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**COMMUNITY AND URBAN AREA FUND POLICY: A STUDY
ON MAJOR FACTORS AFFECTING THE GRANTING
OF LOANS IN THAILAND**

By

Captain Nawita Direkwut

**A Dissertation Submitted in Partial
Fulfillment of the Requirements for the Degree of
Doctor of Philosophy (Development Administration)
School of Public Administration
National Institute of Development Administration**

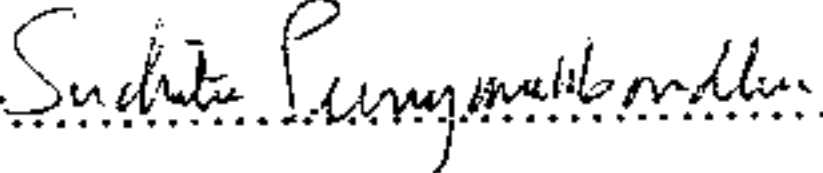
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The Examining Committee Approved This Dissertation Submitted in Partial
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(Development Administration).

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ABSTRACT

Title of Dissertation : Community and Urban Area Fund Policy: A Study on Major Factors Affecting the Granting of Loans in Thailand
Author : Captain Nawita Direkwut
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This dissertation was initiated with an intention to analyze major factors influencing the Community and Urban Area Fund (CUAF) Policy Implementation Effectiveness within Thailand, using statistical and interviewing results from CUAF management members within each of the 370 villages/communities of the six Northeastern provinces, as fundamental data for analysis. The initial model, representing major factors affecting CUAF policy implementation effectiveness, had to be revised subsequently due to limitations from statistical results. A modified framework of analysis was then formulated to support this unforeseen restriction.

Under the proposed model for analysis of major factors affecting the granting of CUAF loans, nine determinant factors, namely understanding and acceptance of policy objectives, effective Committee for Community and Urban Area Fund (CCUAF) leadership, qualified CCUAF members, fund adequacy, incentives for CCUAF, CCUAF capacity, citizens' participation, effective monitoring and evaluation system, and fund management transparency, were hypothesized to be positively related to the granting of CUAF loans.

Data collection was conducted through quantitative and qualitative methods with particular emphasis on the management members (Chairman, Deputy Chairman, Secretary, Chief of Section and Treasurer) of each Committee on the Community and Urban Area Fund (CCUAF). Chairmen of 313 out of 370 visited locations provided inputs to questionnaires and interviews, and over 82 percent of the management members participated in group interviews and questionnaire responses.

Statistical results from 2,050 questionnaires presented an anomaly that eventually led to a rejection of the revised hypothesis, while providing an exceptionally interesting ground for exploration of the conflict between the determinant factors and the dependent variable. The proposed model of analysis had to be revised with respect to the dependent variable in the granting of CUAF loans, while certain determinant factors had to be eliminated due to lack of statistically significant results.

Qualitative analysis offers vital elements to the study. Interviews and group sessions yielded two additional determinant factors in the granting of CUAF loans. The determinant factors, namely, future prospects for other development programs and future prospects for self-career advancement, were consequently included in the model for analysis along with the remaining determinant factors.

Aside from the additional determinant factors, in-depth interviews carried out presented actual operations of the CUAF and the conduct on financial records to positively portray the funding administration. It was founded that having a profit-earning financial record would be an advantage for the community/village in requesting for further funding schemes from the government. In this regard, it is imperative for management members to control and manipulate the book accounts to correspond with the standards designated by the government and monitoring agencies.

This research identified obstacles to the CUAF loan scheme, stemming from the lack of direction from the government on the CUAF policy and the continuity of the program. The recommendations provided were: enforcement of the policy with direction, clarification on the continuity of the program, further trainings, and benefits for CCUAF members. The rejection of the original hypothesis in this research offers a specific merit to the study of development administration and the field of public administration. It is recommended that further studies be carried out in other areas of the nation where the income level is higher and perhaps, where the CUAF may have been managed differently.

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Captain Nawita Direkwut
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