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**DEFINING THE NONPROFIT SECTOR:**

**THAILAND**

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## DEFINING THE NONPROFIT SECTOR: THAILAND

### Introduction<sup>1</sup>

Thailand's nonprofit sector, long viewed by the country's various military governments as a potential if not actual competitor for power, is increasingly recognized as essential to the nation's economic and social development efforts. The distrust of the state and the wariness of its administration have by no means disappeared, as many grassroots development and advocacy organizations continue to be suspected of harboring communist or other political sentiments that the state deems hostile. Nevertheless, recent long-range plans issued by the government openly call for cooperation with a wide array of nonprofit organizations, including those active in rural development.

The nonprofit sector in Thailand, as in many other countries, has its origins in religion. From its earliest times, Buddhism has been a significant source of philanthropy and social service, and remains so today. Buddhism, however, has also served as a source of political stability, which is why its treatment under various regimes has been notably different from that accorded other nonprofits. During the post-World War II era, non-religious organizations came to the fore, particularly advocacy and development groups. In spite of periods of suppression, such groups continue to grow in number and type of activity.

This paper offers an overview of the history of Thailand in relation to the evolution of its nonprofit organizations, describes the types of Thai nonprofit organizations, and summarizes relations among the state, Thai society, and the nonprofit sector.

### Historical Note

Philanthropy in Thailand has a very long tradition. To witness rows of Thai monks begging for food from citizens who give alms every morning is to observe a ritual dating back to the dawn of Buddhism in the country. Buddhism established the foundations of philanthropy, and with it the nonprofit sector. From the earliest times, monks and their monasteries provided refuge for the needy and the sick, their schools offered education to the public, and their precincts were used for communal activities in all localities.

The role of Buddhism, however, went beyond a general ministering to the population's social needs. A 13th century stone inscription attributed to King Ramkamhaeng during the *Sukothai* era reads: "He who is troubled may ring the doorbell of the palace, and the king shall come out to decide

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the case himself." The king was seen as the fountain of justice and the guarantor of human dignity (Vitit Muntarbhorn, 1991). Later, during the *Ayuthaya* period, the Hindu-Buddhist concept of a divine king was incorporated into Thai ruling ideology, helping to legitimize the throne. Merit making and philanthropic giving became a part of everyday Buddhist life. The king and the populace adhered to the same belief. Well into the 20th century, religion served to maintain cultural and political stability. This function was rewarded by the monarchy during the 1900s. Relations between the throne and the religious hierarchy, *sangha*,<sup>2</sup> were mediated by Buddhist religious and philanthropic institutions. The influence remained in effect far beyond the 1932 coup which supplanted the monarchy with a nominal "democracy." Indeed, long after World War II, the nation's leaders would identify Thailand as a homogeneous, Buddhist country.

Notwithstanding its importance, Buddhism was but one of several forces accounting for the establishment of a Thai philanthropic and nonprofit sector. Other contributing factors included Christian missionaries in the 19th century, the indirect influence of British and French colonialism in Asia, fear of communism in the post-World War II era, and student activism of the 1970s.

### Christian Missionaries and Western Influences

Missionaries from the West came with the intention of bringing change which would lead to religious conversion. The first Catholic missionary arrived in Thailand in 1567-1568 from Portugal, followed by the Spaniards and the French. In 1662 there were approximately 200 Catholics in the country, most of whom were non-Thais. The first mission was officially established in 1669. A hospital and youth group were also established in that same year. This period was considered unsuccessful, however, because few Thai were converted and philanthropic activities introduced by Catholic missionaries were not integrated into the Thai society.

Although Thailand was never colonized, it came under the economic and cultural influence of western European nations. Both King Rama IV (1851-1868) and King Rama V (1868-1910) sent their sons to the West to learn about different ways of life in order to bring change to the country. Catholic missionaries became more successful during the Reign of King Rama IV, who initiated the modernization process and opened the country to liberal policies.

Eventually, the Catholic mission was officially recognized as a legal body with the right to land ownership. Two types of land were classified for possible missionary ownership -- specifically, land to be used for church, school and domicile of priests; and land to be used as a communal

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<sup>2</sup> *Sangha* is a Buddhist order of monks administered by a hierarchical system with the Supreme Patriarch at its head.

compound by Christians for residence and income-generating activities. This permission to own land led to the expansion of church, school, and hospital activities. The French-operated Assumption College was opened in 1885. Philanthropic activities of the Catholic missions certainly helped in gaining converts during the second phase of Catholic activities in Thailand.

After World War II the Catholic Church faced the difficulty of being recognized and accepted by the public. The church realized the need to reform and, instead of putting emphasis on faith, it started viewing religion as a vehicle to solve social problems. It became a prerequisite for developmental workers to learn local culture and indigenous knowledge as important criteria to be integrated with the Catholic concept of salvation. Subsequently, the organizational structure of the Catholic Mission in Thailand, as is the case in other countries of the world, was revised with an emphasis on cooperation at the regional level.

Protestant missionaries first arrived in Thailand in 1828, more than 200 years after the Catholics. The first exploratory phase was classified to be between 1828-1878, when King Rama V announced Freedom of Religious Belief in the country. The London Missionary Society, established in Bangkok, identified the Chinese in Bangkok as the first "target group" to be approached.

The British Protestant groups were followed by American denominations, such as the Baptists and Presbyterians, whose missions were instrumental in the establishment of clinics to treat the deadly diseases of the time. The missionaries of the American Presbyterian Church also helped bring about many innovations including the country's first newspaper, the *Bangkok Recorder*, for upper class Bangkok readers, and established the Bangkok Christian Boys School. Between 1878-1934, Thai nationals became involved in Protestant organization because of the nationalistic movement after World War I and the fear of communism after the Russian Revolution. Unlike the Catholic Mission, the Protestant Mission expanded the propagation work in the form of preaching; but similar to the Catholics, they built hospitals, schools, churches, and leprosy centers, and worked with minority groups other than the Chinese, with whom they had already established a close relationship.

The contemporary phase of Protestant Missionary started with the establishment of the Church of Christ of Thailand, which became a fully independent and autonomous body in 1957 after the dissolution of the American Baptist Mission. Another Protestant denomination, the Seventh Day Adventists of Thailand, built a large Mission Hospital and a school.

Toward the end of the 19th century, Thailand, although never colonized, became a political buffer zone between the expanding empires of Britain in the west and France in the east. The pressure modernized philanthropy in the sense that secular forms of charity emerged within the Thai upper class. In 1885, for example, women of the royal family, seeking medical care and supplies for wounded soldiers, successfully petitioned King Rama V to establish the *Sapa Unalom Daeng* - the forerunner of the Thai Red Cross. Traveling throughout Western Europe during the same era, King Rama V decided that European institutions should be imported to Thailand to contribute to the country's modernization (Vitit Muntarbhorn, 1991). Following this idea, his successor, King Rama

VI (1910 - 1925), established the Thai Boy Scouts. By the turn of the century, other nonprofit organizations emerged, many of which provided a variety of social services. Among them was the *Samakhom Satri Thai Haeng Sayam* (Women's City Club), formally established by the female editor of a daily women's newspaper, *Ying Thai*, in the offices of a labor organization (Skroebanek, 1983:33).

### Ethnic Minorities

Although the Thai rulers and government officials tend to portray Thailand as a homogenous society, ethnic minorities constitute about one fifth of the Thai population. The largest ethnic minority are the Chinese, which, during the period 1917-1966, made up about 10-13% of the entire population (Skinner, 1957). That figure is now much lower, however, because of the assimilation process taking place.

Since these minority groups were often excluded from the mainstream society, they maintained their own associations to protect their interests. These associations evolved from the so-called "secret societies" which proliferated in the 19th century. Although many of these societies were viewed by the government as mere gangs of robbers, they did provide assistance and protection to certain groups of people. In the late 19th and early 20th centuries, some of those secret societies became inactive, whereas others transformed into legitimate mutual-aid and speech associations, serving the needs of occupational groups and new immigrants. Among the more important functions of these associations were providing social welfare and mutual aid, expanding Chinese education, and providing religious and burial services for the Chinese immigrants.

Another welfare organization which became prominent in Bangkok by the early 1920s was the *Pao-te Shan-t'ang*, recognized as the benevolent society in Bangkok. Based on highly eclectic (Confucian, Buddhist, and Taoist) religious sanctions, its major activities were collecting and burying corpses found on the streets and unclaimed dead from the *T'ien-hua* Hospital, providing free coffins and burial to destitute families, maintaining a free cemetery on the outskirts of town, and organizing relief to victims of fires and floods.

Among speech-group associations, the Cantonese Association was the most advanced. It founded a cemetery in 1884 and a clinic in 1903. Between 1927 and 1938, major community associations, such as the Chamber of Commerce and the speech-group associations, substantially reorganized in response to the increased pressure put on the Chinese by the Thai government. The *Hakka* Association was the first to reorganize. A new constitution was drawn up in 1927, membership was regularized, and the Association was registered.

The Chinese Chamber of Commerce also underwent significant changes during this period. In the year 1932-1933, it organized relief for the Shanghai war refugees, arranged for an exhibition in Bangkok of Chinese products, mediated the rickshaw-pullers' strike, arranged for the return to China of girls abducted to Bangkok for prostitution, assumed full responsibility to the Thai government for several hundred Chinese immigrants detained for their failure to meet immigration requirements and eventually secured their legal entry, and founded and operated the biggest and best

Chinese middle school in the country. In 1933, the Chamber tightened its organization according to a new constitution, which provided that the full membership elect an executive committee of fifteen members and a supervisory committee of seven, and for the election by the committee members of the chairman, secretary, and treasurer.

The status of the Chinese and the inter-ethnic relations depended largely on the government policies. During the *Phibun* Regime, when the government adopted nationalism and anti-foreigner policies, ethnic conflicts were highly visible. Later, Thai-Chinese relations gradually improved. After 1980, when the Communist Party of Thailand was officially abolished, the Thai-Chinese ethnic relations became quite cordial, as the government no longer viewed Chinese associations as a threat to national security. Today clan and speech-group associations have only the social function of providing an opportunity for people of the same clan or speech-group to meet.<sup>3</sup>

### World War II Era

With the proliferation of diverse types within the nonprofit sector, associations were ordered to register with the government under the National Cultural Act in 1942, in an effort to ensure state control over a growing and potentially threatening sector. After World War II, the philanthropic nature of Buddhism was viewed by the government as a barrier to an encroaching communist ideology. Buddhist philanthropic institutions were promoted by the state, while other organizations and associations were closely controlled (although not prohibited). As in the pre-coup era, the politically stabilizing role of Buddhist philanthropy was recognized and rewarded by the government.

In 1962, an organization known as the *Thera* Association was revived to monitor and supervise Buddhist activities and institutions. Through the *Thera* Association, whose members are nominated from high ranking monks, the military dictatorship (1960-1973) continued its policy of tolerating only those activities that were philanthropic.

Other nonprofit organizations, not necessarily Buddhist, also emerged during the period from the mid-1940s through the mid-1970s, with varied purposes and roles. One example was the housewives' groups, typified by the Women's Cultural Club. This club was established in 1943 by the Prime Minister's First Lady. Its objectives were to promote cultural and social activities among

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<sup>3</sup> Other ethnic minority groups in the country have not been as successful economically or socially. Minorities in rural areas are still very much marginalized and unorganized, mainly because of their scattered residence patterns.

its members, and to provide welfare for the needy. By 1956, it had branches in virtually every province of the country, each headed by the provincial governor's wife. The group has since been reorganized as the National Council of Women in Thailand.

Organizations based on school alumni and vocations also came into existence during this period, as did upper class business associations promoting economic development, and various social clubs. Many of the latter, including international organizations like the Rotary, Lions, and Sontas, are now national networks, with branches in most or all of the provinces. Religious organizations also operated with provincial branches.

### Student Activism

During the 1960s, when the country was under military rule, students were not politically active. Some, however, found viable outlets for their socio-political leanings in rural summer camps. Working in these settings enabled many youth from the upper and middle classes to familiarize themselves with the realities of rural poverty and wide economic disparity.

After the student coup d'etat on October 14, 1973, non-governmental organizations (NGO) emerged to promote social development from a humanitarian perspective -- as opposed to the government sponsored development plan since 1961 which, in the view of NGOs, benefitted the wealthy more than the poor. Most of the new organizations, however, did not formally register as nonprofit. Called public interest, non-government organizations (PINGO), they demanded radical reforms to stop the alleged transfer of national resources from the poorer to the wealthier sectors of Thai society. But the rise of the left wing movement generated a right wing counter-movement, which in turn led to the overthrow of the democratically elected government in 1976. Toward the end of the decade, many grassroots nonprofit organizations found themselves branded as communist, and their supporters as communist agents or sympathizers.

Consequently, the turn of the decade marked a very low period for development activities among NGOs. Student and grassroots groups were suppressed. The only nonprofits tolerated were those representing the upper classes. Many younger people fled to the jungle to join the Communist Party of Thailand, which offered an alternative vision of economic development.

### The Present Era

This suppression of non-governmental and nonprofit activity lasted until the latter part of the 1980s. At that time, unregistered groups began to revive their activities, and new groups formed, slowly assuming an increasingly active role in the development of Thai society. Today, most of the public oriented organizations devoted to development were founded during the late 1980s. They are not registered, and their membership reflects the middle class, a sharp contrast to earlier philanthropic organizations which represented the nation's economic elite.

## International Support

Since the fall of Saigon and Phnom Penh in 1975, Thailand has experienced an influx of Vietnamese, Laotian, and Cambodian refugees, most of whom have been placed in refugee camps just inside the Thai border. This situation has influenced the composition of the Thai nonprofit sector, as numerous international organizations have joined with the United Nations High Commissioner for Refugees to offer assistance. Most of these groups are non-Thai and form a distinct category of nonprofit organizations.

Today, the nonprofit sector in Thailand receives support from a variety of international organizations which can be grouped into two major categories. The first category consists of organizations affiliated with the United Nations, such as UNICEF, UNESCO, UNIFEM, WHO, and UNIFPA. They support projects aimed mainly at benefiting women and children, the promotion of health and family planning, rural development, and the protection of the environment. The second category consists predominantly of private German, British, Scandinavian, Australian, and U.S. organizations and foundations, such as the Friedrich-Naumann-Foundation, the Friedrich-Ebert-Foundation, the Konrad-Adenauer-Foundation, *Terre des Hommes*, the Ford Foundation, the Rockefeller Foundation, CARE International, OXFAM, Save the Children Fund, Redd Barna, and Christian Aid, providing financial support to projects according to their specific funding areas, such as rural development, labor issues, and the development of local self-governance. There is little coordination among the activities of these organizations in Thailand.

## **Major Types of Nonprofit Organizations**

Legally, only three types of nonprofit organizations are recognized and registered by the Thai government: associations, labor unions and federations, and foundations. Other terms exist, such as councils and leagues, but to acquire legal status they must register under one of the three legally acceptable terms. All registered nonprofits are non-political; they must, in fact, declare themselves non-political under their written statement of objectives. Political parties are, on the other hand, registered separately and, of course, allowed to have political objectives.

Unregistered organizations, including development and religious groups, may or may not be recognized by the government, but do relate to Thailand's nonprofit sector, either as component or borderline entities.

### Legally Registered NPOs

#### *Associations*

Foundations and associations are governed by the civil code, a body of law based heavily on the European roman law system (Vitit Muntarbhorn, 1991). The code, technically known as the Civil and Commercial Code, specifies the legal purpose and method of governance for nonprofit organizations. Under Sections 1274 and 1275: "A contract of association is a contract whereby

several persons agree to unite for a common undertaking other than that of sharing profits. Every association must have regulations and must be registered."

Different types of associations are registered with different government agencies. These include general nonprofit associations, commercial associations, cremation associations, and employers' associations.

General nonprofit associations include organizations whose objectives are not specialized. General associations established for cultural and social purposes may register with the National Cultural Commission in Bangkok, or the provincial governor's office in other provinces. All associations, general or otherwise, must have real memberships, and their boards of directors must be elected from among that membership. They must hold at least one annual meeting to which all members are invited. Further, the agenda for this meeting must include an election of the board, presentation of an annual report, an annual budget, and a statement of expenditures certified by a qualified accountant (which must later be submitted to the National Cultural Commission). Internal regulations must be clearly identified and must include organizational objectives, membership qualifications, fees, and bylaws pertaining to association activities, such as board electoral procedures. In 1989, the total number of general nonprofit associations (excluding cremation, commercial, and employers organizations) registered after 1942 was 8,404.

Commercial associations include organizations whose objectives are not profit-sharing, but whose membership derives from commercial enterprises. Examples include import-export groups and commodity sales groups. They are registered with the Department of Internal Trade, Ministry of Commerce. They differ from other organizations in that they operate for the interest of members rather than for the public. Commercial associations in Thailand in 1989 numbered 373.

Cremation associations are, in fact, viewed as welfare organizations, attending to the basic needs of people in matters of death and cremation. Buddhist theology, for example, prescribes ceremonies for the proper care of the bodies of deceased. Joining a cremation association is one way to assure that the rituals are followed correctly. Cremation associations are registered with the Department of Public Welfare, Ministry of Interior. A separate type of cremation association is comprised of customers of the Bank of Agriculture and Agricultural Cooperatives. These groups were established as an organizing mechanism in rural areas, where the Bank conducted extensive services. Eventually, the Bank itself agreed to incorporate cremation associations as part of its normal business activities - a strategy to attract rural customers. At the end of 1989, registered cremation associations totaled 2,773.

Employers' associations, technically established to promote good worker-employer relations and to protect employers' rights and benefits, in fact serve as a mechanism through which business owners counter the power of unions. Based on strict industry lines, the groups register with the Department of Labor. Registration requirements include a founding membership of no less than 30 employers within the same industry; and internal regulations governing membership qualifications and fees, financial management, procedures for the cessation of operations, and strategies for

approving agreements on employment conditions. Employer associations themselves can combine in federations (see below).

### *Labor Groups*

Unions, like employers' associations, exist technically to promote good relations between employers and employees, but in fact represent the interests of employees when negotiating with employers. Membership consists of employees in a single company, or in several companies within an industry. To register with the Labor Department as a labor union, ten employees designate themselves as founders. Registration requirements include a formal name for the union, a statement of objectives, location, membership qualifications, fees, rights, and obligations. In addition, unions must promulgate regulations governing financial matters, strikes and negotiations with employers, annual meetings, and elections of administrative directors.

Federations can be established by both employer associations and labor unions, which must also be registered with the Department of Labor. Acceptance into a federation must be voted on and approved by more than half of either the union's or association's members, and the federation's board must represent the membership. Regulations governing the delegates to these meetings are developed by the federations themselves.

Councils are umbrella associations designed to promote education and labor relations activities. They comprise either labor unions and federations, or employer associations and federations. Council formation requires no less than five employer groups, and 15 labor groups. Laws applicable to both employer and labor organizations apply to the councils.

### *Foundations*

Nonprofit organizations engaged in public welfare activities in their own private capacity for charitable, religious, scientific, literary or other purposes are defined as foundations under Section 81 of the Civil and Commercial Code. Traditionally, foundations are established in honor of distinguished Thai citizens to provide welfare and relief assistance to the indigenous populations, as well as promote education, culture and preservation of the cultural heritage. More recently, foundations are being established for environmental protection and economic development as well.

Applications to establish foundations are submitted to the National Cultural Commission in Bangkok, or to provincial governors' offices elsewhere. Following an initial approval, founders must secure police approval of documents containing a profile of the foundation, its objectives, location and other data. Collateral of at least US \$8,000 must be deposited in a foundation bank account. Upon registration, foundations must submit minutes of board meetings and personal biographies of the directors. Qualifications of directors and managers, meeting schedules, and annual reports are also subject to government regulations. However, the management has broad powers, including the power to change the foundation's original mission.

Foundations derive their revenues primarily from individual donations and/or fund raising drives. They are prohibited from engaging in profit-making activities. In general, the government does not provide any funds for foundations, nor does the business sector become involved in foundation activities. Usually, when a well-known business person dies, a foundation may be established in his or her memory. In 1989, there were 2,966 foundations registered in Thailand. Almost half (1,278) of them focused on funding cultural and educational activities.

### Other NPOs

#### *Unregistered Groups*

In addition to the types of organizations mentioned above, unregistered nonprofit groups organize for specific purposes but do not retain legal standing. Such organizations are known as project or working groups, units, and forums. They tend to be small, and are dedicated to public welfare, community development, and campaign advocacy issues such as human rights, the environment, and cultural promotion. They may, on occasion, combine under umbrella councils or coordinating committees. A 1986 survey of developmental NGOs revealed that most of these groups tend to be found near colleges and universities. The issues they address appeal to young people, who are apparently more willing to work for the public interest, and are easy to recruit.

Grassroots organizations and advocacy groups usually do not register with government agencies, often because of burdensome endowment or membership requirements. Beyond development and advocacy groups, various unregistered centers and institutions in Thailand operate action projects and/or research programs. Many religious organizations are also unregistered. Every village has a temple or *wat* engaged in religious philanthropic activities. Traditionally, young boys lived at *wats* if they were poor, or if they sought education -- the monks there serving both as teachers and healers. Fund-raising is carried out at least once a year in a *pha pa* or *kathin* -- the annual religious ceremony of presenting robes to Buddhist monks in different monasteries. The annual monastery visits usually take place one month after Lent.

In general, unregistered groups operate as unregistered associations, except they need not report to any authority. Many developmental groups prefer not to register because they need not report to anyone. The National Cultural Commission, who registers associations and foundations, has neither the authority nor the manpower to monitor unregistered groups, and thus cannot initiate any actions against those who do not register.

#### *Umbrella Organizations*

Umbrella organizations, both registered and unregistered, also form part of the Thai nonprofit sector. Calling themselves councils and leagues, some register as associations with the National Cultural Commission in Bangkok or with provincial government offices. Figure 1 shows a list of the major umbrella groups established and registered as associations during the past half century.

Umbrella groups that do not register are those that coordinate a variety of types of organizations working on particular projects. Technically, they are defined either as coordinating or working committees/groups. Among the unregistered coordinating groups, the best known is the National Coordinating Committee of Non-Government Organizations for Rural Development (NGO-CORD). Total membership, including its regional subcommittees, encompasses 220 organizations. Other unregistered coordinating groups are, for example, associations active on behalf of children, women, primary health, human rights, slum improvement, and environmental protection. Each such body coordinates between ten and twenty organizations.

The environmental groups, which have been organizing annual Environmental Conferences for the past four years, are expanding, consisting of over 30 organizations in 1992.

Table 1. Major Umbrella Groups in Thailand

Council	Year of Registration
Hindu Dharma Sabha Bangkok	1943
Council of Church of Christ Association of Thailand	1943
The Netherlands Chamber of Commerce in Thailand	1955
Board of Trade	1955
Council of Buddhist Propagation Foundation	1955
National Council of Women in Thailand	1956
National Council on Social Welfare of Thailand	1959
National Council of Young Buddhist Association	1960
Spiritual Assembly of the Baha'is of Bangkok	1963
The Foundation of the Church of Christ in Thailand	1965
Research Officer Association of the Territorial Defense Department	1966
League of Foundations	1967
The Congress of Parents and Teachers Association of Thailand	1972
National Council for Child and Youth Development	1985
League of Associations	1986
Council of International Popular Culture Association of Thailand	1989
Senior Citizens Council of Thailand	1989
Council of Catholic Education (Thailand)	1989
Council of Science and Technology Association of Thailand	1989

## Tax Treatment

Tax exemption for registered nonprofit associations and foundations is granted by the Ministry of Finance. To qualify for tax exempt status, an organization must be in existence for more than three years, and its books must be endorsed by a certified accountant during that period. Salaries paid to employees are not exempt. Donations to registered nonprofits are tax deductible, upon the consent of the Ministry, but only up to 1% of earnings or profits. Donations are tax deductible only when made to qualified organizations that have been in existence for at least three years.

Maintenance of registered status, and therefore of tax exemption and deductibility, is dependent on submission of annual reports, minutes of meetings, and budgets. It is also dependent on the avoidance of political activity. In 1991, under an announced policy of promoting the nonprofit sector, the interim government established a committee to review much of the legislation governing nonprofits, and recommended tax incentives for the nonprofit sector.

## Society, the State, and the Nonprofit Sector

### Government and Buddhism

Buddhism is not only a religion, but also a major force unifying the Thai society. With adherents among 95% of the Thai population, it is integral to the nation's culture, and it enjoys a special relationship to the state. For example, despite the refusal of the government to declare Buddhism a state religion, Buddhist organizations are subject mainly to their own laws, under the administration of a religious body known as the *Thera* Association. When King Rama V introduced administrative reforms during the late 19th century, he promulgated the *Sangha* Act providing for separate administration of Buddhist institutions. The Act was revised in 1946, more than a decade after Thailand changed from absolute monarchy to democratic monarchy in 1932. In essence, the revisions provided for the adherence of the hierarchical Buddhist structure to the political and administrative structures of the secular state.

In 1959, a new military dictatorship seized power, and the *Sangha* Act was revised yet again in 1962. This time, the *Sangha* structure was altered to confer authority upon the Supreme Patriarch and to the *Thera* Association, whose members are nominated from high ranking monks to monitor all activities carried on by *Theravada* monks. The *Thera* Association has the authority to order Buddhist institutions to cease operation on religious and moral grounds. Institutions opposing the *Thera's* orders must secure legal recognition from the state.

In general, Buddhist fundraising is governed by religious rather than state authority. Religious donations to temples, in the spirit of "making merit" for a better future, are managed by monks and temple committees. However, foundations established in honor of a particular monk or individual to dispense funds must adhere to state regulations monitored by the National Cultural Commission.

## Cultural Diversity

Until World War II, the government viewed Thailand as an ethnically homogenous country inhabited only by the Thai people. The non-Thai ethnic minorities were outside the Thai social structure. They lived as separate groups but intermixed with the Thai, having free cultural and economic exchanges. Among lowland groups, cultural borrowing, adoption, and assimilation were accepted and even welcomed.

Nationalism in Thailand is a recent phenomenon. The question of ethnic differences became important after the formation of a nation-state. Nationalism was reinforced by King Rama VI's anti-Chinese policies. Thus, in modern times, the Thai society has been vigorously indoctrinated with nationalistic sentiments that were supposed to serve as a "psychological foundation" for the Thai (Dhiravegin, 1985:3). After the reign of Rama VI, the government started the process of democratization. However, the constitutional government that came to power after the 1932 coup d'etat shifted its priorities away from the questions of ethnicity and nationality.

Nationalism re-emerged during World War II under the *Phibun* regimes (1938-1944 and 1948-1960). Prime Minister Phibun Songkhram adopted segregation and discrimination policies toward non-Thai ethnic minorities and changed the name of the country from Siam to Thailand. The word "Thai" became an important national symbol. Legally, the Thai are defined as those holding Thai nationality and, rather loosely defined, Thai ethnicity. The "Thai-ness" also strongly implies Buddhist religion and Siamese culture. From that standpoint, a "true" Thai is perceived as one who is of Siamese origin and practices Buddhism. All those who do not simultaneously fall in both categories (e.g., ethnic minorities, Muslims, etc.) are automatically perceived as "non-Thai" (Suthasasna, 1985:31-32).

Historical studies of the status of Chinese minorities in Thailand indicate that it changed over time, depending on both the government policies and the Chinese attitudes toward those policies. Under the *Phibun* regimes, ethnic conflicts were quite intense, but afterwards the Thai-Chinese relations gradually improved. After the official dissolution of the Communist party of Thailand in 1980, these relations became quite cordial. As a consequence, the appeal of clan associations and speech groups became limited to people of the same clan or dialect. The adoption of market-oriented development policies by the government had a positive impact on Chinese participation. Rather than organizing clan and speech-group associations, the Chinese established their commercial and trade associations, which became prominent and influential elements of the development process in the country. Other ethnic groups have not been as successful as the Chinese. Minorities in some rural areas are still marginalized, both economically and socially. They have not been able to organize themselves, largely because small groups remain isolated from one another in the mountain terrain, and outside organizing efforts have not yet reached that part of the country.

Another factor that had an effect on ethnic minority organizations is the influence of Catholic and Protestant missionaries. The Catholic missionaries, who were the first to come to Thailand, started working with the Thai people but were not successful in converting them to Catholicism. By contrast, the Protestants started working with ethnic minorities, both the Chinese and the *Karen*

inhabiting the mountain area. The marginal role of these groups in Thai society, and the social and moral support they received from the missionaries, became important factors in converting them to Protestantism.

International organizations came to Thailand to promote economic development and, after 1975, to work with refugees. Although they initially used mostly European and American volunteers, the international NGOs later became focused on projects at the grassroots level. Local Thai NGOs seeking financial support and mutual collaboration also learned to work with international organizations. Since the government did not support the nonprofit sector, international nonprofit organizations provided a substantial contribution to the development of the Thai nonprofit sector.

### Government and Other Religions

Traditionally, non-Buddhist religious organizations were allowed considerable freedom in Thailand, in terms of their internal organization and the activities of their personnel. But after the fall of Saigon and Phnom Penh in 1975, the government's fear of communism generated widespread suspicion not only of advocacy and economic development nonprofits, but of foreign religious institutions and foreign nationals, or expatriates, operating within the country. In 1981, the Department of Religious Affairs -- with which all churches, temples, mosques, and other houses of worship must be registered -- tightened its policy regarding expatriate missionaries. Basically, it restricted distribution of its "letters of recommendation" sought by the missionaries who wished to extend their visas. Letters which were influential with Thai immigration officials.

By 1983, however, another arm of the state, the Department of Public Welfare, declared a policy of cooperation with foreign volunteers who asked to serve as social workers in Thailand. The Department of Public Welfare announced its own regulations governing the issuance of "letters of recommendation," after the Department of Religious Affairs embarked upon more restrictive criteria for the extension of visas. As a result, the Public Welfare Department provides support for members of foreign voluntary agencies lawfully engaged in public welfare activities. The notion "foreign volunteers" is understood broadly as any alien working for a voluntary agency without pay, except for a food allowance, medical care and transportation.

### Students, NGOs, and Urban Development Policy

In 1980, the military offered amnesty to students and activists who fled to the jungle in the wake of the 1976 right wing takeover of the government. Many nonprofit organizations which had operated on a grassroots level were reactivated, particularly those involved in rural development and in advocacy. As a result of the political thaw during the late 1980s, many non-registered groups reviewed their activities and many new groups were formed. These organizations assumed an important role in the development of the Thai society.

Unlike the earlier organizations, composed mainly of members with an upper-class background, the newly established NGOs attracted primarily the middle class, student activists, and

unemployed college graduates. These organizations constitute the majority of the NGOs working predominantly in rural areas. A few work in urban settlements and carry out advocacy work. Most of these NGOs are unregistered.

The development of modern grassroots NGOs was affected by two conditions. First, the problems associated with economic development created a need to understand the plight of the poor and help them to become economically independent. Second, many activists came to the conclusion that the efforts of the government agencies might not be sufficient to provide solutions to social problems. Despite improving relations, tensions between these NGOs and the government remained high throughout the 1980s. The government suspected many nonprofits -- in particular, grassroots groups -- of using a legitimate organizational form as a front to carry out anti-state political activities. In addition, some associations and social clubs were suspected of engaging in gambling or other illegal behavior. Still other groups have been charged with using their tax exemption privileges to import equipment for profit-oriented purposes.

Only recently has this tension and mutual suspicion begun to abate. An example of the improvement in government-nonprofit relations is the establishment of a Joint Coordination Committee (JCC), through which government functionaries and representatives of development-oriented NGOs and volunteer groups meet. The Committee, in turn, sets up regional NGO-CORD subcommittees active in environmental and developmental issues.

In its Sixth National Development Plan (1986-1991), the government formally acknowledged the role of NGOs in rural development. Among other things, the Plan promotes the establishment of local groups to carry out developmental activities. Previously, the only areas allowed for non-governmental organizations were for-profit business and investment.

Two factors accounting for the change in the government's policy are widening disparities in wealth resulting from rapid economic development, and a consequent increase in state expenditures. As in other parts of the world, the Thai government has expressed a determination to reduce its budget. The 1991 interim government, consisting largely of appointed technocrats, announced a policy of loosening controls throughout the nonprofit sector. Other announced measures include the liberalization of registration procedures, and the revision of tax laws to spur increasing nonprofit activity.

### **Defining the Thai Nonprofit Sector**

The Thai nonprofit sector comprises associations and foundations engaged in philanthropy, economic and social development, health and social services, advocacy, and cultural and recreational activities. In general, these organizations meet the criteria of the structural/operational definition of the nonprofit sector suggested by Salamon and Anheier (1992). That is, they are formally organized (whether or not registered), they are separate from the government and operate primarily or largely for the public at large, they do not distribute income in excess of expenses (profits) among their own

members, they are self-governing, and they include a meaningful degree of voluntarism. Several types of Thai organizations, however, are not so easily classified:

- A small but rapidly growing number of grassroots groups, currently active in broad scale economic and social development, including skills training, certainly fit the definition of a typical nonprofit organization. But to the extent that such groups are successful in actually producing and then marketing goods, they may well re-orient themselves into for-profit enterprises.
- *Wats* and similar religious institutions which have traditionally provided a host of both sacramental and charitable services fit this core definition. However, purely sacramental organizations, existing on an ad-hoc basis and performing religious ceremonies only on specific occasions, clearly fall outside the nonprofit sector.
- Labor unions and trade associations may be technically outside the sector. The core definition excludes these organizational types, but in Thailand they operate both for the benefit of their own members (e.g., higher wages) and for the public at large. Cooperatives, however, should generally be excluded.
- Organizations such as sports clubs are legally registered as nonprofits, but in reality operate on a for-profit basis. The investment necessary to operate these clubs have led many to charge high membership and service fees. In most cases, the owners make a profit while members receive services in turn. In fact, the only reason they originally registered as nonprofits was because the government required such registration for all organizations involved in any type of economic activity that was not strictly a private enterprise.

## Conclusion

With the exception of Buddhist institutions, nonprofit organizations in Thailand have been viewed with deep suspicion by the state, especially during times of military dictatorship. Today, this suspicion shows signs of abating. First, the fear of communism is declining in light of recent international developments. Second, Thailand's own rapid economic and social development is generating a widening gap in income distribution, which the state is finding difficult, if not impossible, to shoulder by itself. While various indicators reveal economic and social improvement at the macroeconomic level, serious discrepancies remain on the microeconomic level. The state increasingly recognizes that the nonprofit sector can play an important role in the resolution of this problem, particularly at the grassroots level.

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