inefficient bank operation** • Custom-made banking system was still under-developed • Incomplete manual • Untimely support
Effects of development on Villagers	**Positive effects** • Realising the importance of IT • Developed work-related knowledge	**Positive effects** • Self-esteem • Sense of ownership **Negative effects** • Sacrifice personal lives and leisure • Stressful	**Positive effects** • Gain work-related skills • Improved skills led to working inspiration
Suggestions: Improve program			• On-the-job training

The Villagers did not fully acquire the whole picture of their problems; they had only developed problem recognising skills without the necessary problem solving skills (see summary, Table 5.5).

TABLE 5.5 SUMMARY OF THE FINDINGS: VILLAGERS

	Cognitive Issue	Attitudes and Value	Perception, Response, and Adaptation
Supporting factors	**Improve learning** • Experience from managing Savings Group ease teaching load • Private tutoring help understand what the bankers taught better	**Community social capital** • Values: Unity, empathy, close ties (kinsfolk), trust • Norms and practices: consensus, social sanction, debt repayment discipline • Welcoming-change attitude • Helpfulness of the new generation	**Improve bank operation** • Coaching • Help from the Youngsters on the computerised banking system
Hindering factors	Lead to futility of Community Bank • **Lack of investment interest** cause by past unsuccessful investment experiences • **Tight loan policy** (1) causing many potential clients to become under-qualified because most villagers have unreliable income and had no collateral (2) lead to complicate loan application process causing people to hesitate to apply for loan **Learning**: uses of hard financial terms	• The Villagers develop ambivalent attitude towards the community bank • Lower sense of ownership than other self initiate projects • Anxiety as guarantors and the lack of confidence lead to the imposition of strict lending criteria • Panic-driven conformity to commercial practices rather than community norms	**Inefficient bank operation** • The Villagers denial to learn how to operate computerised banking system • Lack of volunteers
Effects of development on Villagers	**Positive effects** • Gain management, financial, and banking knowledge • Improve problem solving skills • More systematic thinking • Community learned indirectly from the Community Bank program, & gradually changed its old practices	**Positive effects** • Start thinking about re-investment • Higher self esteem **Negative effects** • Deterioration of the community values and norms • Discouragement from being criticised, resignation • Pressured on family and work life	**Positive effects** • Management and banking skills • Apply new skills to improve existing community practices

	Cognitive Issue	Attitudes and Value	Perception, Response, and Adaptation
Suggestions: to improve program	**To improve program** • The need to promote a wider range of occupations • Reconsider loan policy to support larger scale investment • Mobilise more savings **To improve learning** • Practical learning • Simpler operation and system manual		

The Bankers (see summary, Table 5.6) and the Allies were at loggerheads, pretending to like each other, while really showing no respect for each other. In my opinion, the Bankers had tried the harder to adjust themselves with a focus on improving their support skills.

TABLE 5.6 SUMMARY OF THE FINDINGS: BANKERS

	Cognitive Issue	Attitude and Value	Perception, Response, and Adaptation
Supporting factors	• Effort to solve conflicts • Intensive fieldwork to get to know and learn from the community		• Villagers' prior experience from the Savings Group
Hindering factors	• Time constraints effected training, action learning • Travelling distance	• Felt that the Villagers were less determined to improve the program	
Effect of development on Villagers		**Positive effects** • Inspired by the establishing relationship and acceptance • Gain community work experiences **Negative effects** • Lost time with family • Felt oppressed & powerless	
Suggestions: Improve program	• Need to allocate more time for training		

The Allies, while demonstrating their talent for identifying recurring problems, persistently made recommendations that reflected an unremitting belief in their particular value system (see summary, Table 5.7). I found that while these recommendations were unquestionably beneficial to the community, they were not particularly relevant to solving the entangled problems associated with the community bank.

TABLE 5.7 SUMMARY OF THE FINDINGS: ALLIES

	Cognitive Issue	Attitudes and Value
Supporting factors	• Effort to solve conflicts	**Community social capital** • Dedication • Cooperation
Hindering factors	**Bankers** • Did not study community norms before engaging in fieldwork • Lack of communication with their executives • Time allocated for training and teaching was too short • Inadequate coverage on finance, management, & investment • Discontinuous IT supports **Villagers** • Drifted away from learning to arguing about lending criteria • Inability to utilise fund **Program** • Unclear discussions on development approach • Insufficient youngsters participation	• Conflict of approaches for development **Questioning partnership commitment** • Questioned the Bankers' willingness to learn • Questioned the Bankers' technical support
Effects of development on Villagers		**Negative effects** • Difficult adjusting to community norms • Losing time with family
Suggestions: Improve program	• Determine appropriate level of the Bankers' intervention • Re-discuss goals & objectives • Increase participation through dividend-sharing • Encourage women and youngsters participation • Initiate new projects – balance score card, forest restoration - complementary to the community bank pilot program	

The vignettes illuminate the significance of affective factors in the development of the Community Bank. These affective components both supported and impeded the development. The impressive community practices and values and the participants' unvanquished motivation brought success to the establishment. The unresolved conflict of goals and values experienced between the Villagers and their Allies, and the Bankers, however, appeared to me to be dysfunctional, and caused me to doubt both the future of their relationship and the future of the Community Bank itself.

As a result of this analysis, I became aware of the great impact of affective components – attitudes and values – on the success of the development program. It was so unfortunate that this issue did not receive seriously attention from the outset of the program. Although the participants were aware of the consequences of their conflicts during the implementation and had taken steps to reconcile their differences, it was too late; they were not successful. Once negative attitudes had been formed between the two groups, an harmonious working relationship and atmosphere could not be restored. I was surprised that no participant had proposed steps to improve this matter. Instead, through the emerging goals discussed by the Villagers and the Allies, I sensed their intention to desert the Community Bank once the contract with the Bankers was completed.

Any attempt to improve the standoff situation regarding the Community Bank would require the four groups of participants to focus on and discuss the affective components of the Community Bank Development Program. This would require confirmation of the commitment of each group, renegotiation of the level of cooperation, and making a decision about the future of the project. Ways of overcoming the standoff are discussed in the next chapter.

CHAPTER 6

Recommendations and Conclusions

Introduction

After the development of the community bank, two questions remain: Would it be successful? Would the Villagers continue it? This final chapter presents my reflection on the research methodology I have chosen and my interpretation of the effectiveness of the development of the community bank program. It links the effects of the development on the participants and the affective, attitudinal barriers that impeded the community bank's progress. It provides ten recommendations that aim to increase the likelihood of the program's continuance and future success.

Effectiveness of the Research Methodology

Situations changed continuously during the development of the community bank. The uniqueness of the multi-partnership program delivery posed several complicated issues resulting from the complex interaction among the participants. I found Owen's Interactive Evaluation Form and Stake's Responsive Approach to be effective and practical in gathering rich evaluative information from such a context.

The Responsive Approach within the Interactive Evaluation Form focused mainly on the issues that emerged during program delivery. It enabled common underlying, supporting or hindering factors to be extracted

and interpreted. By observing the participants in action and combining their perspectives on each issue, I was able to present a multidimensional interpretation of the current situation at the community bank. More importantly, it was useful to uncover the problems of which even the participants themselves were unaware: the sensitive issues that the participants did not share or openly discuss with each other such as their feelings, fears, anxieties, or dissatisfactions.

Effectiveness of the Development of the Community Bank Program

How effective has been the development of Baan Rienru Community Bank pilot program? When I first began this research, the main program objective of the program was clear – to evaluate the first villager-designed and villager-managed community bank to be established in Thailand, which would allow the Villagers to learn about banking and serve the community's need for sustainable occupation expansion. Despite the ultimate goal, now, at this stage of the program, I recognise that each group of participants is looking at quite different goals.

Affective Influences and the Barriers

The Bankers' main goal, at this stage, is to successfully assist the Villagers in establishing and operating the community bank. The Allies have started to focus on participation by the Youngsters and women, and on natural resources restoration. The Youngsters are mainly focused on the bank operations. The Villagers are longing for freedom from the three million baht loan contract.

Initially, these shifts in goals made me feel that I had digressed from my research objectives; thus, it seemed impossible for me to define 'effectiveness' – how effective has the development been *from whose point of view*? Directing my attention back to the main program objective made me

realise that during the development, each stakeholder could develop their own working goals as long as they were consistent with the main program objective. Clearly, problems arose when each group of stakeholders developed different goals that diverged from each other as well as diverging from the main objective of the program.

Certainly, like many other programs, the pathway of the development of the community bank was not covered with rose petals; rather, it was filled with potholes that were full of struggles and problems. But, the ultimate goal remains – the future survival of the community bank. There are factors and clues revealed by the emergent struggles and problems that shed light on the possibility of this survival.

Along the pot-holed pathway, everyone had learnt something new! The participants demonstrated their passion for learning; they appreciated the knowledge and skills they had acquired from participating in the program. The Villagers, for instance, learned about commercial bank practices, which inspired them to improve their existing Savings Group and, more importantly, the limitations of their community. The Youngsters had developed computer-oriented banking and accounting skills. The Allies had learned more about the community's true needs, which they believed dealt with entrepreneurial and environmental issues rather than funding. As a result, they had realised the direction in which they needed to seek greater support. The Bankers had developed knowledge and skills to work with a rural community whose norms were different from theirs. Baan Rienru Villagers and the Youngsters had demonstrated their capabilities as 'Bankers'. With support from their Allies and the Bankers, the community bankers had successfully established and operated their own community bank.

The case study has demonstrated the participants' cognitive abilities in analysing problems and figuring out the solutions. At the same time, they had developed new psychomotor skills in adapting themselves to the working constraints that had emerged. Above all, the affective factors that had been

revealed played the most significant role in the development of the Community Bank. These latter factors helped the participants to rationalise the development, influenced their interpretation of various situations and problems as well as their own actions and responses, and eventually determined the outcomes of the Community Bank.

The community's social and cultural capital provided the main affective elements that motivated the participants through the planning and implementation of the projects, as well as assisting them in dealing with each other. The rural community operates differently as a result of the special norms and values based on compromise and close ties associated with hospitality and friendships: these were evident to and experienced, especially, by the Bankers and me. These emerging friendships were the main ingredients that fostered the success of the Community Bank. The Villagers made compromises between their own norms and those of outsiders. Because of accepted community practices, which were based on collective decision-making and trust in personal discipline, they tended to forgive the outsiders' mistakes. At the same time, a developing self-esteem and sense of ownership, especially in the case of the Youngsters, were crucial in bringing success to the bank's operation. The presence of a helpful younger generation was the most valuable social capital of the Baan Rienru community. It had also been the strength of and most important factor in the success of previous successful community projects, especially the establishment of the Savings Group.

Current problems faced by the community bank

While these affective influences on the participants were important determinants that contributed to the program's success they were, at the same time, likely to become barriers – barriers that might have impeded the program's progress and that could have turned a celebrated victory into a crushing defeat. Some of the problems and issues that emerged were handled well. Others, especially the complicated affective issues that had influenced

the participants during the intense disputes over the lending policy and the conflict of development approaches mainly between the Bankers and the Allies, remained unsolved. I have identified and prioritised the existing problems into three parts: the problems that would likely lead to the discontinuance of the program; the problems that caused poor performance by the community bank; the problems that impeded the operation of the community bank operation. Table 6.5 summarises the existing community bank's problems in terms of these three parts, the consequences of each problem, and my recommendations for future action.

The emerging problems of the community bank strongly reflect the affective barriers that had hindered the progress of the community bank. The Villagers were the decision makers who, ultimately, would determine the future of the community bank pilot program. Their decision to continue the program depended significantly on their affective evaluation of the value of the community bank for their community. It depended, to a lesser extent, on their supporters: the Allies, the Bankers, and their village community. At this stage, the pressure from the community – as a result of the choice of new formalities over normal community practices – has weakened their confidence; the three million baht liability has caused them to panic. The Villagers will only regain their willingness to pursue the program if the community bank operates, consistently, according to their own personal and community norms, and only if the bank regains the understanding and support of its supporters.

The high possibility of conflict among stakeholders was cautioned against by Greener (2003), who points out that there is considerable complexity and difficulty in maintaining good partnerships when being involved with multiple parties who have different backgrounds and motivation, and who speak different 'languages'. The emerging problems confirm the need for a more effective partnership in order to improve the program. From my perspective, this is a critical factor that must be tackled

TABLE 6.5 COMMUNITY BANK PROBLEMS

Part 1: The Problems that lead to the discontinuance of the community bank pilot program

Problems	Consequences	Recommendation
Conflict between the Bankers and the Allies	• Developed diverging goals. • Distorted their attentions away from supporting the Villagers solve the community bank problems.	1. The Bankers and the Allies must manage their conflicts and resume pursuit of common goals. 2. The Bankers and the Allies must understand their roles, as change agents, to moderate the problem-solving activities and restore, on the part of the Villagers, a favourable attitude towards the community bank.
The community bank committee's anxiety as the guarantors for the three million baht loan from Mitrapahp Bank.	• Strict lending criteria had led to the dissatisfaction and disagreement among the Villagers as well as inactive lending activities. • Plan to discontinue the program and return the three million baht loan to the Mitrapahp Bank after the three-year contract and regain management freedom.	3. Redesign and continuously adjust the community bank's lending policy, taking into account the community context and the strategies from the other successful examples, the opinions of the community, and knowledge about risk management from the Bankers.

Part 2: The problems that caused poor community bank performance

Problems	Consequences	Recommendation
The community's lack of investment and lending interest.	• Inactive community bank's loan account.	4. The community bank should develop a proactive strategy to locate and encourage its potential customers to initiate, improve, or expand their original investments.
Problems	**Consequences**	**Recommendation**
Few villagers were interested in the community bank.	• Inactive community bank's saving account.	5. Attract the Villagers' interest through public involvement and a greater variety of services.

Part 3: The problems that impeded the community bank operation

Problems	Consequences	Recommendation
Difficulties of long-distance IT support.	• Staff should not operate daily transaction effectively. • Eroded customers' trust.	6. The Bankers should continue their full support in developing and maintaining the community banking system, should utilise the staff from Mitrapahp Bank in Prachburi Branch, and should contract local programmers for more effective and timely support.
The community bank work had affected the Villagers' personal lives and routine jobs.	• Discouragement and resignation.	7. The Bankers and the Allies should give greater effort to develop interpersonal communication with the Villagers to strengthen their confidence in their capability to confront with an increased workload and problems.
Adults' denial to learn to operate computerised banking system	• Paid too little attention on the banking operation.	8. The Bankers and the Allies should take advantage of the Youngsters' information technology skills in order to encourage adults to learn to operate the computerised banking system.
Ineffective knowledge transfer timeframe and approaches.	• The learners were unable to follow and understand.	9. Knowledge transfer approaches should depend on the learners' background and learning styles; at the same time, the knowledge transfer timeframe must be flexible so that it can be varied with the learners' learning pace. 10. The adoption of a constructivist approach when working with Villagers to transfer knowledge needed to plan, implement and reflect upon community banking practice.

In the next section, I have provided ten recommendations that the participants might use as guidelines for solving problems and making decision about the future of the program.

Recommendations

I was able to use the force field concept of Kurt Lewin (1951) as a basis for deriving recommendations to help solve the existing problems. According to Lewin, change is a result of a 'tug of war' between the driving and restraining forces in any given situation. Positive change occurs when the driving forces are greater than the restraining forces. To create positive changes, one must find ways to strengthen the driving forces and weaken or remove the restraining forces.

My recommendations are aimed at strengthening the existing qualities that had supported the development in order to create the community bank's relative advantage, and to enhance the compatibility of the bank's operation with community values. They also suggest possible ways to handle and eliminate problems that, previously, had impeded the progress of the community bank by integrating the suggestions made by the participants with elements derived from the diffusion of innovations theory of Everett Rogers.

Rogers (2003) addresses the significance of change agents as persons who introduce, encourage, and support the adoption of an innovation within a social system. Change agents play an important role in stabilising the adoption of innovation and preventing program discontinuance. In the case of the implementation of the community bank, the change agents should help the Villagers to maintain the community bank and improve its operation and performance. Both the Bankers and the Allies were, ideally, suitable as change agents. With their different levels of expertise they could, together, provide a wide range of alternatives for the Villagers to help them to solve the community bank problems. The Bankers and the Allies had tried many times to resolve their conflicts, but had been unsuccessful. Although, jointly, they had assisted the community to develop the community bank

successfully, they hardly ever collaborated with each other. The conflict between them had diverted their attentions away from the real community bank issues. Instead of supporting the Villagers in solving their problems and difficulties, they themselves had become a part of the problem. The Villagers needed the change agents to support and mobilise problem-solving activities to help them improve the community bank's performance and restore their positive perception toward the program.

The Bankers and the Allies need to first resolve their differences and to begin collaborating in order to provide effective support and to be able to encourage the Villagers to pursue the community bank program. Without conflict management initiatives, I believe it would be hard for the Villagers to solve the community bank problems alone. Thus, it is essential that conflict management initiatives between the Bankers and the Allies, prior to solving other problems, should be the first priority among all of the ten recommendations which I have proposed (Table 6.5). The details and strategies for each recommendation are as follow.

1. **The Bankers and the Allies must cooperate to manage their conflicts and resume pursuit of common goals by developing a set of conflict resolution strategies which are agreed upon by all the stakeholders.**

From the literature review, Greener (2003) has indicated several key successful partnership factors that I found absent during the development and implementation. The underlying causes of conflict between the Bankers and the Allies were lack of skills and competencies to build effective partnerships technically and attitudinally. Both parties lacked trust, mutual understanding, and clarity in communication. There was a collision between their organisational values, an imbalance the level of power and commitment, adherence to different working methods and objectives, and conflict in their use of language and in their decision making styles. These differences led to a failure to develop a problem-solving plan as well as failure to reach any conclusions on how best to introduce the innovation. Despite their previous

futile negotiations, the Bankers and the Allies, somehow, must manage their conflicts in order to minimise damage done to the program as a result of their damaging differences. All the stakeholders should agree to work constructively to develop a mutually agreeable conflict resolution plan and supporting strategies. It is important to note that successful conflict resolution results from a voluntary and a collaborative effort of each stakeholder. Conflict resolution should involve the following process and strategies:

Inclusion of moderators. An external professional facilitator can be helpful to increase the chances of successful partnership agreement. Such a facilitator should help the stakeholders build an agenda and ensure that discussions and conclusions are made for each issue on that agenda. The executive decision makers – the Bosses – representing both sides should be invited to join the discussion as the moderators and decision makers. The Bosses are respected and should be able to help reconcile the conflict and ensure immediate decision making on any issue related to the partnership and to the scope of contribution to program improvements. The Bosses should also witness the agreement and make sure that the plan is implemented.

Conflict resolution process and goals. Conflict negotiation should lead to the following: greater clarity of the program goals; the objectives of partnership; clearer agreement on the roles, responsibility, and contribution of each stakeholder; solutions to any personal conflicts. To achieve these goals, the stakeholders should follow the following process, adapted from Deutsch & Coleman (2000):

- Identify key issues without making accusations.
- Each stakeholder states their position and how it has affected them; while the others listen attentively and respectfully without interruption.
- Stakeholders try to view the issue from other perspectives.
- Brainstorm to find the middle ground, a point of balance, creative solutions, win-win solution, etc.

- Each side volunteers what they could do to resolve the conflict or solve the problem.
- A formal agreement is drawn with agreed-upon actions for all the stakeholders;
- Mutually identify a plan or procedure to deal with possible conflict that might occur in the future.
- Monitor the progress.

Conflict resolution should be facilitated by a trained facilitator and in a private location. During the discussion, each party should be empowered to speak and feel listened to, and feel that they are a part of the solution.

Things to keep in mind during conflict resolution. During the discussion, the stakeholders should keep in mind the significance and the crucial nature that their collaboration will have on the future of the program and the community. They should recognise and acknowledge the different backgrounds, value, and working style of each other. Most importantly, they should recognise the constructive aspects of these differences, which should bring creative perspectives to the solution for the community bank's problems. The Bankers and the Allies should forget about ego and discuss, honestly, their concerns.

Strategies to prevent future conflict. Stakeholders should set the meeting schedule to update progress with each other. They should also develop a communication scheme, for example, to discuss the need for meetings and to develop online communication platforms such as web pages and emails for the community bank program, where participants might post their comments and discuss any personal or program-related issues. The Bankers and the Allies should also assign a person or a group of people to organise meetings, generate agendas, and disseminate the minutes of the meetings to the participants for mutual understanding on every emerging issue. More effective communication and mutual agreement among participants would reduce the likelihood of participants developing silent

dissatisfaction towards one another – dissatisfaction that is likely to grow into serious and persistent tension.

If conflict management is found to be undesirable or unsuccessful, then the Bankers, the Allies, and the Villagers should conduct a formal meeting to renegotiate cooperation and commitment and make decision about the future of the program before further implementation and problem-solving efforts are undertaken.

2. The Bankers and the Allies must understand their roles, as change agents, to moderate the problem-solving activities and restore, on the part of the Villagers, a favourable attitude towards the community bank.

As the change agents, the Bankers and the Allies should discuss clearly their roles, the main goals, and working processes. It is impossible for the Bankers and the Allies to support the Villagers forever. At certain points, the Villagers should be able to become self-reliant and operate the community bank independently. The ultimate aim for the Bankers and the Allies should be to develop the Villagers themselves to become the community's change agents by ensuring their confidence and ability to operate the community bank and developing their ability to analyse and solve problems systematically. There are four roles of the change agents that I have adapted from Rogers (2003), which the Bankers and the Allies might use to provide direction in planning their work. The following are the four-step sequence of the change agents' roles:

Establish an information exchange relationship. The Bankers and the Allies should engage with the Villagers in both group discussion and coaching as part of their work at the community bank. Regular group discussion should be organised to share problems and ideas as well as to hear about difficulties or discomforts that have arisen from their community bank work, and to help overcome them. The Bankers and the Allies should agree among themselves to work closely with each department to observe and

share information. The Bankers and the Allies should also set a meeting schedule to update progress among themselves. Beside interpersonal contact, a continuous communication should be maintained by developing, for example, a community communications network that uses emails, a community bank web board, and basic telephone communication.

Problem analysis. Within the established community network, the Bankers and the Allies should ensure that the Villagers recognise the existing community bank problems, their causes and consequences. The Villages should be made aware of the significance of these problems and how they might impede the community bank's progress. The Bankers and the Allies should then share with the Villagers the necessary knowledge and the possible alternatives in dealing with the problems. In certain instances, such as the community's occupational problems that are beyond the Bankers and the Allies' field of expertise, they should link the Villagers with outside experts to tap into information and know-how. During the problem-solving activities, the Bankers and the Allies should give the highest priority to the Villagers' opinions, and encourage them to make decisions with regard to the community norms and practices in order avoid the creation of unfavourable attitudes and feelings.

Create an intent to change and translate into action. After the Villagers are well aware of the problems, the Bankers and the Allies should motivate the Villagers to explore various potential actions that they had previously considered. To make sure that the Villagers would take a further step to implement their problem-solving plans, the change agents should work closely, in particular, with the opinion leaders because they should more easily encourage the other Villagers to cooperate with them.

Stabilise problem-solving practices and prevent discontinuance. The Bankers and the Allies should maintain their support until the Villagers' anxiety toward the newly developed banking system and problems has diminished. As the Villagers develop a better understanding of the problems and feel more confident in their ability to solve them, they are likely to

develop a better attitude towards the community bank and themselves. Once the community bank and the problem-solving practices have become part of the community norms, the change agents should gradually withdraw their services from the program.

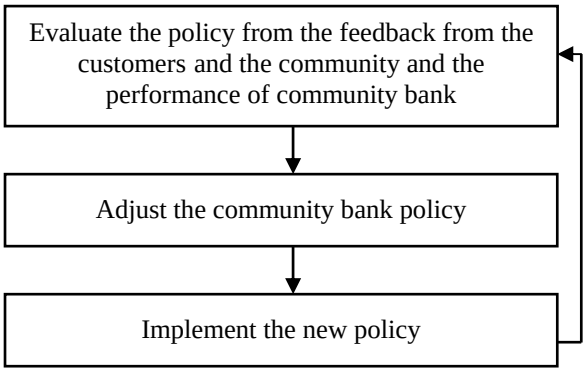
3. **Redesign and continuously adjust the community bank's lending policy, taking into account the community context and the strategies from the other successful examples, the opinions of the community, and knowledge about risk management from the Bankers.**

The anxiety of the Villagers as the guarantors for the three million baht loan impelled them to impose strict community bank lending criteria to avoid bad loans. They, however, understood that the only way they might impose a flexible lending policy was to be free of the three million baht reimbursement obligation; therefore, they planned to discontinue their cooperation with the Bankers and thus regain their management freedom.

The Bankers and the Allies should make the Villagers understand that any lending policy should be flexible, yet bad loans should be secured through good risk management. The Villagers should apply the community practices on the lending policy to keep the community bank from contradicting with the community norms. The Villagers should understand that the community bank lending policy is changeable until it meets the demand of the customers. The Bankers and the Allies should encourage the Villagers to adjust the policy continuously until the policy has good feedback from the community.

To redesign and adjust the policy, the community bank committee should consider applying strategies from other successful examples and the opinions from the community. The committee might consider the policy adjustment process that is displayed in Figure 6.1.

FIGURE 6.1 CONTINUOUS POLICY ADJUSTMENT PROCESS



The Villagers need to evaluate the existing community bank policy by collecting relevant knowledge and opinions from the community, and then making adjustments. Once they have implemented the new policy, they need to re-evaluate it, using the same process.

The literature review in this study indicates that the critical factors that affect the design and performance of microfinance programs are twofold: the local circumstances, and the social relationships between stakeholders. By engaging in public participation, the community would be given the opportunity to express its difficulties; share knowledge about their community, talk about their financial behaviour, and identify their financial preferences. As a result, the community bank should gain a better image and greater public approval, thereby, improving its compatibility with the community.

The Bankers should encourage the Villagers to design criteria based on the community's values and norms, and to integrate some of the lending criteria from the Savings Group because these criteria have been proven successful in controlling bad loans; moreover, the Villagers are already familiar with them. The stakeholders should also, together, study some of the strategies used by other successful microfinance groups or even MFIs such as the Grameen Bank.

There are many ways the Villagers might be able to collect opinions from the customers and the community. The Villagers should conduct an

informal opinion poll to identify the relevant needs and opinions of the community during the community meetings, or have discussions with the opinion leaders in the community. According to Rogers (2003), opinion leaders are those individuals in the community who can exert their influence on other individuals' attitudes or behaviour informally in desirable ways. These individuals display social accessibility and usually are the centre of their social groups. They are thus able to reflect the opinions of the social groups to which they belong as well as leading in the spread of community bank news. The Villagers are very familiar with their community and should know where to locate and how to approach these individuals. The opinions from either the poll or discussions with the opinion leaders would provide the Villagers with useful information that then could be used to adjust the community bank's lending policy as well as other policies including savings and services.

4. **The community bank should develop a proactive strategy to locate and encourage its potential customers to initiate, improve, or expand their original investments.**

The community bank needs to develop proactive strategies in encouraging the Villagers to develop a better attitude towards investment by helping them to overcome their fear of failure and the limitations of their investment knowledge. The community bank should do this by utilising the connections, and different expertise available to them from both the Bankers and the Allies, as well as forming links with successful entrepreneurs or communities they had worked with. The community bank might assign a special team to work closely with these experts on door-to-door visits to villagers with occupational potential. The team should persuade these villagers to recognise their own potential, co-study their occupations with them on how to improve or expand their investments, provide necessary occupational and investment knowledge, and assist them during the implementation of their plans. The community bank should also play a role in helping the community pioneer

new investment opportunities by starting with the applicants with good investment ideas. The team should work with these applicants in determining the feasibility of their ideas, and deciding on which ones should be implemented. If the projects look promising, the team should provide the essential knowledge and training as well as comprehensive and continuous support until the new businesses are viable.

Lending policy should be a proactive instrument. The community bank might consider adapting the lending strategy of the Grameen Bank, which allows groups of five members to borrow without collateral, legal instruments, or group guarantees. In the first stage, only two of the five are eligible to get loans. The group is observed for a month to see if the members are conforming to the rules of the bank. Only if the first two borrowers repay the principal plus interest over a period of fifty weeks do the other members of the group become eligible themselves for a loan. In this way, more villagers would feel less at risk to borrow and would try to persuade others to form groups to borrow under this condition. As a result, the community bank would have a larger customer base.

5. Attract the Villagers' interest through public involvement and a greater variety of services.

The Villagers should attract other villagers' interest through public involvement. Public involvement may be encouraged in many ways. The community should take part in policymaking process. A routine community meeting provides a good communication channel with which to discuss Villagers' preferences and opinions on different community bank policies. The villagers should be encouraged to join community bank initiated activities such as training or knowledge workshops. The Bankers and the Allies should organise workshops to introduce new occupations similar to the two-day 'Natural Dyes from Plants' workshop that the Mitrapahp Bank successfully organised and which received considerable from the women in the village. Workshops should also aim to provide financial or occupational

knowledge, for example, how to reduce household expenses, how to raise organic pigs, or how to calculate the investment payback period.

The community bank's management policy also has an important role in encouraging more villagers to join the program. More villagers, especially the opinion leaders, should be recruited as community bank trainees. This is the existing community's job rotation norm, which has been useful in prolonging other community projects. The new villagers would join different projects to learn and replace the old staff, who would resign after two years' service. This would offer other villagers the chance to gain new knowledge and to develop a sense of ownership towards these projects.

The community bank should provide a greater variety of services to make it more appealing and to fit the needs of a wider group of customers: dividend-bearing shares similar to the Savings Group, short term microcredit for other purposes rather than for investment, only, or fixed saving accounts with higher interest rates. In order to provide appropriate services, it would be helpful if the community bank committee were to take into account the suggestions from the community. They might also gather the comments from the Villagers by placing, at the community bank, a comment box into which the customers might drop their comments about the program.

6. **The Bankers should continue their full support in developing and maintaining the community banking system and should utilise the staff from Mitrapahp Bank in Prachburi Branch and should contract local programmers for more effective and timely support.**

The community banking system was developed specifically for the pilot program; it needed continuous development until it was stable and sufficiently aware of rural needs to ensure the villager's usage of the community bank. At this early stage, the development cost is usually high due to the need for continual adjustment by IT professionals. The banking system had been improved by applying the useful feedback from the Youngsters who operated the system; still, problems continue to arise that

need to be fixed instantly. Not only Baan Rienru but also the Bankers would benefit from development of a regularised feedback system. The Bankers should, therefore, support the banking system development until it is completed, or at least until the three-year commitment to the community bank pilot program is over.

The current IT support from both the Bankers and the programmers is quite slow mainly due to distance factors. To overcome this problem, Mitrapahp Bank should share their community working experience with the local staff from Prachburi Branch who, previously, had been assigned to make sure that there would be more enthusiastic and empathetic support in helping the Villagers and the Youngsters solve the community bank's problems. The Bankers should also contract local programmers in order to provide timely IT system maintenance as well as to edit the manual to make it more detailed and simpler to follow.

7. **Bankers and the Allies should make a greater effort to develop interpersonal communications with the Villagers to strengthen their confidence in their capability to confront the increased workload and their own problems.**

According the Rogers (2003), one of the factors that increases the rate of adoption – in this case, the continuation of the community bank by the Villagers – depends on the amount of effort the change agent spends in communication activities with their clients. The Bankers and the Allies should maintain regular contact with the Villagers to make them feel constantly supported and motivated. The Villagers' personal problems such as the conflict between the community bank's work and their family life or their routine jobs should be given priority when designing community bank activities or scheduling meetings.

8. **The Bankers and the Allies should take advantage of the Youngsters' information technology skills in order to encourage adults to learn to operate the computerised banking system.**

The Villagers' defeatist attitude towards learning to operate computers led them to hand over the responsibility entirely to the Youngsters. This caused the Youngsters to feel abandoned and discouraged when they had to solve the community banking IT system's problems by themselves. The Youngsters should express the need to have adults who can learn about the computerised banking system in order to support them in the operation of the community bank. Rogers (2003) would identify the Youngsters as early adopters of the community banking system. They are powerful opinion leaders and role models in the field of community banking technology in their community. The Youngsters' ability to operate the newly developed computerised banking system represents a successful aspect of this innovation. They should trigger the interest of others by conveying positive and useful information about the advantages of the innovation. Besides addressing the need for supports, the change agents should also encourage the Youngsters to convey these positive messages about the benefits of the computers on the community bank's work to the adults and other teenagers and inspire them to start learning to use computers.

9. **Knowledge transfer approaches should depend on the learners' background and learning styles; at the same time, the knowledge transfer timeframe must be flexible so that it can be varied with the learners' learning pace.**

When additional knowledge and skills, such as knowledge of new bank services or occupation knowledge, need to be provided for the Villagers, the trainers should be considerate about the teaching techniques, pace, and timing in their delivery. The trainers should study the participants' knowledge background related to the topic of the training before designing

the course contents. The Bankers should share the knowledge they have learned about the community norms and learning styles with other trainers prior to utilising them to design an appropriate training program.

This research indicates that Baan Rienru Villagers prefer to acquire practical knowledge through training or coaching rather than in a classroom setting. They are familiar with this format being used during their community meetings. They also prefer explanations in plain and simple language, which makes the explanations lengthier; therefore, an extended period of time needs to be allocated to each session.

10. The adoption of a constructionist approach when working with Villagers to transfer knowledge needed to plan, implement and reflect upon community banking practice.

The final recommendation aims to bring the stakeholders back to their original objectives that in the first place began this community bank pilot program. The creativity and innovativeness of Baan Rienru community are the key qualities that provided the opportunity to explore a villager-designed community bank. The Bankers and the Allies should adopt a constructionist approach, which has already been used by the Allies and the Villagers in their prior community development projects, when working with the Villagers to improve the community banking practice. Such an approach would encourage the Villagers to reflect on problems in the areas of their own interest, seek relevant knowledge, create improvement plan, implement the plan, and to reflect on the results. This approach would allow the Villagers to be fully innovative, and would result in the most suitable and creative banking model for the community.

Conclusion

When I first started my research, I had underestimated the effect of people's attitudes on the success of a program such as this. Unarguably, the main factors that had supported and, at the same time, impeded the progress of the community bank pilot program were affective in nature. The Villagers' capability is unquestionably high; they certainly should learn to become bankers. Unfortunately, the community bank pilot program was not as bold an innovation as had originally been intended. Rather than developing a true community bank, the program aimed at producing a simplified, localised commercial bank. The emerging community bank was not authentically drawn from within the context of the community. The Villagers had chosen to put aside their creativity mainly because of their fear and anxiety from the emerging reimbursement obligation with the Mitrapahp Bank. The hope for prosperity eventually turned out to become a burdensome liability.

The most significant concrete benefit from the community bank appears to be that it is an excellent 'learning instrument' for the community. The outcomes from the problems and disputes were not all bad. They had led the Villagers to once again realise the value of their existing social capital; values that, earlier on, they had overlooked. Charles Handy's metaphor appears to be true: conformity really suffocates the Fleas. The Elephant had unintentionally restricted the Fleas to a loan contract causing them to feel so nervous that they disbelieved their natural instincts; now, they were striving to be free. To live happily together, the Elephants need to return the Fleas to their natural environment in order to make them feel free and secure. The Mitrapahp Bank should give the Villagers the flexibility they need; to encourage them to be as innovative as they once were.

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Appendix A: Some popular credit lending models

Model	Description
Associations	An association are legal body that performed various microfinance activities including savings to serve different purposes, for example, political, religious, cultural, work-based issues, or as support structures from microenterprises. Association could also include youth and women. In some countries, association has certain advantages such as collection of fees, insurance, tax breaks and other protective measures.
Bank Guarantees	A bank guarantee is used to obtain a loan from a commercial bank. It can be arranged both externally through a donor or government agency or internally using member savings. Loans obtained may be given directly to an individual or to a self-formed group.
Community Banking	The Community Banking model treats the whole community as single unit. Semi-formal or formal institutions are formed usually with supports from NGOs or other organizations, who also train the community members in various financial activities of the community bank. These services may also include savings and other income-generating projects.
Cooperatives	A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.
Credit Unions	A credit union is a member-driven, self-help financial institutions consisting of members with common bond, for instance, agree to save money together and provide each other with loans at reasonable interest rate. Directors and committee representatives are chosen among the members.
Grameen	The Grameen model operates by setup a bank with a field manager and a number of bank workers, who take cares of about 15 to 22 villages. The manager and workers identify their prospective clients and visit the village to familiarize themselves with the clients to explain the purpose, functions, and mode of operation of the bank. The model uses collective responsibility of the group serves as collateral on the loan. To obtain the loans, villagers needed to form a group of people; in the first stage, only two of them are eligible to get loans. The group is observed for a month to see if the members are conforming to rules of the bank. Only if the first two borrowers repay the principal plus interest over a period of fifty weeks, the other members of the group become eligible themselves for a loan.
Group Lending	Small groups could be formed. Loans are made to individuals, but the group is collectively responsible if the repayment difficulties arise.
Individual	Micro-loans are given directly to the borrower. In many cases, it is a part of a larger program, where other socio-economic services such as skill development, education, and other outreach services are provided.
Intermediaries	The ‘go-between’ organizations play role in link the borrowers to the lenders. They also play role of generating credit awareness and education among borrowers, which geared them towards raising ‘credit worthiness’ to become attractive for borrowers.
Non-Governmental Organizations (NGOs)	They played role of intermediary in various dimensions. They have been active in starting and participating in microcredit programs including creating awareness of the importance of microcredit within the community and national and international donor agencies. They helped developing resources and tools to assess progress and identify good practice.

Appendix A

Model	Description
Peer Pressure	Peer pressure uses moral and other linkages among the borrowers or project participants to ensure participation and repayment microcredit programs. Loan is initially given to one of the member. Only when this member conforms and repay, the 'peers' or other members in the group could receive loans.
Rotating Savings and Credit Associations :	Rotating Savings and Credit Associations (ROSCAs) are a group of individuals who come together and make regular cyclical contributions to a common fund, which is then given as a lump sum to one member in each cycle.
Small Business	Microcredit is provided to small and medium enterprises (SMEs) directly to help them improve or expand their business along with other supports such as training, technical advice, management principles, etc.
Village Banking	Village banks are community-based credit and savings associations, which distribute loans and collect payments and savings, typically consist of 25 to 50 low-income individuals who seek to live better lives by engaging self-employment activities. Initial loan capital, which could be given by the external source, is given the members to run the bank. The officers operating the banks were elected among themselves. The bank is operated by their rules. Their loans are guaranteed by moral collateral.

Adapted from Grameen Bank Website (http://www.grameen-info.org/mcredit/cmodel.html).

Appendix B1: The Villagers: Coding

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Noina 5	I could say that it is 'our' Community Bank but not wholeheartedly. I need more time to ease up because we have to insure the three million baht loan from Mitrapahp Bank. Every time the committee endorsed the loans, I felt anxious. We needed to be very selective because we were worried that the endorsed loans would turn out to be non-performing loans. I am quite pressured.	Low sense of ownership resulting from the pressure as a guarantor	Attitude toward the community bank	Villagers' reflection: future	Affective
Krue Wai 9	I had the feeling that we might lose that opportunity. We wanted to lose this way for the sake of learning experiences, so that from now on the Villagers wouldn't have to insist that they need more funds. This problem would let us know that the most important thing was learning.	Wanted to give up	Attitude toward the community bank	Villagers' reflection: future	Affective
Krue Wai 10	If in the end we could return them this three million baht, I would be very happy. Having too much money is troublesome. I really wanted to know how I would feel on that day we returned the money.	Wanted to give up	Attitude toward the community bank	Villagers' reflection: future	Affective
Jah Choke 9	Nothing for now! Let's wait another two years until our contract with the elephant is over. We will return them the money, and let the younger generation manages our ways.	Wanted to give up	Attitude toward the community bank	Villagers' reflection: future	Affective
Jah Choke 1	The members of the committee who signed the loan contract were scare of losing the money because if the Community Bank couldn't make the repayment, all the members would have to be responsible for it.	Being the guarantors for 3M	Causes for tight loan policy	Tight loan Policy	Affective
Krue Wai 1	We had all the information. We knew the risk we had to take. It was our anxiety that sometime led us to think like them. They explained to us how they did it commercially. In fact, we wanted to learn about banking, but we didn't want to apply all of their ways. When we knew all the information, we felt terrified.	anxiety and risk as the 3M guarantors	Causes for tight loan policy	Tight loan Policy	Affective
Phi Nueng 1a	During the lending criteria write-up, I think there was too much intervention from Mitrapahp Bank staff. They were thinking from the commercial bank ways, and very little about micro businesses like in our case.	Intervention from the Bankers	Causes for tight loan policy	Tight loan Policy	Affective
Phi Nueng 1b	Yet, our committee thought we had little knowledge so we had better listen to them.	Feel have less knowledge	Causes for tight loan policy	Tight loan Policy	Affective

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Jah Choke 6	However, we were trapped as the legalized borrowers of the three million baht for which we must be responsible. We do not earn any benefit whatsoever; the profits would go to the community, not us. With this condition, that was why the Community Bank turned out this way. If the funding was without charge, the Community Bank policies would have become something else.	Position as 3M guarantor	Causes for tight loan policy	Tight loan Policy	Affective
Loong Jaidee 3	From my experience, this community had good debt repayment record. Personally, I am not sure about other community. From my experience as district council, there were many people who plan to deny their debts repayment responsibility even though the commercial banks have strict criteria as well as those legal contracts.	Good debt repayment discipline	Community practices	Positive Influence of the existing social capital	Affective
Phi Nueng 5	I trusted that most villagers have the discipline on debt repayment. I am not sure whether other communities had this quality. In our village, besides the regulations of each group, we have the community regulations as our big umbrella. If any group created debts, the village committee would make sure the group would not blamed others and that they would be responsible.	Good debt repayment discipline	Community practices	Positive Influence of the existing social capital	Affective
Mr. Boon 1	I trusted this community for having reliable debt management. They really could manage it. What I've known so far, there is no corruption here. Each group has its own monitoring system, and on top of those, there is the village committee who provides overall supervision.	Good debt management	Community practices	Positive Influence of the existing social capital	Affective
Moh Pam 4	We had the community consensus to establish the Community Bank. It was our norm that the important issues must be proposed to the community hearing for their consensus to be accepted or rejected. The village committee could not make decision by themselves; they needed approval from the whole community to be able to proceed. In our community we have the elected village headman and village committee. With this, I am sure that there would not be bribery or loose credit criteria for relatives.	Community consensus	Community practices	Positive Influence of the existing social capital	Affective
Moh Pam 5	All of the committee members and I had participated in the establishment of our community's saving group. We already had some financial knowledge that I thought would also help in establishing the new Community Bank.	Prior knowledge from savings group	Community practices	Positive Influence of the existing social capital	Affective

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Moh Pam 6	The youngsters played a major role here as our bridge towards the information technology. If we didn't have these youngsters then it's going to be very slow. Our youngsters would learn the banking program from the programmer, and we're going to learn from them later. They were fast learners especially on these IT stuffs.	Helpful youngsters	Community practices	Positive Influence of the existing social capital	Affective
Noina 3	It's the unity! If this quality was lacking, then nothing could be accomplished. In whatever we do, if we are constantly pushing against one another, we I would never have what we have today. It's undeniable that people have different opinions, but the most important thing is how we compromise.	Unity and compromisin g	Community values	Positive Influence of the existing social capital	Affective
Noina 4	I should say that all the projects we did was kind of hard, but it was because of our close kinsfolk that make it easy for us to find the middle ground. Conflict of interest was not our obstacle because we would finally be able to resolve them anyway.	Kinsfolk	Community values	Positive Influence of the existing social capital	Affective
Loong Jaidee 1b	I felt pressured and stress-out.	Pressured, stressful	Negative effects on participants	Result of participation	Affective
Krue Wai 4	Misery! Misery! This bothered me. I couldn't sleep, you know! Initially everyone wanted to join, but afterwards I asked them to be in the management team; they said wait, wait! We had to constantly find new people.	Stressful	Negative effects on participants	Result of participation	Affective
Loong Dang 3	I had less time with my family; however, my wife understood me well. Sometime, I also felt depressed, but not disheartened!	less time with family, disheartened	Negative effects on participants	Result of participation	Affective
Loong Jaidee 2	I was sometime downhearted because of the blame from customers, with their saying that we had made the regulation too tight for them to be beneficial. I didn't know what to say further (pause). If we didn't manage well, the bank would not progress well. I felt a bit discouraged.	Downhearted because of blames	Negative effects on participants	Result of participation	Affective
Phi Nueng 2	Criticism! That's what I got. I didn't really care. I did what I believed was right. I care about them. I did not want them to take the loan that they were not able to repay. I tried to make sure that's why I checked all details, but they said I tried to restrain them from getting the loan.	Downhearted because of blames	Negative effects on participants	Result of participation	Affective

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Phi Nueng 3	The other negative affect was related to my occupation. I couldn't finish fixing customers' motorcycle on time. I needed to focus more on my jobs. Community bank's work had taken much of my time. For example, when the customers brought their motorcycle to fix to be able to use tomorrow, I could not finish it on time. I lost credibility. As a result, I resigned.	Effect existing occupation, resignation	Negative effects on participants	Result of participation	Affective
Poh Lert 2	The lending criteria were too tough, which made most villagers became under qualified. In the case of myself, I had applied for a six-digit loan, but the committee didn't approve because my age is more than sixty. I was one of the three committee members who signed the three million baht contract with Mitrapahp Bank. My son-in-law wanted to borrow, but also got rejected because he wanted to invest outside of the community. With my credit, I could get the loan from banks in the city, and how come not from our own bank. I couldn't work for the Community Bank anymore, so I decided to resign.	downhearted, resignation	Negative effects on participants	Result of participation	Affective
Noina 2	It also drives me to think more about investment, for example, what business should I invest in to make my money more fruitful. I have a better attitude toward investment.	Start to think about investment	Positive effects on participants	Result of participation	Affective
Loong Dang 5	Yes, I am proud to establish the Community Bank, but it is second to our Savings Group. Although our savings group charges a more expensive interest rate, it is truly ours. We started it. It has everyone's effort in it. It is completely our idea and, most importantly, our way!	Higher self esteem	Positive effects on participants	Result of participation	Affective
Loong Tong 2	Frankly speaking, the Community Bank was not really for the underprivileged: they couldn't get it. If a rich person wanted to apply for the loan, they could get it right away.	discriminate the poorer sector	Results of tight loan policy	Tight loan Policy	Affective

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Jah Choke 4	Mitrapahp Bank staff and we would definitely have different ways of thinking. The best example was about the mortgage. The land around here does not have title deed, but everyone knows which piece of land belongs to whom, and everyone respects that. With our Saving Group, our title deed-less land has value and can be used as a mortgage. I could buy, sell, or transfer them to my children even without the title deed. Even the trees in my land; no one would cut them. They wanted the Community Bank to only accept the land with title deed as mortgage as well as make the contract official by law. We are not thinking commercial here. However, it was already the consensus to follow the bankers' suggestion about legalizing the contract.	Conflicting norms: community bank vs. community practices	Results of tight loan policy	Tight loan Policy	Affective
Loong Mahn 2	For our savings group, if the lenders could not repay debt, we would not be tough enough to take away their collateral; we sympathized with them. However, for the Community Bank, I think we could not follow the old ways anymore. There must be rules and regulations because our committee had borrowed this three million baht loan from Mitrapahp Bank. We now need to follow regulation more strictly.	Conflicting norms: community bank vs. community practices	Results of tight loan policy	Tight loan Policy	Affective
Jah Choke 5	In a way, the commercial banking style shattered our community. Our community is systematized; villagers do not think in a commercial way. We used to honour each other's loyalty. We have our own social sanction system here. The bank came in and spoiled our community fellowship. Our context must be well respected. This is our individuality; we could manage ourselves well.	Deterioration of community values	Results of tight loan policy	Tight loan Policy	Affective
Loong Jaidee 1a	It's true that that was the standard, but it would be too difficult for the rural community like us to follow.... The combination of two streams of thought didn't quite match. The development of Community Bank was quite slow because the commercial bank's way and our way weren't quite synchronized. However, we both tried to adjust.	Conflicting norms: community bank vs. community practices	Results of tight loan policy	Tight loan Policy	Affective
Jah Choke 7a	We have learnt more modern banking system which is more universally accepted, rather than being self-centred. We could make comparison.	Open-minded	Supporting factor: personal values	Positive Influence of the existing social capital	Affective

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Loog Tong 1	However, if the criteria were not strict like this, the three million baht that we've got would never be enough and could soon pile up as non-performing loans which would add up to our prior community debt.	To minimize bad loan through tight loan policy	Causes for tight loan policy	Tight loan Policy	Cognitive
Poh Luang 5	Fleas' occupations were the problems. The Community Bank committee didn't want to lend the money if the applicants didn't have occupation with reliable income.	Undependable occupation	causes of under-qualification for loan	Villagers' reflection: problems	Cognitive
Krue Wai 8	Of all of our funding, the funds which could be borrowed easily for any purposes had high liquidity. However, for the funds with specific purposes like poverty reduction funds, even though it didn't charge any interest, nobody wanted to borrow. It was similar to the Community Bank where you needed to submit your investment project to apply for loans, in other words, for investment only. The poverty reduction funds granted short term loans of one year only. The loan conditions were not that strict. When there was this condition, people thought about what if they raised cattle or pigs which would take more than one year; where were they going to get money to repay the one-year loan. So they didn't borrow and never tried. Just like the Community Bank, they also think that the regulations were too strict; they wouldn't be able to get it. So they didn't even try to submit their projects.	Limitation of existing occupations: raising cattle require more than three years	causes of under-qualification for loan	Villagers' reflection: problems	Cognitive
Loong Jaidee 4	We could establish the bank successfully because we already had the experience of creating our own Saving Group, and it has worked well. If we'd never had a glimpse of it, we would not be so confident. We know how to lend the fund to our community members and how to manage so that there would be no bad loans.	Prior experience in creating the savings group	Community practices	Positive Influence of the existing social capital	Cognitive
Jah Choke 3b	Although some projects were good projects, the application was rejected because the applicant did not have enough collateral.	require collateral	Example of tight policy	Tight loan Policy	Cognitive
Phi Chai 1	We did try new occupations, but we did not get profit. In the beginning, we started with 20-30 people. We did well in the beginning. Because of the trend and promising impulses, we formed groups. Sometimes after an investment, initially when there was no return yet, most Villagers thought that they were already running at a loss; as a result, people started to quit. They went back to their old, but reliable occupations, although they earned little income from them.	unsuccessful investment experience	Lack of investment interest	Villagers' reflection: problems	Cognitive

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Moh Pam 7	Until now, we still don't have a good occupation that is considered income generative. This caused me to worry. I'm afraid that the Villagers' investment projects would fail like what happened in the past where we produced but couldn't sell.	unsuccessful investment experience	Lack of investment interest	Villagers' reflection: problems	Cognitive
Loong Jaidee 5	Although, there were many advices from our Allies, the Villagers did not have the courage to start any of them yet. This might be because they didn't have experience, and they were afraid to repeat their failures	unsuccessful investment experience	Lack of investment interest	Villagers' reflection: problems	Cognitive
Phi Nueng 4	I learnt about management, financial matters, loan contracts, and indemnification. I have more knowledge; that's the good part.	gain management and financial knowledge	Positive effects on participants	Result of participation	Cognitive
Krue Wai 5	I learned to work more systematically and rigorously. I planned the future more carefully and tried to figure out possible problems as well as solutions. This was the positive effects.	Systematic thinking	Positive effects on participants	Result of participation	Cognitive
Krue Wai 6	[The link] between villagers and learning, I still could not see. But here are the three millions, it is the interesting instrument. My expectation was not about the money matter. They gave, so we have to get it. Since it was a coincidence that villagers said that the funds they had were not enough for their new investment projects, so we brought in the fund. If we said let's learn about accounting, who's going to care? But now with the three millions, we have a three years commitment to take care of that money and the most important, to learn about accounting. That's why I was happy with it. Although not many people borrow from the Community Bank, this is not a big deal. Not a problem! Beneath the stagnation, something was moving well.	Community learning	Positive effects on participants	Result of participation	Cognitive
Krue Wai 7	Actually, I found them learning a lot of things. After countless meetings and discussions about the Community Bank regulations and lending criteria, they have changed at last. Our Saving Group hardly changed their regulations. However, after they'd seen how things worked out, they were more careful with their money and cared more about the possibility of being cheated.	Indirectly absorb knowledge and apply to improve existing practices	Positive effects on participants	Result of participation	Cognitive
Noina 1	During the lecture, I listened but didn't understand, confusing, and hard when they used the overhead slides to explain technical things. I was not familiar with their financial terms.	use of hard financial terms	Problems with lectures	Classroom	Cognitive

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Loong Mahn 1a	The lectures were full of financial term; it was hard to understand. I did question them. Sometime I didn't understand at all what they were talking about.	Use of financial terms	Problems with lectures	Classroom	Cognitive
Krue Wai 2	It's not that easy; the three million baht that the Villagers always wanted. We should be able to think first, like what do we do if we get three million baht? We did not think it through yet, and here came three million.	Community's limitations: lack of readiness	Realization	Result of participation	Cognitive
Mr. Boon 2	At first, the information I had was that Rienru community needed more funding. Ok! But now, we could not lend out the money! So we had to change what we had perceived earlier. It's not about the lack of funds anymore. There are many funds here, and many of them still have funds available. I think we needed to change our plan. It was like having a pocket full of cash and not knowing what to do with it. We have not thought about it yet. We don't know how. I don't know, please help us think.	Not the lack of fund, but don't know how to utilize	Realizing real community problems	Villagers' reflection: problems	Cognitive
Jah Choke 2	That's why everyone was trying to make the lending criteria very strict; as a result, the Community Bank credit accounts had not moved anywhere yet.	Stagnant loan account	Results of tight loan policy	Tight loan Policy	Cognitive
Poh Lert 1	I think this Community Bank does not truly help people in our community. The loan we got from Mitrapahp Bank had relatively low interest rate compare to any of the funding we have got in the village. However, because of the extremely strict criteria, we couldn't utilize it.	Futility of the community bank	Results of tight loan policy	Tight loan Policy	Cognitive
Loong Mahn 3	I work in the credit division. There were some applicants whose proposal had already passed but still wanted to cancel. The process is not complicated if the documents were ready. The trouble is with the paper work. The documents for a single contract are so thick. Everyone was bored – both the applicants and the guarantors. We worked hard to coordinate for complete and correct documents.	Complicate loan application and process people hesitate to apply for loan	Results of tight loan policy	Tight loan Policy	Cognitive
Jah Choke 3a	The workflow was held up a bit, we couldn't move forward or backward. The committee was reluctant to approve loan application because they were afraid of having non-performing loans. I think this impedes the community's chances for new investment.	Impede chance for new investment	Results of tight loan policy	Tight loan Policy	Cognitive

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Moh Pam 1	The systematic banking procedures were quite hard for the fleas. It certainly required longer time as well as practical training not just explanation; for example, there would be a computer software for the clients' accounts as well as the bank balance sheet, which I needed to get a hand-on experience to know how it really work. Only until then, I will understand.	Practical training	Suggestions on teaching approach	Classroom	Cognitive
Moh Pam 2	They also gave as the manual which I tried to read and understand. During the explanation, I thought I understood, but afterwards, I forgot. I needed to really put my hands on especially the banking program. It should be simplified.	Need for more simple manual	Suggestions on teaching approach	Classroom	Cognitive
Jah Choke 8	We needed this funding to help our villagers develop larger scale investment. Micro businesses here in the village already obtained many community sources of funding. Mitrapahp Bank expected us to lend to smaller loan cases, so we told them that we were not worry about that because we still have the poverty reduction funds of about 40,000 baht left. Anyone who needs a little extra cash for investment could get it without interest charges. Why would these micro-investors want to borrow from the Community Bank that would charge them while they have got a better offer!	Reconsider the loan policy to support larger scale investment	Suggestions to improve community bank	Villagers' reflection: improvements	Cognitive
Loong Dang 4	Mitrapahp Bank would not always be with us. We have to try to increase the Community Bank reserve through the savings. In the case of them really leaving us, we would still have established reserves.	Need to mobilize savings	Suggestions to improve community bank	Villagers' reflection: improvements	Cognitive
Phi Chai 2	What I expected from the Community Bank was about occupations. After the establishment, if the occupation would be the next thing of interest, then it would be great because in our community there weren't any outstanding occupation we could hope for.	Need assistance to improve occupation	Suggestions to improve occupation	Villagers' reflection: improvements	Cognitive
Phi Chai 3	As far as I am concern, one of the funding criteria was pre-specified as for investment only. If our occupation choices were not expanded, then the practical aspects of this policy would be hard to implement.	Need assistance to improve occupation	Suggestions to improve occupation	Villagers' reflection: improvements	Cognitive
Loong Mahn 1b	I had to really get together with them learning intensely one-to-one and word-for-word, and then I understood.	Private tutoring	supported learning activities	Classroom	Cognitive

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Mr. Boon 3	The bankers left us too quickly. They should come more often because, in case there was a problem coming up, they could help us solve it in a timely manner.	Inadequate technical assistance	Cause of operational problems	Villagers' reflection: problems	Psychomotor
Poh Luang 2	We all have routine work; for instance, this month is the harvest season. We all are very tired. Although everyone would attend the meetings, there was no soul – no contributions. So it would be worthless and waste of time; therefore, we had better wait until after the harvest season to have the meetings.	Lack of human resources due to occupation pattern	Community's limitations: lack of human resources	Problems	Psychomotor
Moh Pam 3	In my case, I am a public health officer. I am very busy most of the time; as a result, there was a limitation for me to fully commit to the Community Bank's works.	Lack of human resources due to occupation pattern	Community's limitations: lack of human resources	Problems	Psychomotor
Loong Dang 2	Oh, no! Now I am too old, I guess. Bad memory! Indeed, I had thought about it, but I don't have the courage to start learning it. Admittedly, I think I wouldn't be able to learn.	Too old to learn	Excuse for not learning IT	Classroom	Psychomotor
Poh Luang 1a	Most of our members of the Community Bank committee are unfamiliar with computers and modern technology.	Unfamiliar with IT	Excuse for not learning IT	Classroom	Psychomotor
Poh Luang 1c	We are too old to learn these hi-tech stuffs like computers and the Internet. We are very slow with these things.	Too old to learn	Excuse for not learning IT	Classroom	Psychomotor
Jah Choke 7b	The most important, we have learnt how to use banking program which calculate and store data more accurately.	gain banking knowledge	Positive effects on participants	Result of participation	Psychomotor
Poh Luang 3	Now we have tools like computers and accounting program, which we could save massive amount of financial data of in a more organized way. The Community Bank had a systematic way of arranging their file cabinet neatly. We also learned how to keep our files and paper work more systematically.	Obtained file management skill	Positive effects on participants	Result of participation	Psychomotor
Poh Luang 4	This month, our Saving Group would reorganize our three-four years stocked documents. I planned to buy new computer and folders to start new filing system for our Saving Group.	Apply new skills to improve existing practices	Positive effects on participants	Result of participation	Psychomotor
Krue Wai 3	I tried asking people to help me manage. All the Villagers said this was good, but everyone said I had no time; I had lots of work. It was very hard to find because everyone was reluctant to shoulder this responsibility.	Community's limitations: lack of human resources	Realization	Result of participation	Psychomotor

Appendix B

Villag-ers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Poh Luang 1b	We have to rely on our youngsters. If there were no younger generation, we alone would never make it.	Rely on youngster to learn IT	Support Adults in the area of IT	Classroom	Psychomotor
Loong Dang 1	I began to understand what they had taught during the later part when implementation started. They coached us repeatedly until we could do it correctly.	Coaching	supported learning activities	Classroom	Psychomotor

Appendix B2: The Bankers: Coding

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Samak 4	Disclosure session was something like a reflection session, where the representatives of each stakeholder get together to re-examine the sources of the tension. It is like 'let's sit together and have a frank talk'. The issues we discussed were: How did each feel about each others? How do you (villagers) feel about having your own community-operated bank? For us, we also told them how we think; and that in the beginning, we didn't know what they want exactly. The other issues were like are we heading the right direction? It is good or bad? Is this what everyone wanted? We hoped the discussion would improve our attitude and better understanding toward each other.	Disclosure session to resolve conflicts	Approach in solving conflicts	Working in the community context	Affective
Samak 11	One of the objectives of most villagers who wanted to participate in this program was to get loan. The Community Bank's regulation turned out to be quite strict, so when the chance was not opened, they inclined not to come. Some had withdrawn from the program.	Strict loan criteria cause villagers to be less enthusiastic	Changing attitudes	Relationship between the bankers and the Villagers	Affective
Samak 1	I don't quite find anything that is memorable. It was more about work. Every time that I was there (in the village), there would be problems; otherwise, the Villagers had problems, and they needed us to go to the village. We have to work until the last minute before going home. Most of the time we travel to Lampang on Friday, and we spend the whole Saturday to solve problems. We would return to Bangkok on Sunday. Most of the time, we usually visit the village again before we return, but it turned out that we have to work until sunset. So I wonder, is my home in Lampang?	Losing time with family	Negative effects on participants	Result of participation	Affective
Samak 2	Each of us has equal time, where Saturday and Sunday suppose to be the holidays. Instead we have to work -- days and nights. Before the Prime Minister's visit, we have to stay in Lampang for almost a month. Even though my family had problems I couldn't go home. The shorter time we stayed, the more tired we were.	Losing time with family	Negative effects on participants	Result of participation	Affective
Samak 5	They also criticized one of our staffs about the interview attitude that was too strict; furthermore, they want him to be withdrawn from the program. That's why he did not join us ever since. It was his first and only trip to Baan Rienru.	Losing one of the bankers	Negative effects on participants	Working in the community context	Affective

Appendix B

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Joe 7	It is different from person to person. For the staff from Thai Cement, the relationship between us is fine. He liked to ask us out to play golf, but for the other one, he liked to ask us for extra favour. This is not the way we work; the bank has procedures. We do not have the power to handle extra enquiries!	Feeling pressured: difficulties handling enquiries beyond their power to make decision	Negative effects on participants	Working in the community context	Affective
Samak 6	I think this community is strange. In our earlier trip to the village, they seem to make us and the others, who came to work with them, learned and experienced things by ourselves. They did not tell us about their enquiries; therefore, we felt a little oppressed. And when there were problems they would not tell us directly, but would tell executive levels. This made us feel pressured and depressed.	Feeling oppressed: from being ignored when could not respond to the Villagers' enquiries	Negative effects on participants	Working in the community context	Affective
Samak 7	When there was a situation, our boss and the Allies' executives who were involved with the program always knew about it, but not the staffs of our level. This is not normal. They (villagers) are not ordinary. They could manage to make connection directly with the executives. They had the mediator. So we had to be extra careful in everything that we did.	Feeling powerless: exclusion from decision making	Negative effects on participants	Working in the community context	Affective
Joe 8	Sometimes I felt like I was always in the state of stress. When it happened, it felt like being pushed into a dark room and then kicked back and forth. You would not find a door. It was hurt, oppressed, and couldn't breathe. But I'd get through anyway. Although there was blood-mouth or ripped ear, that was normal.	Stressful: from the 'powerless' situation	Negative effects on participants	Working in the community context	Affective
Samak 10	During our early fieldworks, we found that the Villagers were very enthusiastic to learn about new things. It looked like that wanted us to give them information and advice. This made us this that this community was different from other communities, in that Baan Rienru still has a heart to learn. Because of this, I had the impression that they really want to have this Community Bank, but at this moment, it's not what we thought. It seemed like it was the outsiders who tried to make the villager do this and that. It was only a very few people were ready, but not the majority.	The bankers felt that only few people were enthusiastic	Perception about the community	Relationship between the bankers and the Villagers	Affective

Appendix B

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Joe 13	It's like lovers! You know, they will say and do things to impress each other, but after sometime, they seem to care less about each other. Most problems with the Community Bank were not solved in a sustainable ways. There were also internal problems as well. At first there were a lot of people attending the meeting, but after the opening, there were less and lesser. At the moment, there were only few villager-staffs who were still working. I felt that they were not determinate anymore, not like in the beginning. I felt that we have failed.	The bankers felt that only few people were less determine	Perception about the community	Relationship between the bankers and the Villagers	Affective
Joe 1	I felt as if I am almost happy, and sometimes not so happy! The moment work was done, after the Prime Minister had left, it was such an extremely happy moment for me. Extremely glad! Do you remember? (smiling) And also there was one time at Krue Wai's house (community teacher) at night, when we were all there having dinner and beers, chatting, and playing guitar. That was fun and relaxing, at the same time, could get acquainted with the Villagers.	Joy after work done	Positive effects on participants	Memorable Experience	Affective
Joe 9	Inspiration which keep me from becoming discouraged could still be seen from time to time during my fieldwork -- fellowship and affection. I feel very grateful. The most important was the acceptance from other community. This might be the only thing that revitalized me.	Inspiration: friendship and acceptance from the community	Positive effects on participants	Working in the community context	Affective
Joe 10	A daughter of a community leader that we stayed with said that her mom has another son and daughter. One is you (me), and the other is me [smiling]. I didn't know whether she really meant it, yet I feel good having someone's acceptance. The other thing that made me feel good was that when I walked around the village, villagers seem to notice and greeted me. We come and go for about a year, before we could get this acquainted with the Villagers.	Inspiration: friendship and acceptance from the community	Positive effects on participants	Working in the community context	Affective
Joe 11	I am quite certain that 'obstacle' was my faithful friend that was always beside me. And from now on, I have learnt to understand them more and fear them less, and this is because I have a new friend that will help me deal with the 'obstacle friend' when he become naughty. My new friend's name is 'Experience'	Gain experience in working with community	Positive effects on participants	Working in the community context	Affective

Appendix B

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Samak 8	This community was very different. Instead of giving the answer right away after the discussion, they had to bring the issue to the community meetings to be reviewed and voted. Then after that, the community leaders would tell us the answer from the consensus. The community leaders alone could not make decisions. However, we never had a chance to sit in the community meeting. One of the community leader said, that with our presence, the Villagers would not talk freely. At first, this made us felt uneasy having to wait for their decisions. However, after we got used to it, and I think this is a good thing that other communities should imitate. I should admit that they would only use the decision from the consensus rather than from individuals.	Gain knowledge about the community practice	Positive effects on participants	Working in the community context	Affective
Joe 3	The data collection was not so successful. The more we asked, the more they got confused and scared. Sometimes we could not relate from the answers we got from the Villagers.	Difficulties in getting data	Trouble working with the community	Working in the community context	Affective
Joe 4	However, there was more important thing. The fieldwork that we did helps us to get more acquainted with the Villagers, and it was through these interactions and confusions (giggled) that we learnt their true needs.	Getting acquainted to learn the Villagers needs	Approach in working with the community	Working in the community context	Cognitive
Joe 5	At this point, we began to see a new perspective to our working philosophy. We have tried to pull together the theories that we've learnt from the workshops. Instead of concentrate on collecting data from clients as we usually did, we use a 'participatory learning' approach to 'unfreeze the behaviour' of each stakeholder.	Participatory learning and unfreezing behaviour	Approach in working with the community	Working in the community context	Cognitive
Samak 3	To unfreeze the behaviour means to adjust personal norm such as thoughts, beliefs, or practices to encourage change and to be able to accept new or different perspectives. The objective of self-dissolution is to create a congruent understanding among stakeholders that would allow us to work together effectively.	Meaning of 'unfreezing behaviour'	Approach in working with the community	Working in the community context	Cognitive
Joe 6	We have to put away our egos to hear their problems as well as accept their opinions and real needs so that the established Community Bank would not be bounded by our knowledge of the commercial banking procedure, instead we should reflect as well as serve the real needs of the community.	Meaning of 'unfreezing behaviour'	Approach in working with the community	Working in the community context	Cognitive

Appendix B

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Pinit 2	We need more time to add better accounting foundation, but because the limited time, we had to rush. We had to compete against time. The result was not so good. We needed more time for revision, practice, and coaching.	Need to allocate more time for knowledge transfer	Suggestion to improve knowledge transfer	Knowledge transfer	Cognitive
Pinit 3	I think it's also about the distance. A pilot program in Lampang; it is far. It might look as if we had neglected them, but this was because we could not travel to the site that often. If the pilot site were closer to Bangkok, we were certain that we could coach them better, and the result is going to be better as well.	Distant relationship lead to unsatisfactory result	Distance constraints	Working in the community context	Psychomotor
Samak 9	Initially, the program looked as if it was successfully established, and that was because we met the deadline. The truth was that the Villagers could not digest all of what being taught. They might know how to perform simple transactions like deposit and withdrawal because they were similar to the operation of their saving group. For other tasks that we were not ready, we would transfer them later on.	Villager's prior experience from operating the savings group ease teaching loads	Factor supporting knowledge transfer	Knowledge transfer	Psychomotor
Pinit 1	I think this was a pressured task, especially when we were forced to finish all the technical configurations before the Prime Minister's visit on June 20.	Time constraint	Knowledge transfer constraints	Knowledge transfer	Psychomotor
Joe 12	That night, I had to talk to the participating villagers about credits and loans. But it was already very late at night before I could start my session. Many of them fell asleep! Some of them had already been sleeping while they were waiting for the teaching to begin. I remember after I finished you (the team leader) had to continue about the banking documents and about how to fill out the loan application form. One of the Villagers said that the handout was fifty pages!! So I told him, that we had to pass the complete set, in case if there was problem afterward, we could refer to them. We are establishing the bank; these much of the documents were normal. Then after I started talking his wife and him (the Villagers mentioned earlier) fell right to sleep openly at the end of the room, so sarcastic!! He really didn't care. I was a little disappointed.	Time constraint	Knowledge transfer constraints	Knowledge transfer	Psychomotor

Appendix B

Bankers	Quotes	Main ideas	Themes	Categor-ies	Bloom
Joe 2	Mostly, the interview topics were related to business like the needs for loans, investment capital, profits and losses, for example. These topics required very detailed questions, so we need a dig! The questions were, for instance, what do you want to do? Is it weaving? Cotton or silk? Where are the materials from? From the village or from outside? Are you making herbal product? Do you raise cattle? Which breed? What about machine / equipment? Do you buy them? What kind of equipments do you use? How much are they? How long did it take to raise cattle until they could be sold? Etc. We needed these detailed to enter into the bank credit analysis software and made reports on the results. These were our normal and almost routine fieldwork schemes.	data collection: client credit analysis	Routine tasks	Working with the community	Psychomotor
Joe 3	The data collection was not so successful. The more we asked, the more they got confused and scared. Sometimes we could not relate from the answers we got from the Villagers.	Difficulties in getting data	Trouble working with the community	Working in the community context	Psychomotor

Appendix B3: The Allies: Coding

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Tan Somkid 1	We had one meeting in one of the community teacher's house. I suggested that this should be another learning project because Mitrapahp Bank never also had this kind of project before. For us, although we have a saving group; we know one thing that the management system is still not good. We've never done a Community Bank before. So we asked each others, no one had done it yet. This is good. We should try to do it; therefore, this is the beginning of our learning project, especially with respect to financial knowledge, which the Villagers had once said that they wanted to learn about management, especially financial management. The best way to learn about management was through learning by doing, setting up real bank. Then use the experience gain from the practices as a vehicle for learning.	Origin of the community bank is about learning	Approach: learning approach for development	Reflection on the bankers' approach in working with the community	Affective
Mr. Kom 5	I think the hardest part was how to make villagers understand the real objectives of the establishing Community Bank. It was not about what the bank wanted the Villagers to do; instead the objectives should reflect the benefit of the target group, in this case, the villager. Since the objectives that were not clearly discussed in the meeting, and this made the Community Bank developmental process a little distorted. It took quite a number of meetings to be able to sort things out. The objectives of the Community Bank were not only for the commercial purpose, but also for villagers to learn about financial and banking management. After several meetings, we'd managed to convince the Villagers to focus on learning; however, after sometimes commercial issues became their focus again.	The villagers were too drifted away from original learning objective resulting from unclear agreement	Cause of shift in direction of the development	Reflection on the program	cognitive
Loong Chao 2	I had this feeling that the Mitrapahp Community Bank team was trying to dominate the Villagers all the time. I felt like we were trying to start a new branch or something like that.	Felt being dominated by the commercial bank	Criticizing the bankers' approach for knowledge transfer	Reflection on the bankers' approach in working with the community	Affective

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Tan Somkid 6	They (villagers) want to learn, but when there were problems, they had no facilitators; no one wants to get involved. Especially with the bank staffs from Lampang Branch of Mitrapahp Bank, they had not given us full commitment. They did not come to facilitate, but as a judge who said what should or should not be done. For the Mitrapahp Bank team (Bangkok team), they had a lot of work so they couldn't come. It's true they had transferred some knowledge, but their training method was not applicable. That is, they only told the Villagers that they would have to do this and that way. The villagers didn't understand. Instead they should facilitate them to think, plan, practice, and then reflect on what they did; therefore, the way they did was not appropriate with the Villagers.	Questioning the bankers' commitment, telling vs. facilitating	Criticizing the bankers' approach for knowledge transfer	Reflection on the bankers' approach in working with the community	Affective
Tan Somkid 2	Anyhow, although the starting point was about learning, later it became a disharmony. The bank (Mitrapahp Bank team) did not understand about learning. We told them we wanted the Villagers to learn about the banking system. On the bank side, they said they wanted to learn what the Villagers' managed bank would look like. But it turned out to be that they wanted us to practice from their banking knowledge which they already have. They did not demonstrate to us that they wanted to acquire new knowledge.	Disapprove the bankers for unwillingnes s to learn, development based on only the bankers' knowledge	Criticizing the bankers' approaches	Reflection on the bankers' approach in working with the community	Affective
Tan Somkid 7	I am very frustrated. This was commercial. Mitrapahp Bank hired programmers to write out this bank accounting program, and promised to use their programs with other sites. Later, Mitrapahp Bank changed its attitude. The commitment here was breached. So the programmers stopped developing the software. For all that, it was like we had put our lives on the account of other people. It's about being commercial; when there were problems, they tended not to respond quickly. The IT that we hoped would help did not work as anticipated. We could call this a failure, and for this reason, we wanted to develop our own bank program. From this experience, we came to think that why do we need to rely on somebody else. Our youngsters should learn how to develop computer program and be able to rely on themselves. This idea would draw us back into the learning project once again.	Questioning the bankers' commitment on IT support	Criticizing the bankers' approaches	Reflection on the bankers' approach in working with the community	Affective

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Mr. Kom 8	I think that for the Mitrapahp Bank staffs I am not a significant person because I was seldom informed by them about the meeting. Most of the time, I was informed by the Villagers to attend the Community Bank meetings. When the Villagers asked for my opinion, there were several times when I made suggestion from my technical knowledge, of how things suppose to be, but it seemed to be the opposite to the villager Community Bank staffs. Sometimes, I felt bad not being on their side. The direct personal impact was about time. As a bank committee, I had to attend meeting at night and weekends. I did lose some of my personal leisure and family time.	Difficult situation with the Villagers, losing time with family	Negative effects from participating in the program	Reflection about themselves	Affective
Tan Somkid 14	That's why we had stirred up interest among women and youngsters to participate in this type of long term investment projects without having to lead first with funding. Mostly, the community would wait for the funding, and then start the project. This is not investment. They had not changed their old ways of thinking; that is why they still did not understand. Therefore, we have tried to do this to set an example so that the adults (who were now in charge) would discard their old ways of thinking.	These new project allow women and youngsters' participation, which would then lead the male adult to accept the capabilities of these groups	New projects to change the Villagers' mindset	Future direction	cognitive
Loong Chao 1	For the Villagers, there were mixed feelings. Coaching was like 'telling the Villagers what to do', but if they didn't coach then the Villagers didn't know what to do; therefore, we had to be careful as to what should be an appropriate level of intervention, especially with decision-making. For instance, the loan approval decision, the team shouldn't judge for the committee (villagers) because the committee already knew their customers personally. They know how much credits does a person has; they know about their family background; what type of the person is – all the inside information. It is not like the commercial bank where you don't know the client personally. However, I understand that this is the first villager-operated Community Bank that is why Mitrapahp Bank staff was very concerned about how the Villagers would manage it, and so they were tempted to meddle with the Villagers' management decisions.	Need to be more careful in selecting appropriate approach and the right degree of intervention	Suggestion to improve the bankers' approach	Reflection on the bankers' approach in working with the community	Cognitive

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Loong Chao 5	Another thing that impressed me was the villager Community Bank committee. They worked without any remuneration, while they were the ones who shouldered the risk. They were the ones who signed the three million baht loan contract with the Mitrapahp Bank. The outsider like I am and the Youngsters didn't have to carry that risk, but for me, I feared that maybe it was me who was creating for them more debts.	Dedication	Supporting factors: quality of the Villagers	Reflection on the Villagers	Affective
Tan Somkid 8a	My most impressive moment was to see villagers help each other in putting forward the Community Bank's rules and regulations.	Cooperation	Supporting factors: quality of the Villagers	Reflection on the Villagers	Affective
Loong Chao 4	It was the light of hope that was reflected in the Villagers' eyes that I remembered; the hope and chance that they would be released from debts through this new source of funding. I remembered seeing villagers starring at the Mitrapahp Community Bank staffs while they were talking because I was a photographer at that time. Most of the time, I was in the scenes from the front of the meeting room rather than at the back.	At the beginning, the Villagers were filled with hope	Villagers' expectation	Reflection on the Villagers	Affective
Mr. Kom 4	At first, I thought we would be able to develop a Community Bank whose policy, rules and regulations were developed by villagers. During the development, I think more than fifty percent of the policy, rules and regulations were influenced by the standard of commercial banks.	Expected that the rules and regulation would be developed by the Villagers	Allies' expectation	Reflection about themselves	Cognitive
Mr. Kom 1	The development and implementation of this sort of project was definitely a different experience. At first, the Mitrapahp Bank team didn't value these kinds of information much, I guess. They didn't contact and talked with the Allies of the community first about how to make appropriate approach; that's why there were problems. For example, they didn't understand that the Baan Rienru community was in the learning process based on theory called constructionism, which require an appropriate knowledge creation approach. This was hard to completely understand, even myself.	The bankers failed to learn about community norms	Cause of conflict	Reflection on the bankers' approach in working with the community	Cognitive

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Loong Chao 3	Between executives and the field staffs, they seemed to have different direction. The executive level people talked about the scope of the project, but didn't pass all details to the field levels. For the field staff, without specific directions they treated villagers like other groups of customers applying for a loan; therefore, in the beginning they tried to investigate everything – villager's occupations, financial data, demographic – checking everything! And this was quite annoying for villagers.	Lack of communicati on between the bankers team and headquarter.	Cause of the bankers' unfriendly approach	Reflection on the bankers' approach in working with the community	Cognitive
Tan Somkid 3	There was one time; we (the bank, village leaders, and Allies) had a reflection session at the lab (Lampang's non-formal education centre). We told them about 'learning', how do we act that would be what is called 'learning'. The event occurred after the bankers were blamed for not acting properly; for instance, the way they seek for information, or the way they advice and told villagers what they should do; this was in the beginning.	Reflection session to resolve conflict of approach	Conflict resolution effort	Reflection on the bankers' approach in working with the community	Cognitive
Tan Somkid 4	It was the later part when we frankly talked to each other. There was some time when we had a conflict of interest. Then we had an open-minded talk to clear our misunderstanding. The Mitrapahp Bank team told us about their opinions and how they think, and we told them ours; as a result, both of us tried to accept the goods and the bads of each other, and consider what else can we improve? We might misunderstand something about each other. This required real, open-minded talk. However, they did change, and behaved better.	Reflection session to resolve conflict of approach	Conflict resolution effort	Reflection on the bankers' approach in working with the community	Cognitive
Mr. Kom 2	The time use for lessons and trainings was too short. The lessons were too brief, which made it hard for villagers to follow through.	Time allocated for training is too short	Criticizing the bankers' approaches	Reflection on the bankers' approach in working with the community	Cognitive
Mr. Kom 3	At the moment, the Community Bank IT is not working properly; however, Mitrapahp Bank had not provided close technical support especially that this is the first and the pilot program which should deserve a close monitoring. It is impossible to put the burden on the community's shoulders. If the bank really needed the community to handle the IT problems themselves, at least they should give the program source code; so that we could continue. I see that they should provide continuous IT supports until the system is stable.	Discontinuou s IT support	Criticizing the bankers' approaches	Reflection on the bankers' approach in working with the community	Cognitive

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Tan Somkid 11	We had realized what the weaknesses are and which direction should we go. In the past, the Brain Bank used to give loans, but now we are starting on the investment and management side because we had not touch anything about creating entrepreneurs. Mostly we focused on deposit, withdrawal, and credit. Now we had started introducing balance score card concept. We could not talk about finance or investment right away because their ways of living and thinking still did not catch up with the new way. So we have to find an indirect ways.	Realizing entrepreneurial problems and initiate balance score card learning project	New projects to improve the Villagers' skills	Future direction	Cognitive
Tan Somkid 12	Another conclusion was that prior development was not related to long term investment like youngsters or environmental development, for example, to restore the richness of the forest; when there was forest, villagers would have water to use for the whole year. In fact this is the most important factor of production. It is necessary, although it would take a long time like 10 years. That's why we had stirred up interest among women and youngsters to participate in this type of long term investment projects without having to lead first with funding.	Inability to expand investment due to deteriorating natural resources, therefore initiate project to restore the forest	New projects to improve the Villagers' skills	Future direction	Cognitive
Tan Somkid 13	That's why we want to conserve forest instead of make and sell herbs or promote tourism. If we start with business, the forest and water would never increase. Later, if the foundation was strong, we could handle any of their investment decision.	Restore the forest to expand occupational choices	New projects to improve the Villagers' skills	Future direction	Cognitive
Tan Somkid 5	After that we continually had issues to argue; there was dissatisfaction and misunderstanding. Yet, to me these were usual things to happen as a part of any learning project. There is nothing that match perfectly. If we were a branch of Mitrapahp Bank, then there wouldn't be as many problems, but this would be impossible. Or could be possible, but we didn't realize it (laughing).	Conflict is the part of learning process	Normalcy of conflicts	Reflection on the bankers' approach in working with the community	Cognitive
Tan Somkid 10a	For the impact on me, I considered myself as a facilitator. I think that from whatever had happened; I had learnt many lessons. One lesson was that the Villagers couldn't solve the Community Bank's problems because their learning about management, financial management, and investment were relatively inadequate.	Inadequate learning on finance, management, and investment	Problems	Reflection on the program	Cognitive

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Tan Somkid 10b	Another lesson was that even though the Youngsters had a chance to participate in the Community Bank development and implementation, they still could not make their voice loud enough to be heard. In the community, there are two banks: one is the Baan Rienru- Krung Thai Bank; and the other is the Youngsters' Brain Bank, which I had proposed them to do. The Brain Bank is not managed commercially, but more for benevolence. In the Community Bank case, this is commercial. But the Youngsters were given lesser roles in credit analysis and follow up (as they used to do with their Brain Bank).	Insufficient youngsters' participation	Problems	Reflection on the program	Cognitive
Loong Chao 6	I had thought about this for some time now. It turned out that the Villagers didn't know what to do with the funds they'd got. They are not risk takers. This might be because they had limited knowledge. It also might be their culture, or the way they make a living. For example, suppose they earned a thousand baht and they had to repay debt; they would try to spend less, but they would not think about new investments.	Villagers did not know what to do with the fund	Realization	Future direction	Cognitive
Tan Somkid 9	If we wanted the bank to progress well, the goal and objectives of the Community Bank must be communicated thoroughly with all villagers; for example, what is the main goal? What are the objectives? Where are we heading? What's likely to happen? What benefits would the Youngsters gain from this?	Need to re-discuss the goal and objectives	Suggestion to improve the program	Reflection on the program	Cognitive
Mr. Kom 6	In Baan Rienru Community Bank's case, there was still not much sense of ownership yet; unlike the Saving Group which all the Villagers were shareholders. In my opinion, the Villagers thought the Community Bank was not truly theirs; it's just another Mitrapahp Bank's branch. It would be better if the Villagers could participate more in the Community Bank's activities.	Need to encourage more people to participate in the community bank's activities	Suggestion to improve the program	Reflection on the program	Cognitive
Mr. Kom 7	In the long-run, we needed to think about the ownership factor. How do we make villagers feel a full sense of ownership? For instance, the bank customers might have dividends, or they might raise their reserve through shareholders. No matter what kind of business you are in, whenever the members of any organization feel that they are parts of their organization, they would participate willingly. This would create massive drive that would also lead to sustainability of that organization.	Dividend-sharing to encourage more people to participate	Suggestion to improve the program	Reflection on the program	Cognitive

Appendix B

Allies	Quotes	Main ideas	Themes	Categor-ies: for Narratives	Bloom
Mr. Kom 9	This lit up my thought. Before we only thought that after we borrowed we had to make profit to repay debt, but from now on we had to rethink about what was the purpose of borrowing. We have to be honest with ourselves. Now we need to have better plan for spending the borrowed money. We needed to know about cash flow; for instance, what would be the expected monthly income. Prior to bank development, villagers never thought about this. This is a good opportunity because there would not be any other commercial bank which would help villagers individually to develop such small loan accounts.	Realize the window of opportunity only opened once and should make better plan take into consideration the cash flow	Suggestion to improve the program	Reflection on the program	Cognitive
Tan Somkid 8b	I went to the Community Bank meeting one night. I saw there was an argumentation among villagers. And also I saw youngsters listening to the discussion, but still having no say. There was a point here to learn: what could we do to enable the Youngsters to be able to learn about adult's works? The money matter is definitely adult stuff not a kid stuff; therefore, the Youngsters would not have a chance to learn. Although some topics are taught in classes, they are not practical experiences. Our 'learning' should involve all – housewife, head of the family, and youngsters. Hence, we requested the inclusion of youngsters in every village committee. As a matter of fact, youngsters still had no say because these were seen as adult's issues. The adult's mindset had not changed.	Should encourage women and youngsters' participation	Suggestion to improve the program	Reflection on the Villagers	Cognitive

Appendix B4: The Youngsters: Coding

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Nat 16	About my work as an accountant, this was very tiring working alone because of its details and numbers. Sometimes the other staff had neglected little details like not keeping and recording receipts or rounding up numbers. If at the end of the day, the account turned out imbalance, I was in trouble. It was hard to track records when there was no receipt or recorded document, so I had to think and recall. Imagine sometimes it took me like a month or two and figured out nothing!	Sacrificing personal lives and leisure	Negative effects on the participants	Effects from participating in the program	Affective
Nat 17	I felt that it was difficult and burdensome. Most work was on me and the system was still messy. I felt depressed from time to time. Other staffs' work was routine; recorded transaction, finished, and go home. The rest of the work was on me. I had to stay late to prepare reports and summaries.	felt burdensome	Negative effects on the participants	Effects from participating in the program	Affective
Nat 18	I was depressed facing with continuous problems. Sometimes I couldn't solve problems by myself, for example, problems like program errors. Even after the work, I was still thinking about it. It bothered me all the time until the problems had been solved.	Stressful	Negative effects on the participants	Effects from participating in the program	Affective
Kaew 3	I am proud to take part in the development of the first Community Bank in Thailand. If there was no this program, it would be definitely impossible for me to be a banker. People admired me.	Increase self esteem	Positive effects on the participants	Effects from participating in the program	Affective
Nat 14	I had dedicated so much to this job. I worked here every week, days and nights. I felt I love it. It's mine! It's me who really got it started to work. Many staffs were quitting, but I am still here.	intense participation resulting in the sense of ownership	Positive effects on the participants	Effects from participating in the program	Affective
Pon 3	Personally, I felt that the committee concentrated on the policy, and neglect the operation part. Our manager was busy and could not come here every week. Adult staff did not have much free time.	Receiving little attention from adults	Support from the adult villagers	Difficulties at work	Affective
Kaew 1	For the bank staff, I thought they were very friendly and informal. I felt I had become acquainted with them very quickly and easily compared to the other facilitators.	Happy working with the bankers	Support from the bankers	Supports from adult	Affective

Appendix B

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Nat 10	He only visit us a couple of times. If he would really come here every Sunday, I might feel uncomfortable, or he had to readjust himself a lot. When he came here, I preferred him to think of himself not as a banker, but a kind uncle. He often said, 'Why did you do that?' when I did something wrong. This made me hesitated to ask questions.	Receiving little attention from the manager	Support from the manager	Difficulties at work	Affective
Pon 7	The youngster in our community normally helped the community work for nothing, but for adults they had to earn their living. If they had to come here every week without any remuneration, it would be the waste of time for them. I agreed with the policy to give remuneration to staff who worked at the bank on Sunday. We had already come up with schedules. We all got wages now. Now things were getting better.	Remuneration as a strategy to overcome losing income problem	Supporting factor: remuneration	Supporting Factors	Affective
Ying 1	For this job, I lost my free time. I am tired, but lesser afterwards. I saw other people work; I saw their spirits. So I decided to help.	Become inspired by other sacrifices	Supporting factors: sacrificing spirits	Supporting Factors	Affective
Nat 11	I did not quite understand! So I tried by myself first on a trial-and-error basis. Some of the contents they taught us came from what they did in the commercial bank in the city, which I think is different from our context.	Questioning the discourse	Contents	Classroom	Cognitive
Nat 6	I would admit that I really didn't know what to expect. Our community is not like in the city; it's different context here. Most villagers were wage earners with very few entrepreneurs.	The loan policy might be inappropriate because there are few entrepreneurs in the community	Limitation of the community	Reflection on the problems at the community bank	Cognitive
Nat 7	I have noticed that our community's group investment projects were not so successful. For any investment, it would take certain amount of time until you could see the profit. Sometimes it took longer than anticipated, so villagers thought they were running a loss; as a result, they felt discouraged and quitted.	Unsuccessful experience put them off from making new investment	Limitation of the community	Reflection on the problems at the community bank	Cognitive
Nat 8	Our Allies had been helping us with this problem too. They took us to see many communities initiated projects as well as introduced to us new investment opportunities, but it was actually ourselves who lacked the courage to start one of our own.	Lack of courage	Limitation of the community	Reflection on the problems at the community bank	Cognitive
Nat 15	Even with our own Saving Group, which operated once a month; we still had difficulty trying to draw people into work. Strong leadership counts. When the leader is someone the community trust, people like to volunteer to work.	Lack of volunteers, need for strong leadership	limitations: lack of human resources	Problems of the community bank	Cognitive

Appendix B

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Nat 21	I was quite satisfied with the present situation. I completely understood how difficult it would be to run a bank without hi-tech stuffs like computers and good banking system. The staffs would be very discouraging without these helpful devices.	Realize the importance of IT in Banking	Positive effects on the participants	Effects from participating in the program	Cognitive
Pon 10	The good thing was the use of computer program. Because if there was no computer, it would be hard; just like what we had experienced with our Saving Group, which always required a lot of manpower. We had to calculate using calculators, and it's hard because the figures were quite big now. We also needed to keep a lot of database. It was difficult every time we wanted to find something.	Realize the importance of IT in Banking	Positive effects on the participants	Effects from participating in the program	Cognitive
Nat 22	The happy moment was during the Prime Minister's visit because while we were working, everything seemed so unclear, not ready. But when the Prime Minister came, we had to prepare the presentation for him and for the people. At that point it became clearer to me what we had accomplished. We were somewhat successful. Our work could be more or less an example for other communities.	Pride and confident in what they were doing	Evaluation	Effects from participating in the program	Cognitive
Pon 2	I found out that most villagers had difficulties understanding how to complete the loan application form. Sometimes they bought the application forms but never turned them in because they found out that they had to prepare and sign so many documents. They were not used to the process. They complained it's complicated and felt given up.	Villagers had difficulties understanding and completing loan application form and process	Problems with loan application form and process	Reflection on the problems at the community bank	Cognitive
Nat 9	Our loan accounts had not moved anywhere. Up to now, the committee had approved only about six or seven applications. The Community Bank still had another two million baht untouched.	Stagnant loan account	Results of the loan policy	Reflection on the problems at the community bank	Cognitive
Nat 5	I have to wait for a long time until the error could be managed. It usually took week, and sometime even longer. Customers' document had to wait a long time until their transaction could be updated.	Customers had to wait	Results of untimely supports	Reflection on the problems at the community bank	Cognitive
Pon 5	If I were to look at the whole picture, I believed the founder committee of the Community Bank also loves this Community Bank like I do.	Staff' ownership, but not yet the non-staff villagers	Sense of ownership	Effects from participating in the program	Cognitive

Appendix B

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Pon 6	For other villagers, they still didn't participate as much as they did with the Saving Group. Only a few saved their money here. I think it would need long time to make them feel the same way with the Community Bank as they did with the Saving Group.	Staff' ownership, but not yet the non-staff villagers	Sense of ownership	Effects from participating in the program	Cognitive
Pon 8	In our village in every project, we would rotate our duties with new staff every one year. This should be the same with the Community Bank. After the present committee, other people would come to learn with us on the second year, and by the third year, we would resign. This would help to prolong our project.	Job rotation as a strategy to induce participation	Supporting factor: job rotation	Supporting Factors	Cognitive
Nat 20	Personally I think conflicts are good things. They created new creative ideas we have never think of. If the suggestions were useful and factual, then things could be improved. The bank did make some suggestions. We did learn many things from them; sometimes something different and sometimes additional.	Positive attitude toward conflict	Supporting factors: optimistic attitude	Supporting Factors	Cognitive
Pon 9	I learned to be more responsible, and that in working with a lot of people, there would be times when there would be conflicts, but that was not the big problems because if we really talked, there would always be solutions. Personally, I didn't feel discourage.	Positive attitude toward conflict	Supporting factors: optimistic attitude	Supporting Factors	Cognitive
Pon 4	They used the overhead slide to teach us. Sometimes I understood, but most of the time I didn't; for example, they talked about accounting as if they were talking to the bank themselves.	Did not understand the lecture provided through the use of overhead slide	Teaching approach	Classroom	Cognitive
Nat 12	If I were them, I would learn about the background of the learners first to be able to provide suitable teaching materials. You see, no one in our committee graduated with financial or accounting degree. So it is difficult to understand from just their explanation.	Difficult handouts	Teaching materials and hand-out documents	Classroom	Cognitive
Kaew 2	Knowledge transfer timing was too short. In some nights, the bank staffs taught us like three topics in a row. I didn't have any background of these kinds of things, it was hard. I had to try to take them all; however, after the next day I forgot.	Timing was too short	Time	Classroom	Cognitive
Kaew 4	The Community Bank is much more systematic; for example, credit analysis steps, follow-up works, and monthly meetings. Everything must be according to the regulations. I had learned more about finance and banking.	Gained secretarial skills	Positive effects on the participants	Effects from participating in the program	Psychomotor

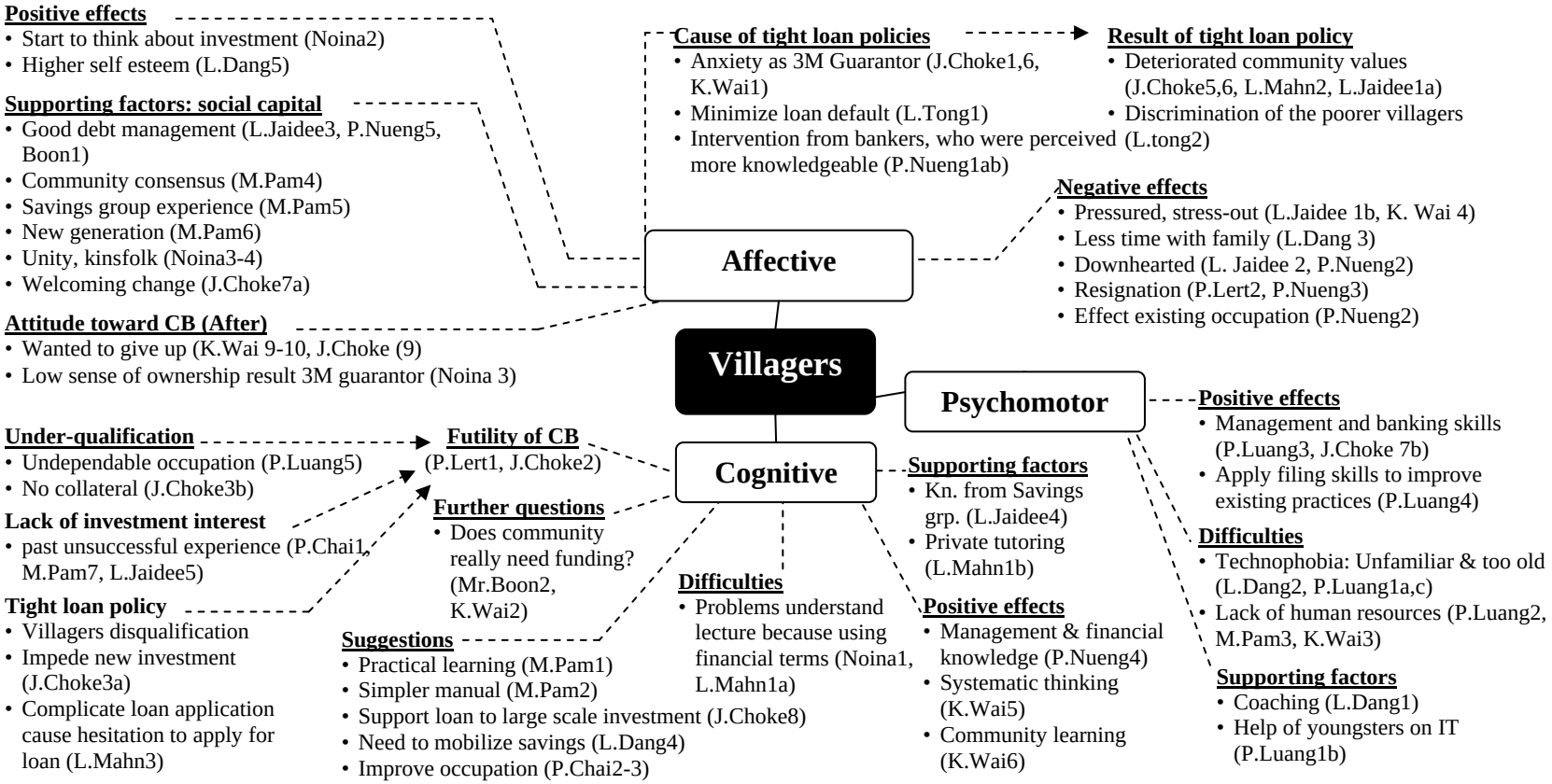
Appendix B

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Nat 19	The positive aspect was that I had a chance to learn about banking program and accounting. I learned and practiced to be more patient because I had to work for a lot of people, both the staff and customers.	Gained accounting knowledge and bank teller skills; patience	Positive effects on the participants	Effects from participating in the program	Psychomotor
Pon 1	The main problem here was not about the banking program. There were times when the program had errors. It couldn't compute correctly. Sometimes, the bank booklets printing were not aligned; moreover, the programmers were in Bangkok; it's far. It took longer time for them to fix. Sometimes online and sometimes they had to travel to here; therefore, the banking program development was quite slow and troublesome.	Untimely support from programmers	Problems with supports	Reflection on the problems at the community bank	Psychomotor
Nat 1	At first we only dealt with deposit and withdrawal transactions; the banking program was fine. But after we started the loan accounts, the interest rates condition became more complicated that even the programmers had not thought about. The program needed to be continuously developed.	Custom-made banking system was still underdeveloped	Problems with the banking system	Reflection on the problems at the community bank	Psychomotor
Nat 2	I discovered program errors from time to time, yet they could not be fixed instantly since programmers were so far away. There were continuous problems since the beginning. After the programmer checked the program, it was good for another several days and then there's something wrong again.	Custom-made banking system was still underdeveloped	Problems with the banking system	Reflection on the problems at the community bank	Psychomotor
Nat 3	I think it was also me as well as the software itself that was not quite complete. When I input data, I needed to follow specific formats. There were so many details which sometime were not explained in the manual. Sometimes I input numbers in wrong format; the transaction was wrong, and I could not edit.	Custom-made banking system was still underdeveloped	Problems with the banking system	Reflection on the problems at the community bank	Psychomotor
Nat 4	I understood what the Mitrapahp Bank team taught me, but the manual didn't cover all the trouble shootings to the problems that I could try to fix before contacting the programmers.	Incomplete manual	Problems with the system manual	Reflection on the problems at the community bank	Psychomotor
Nat 13	I think it would be better if they would emphasize training. The bank should give us a chance to do on-the-job training at their bank in town during our vacation, like one or two weeks, so we could learn to work with the real stuffs.	On-the-job training should be better	Suggestions on teaching approach	Classroom	Psychomotor

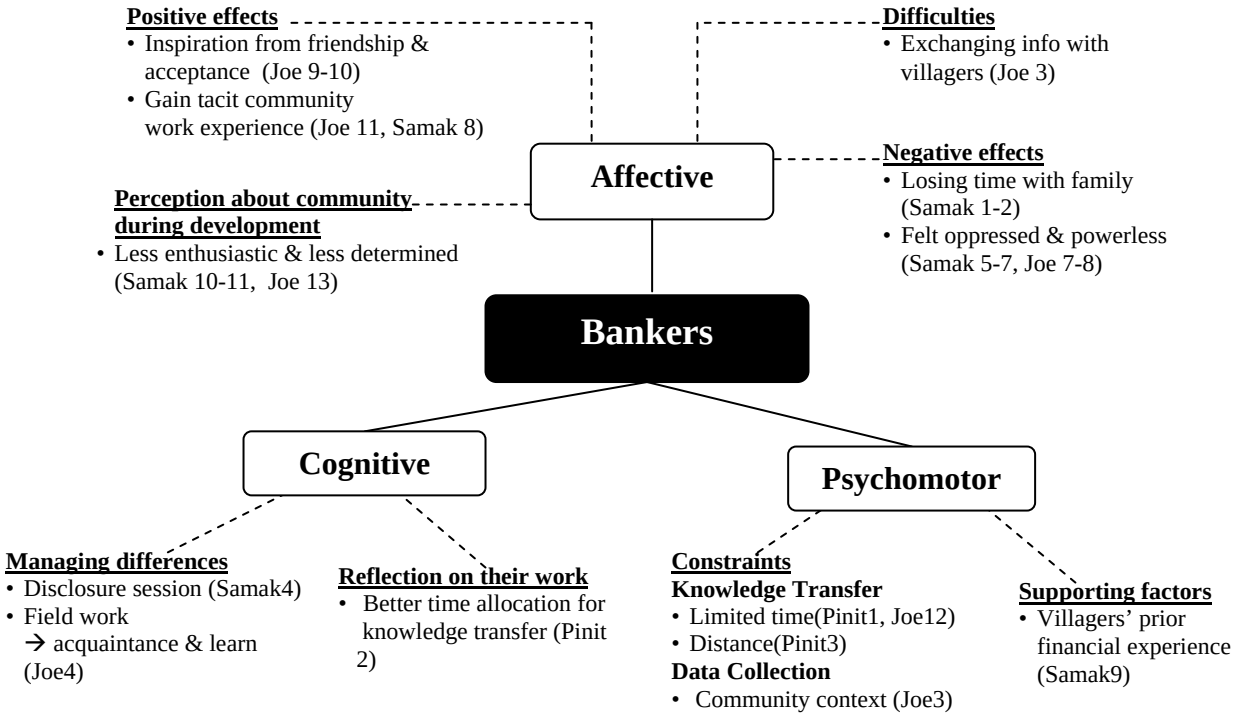
Appendix B

Young-sters	Quotes	Main ideas	Themes	Categor-ies	Bloom
Ying 2	I was especially impressed with our staffs. We are friendly. I saw Nat advised the customers to fill in the form step by step; this would not be a service you would always receive from banks in the city. Some bank staff in the city did not even care to explain, and they sometimes scolded you for not being able to do things correctly. For example, once I asked about what I had to do to open an account, and she asked me back, 'Where are you from? How could you do not know how to do?	Become inspired realizing the importance of her work	Supporting factors: sacrificing spirits	Supporting Factors	Psychomotor

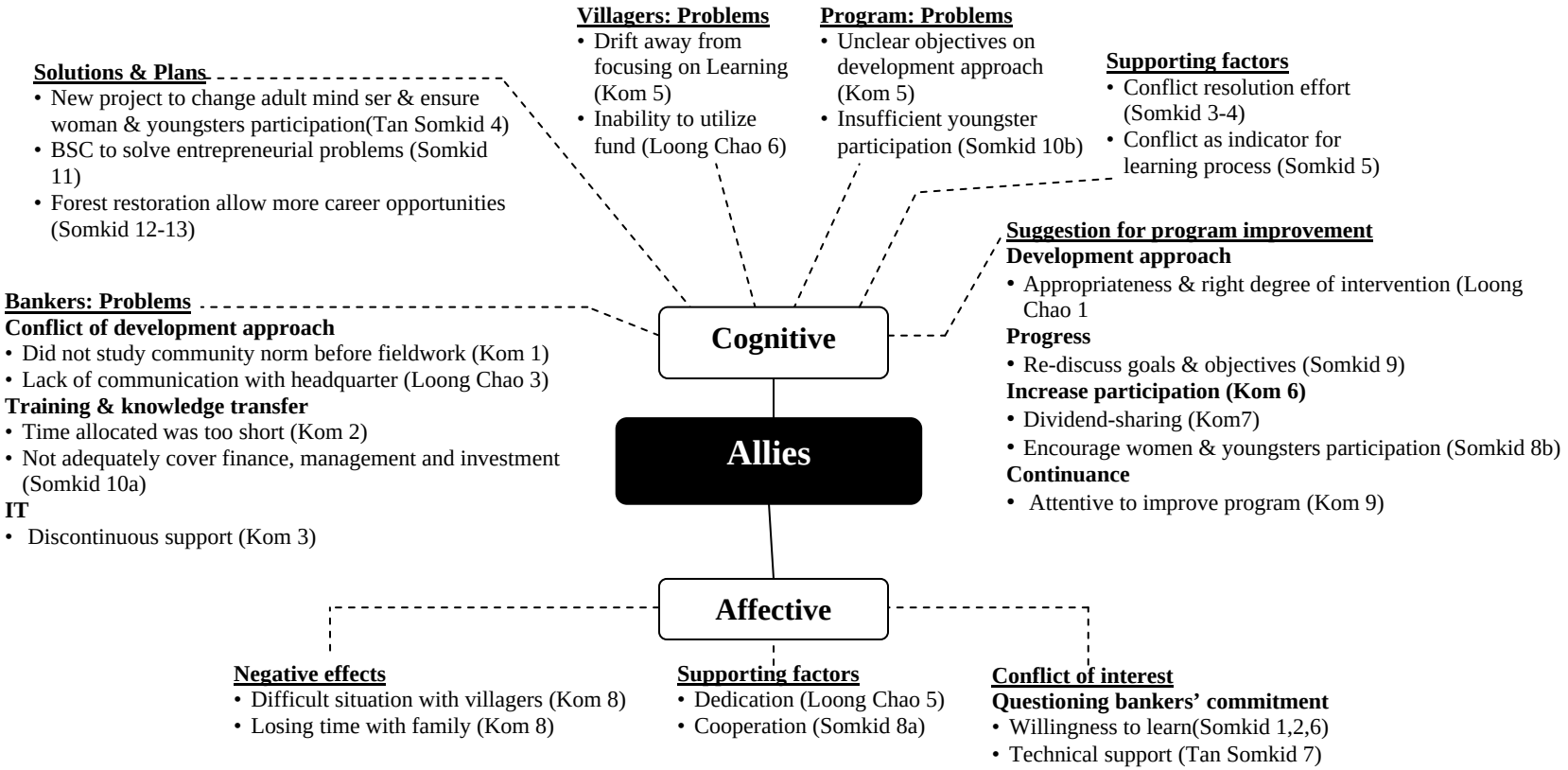
Appendix C1: The Villagers: Mind Map



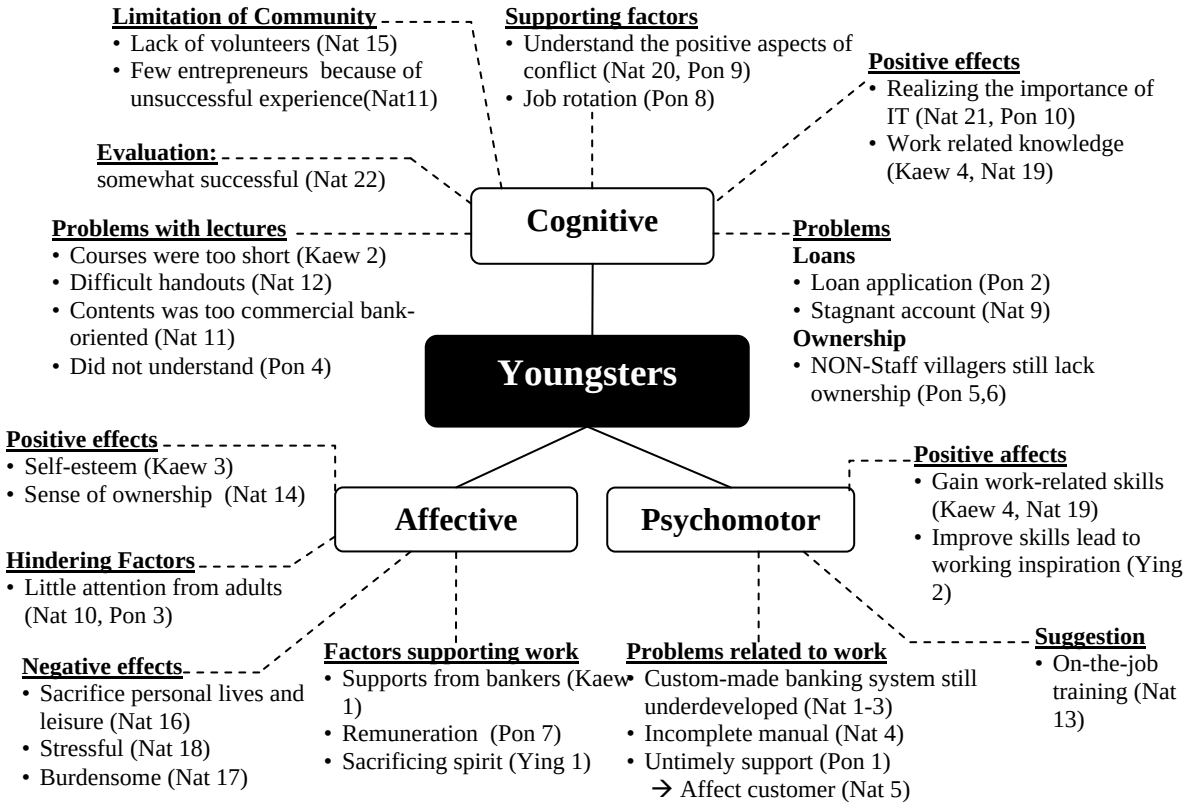
Appendix C2: The Bankers: Mind Map



Appendix C3: The Allies: Mind Map



Appendix C4: The Youngsters: Mind Map



ATTACHMENT 1a

DESCRIPTION OF RESEARCH STUDY AND PROCEDURES: Participants in Individual Interviews

INFORMATION TO PARTICIPANTS

I, Poramaporn Riewpakorn, would like to invite you to be a part of a study into examining the effectiveness of the development of the Baan Rienru Community Bank pilot program. The research will be conducted to find out what actually happens during the development and implementation process and to identify the factors that support and hinder the development. The research also aims to investigate the impact of this development process on the villager, and finally will make recommendations for future improvement of the community bank.

The research will take place in Baan Rienru Community during and after the development of the community bank. The participants will include villagers, Krung Thai Bank staff and representatives from Suksapattana foundation. The role of the researcher in this study will be as a facilitator and observer throughout the program development process. During the research, the program participants will take part in the evaluation of different stages of the development. You will be invited to join an individual interview sessions at various stages of the program.

The interviews will be audio recorded. You may consider that there are minor psychological and social risks involved. To minimise possible risks, pseudonyms will be used for participants when reporting results of research. Participation is voluntary and there will be no detrimental outcome from a villager's decision not to participate. Data from the participants will be strictly confidential. During the interview participants will not have to talk about anything that they do not wish to discuss and are free to withdraw from the study at anytime and unprocessed information already provided will not be used.

The findings of the study will be provided to all Baan Rienru Community Bank pilot program stakeholders for further and continuous improvement, to academic communities, and to other communities or organizations that are interested in developing a similar community bank program.

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 1b

DESCRIPTION OF RESEARCH STUDY AND PROCEDURES:
Participants in Focus Group Interviews

INFORMATION TO PARTICIPANTS

I, Poramaporn Riewpakorn, would like to invite you to be a part of a study into examining the effectiveness of the development of the Baan Rienru Community Bank pilot program. The research will be conducted to find out what actually happens during the development and implementation process and to identify the factors that support and hinder the development. The research also aims to investigate the impact of this development process on the villager, and finally will make recommendations for future improvement of the community bank.

The research will take place in Baan Rienru Community during and after the development of the community bank. The participants will include villagers, Krung Thai Bank staff and representatives from Suksapattana foundation. The role of the researcher in this study will be as a facilitator and observer throughout the program development process. During the research, the program participants will take part in the evaluation of different stages of the development. You will be invited to join an individual interview sessions at various stages of the program.

The interviews will be audio recorded. You may consider that there are minor psychological and social risks involved. To minimise possible risks, pseudonyms will be used for participants when reporting results of research. Participation is voluntary and there will be no detrimental outcome from a villager's decision not to participate. Data from the participants will be strictly confidential. During the interview participants will not have to talk about anything that they do not wish to discuss and are free to withdraw from the study at anytime and unprocessed information already provided will not be used. At the same time, all participants are encouraged to respect the views of others and to keep them confidential.

The findings of the study will be provided to all Baan Rienru Community Bank pilot program stakeholders for further and continuous improvement, to academic communities, and to other communities or organizations that are interested in developing a similar community bank program.

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 2

DESCRIPTION OF RESEARCH STUDY AND PROCEDURES:
Villagers

INFORMATION TO PARTICIPANTS

I, Poramaporn Riewpakorn, would like to invite you to be a part of a study into examining the effectiveness of the development of the Baan Rienru Community Bank pilot program. The research will be conducted to find out what actually happens during the development and implementation process and to identify the factors that support and hinder the development. The research also aims to investigate the impact of this development process on the villager, and finally will make recommendations for future improvement of the community bank.

The research will take place in Baan Rienru Community during and after the development of the community bank. The participants will include villagers, Krung Thai Bank staff and representatives from Suksapattana foundation. The role of the researcher in this study will be as a facilitator and observer throughout the program development process. During the research, the program participants will take part in the evaluation of different stages of the development. You will be invited to join an individual interview sessions at various stages of the program.

The interviews will be audio recorded. You may consider that there are minor psychological and social risks involved. To minimise possible risks, pseudonyms will be used for participants when reporting results of research. Participation is voluntary and there will be no detrimental outcome from a villager's decision not to participate. Data from the participants will be strictly confidential. During the interview participants will not have to talk about anything that they do not wish to discuss and are free to withdraw from the study at anytime and unprocessed information already provided will not be used.

The findings of the study will be provided to all Baan Rienru Community Bank pilot program stakeholders for further and continuous improvement, to academic communities, and to other communities or organizations that are interested in developing a similar community bank program.

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 3

PARTICIPANT CONSENT FORM

I, _____

of _____

certify that I am at least 18 years old and that I am voluntarily giving my consent to participate in the research entitled: "Can villagers learn to become bankers? An Evaluation of the Development of Baan Rienru Community Bank Pilot Program" being conducted at Victoria University of Technology by Miss Poramaporn Riewpakorn and Dr. Ian Ling.

I certify that the aims of the research, together with any risks to me associated with the procedures associated with, have been fully explained to me by Miss Poramaporn Riewpakorn and that I freely consent to participate in the study, and that I understand that I can withdraw from this project at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signature _____ Date _____

Witness other than the researcher:

_____ Date _____

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 4

PARTICIPANT'S PARENTS' CONSENT FORM

I confirm that I have discussed with my son/daughter

_____

details of the research entitled: "Can villagers learn to become bankers? An Evaluation of the Development of Baan Rienru Community Bank pilot program" which is being conducted at Victoria University of Technology by Miss Poramaporn Riewpakorn and Dr. Ian Ling and that he/she has my permission to take part as he/she wishes.

I certify that the aims of the research, together with any risks to me associated with the procedures associated with, have been fully explained to me by Miss Poramaporn Riewpakorn and that my son/daughter can freely consent to participate in the study, and that I understand that he/she can withdraw from this project at any time and that this withdrawal will not jeopardise him/her in any way.

I have been informed that the information I provide will be kept confidential.

Signature _____ Date _____

Witness other than the researcher:

_____ Date _____

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 5a

DESCRIPTION OF RESEARCH STUDY AND PROCEDURES
for
Mitrapaph Bank Staff and
Representatives from Pattana Foundation

INFORMATION TO PARTICIPANTS

I, Poramaporn Riewpakorn, would like to invite you to be a part of a study into examining the effectiveness of the development of the Baan Rienru Community Bank pilot program. The research will be conducted to find out what actually happens during the development and implementation process and to identify the factors that support and hinder the development. The research also aims to investigate the impact of this development process on the villager, and finally will make recommendations for future improvement of the community bank.

The research will take place in Baan Rienru Community during and after the development of the community bank. The participants will include villagers, Krung Thai Bank staff and representatives from Suksapattana foundation. The role of the researcher in this study will be as a facilitator and observer throughout the program development process. During the research, the program participants will take part in the evaluation of different stages of the development. You will be invited to join an individual interview sessions at various stages of the program.

The interviews will be audio recorded. You may consider that there are minor psychological and social risks involved. To minimise possible risks, pseudonyms will be used for participants when reporting results of research. Participation is voluntary and there will be no detrimental outcome from a villager's decision not to participate. Data from the participants will be strictly confidential. During the interview participants will not have to talk about anything that they do not wish to discuss and are free to withdraw from the study at anytime and unprocessed information already provided will not be used. Your participation is not related, in any way, to the requirements of your employment.

The findings of the study will be provided to all Baan Rienru Community Bank pilot program stakeholders for further and continuous improvement, to academic communities, and to other communities or organizations that are interested in developing a similar community bank program.

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).

ATTACHMENT 5b

PARTICIPANT CONSENT FORM
for
Mitrapahp Bank Staff and Representatives
from Pattana Foundation

I, _____

of _____

certify that I am voluntarily giving my consent to participate in the research entitled: "Can villagers learn to become bankers? An Evaluation of the Development of Baan Rienru Community Bank Pilot Program" being conducted at Victoria University of Technology by Miss Poramaporn Riewpakorn and Dr. Ian Ling.

I certify that the aims of the research, together with any risks to me associated with the procedures associated with, have been fully explained to me by Miss Poramaporn Riewpakorn and that I freely consent to participate in the study, and that I understand that I can withdraw from this project at any time and that this withdrawal will not jeopardise me in any way. Furthermore, it has been explained to me that participation is not related, in any way, to the requirements of my employment.

I have been informed that the information I provide will be kept confidential.

Signature _____ Date _____

Witness other than the researcher:

_____ Date _____

Any queries about your participation in this project may be directed to the researcher, Poramaporn Riewpakorn (ph. +66 1 890 7808) or Dr. Ian Ling (ph. +61 3 9688 5085). If you have any queries or complaints about the way you have been treated, you may contact the Head of the Village; alternatively, you may contact the Secretary, University Human Research Ethics Committee, Victoria University of Technology, PO Box 14428 MC, Melbourne, 8001 (ph. +61 3 9688 4710).