



PHD

**When Self-Organization Meets Formalization: An Institutional Analysis of Savings Group in Thailand**

Ariyapruchya, Pensiri

*Award date:*  
2023

*Awarding institution:*  
University of Bath

[Link to publication](#)

**Alternative formats**

If you require this document in an alternative format, please contact:  
[openaccess@bath.ac.uk](mailto:openaccess@bath.ac.uk)

Copyright of this thesis rests with the author. Access is subject to the above licence, if given. If no licence is specified above, original content in this thesis is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC-ND 4.0) Licence (<https://creativecommons.org/licenses/by-nc-nd/4.0/>). Any third-party copyright material present remains the property of its respective owner(s) and is licensed under its existing terms.

**Take down policy**

If you consider content within Bath's Research Portal to be in breach of UK law, please contact: [openaccess@bath.ac.uk](mailto:openaccess@bath.ac.uk) with the details. Your claim will be investigated and, where appropriate, the item will be removed from public view as soon as possible.

**When Self-Organization Meets Formalization: An Institutional Analysis of  
Savings Group in Thailand**

Pensiri Ariyapruchya

A thesis submitted for the degree of Doctorate in Policy Research and Practice

University of Bath  
Department of Social & Policy Sciences

August 2023

**COPYRIGHT**

Attention is drawn to the fact that copyright of this thesis/ portfolio rests with the author and copyright of any previously published materials included may rest with third parties. A copy of this thesis/ portfolio has been supplied on condition that anyone who consults it understands that they must not copy it or use material from it except as licenced, permitted by law or with the consent of the author or other copyright owners, as applicable.

Access to this thesis/ portfolio in print or electronically is restricted until \_\_\_\_\_.

Signed on behalf of the Doctoral College by \_\_\_\_\_

### Declaration of any previous submission of the work

The material presented here for examination for the award of a higher degree by research has not been incorporated into a submission for another degree.

Pensiri Ariyapruchya

### Declaration of authorship

I am the author of this thesis, and the work described therein was carried out by myself personally.

Pensiri Ariyapruchya

Word count: 49,591

## Table of Contents

Declaration of any previous submission of the work.....	2
Declaration of authorship .....	2
List of Tables .....	5
List of Figures .....	5
List of abbreviations .....	6
Acknowledgements.....	7
Abstract.....	8
Chapter 1 Introduction.....	9
1.1 Introduction.....	9
1.2 Theoretical Context .....	12
1.3 Policy Context .....	14
1.3.1 Overview of SGs and current problems with SG interventions.....	14
1.3.2 Overview of Thailand’s financial landscape .....	16
1.3.3 The three SG interventions in this study .....	18
1.4 Outline of the thesis .....	19
1.5 Conclusion.....	20
Chapter 2: Theory and concepts .....	21
2.1 Introduction.....	21
2.2 Institutionalism: the three school of institutional thought .....	21
2.3 The contested definitions and concepts .....	23
2.4 Theoretical Development.....	25
2.5 Theories of institutional change .....	25
2.5.1 Boettke, Coyne, and Leeson’s regression theorem .....	26
2.5.2 Friedland and Alford’s theory of institutional logic and contradiction .....	27
2.5.3 Cleaver and De Koning’s Institutional Bricolage .....	31
2.6 Conclusion.....	36
Chapter 3: Research methodology.....	37
3.1 Introduction.....	37
3.2 Research strategy .....	37
3.3 Research design.....	39
3.4 Data collection .....	45
3.4.1 Qualitative data collection .....	45
3.5 Conclusion.....	54

Chapter 4: Context and Savings Groups .....	56
4.1 Introduction.....	56
4.2 The institutional context of SG development.....	56
4.3 Profiles of eight savings groups .....	66
4.4 Conclusion.....	73
Chapter 5 Logics in Savings Groups .....	74
5.1 Introduction.....	74
5.2 Initial findings.....	74
5.2.1 Group activity and governance practice .....	75
5.3 Unpacking SG diversity through the institutional logic framework .....	79
5.4 Nuances and limitations.....	93
5.5 Conclusion.....	94
Chapter 6: Bricolage in action in Savings Groups .....	96
6.1 Introduction.....	96
6.2 Findings and analysis .....	96
6.3 Reflections on bricolage theory.....	109
6.4 Conclusion.....	111
Chapter 7: SG Interventions – their logics and bricolage.....	112
7.1 Introduction.....	112
7.2 The wider policy context giving rise to multiple interventions .....	112
7.3 Bricolage by implementing agencies.....	118
7.4 Conclusion.....	124
Chapter 8: Conclusion.....	127
8.1 Introduction.....	127
8.2 Summary and reflection on empirical findings.....	128
8.3 Reflection on institutional change theories.....	131
8.4 Limitations of the thesis .....	133
8.5 Implication for future SG policy and practice.....	134

## List of Tables

Table 1: Overview of three SG interventions in Thailand .....	19
Table 2: research questions and tools used .....	46
Table 3: Interviewees and data collection method.....	47
Table 4: Overview of the final sample and data collected.....	51
Table 5: Interview topics .....	52
Table 6: Profile of the 8 savings groups .....	71
Table 7: Summary of SG engagement with external agencies .....	75
Table 8: Group activity .....	77
Table 9: Spectrum table – How groups are classified.....	91

## List of Figures

Figure 1: Thailand financial landscape .....	17
Figure 2: Timeline of key SG policies and historical events .....	60
Figure 3: Spectrum of SG practices .....	82
Figure 4: Clusters of SGs on the social-business spectrum.....	83
Figure 5: Spectrum and nuances in group position .....	93

## List of abbreviations

AGM	Annual General Meeting
ASCA	Accumulating Savings and Credit Associations
BAAC	Bank for Agriculture and Agricultural Cooperatives
BOD	Board of Directors
CB	Community Bank
CBFI	Community-Based Financial Institution
CDD	Community Development Department
CI	Critical Institutionalism
FEX	Foreign introduced exogenous institution
GSB	Government Savings Bank
HI	Historical Institutionalism
IEN	Indigenously introduced endogenous institution
IEX	Indigenously introduced exogenous institution
MAC	Ministry of Agriculture and Cooperatives
MOF	Ministry of Finance
MOI	Ministry of Interior
NESDC	Office of the National Economic and Social Development Council
NIE	New Institutional Economics
NGO	Non-Governmental Organisation
NRC	National Reform Council
PMO	Prime Minister Office
RCI	Rational Choice Institutionalism
ROSCA	Rotating Savings and Credit Association
SAO	Subdistrict Administrative Organization
SG	Savings groups
SGP	Savings Group for Production
SI	Sociological Institutionalism
SIF	Social Investment Fund
SSG	Sajja Savings Group
SSREC	Social Science Research Ethics Committee
VF	Village Fund
VFO	Village Fund Office

## Acknowledgements

I would like to express my gratitude to Dr Susan Johnson, whose support and guidance have been invaluable throughout my thesis journey. My gratitude also goes to Dr Mathilde Maïtrot and Professor James Copestake, whose support proved immensely critical.

To all my family and friends, your encouragement, kind words, and support have meant so much to me - thank you.

To Jan, my dear husband, I am so blessed to have you in my life. Your love, kindness, and unwavering support have been immensely important. I am forever grateful.

This thesis is dedicated to my husband and my family.



## Abstract

This study aims to help answer the policy question of how best to formalize savings groups (SGs) in order to enhance their sustainability. While providing important financial services to poor people, SGs are self-organized and can encounter problems of poor management and fraud leading to NGOs and the Government creating interventions that attempt to ‘institutionalize’ good practices and ‘formalize’ them. In Thailand, a range of such interventions are ongoing - achieving varying success - while little is known about how SGs actually respond to these attempts to formalize them.

This study therefore investigates how the three most significant attempts to formalize SGs in Thailand have taken place: interventions led by Buddhist monks; a public bank and a government department. We ask what rules that the interventions promoted got adopted, and why and how this happened. To explore the role of local institutions and the dynamics of the institutionalization process, the study uses the two theoretical frameworks from institutional theory of institutional logic and institutional bricolage. In-depth qualitative research into eight case study groups was conducted and thematic analysis used to analyse the data.

The findings of the thesis show, first, that the three interventions were frequently attempting to institutionalize the same SGs using different methods. Second, it shows that the SGs themselves are remarkably diverse in their operations revolving around their unique ways of balancing institutional logics which are community-oriented and business-oriented. In the face of the complex intervention environment, the study shows that SGs are not passive recipients of interventions; rather they engage in bricolage processes as they reinterpret, modify, and negotiate rules, and their response can be much subtler than policymakers might expect. Combining the analysis of institutional logics with that of bricolage processes, the study shows how understanding of the group’s motives - drawn from their logic and underlying identity – enriches understanding of their bricolage strategies.

The findings of this research indicate the need for policymakers to balance top-down policymaking focussing on regulation with greater recognition of local institutions and social and cultural contexts. The thesis argues that the promotion of multi-track and multi-tiered regulation and intervention can help preserve SG diversity and enable increased complementarity among different SG interventions. Such an approach offers a more sustainable approach to working with SGs which recognises their own agency in setting their own goals and finding ways to achieve them.

# Chapter 1 Introduction

## 1.1 Introduction

This thesis is a product of my journey of intellectual transformation with regard to designing Savings Group (SG) policy. What you will read here represents a 180-degree shift in my perspective despite my extensive background in the microfinance sector as a consultant, policy expert, and policy advisor. For almost 9 years, I have been involved in the microfinance sector in a number of roles, including as consultant with international organizations, a policy expert in the National Reform Council (NRC), and an advisor in the Prime Minister's Office. I began with the policy question of how best to formalize SGs to make them sustainable. Savings groups, in this study, are defined as a group of self-selected individuals who meet regularly and frequently with the main goal to collectively save, as well as make loans to one another and provide welfare support for members (Suzuki, 2009). Savings group formalization is then the process where rules promoted by external agencies are introduced to the groups with the goal of institutionalizing a methodology that will be sustainable in the longer term.

Finding out what works regarding SG formalization in Thailand was the topic of my core responsibility as a policy expert at the Prime Minister's Office which then led me to explore this as a thesis topic. For policymakers, at least for my work back then, sustainability meant having sound financial performance (i.e., high repayment rates). One of the problems with several SGs in Thailand was that their financial performance was not strong due to high levels of non-performing loans (NPLs) but which were not actually classified as such (Suzuki, 2009). In addition, a number of fraud cases have emerged in recent years (National Reform Council, 2015). Policymakers believe that transparency, accountability, and risk management practices can help SGs live longer and protect their members' deposits (Ledgerwood, J. and White, 2006; Malkamäki, 2015). Initially sharing the same narrative, I began my thesis by designing the research enquiry around quantitative analysis to discern the impact of different regulations on SG financial performance. However, as I started to explore the literature on SGs, I then realized that there was a whole different perspective which sought to understand the motivations of SGs themselves regarding formalization and regulation - and which sees this as the critical factor for successful policy design.

As I dived into the SG literature, I learned that SG interventions often resulted in unintended outcomes (Johnson and Sharma, 2004). SG interventions offered groups many opportunities and processes to upgrade their activities over many years - that is, to formalize their

activities. However, these programs often had limited outcomes (Johnson and William, 2016). For example, studies reported that in some groups, leaders and committee members dominated group management despite the apparently institutionalised democratic structures and governance processes (Coleman, 2006; Johnson and Sharma, 2007; Schaaf, 2010). In addition, limited repayment, defaults, and frauds were some of the commonly found problems that were documented (Schaaf, 2010; Malkamäki, 2015). The reason for their failures is partly because a savings group performs an economic function but is embedded in social relations; kinship, social ties, cultural norms, and power relations which all influence SG operation (Johnson and Sharma, 2007; Malkamäki, 2015). From an institutional perspective, SG interventions represent an attempt to institutionalize new rules, logics, and values into SGs.<sup>1</sup> However, if these local norms and relations are not considered, this can result in limited outcomes (Cleaver, 2002; Johnson and Williams, 2016) and hence, SG intervention is not a straightforward process (Dore, 1988; Johnson and Sharma, 2004; Malkamäki, 2015).

Informal institutions, such as norms, cultural beliefs, values, and logic, exert an important influence on local SG practices and directly affect the success of intervention (Ardener, 1995; Cleaver, 2002; Johnson 2005; Green, 2010). SGs are embedded with norms, beliefs, and values that can facilitate or hinder the enforcement of formal and informal rules (Johnson, 2005). SGs have their own sets of logic and values as well as solutions to their own problems that might be different from external agencies (Bouman, 1995; Johnson, 2004). As Bouman (1995) points out “...indigenous self-help societies have their own ways of helping themselves and their own views of what Utopia looks like and at what tempo to get there” (Bouman, 1995, p. 382). As a result, externally introduced institutions might clash with local realities; informal institutions might hinder the adoption of externally introduced formal rules (Johnson; Cleaver, 2002; De Koning, 2011; Boettke et al., 2015). Therefore, it is important to recognize that SG institutionalization takes place within a context far more complex than what policymakers might have imagined.

Like microfinance organizations, SGs could be governed by multiple logics, defined as a set of beliefs, norms, and values that guide an actor's<sup>2</sup> behaviour (Friedland and Alford, 1991; Thornton et al., 2012). Given limited research on SG institutional logic, the comparison between SGs and microfinance organisations is apt due to their dual socio-economic functions. Several research on microfinance organisations point to existing tensions between a welfare or

---

<sup>1</sup> The success of a program is whether they indeed adopt, and behaviour is maintained long after the intervention has ended.

<sup>2</sup> In this case, the level of analysis is organizational level, and actors means savings groups.

development-oriented logic and a banking or business-oriented logic (Copestake, 2007; Battilana and Dorado, 2010; Christiansen and Lounsbury, 2013), or even their attempt to maintain multiple logics (Gravesteijn, 2014).

To understand why interventions often do not result in their intended outcomes, a 'bottom-up' perspective from SGs themselves is needed, and this is the contribution of my thesis. Current SG literature in Thailand often discusses the effectiveness of 'top-down' interventions in terms of impact assessment or sustainability of groups (Coleman, 2006; Boonperm 2012) without providing perspectives from SGs themselves. However, as will be discussed in the following analysis chapters, it turned out that these SGs were not passive recipients of interventions, rather, they actively influenced outcomes, which often diverged from the policymaker's ambitions. Therefore, understanding institutions that influence their decision-making, including rule adoption, will prove to be critical for policymakers going forward. In this study, I analysed mature SGs in Thailand to understand how they see themselves and respond to external interventions and become more rules-based or formalized over time.

Recognizing the importance of SG socio-cultural embeddedness, I turned to the literature on institutional theory which conceptualized SG intervention as a process of institutional change. In this study, institutional change is defined as a change in rules, practices, beliefs, and underlying values that govern behaviour and interactions (Coccia, 2018). Recent advances in the field recognize pre-existing local institutions (i.e., social norms, cultural beliefs) as relevant to the process of institutional change (Cleaver 2002; Malkamäki, 2015). However, there are emerging perspectives that go beyond this school of institutional thought by incorporating both socio-cultural norms and political dynamics into an analysis of institutional change. Drawing from this body of research, I use two different theoretical frameworks for my analysis. These are: 1) institutional logic by Friedland and Alford (1991) and 2) institutional bricolage by Cleaver (2002) and De Koning (2011). Both frameworks represent recent advances made to institutional analysis by recognizing local institutions and agency in the process of institutional change; both emphasize the role of social norms, cultural beliefs, and politics in shaping the process of change. To explain SG diversity and the different interventions, institutional logic will be used to illustrate nuances in their collective identities and logics. Institutional bricolage will be used to understand how the mechanism of identities, negotiation, and reinterpretation plays a role in the process of institutional change. Both frameworks will be used complementarily throughout the analysis chapters.

I chose to study the three most prominent SG interventions in Thailand: 1) Buddhist-based savings groups 2) state-based Savings Groups and 3) the public bank-based Savings Group. Given my 'bottom-up' perspective, my main research question is:

- How do different forms of SG institutionalization take place in Thailand?

Sub-research questions are:

- 1) How do local SGs respond to different SG institutionalization interventions?
- 2) What rules get adopted by SGs and how and why were they adopted?
- 3) To what extent can theories of institutional change such as institutional logic and institutional bricolage explain such dynamics?

Before proceeding, I will first give an overview of the theoretical and policy context surrounding SG formalization, as well as SG position in Thailand's financial landscape, before briefly introducing the three main SG interventions which are the subject of the study.

## 1.2 Theoretical Context

This thesis conceptualizes SG formalization as a process of institutional change and seeks to understand it through two different complementary institutional frameworks. Given this conceptualization, unpacking SG institutionalization process means acknowledging both the top-down externally introduced, often formal institutions, as well as the bottom-up, often informal institutions. Boettke et al. (2015) regression theorem serves as a useful starting point as the framework recognizes both external as well as endogenous institutions. Boettke et al. (2015) posit that "the stickiness, and therefore likely success, of any proposed institutional change is a function of that institution's status in relationship to indigenous agents in the previous time period" (Boettke et al., 2015, p. 331). The key feature of the model is that Boettke et al. (2015) incorporate culture into an institutional analysis and highlight the importance of complementary informal institutions. However, the role of culture in the process of institutional change is not elaborated in much detail. It also does not consider the role of agency in potentially driving institutional change. For example, the authors do not elaborate how local actors can play a role alongside implementation, thereby bridging the gap between the exogenous and endogenous institutions (Malkamäki, 2015).

In addition, the authors do not explain how informal norms interact with formal norms and produce institutional change.

Friedland and Alford (1991)'s institutional logic model has the potential to fill the gap within Boettke et al's model (2015) by unpacking the processes of SG intervention. Institutional logic is "a set of material and symbolic constructions – which constitutes its organizing principles, and which is available to organizations and individuals to elaborate" (Friedland and Alford, 1991, p. 248). Institutional logics are therefore a powerful concept in the analysis of institutional and organizational change through the mechanism of *collective identity* and *identification* (Thornton et al., 2012). Collective identity is a cognitive, normative, and emotional connection experienced by members of a social group forged through their social interactions and communications (White, 1992; Thornton et al., 2012). This sense of belonging leads members to protect the interest and identities of the group (Thornton et al., 2012). At the societal level, there are five institutional orders, each with their own central logic. As society comprises different institutions, individuals and organizations are confronted with multiple institutional logics, interdependent yet contradictory (Friedland and Alford, 1991). These institutional logics are defined as follows:

The institutional logic of capitalism is accumulation and the commodification of human activity. That of the state is rationalization and the regulation of human activity by legal and bureaucratic hierarchies. That of democracy is participation and the extension of popular control over human activity. That of the family is community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs. That of religion, or science for that matter, is truth (Friedland and Alford, 1991, p. 248).

Adopting Friedland and Alford (1991), my initial hypothesis was that each SG intervention has their own logic and their own way of implementing their program that leads to different institutional change outcomes in terms of SG rule adoption. As the study progresses, it became evident, however, that while the framework provides a clear 'why' to the question of institutional change, it does not do a good job in explaining the 'how' of institutional change, which brings me to the third model of institutional bricolage by Cleaver (2002). Institutional bricolage offers a complementary aspect on institutional analysis to the two previous models by theorizing how institutional change. The institutional bricolage framework is broad enough to accommodate different processes of institutional change while recognizing embedded agency, as well as the interaction between external formal institutions and indigenous informal institutions. According to Cleaver (2002), two elements are important in the institutional bricolage approach: bricoleurs and bricolage processes (Cleaver, 2002). Institutional bricolage is defined as "a process by which

people consciously and unconsciously draw on existing social and cultural arrangements to shape institutions in response to changing situations” (Cleaver, 2002, p. 26).

Later, De Koning (2011), based on Cleaver (2002), further defined three processes of institutional bricolage as including 1) aggregation 2) alteration and 3) articulation. Aggregation is the recombination or integration of different types of institutional elements; when externally introduced formal regulation integrates embedded institutions such as culture, social norms, traditions, they are accepted often by local communities (De Koning and Cleaver, 2012). Alteration is when the imposed institutions or locally embedded institutions are adapted, often by local actors who adjust institutions to suit their context or identity (De Koning and Cleaver, 2012). Lastly, articulation is the assertion of traditional identities to resist externally introduced arrangements, often resulting in a conflict or clash between different types of institutions, for example between local identities and the introduced regulations (De Koning and Cleaver, 2012). Together, the institutional logic and institutional bricolage frameworks have enabled me to unpack SG institutionalization process in Thailand. Both models recognize SG diversity as well as the complexity in the context of SG intervention. In the following chapters, I will elaborate on how the study progressed and why these two models became the most relevant for the study.

## 1.3 Policy Context

### 1.3.1 Overview of SGs and current problems with SG interventions

Savings groups (SGs) are a group of people formed to collectively pool their savings to lend out among themselves. These groups are one of the most informal forms of financial institutions and can be found in different parts of the world. SGs play an important role in filling the financial inclusion gap in rural areas. In recent decades, SGs have also been used as development tools for a range of other interventions, such as: social protection, small and medium-sized enterprise (SME) promotion, gender empowerment (SEEP), climate change (Gebara, 2019; Archibald et al., 2020), and natural resource management (Cleaver, 2002). The most primitive form of SGs is called the Rotating Savings and Credit Association (ROSCA), which is “an association formed upon a core of participations who agree to make regular contributions to a fund which is given, in whole or in part, to each contributor in rotation” (Ardener, 1964, p. 201). Apart from ROSCAs, there are ASCAs (Accumulating Savings and Credit Associations), where the same functions are performed but without the redistribution of the whole fund at the end of each cycle. Instead, collective savings are accumulated and lent out to members. In this thesis, I focus on the latter type of SGs: an ASCA.

Unlike a traditional bank, SGs operate in local communities and perform both economic and social functions (Cleaver, 2002; Malkamäki, 2015). Members come not only to save, but also for social welfare and socialization (Bouman, 1995; Cleaver, 2002). This multipurpose socially embedded nature is both their greatest strength and weakness (Johnson and Sharma, 2004). In terms of strengths, the social relation underpinning these groups enables the group's operation to be flexible and negotiable (Johnson and Sharma, 2007), which helps poorer households cope with the shocks of uncertain livelihoods. However, this very negotiability feature can also render group performance vulnerable to debts not being fully collected, or loans rolled over indefinitely (Malkamäki, 2015). For example, Schaaf (2010) finds that SGs in Northeastern Thailand prioritized relational harmony over financial efficiency and did not effectively enforce repayment. Similarly, Suzuki (2009), in an evaluation of SGs in Thailand, found that one problem is the continuous roll-over of debts and accumulation by households (Suzuki, 2009). In addition, SGs are also subject to within-group power dynamics. For example, the dominance of elderly men, together with negotiability feature, can lead to abuse of power (Bouman, 1995; Johnson and Sharma, 2007). In these examples, their hybrid nature poses a problem for group operation. Some scholars have predicted that as SGs are less effective than banks, they might wither with the coming of modernization (Geertz, 1962). Meanwhile, others disagree, citing that their hybrid nature makes them unique and resilient (Ardener, 1995; Bouman, 2019). Nowadays, many SGs still thrive, having adapted to socio-economic changes (Bouman, 2019).

At present, one problem with SG formalization is that little is known about these indigenous savings groups and yet as policymakers, we have attempted to formalize them in many ways. Consequently, the lack of socially informed knowledge on SGs has led to the failure of several interventions (Bouman, 1995; Johnson and Sharma, 2007). Over the past decades, governments in many countries have experimented with different top-down SG formalization programs with varying success, ranging from setting up a bank-SG linkage program, implementing training programs to formalize group practices, to creating a new tier-based license for savings groups (Alliance for Financial Inclusion, 2010; Ghosh, 2012; Tripathi, 2014). Looking at each program from an institutional perspective, external agencies follow their own logic regarding how SG interventions should take place, and what SGs should look like (Bouman, 1995). For example, in recent decades, much effort has been on institutionalizing governance, transparency, and accountability practices to achieve SG sustainability (Malkamäki, 2015). A more important question is: *what do SGs themselves think of these programs?*

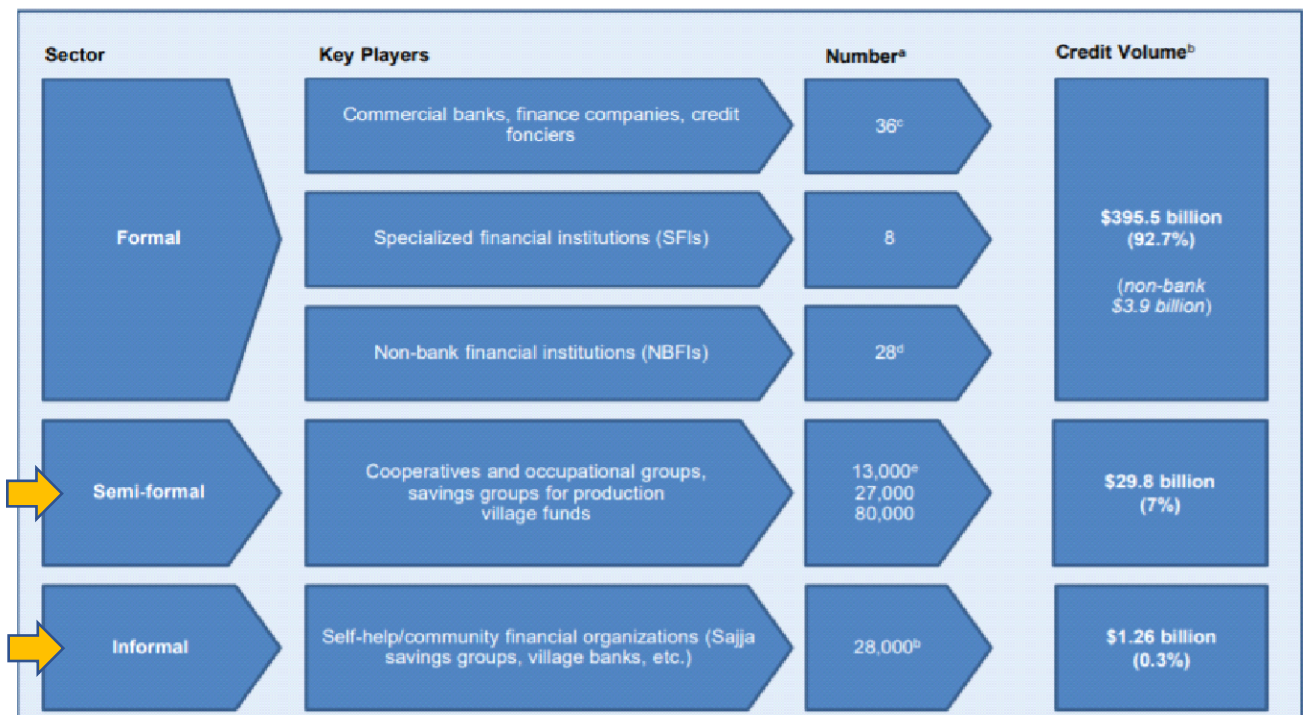


How SGs perceive external interventions, alongside informal institutions such as norms, cultural beliefs, and traditions, exert an important influence on their behavior and response (Ardener, 1995; Cleaver, 2002; Johnson 2005; Green, 2010). SGs are embedded within socio-cultural and political institutions that either facilitate or hinder rule adoption (Johnson, 2005). SGs have their own logic as well and their own way of operating, as Bouman (1995) points out “...indigenous self-help societies have their own ways of helping themselves and their own views of what Utopia looks like and at what tempo to get there” (Bouman, 1995, p. 382). As a result, externally introduced institutions often clash with local realities (Johnson 2004; Cleaver, 2002; De Koning, 2011). Therefore, it is important to recognize that SG institutionalization takes place within a complexity far beyond what policymakers might have imagined.

### 1.3.2 Overview of Thailand’s financial landscape

In Thailand, SGs play an important role in filling the financial inclusion gaps in rural areas. SGs are in the semi-formal and informal financial sector, accounting for roughly 7% of the total credit volume in the financial sector (figure 1) and serving more than 16 million members, most of whom reside in rural areas (Meagher, 2013; Fiscal Policy Office, 2019). Similar to other developing countries, the financial structure in Thailand is dualistic in nature. On the one hand, commercial banks and state-owned banks or specialized financial institutions (SFIs) underpin the formal financial sector. On the other hand, a range of the less formal players, including the semi-formal and informal players, serve a large part of the informal economy (Fiscal Policy Office, 2019). Together, these different types of financial institutions, formal, semi-formal, and informal, complement one another and provide more than sufficient credit to Thai households (Community Development Department, 2019). As a result, Thailand fares relatively well on overall financial inclusion (Bank of Thailand, 2016a). Figure 1 presents an overview of the Thailand financial landscape.

Figure 1: Thailand financial landscape



Source: Meagher (2013), Asian Development Bank

However, differences in the degree of financial inclusion across different income groups remain, with the low-income segment lagging other groups in terms of both the access and quality of the services received (Bird et al., 2011). They rely on the government sector, the main microfinance providers, as well as semi-formal and informal financial institutions for loans and other financial services (Bird et al., 2011; Meagher, 2013). In Thailand, the government dominates the microfinance sector (Lewis et al., 2013); local government officers train and form savings groups such as Savings Groups for Production and Community Banks, while other programs (e.g., village funds) mainly offer small loans to rural members. Meanwhile, Buddhist monks engaged in development work share a participatory 'bottom-up' narrative with NGOs, and have set up Sajja Savings Groups (Suzuki, 2009). In more urban areas, cooperatives serve occupation groups and are much larger than traditional SGs (Kangvonkit, 2017).

### 1.3.3 The three SG interventions in this study

The three types of SG interventions in this study are 1) the Savings Groups for Production (SGPs), 2) the Community Banks (CBs) <sup>3</sup>, and 3) the Sajja Savings Groups (SSG). These three types are chosen because each represents a unique SG formalization approach and together, the three interventions account for the majority of SGs in Thailand excluding cooperatives (National Reform Council, 2015). Cooperatives are excluded from this study because they are considered semi-formal, mainly serve urban, more well-off households, and operate more like banks than traditional indigenous SGs. In addition, a village fund is not considered as a savings group in this study because most village funds do not accumulate savings but mainly disburse loans obtained from government subsidies (National Reform Council, 2015). Village funds therefore do not fit the SG definition used here.

These three interventions present three different formalization modalities which I term: government-based, 'Buddhist-based' and public bank-based. First, SGPs are trained by a Community Development Department (CDD) officer based on CDD's regulations and guidelines (Community Development Department, 2013). SSGs are trained by monks doing development work and are religion-based, with Buddhist rituals, the role of the monks, and Buddhist values playing an important role (Suzuki, 2009). Lastly, CBs are market-based and are trained by officers of the Government Savings Bank (GSB).<sup>4</sup> The GSB attempts to increase CB performance by providing technical and financial support to CBs to make them more efficient and sustainable (Government Savings Bank, 2011). The GSB also provides loans to these groups, which become their institutional clients. In Thailand, SG membership ranges from 130 to 500 members, while average SG assets total 12.7 million Baht (Meagher, 2013; Theera, 2012).

---

<sup>3</sup> Community Bank (CB) is considered a savings group in this study whereas not all Village Fund collect savings from members and therefore not considered a savings group but rather a credit-only association. CB is a village fund that got upgraded as a savings institution.

<sup>4</sup> Due to limited access, only CB trained by GSB are included in this study.

Table 1: Overview of three SG interventions in Thailand

Savings Group	Total Group Number	Total Members (persons)	Total savings (baht)	Supervisory Agency
SGP	26,819	3.6 million	36.9 billion	Ministry of Interior
CB	2,500	880,000	4.6 billion	GSB, BAAC
SSG**	360	165,000	700 million	NA

Source: Meagher (2013), Theera (2012), Fiscal Policy Office (2019)

Note: \* in capital, \*\* eastern region only

#### 1.4 Outline of the thesis

The thesis proceeds as follows. Chapter 2 provides key theories and concepts, starting from the different schools of institutional thought to the debates and developments in the field (i.e. the structure versus agency debate, the role of social embeddedness and how and why institutions change). I then introduce the two theoretical frameworks of institutional change and discuss their justification and relevance to the thesis. These frameworks include 1) Friedland and Alford's institutional logic and institutional contradiction and 2) Cleaver and De Koning's institutional bricolage. Next, chapter 3 explains my epistemological and ontological background, and the ensuing framework and research methods for data collection and data analysis. Chapter 4 then provides the reader with the context of Thai culture, Northern Thailand region, Thailand's national and regional policymaking, as well as brief profiles of the eight savings groups studied. Chapters 5 and 6 then present and discuss the findings, within the institutional logic and institutional bricolage frameworks. Chapter 7 then opens back up to the wider regulatory level by discussing Thailand's microfinance policy during the past two decades and how local officers navigate through changes, and again uses the analytical frameworks of institutional logic and institutional bricolage to do this. Chapter 8 then concludes by synthesizing the findings and discussing implications for policy and future research.

## 1.5 Conclusion

The thesis offers an institutional analysis of SGs group in Thailand by unpacking the change process to understand varied outcomes of institutional change<sup>5</sup>. In this thesis, SG formalization refers to a process where formal rules i.e., transparency, accountability, legal enforcement are introduced by external agencies to local SGs. In reality, empirical evidence suggests that SG formalization is not a straightforward process (Johnson, 2004; Schaaf, 2010; Malkamäki, 2015) and several interventions have failed (Johnson and Sharma, 2004). One of the reasons contributing to varying success in development policy is the lack of awareness of local institutions (Cleaver, 2002); SGs are socially embedded, meaning they have their own social norms, cultural beliefs, collective identities (Bouman, 1977; Malkamäki, 2015) that can facilitate or hinder rule adoption. Inspired to learn more about these local institutions and how they interact with the formal externally introduced institutions, this research embarked on a journey that started with a 'top-down' policy question but ended up offering insights from the ground up. Conceptualizing SG intervention as an institutional change process, this thesis will unpack the diversity and complexity surrounding SG interventions using two frameworks from institutional theory: institutional logic and institutional bricolage.

---

<sup>5</sup> In this thesis, institutional change outcome is 1) rule adoption 2) rule rejection and 3) rule adaptation.

## Chapter 2: Theory and concepts

### 2.1 Introduction

The objective of this research is to unpack the process of SG institutionalization at the local level. Unpacking such processes means acknowledging both the externally introduced interventions as well as the pre-existing institutions in local communities. This emphasis brings with it a number of questions. What are the different institutional influences on savings group practices? How do SGs deal with various types of institutional influence? What do SG practices look like? To what extent do SG formalization interventions affect SG practices?

In this chapter, I first introduced key concepts in institutional analysis, including the development of institutionalism, definition of institution and organization, institutional change, SG practice, and the theories of institutional change used in this research. I then showed how theories of institutional change used in this research go beyond the boundary of the three schools of institutional thoughts to explain institutional change by recognizing the constitutive nature of structure and agency, as well as interaction between external and internal institutions.

### 2.2 Institutionalism: the three school of institutional thought

There are three main schools of thought on institutional theory and institutional change: rational choice institutionalism (RCI), historical institutionalism (HI), and sociological institutionalism (SI) (Hall and Taylor, 1996). Each strand was developed around the same period but differs in their origin, terms of influence, focus and subsequent theoretical development.

#### 2.2.1 Rational choice institutionalism (RCI)

Rational choice institutionalism drew analytical tools from new institutional economics (NIE) and new economics of organization (Hall and Taylor, 1996) (i.e., property rights, transaction costs), leaning heavily toward functionalism. For RCI, institutions are seen as binding constraints that shape individual action and provide solutions to collective action problems; individuals are assumed to have a fixed set of preferences and behave in a strategic way to maximize their preferences with extensive calculations (Hall and Taylor, 1996). Institutions are seen as exogenous constraints, and institutional change occurs as a result of an exogenous shift (i.e., technology, relative prices, preferences). Important work from NIE includes that of Arrow (1970), Hayek (1945, 1973, 1980), North (1991, 1994, 2006), North and Weingast (1989), Williamson (1991, 1996, 1998, 2000). Meanwhile, important work on collection choice includes that of Libecap (1993) and Ostrom (1990, 2009). The advantage of RCI is that it is functional and

systematic; it develops a relatively precise concept of the relationship between institutions and behavior. However, it is mostly criticized for its too simplistic set of assumptions regarding human motivation and interaction, notably the assumption on utility maximizing agents with a fixed set of preferences. Moreover, institutions under RCI are recognized under demand and supply, and hence the price mechanism, which is deemed to be inadequate for understanding institutional change (Dolfsma and Verburg, 2008). Therefore, their key limitation includes its lack of recognition on the power dynamic or the processes of contention as well as elements of values.

### 2.2.2 Sociological institutionalism (SI)

In contrast to RCI, sociological institutionalism (SI) focuses on cultural and *normative* approaches to institutional analysis, leading to a broader definition of institutions to include values, beliefs, and logics. For SI, legitimacy is superior to efficiency, and individuals are *homo sociologicus*, rather than *homo economicus* (Dolfsma and Verburg, 2008). SI, however, does not reject rationality altogether, instead it argues that individual rationality is embedded, or socially constructed (Hall and Taylor, 1996). In other words, what individuals see as rational is already influenced by pre-existing norms and rules in society. For SI, institution change is seen as an endogenous process, an outcome of individual-institution interactions. Important work includes Meyer and Rowan (1977), DiMaggio and Powell (1983), DiMaggio (1988), Scott (2013), Battilana and Dorado (2010), and Thornton et al. (2012). An advantage of SI includes their expansive view of institutions ('processes of interpretation') that provides a framework for an interactive relationship between institutions, organizations, and agentic actions. However, SI is criticized for its conflicting views on institutions: structuralist SI views institutions as constraints whereas agency-focused SI theoreticians view ongoing institutionalization as a likely source of endogenous pressure for change. Also, SI research does not adequately consider the power dynamics or the processes of contention, which are needed for understanding institutional change (Dolfsma and Verburg, 2008).

### 2.2.3 Historical institutionalism (HI)

Historical institutionalism (HI) takes a middle ground in between the calculus and cultural approaches to institutional change in which institutional change is a result of both exogenous and endogenous factors. Heavily influenced by political economy, theoreticians reflect a tendency toward structuralism (Hall and Taylor, 1996). They argue that history matters significantly because pre-existing institutions tend to shape subsequent development ('path dependence'), and institutions distribute power unevenly (Hall and Taylor, 1996). Influences from political science

result in their focus on the role of power dynamics and contextual factors in the process of institutional change. Important work includes Krasner (1982), Baumgartner and Jones (2010), Pierson (2000,2011), Mahoney (2000), Mahoney and Thelen (2010). HI is mostly criticized for its tendency to explain institutional stability instead of change, as well as its lack of a theoretical core and an eclectic view on the nature of institutional change (Hall and Taylor, 1996). However, its advantage includes a compromise view on agency and structure, as well as rationality and irrationality. Moreover, HI provides a detailed account of the power dynamic or 'the processes of contention' that underlie institutional change.

### 2.3 The contested definitions and concepts

This section discusses the contested definitions of institutions, institutional change, sources of institutional change, as well as theoretical developments and key debates in the analysis of institutional change.

The definition of institution varies according to the prevailing school of thought. RCI and HI, for example, often focus on the stable, regularising function of institutions. North, whose definition of institution came to be widely used (Hodgson, 2006), defines institution as 'the rules of the game in society, or more formally, are the humanly devised constraints that shape human interaction' (North, 1990, p. 3-5). Along a similar line, institution is defined as a structured process of interaction (Lawson, 1997), the set of rules-in-use (Ostrom, 1990), a system of rules, beliefs, norms, and organizations (Grief, 2006) as well as a cognitive (Aoki, 2001) and normative action system (Tuomela, 2007).

This definition of institutions has three implications for institutional analysis. First, it reflects an emphasis placed on structure, with little attention given to the constitutive nature of both structure and agency. Second, it represents a narrow definition of institutions that doesn't recognize their symbolic, cultural, and practical elements. Third, it doesn't recognize that formal institutions can be embedded in social institutions (Granovetter, 1992). While North and structuralist scholars advocate for the conceptualization of institutions as constraints, there are other institutionalist scholars who recognize the importance of both structure and agency in institutional analysis. Institutions, here, are defined more broadly, for example, Giddens (1984) states that "institutions by definition are the more enduring features of social life" (Giddens, 1984, p. 42). Along a similar line, Veblen (1909) argues that agency and structure are mutually intertwined and reinforcing, hence the study of both is necessary. According to Veblen (1909), institutions are "settled habits of thought common to the generality of men" (Veblen, 1919, p. 239).



Along a similar line, Friedland and Alford (1991, p. 243) view institutions as “supra-organizational patterns of activity rooted in material practices and symbolic systems by which individuals and organizations produce and reproduce their material lives and render their experiences meaningful”. In this thesis, I adopt the expansive definition of institution in line with these scholars and post institutionalist perspectives. Institution, in this thesis, means not only constraining devices, but it can also be shaped by agency.

Apart from the structure-agency debate, North often focuses on formal institutions and provides ambiguous definitions of informal institutions, leading to differing applications by different authors (Hodgson, 2006). Addressing embeddedness and the lack of clarity in North’s definition of formal versus informal institutions, Williamson (2000) argued that institutions can be classified into four levels of institutional hierarchy that reflect the different degree of institutional embeddedness. Williamson’s four levels of social analysis encompass traditions, norms, religion (level1), formal rules (level 2), governance (level 3), and resource allocation (level 4). He argues that deeply embedded norms provide a foundation for the codified rules that regulate human activities and resource allocation, and that these norms take much longer time to change than formal rules (Williamson, 2000). Apart from Williamson, Ostrom also proposed the concept of ‘nesting’ to reflect the complexity and intricacies of norms embedded in formal and informal institutions (Ostrom, 1990). According to Ostrom, her main contribution to institutional analysis is the recognition of self-organization, informal norms, and the nested feature of institutions<sup>6</sup>.

Although North’s definition of institutions is problematic as previously mentioned. There is one aspect from his definition of institutions that has been widely agreed upon: the distinction between institutions and organizations. In institutional analysis, institutions are not the same as organizations (North, 1990). North defines organization as “the actors or players –groups of individuals bound by a common purpose to achieve objectives (North, 1990, p. 5)” while he sees institutions as the rules of the game. This distinction has been embraced by scholars across different schools of thought including Scott (2013), Cleaver (2002), and Thornton et al., (2012). This thesis therefore adopts this distinction between institution and organization.

---

<sup>6</sup> According to Ostrom (1990), the tragedy of the commons in common pool resource can be overcome if there are rules-in-use that are properly designed, communicated and enforced (Ostrom, 1990).

## 2.4 Theoretical Development

In its early years, research on institutional theory and institutional change focused on either structure or agency when analysing institutional change. Through time, it was recognized that the extreme positions of each strand and sub-strand have yielded unbalanced contributions and failed to give appropriate importance to institutions as well as individuals in the study of institutional change (Dolfsma and Verburg, 2008). Consequently, more recent research tries to address the issue and compromise regarding the structure-agency controversy; the need for adequate concepts of both individuals and institutions in the process of institutional change is recognized while the focus has been shifted away from the agency-structure debate to processes, ideas, and values (Denzau and North, 2000; Dolfsma and Verburg, 2008). This has several implications for the development of institutional theory and theories of institutional change. First, institutional theory has become more process-oriented, with several researchers providing frameworks for the type and processes of institutional change. Research along this line includes the work of Denzau and North (2000), Seo and Creed (2002); Dolfsma and Verburg (2008), and Mahoney and Thelen (2010).

Second, the recognition of agents as people with their own reflexive capacity and freedom to act while also being influenced to some degree by socio-cultural values opens up doors for the humanizing of institutional theory, with cognitive factors, psychology, and behavioral research flourishing at the micro level. Across RCI, HI, and SI research, the ontological distinction between individual and agency under complex institutional arrangements is highlighted (Denzau and North, 2000; Dolfsma and Verburg, 2008). Lastly, the role of ideas and values has taken a more important role in recent theories of institutional change (Denzau and North, 2000; Dolfsma and Verburg, 2008). In this regard, a novel approach to conceptualize institutional change includes perceiving institutional change as triggered by tensions or contradictions between multiple institutional arrangements (Seo and Creed, 2002; Dolfsma and Verburg, 2008; Patriotta, 2020).

## 2.5 Theories of institutional change

In this section, I present theories of institutional change used in this research and how they go beyond the boundary of the three schools of institutional thought to explain institutional change by recognizing the constitutive nature of structure and agency, as well as interaction between external and internal institutions. Regarding institutional change, in this study, it is defined as a change in rules, practices, beliefs, and underlying values that govern behaviour and interactions (Coccia, 2018).

### 2.5.1 Boettke, Coyne, and Leeson's regression theorem

Boettke, Coyne, and Leeson (2015), developing from rational choice thought, incorporated the concept of embedded norms from sociological institutionalism, and historical context from historical institutionalism in an attempt to theorize institutional change by recognizing both external and internal institutions.

#### *Features and assumptions*

Boettke et al. (2015)'s model builds on previous work in comparative institutional analysis. Rooted in institutional economics, the authors posit that "the stickiness, and therefore likely success, of any proposed institutional change is a function of that institution's status in relationship to indigenous agents in the previous time period" (Boettke et al., 2015, p. 331). The key feature of the model is that it incorporates culture into an institutional analysis and highlights the importance of informal complementary institutions by proposing three different types of institutions based on whether they are 1) introduced by outsiders or insiders and 2) whether they are exogenous (imposed from top-down) or 2) endogenous (constructed from the local way of doing things) (Boettke et al., 2015).

According to the authors, culture, and local norms (*metis*) are what makes an institutional change stick (Boettke et al., 2015). The authors define *metis* as "local knowledge resulting from practical experience...includes skills, culture, norms, and conventions, which are shaped by the experiences of the individual" (Boettke et al., 2015, p. 338). And further add that as *metis* represents shared understanding, mentalities, and practice of the members of a community. The authors concluded that the indigenously introduced endogenous (IEN) institutions are the stickiest forms of institutions because it reflects an incorporation of culture and local norms whereas the foreign introduced exogenous (FEX) institutions are the least sticky. The authors further explain that this is because: "Foreign institutional designers are less equipped to tailor institutions in such a way that they do not conflict with indigenous *metis* because of this increased physical and social distance, which tends to make designers less aware of the local conditions where they desire to transplant institutions" (Boettke et al., 2015, p. 342). As a result, FEX institutions are the least sticky (Boettke et al., 2015). Development interventions carried out by the World Bank, International Monetary Fund, or international development agencies fall into the FEX category.

Meanwhile, in the middle, there is Indigenously introduced exogenous (IEX) institutions. These institutions lie in the middle. On the one hand, they are consciously designed to align with the local *metis* (i.e., designers have the knowledge of local practices, mentalities, customs, and

preferences). On the other hand, they are exogenously introduced by outsiders. As a result, the authors theorize that IEX is less sticky than IEN but are stickier than FEX. Interventions by local governments fall into this category.

#### *Advantages and relevance for this research*

The first advantage of Boettke et al (2015)'s work is that the framework conceptualizes institutional change in a way that recognizes the importance of local institutions in facilitating and sustaining institutional change (Boettke et al., 2015). In addition, it incorporates both external and internal institutions, enabling researchers to distinguish between top-down and bottom-up institutions and making it useful for this study. Lastly, the model recognizes the importance and virtue of local institutions (assuming they represent the preferences of local people) and does not take the view that outsiders' interventions should take precedence. Taken together, the model is highly relevant for the context of savings groups in Thailand, as they are laden with different kinds of interventions, from FEX to IEN.

#### Limitations

Despite the advantages, there are three main shortcomings of the model. First, it does not consider the role of culture in the process of institutional change in more detail. Second, the framework is suited to explain institutional stickiness, but was less clear on how institutional change actually takes place. It also does not consider the role of agency in potentially driving institutional change. For example, the authors do not elaborate how local actors play a role in implementation, thereby bridging the gap between the exogenous and endogenous institutions (Malkamäki, 2015). In addition, the authors do not explain how the informal norms interact with formal norms and produce institutional change. In sum, the model lays out a powerful, broad framework toward conceptualizing institutional change that incorporates both external and internal institutions. However, it is less suitable to be used as a single model for the exploration of the savings groups in Thailand due to its lack of process-oriented and cultural elements. The framework will be mentioned in the analysis chapters but is not the main theoretical framework used.

#### 2.5.2 Friedland and Alford's theory of institutional logic and contradiction

The second framework elaborates on the role of culture, a gap left by Boettke et al. (2015) and helps answer why and how institutions change. Friedland and Alford (1991)'s seminal paper was the first and classic work that conceptualizes the term institutional logic (Greenwood et al., 2011). The institutional logics approach is a new framework of institutional dynamics and change

that is rooted in political and sociological studies (Johansen and Waldorff, 2017) and has been popularised by scholars in organizational studies (Thornton et al., 2012). Friedland and Alford (1991)'s work is rooted in sociological institutionalism, explicitly rejecting the rational choice approach. According to the authors, it is not possible to understand individual or organizational behaviour without locating it in a societal context. Friedland and Alford (1991) argue that utility formation is institutionally specific, and that a market "is not simply an allocative mechanism but also an institutionally specific cultural system for generating and measuring values" (Friedland and Alford, 1991, p. 234).

### Features and assumptions

The first feature of the model is the elaboration on the role of culture in the process of institutional change. Friedland and Alford (1991) state that actions in various social relationships should be examined not only in terms of material interests but also in terms of the symbolic meaningfulness of that participation. By symbolic meaningfulness, the authors stress that "the routine of each institution is connected to rituals which define the order of the world and one's position within it, rituals through which belief in the institution is reproduced" (Friedland and Alford, 1991, p. 250). Friedland and Alford (1991) then define institutional logic as "a set of material and symbolic constructions – which constitute its organizing principles, and which is available to organizations and individuals to elaborate" (Friedland and Alford, 1991, p. 248). Meanwhile, the authors define institutions as "both supra-organizational patterns of activity through which humans conduct their material life in time and space, and symbolic systems through which they categorize that activity and infuse it with meaning" (Friedland and Alford, 1991, p. 232).

The second feature of the institutional logic model is the conceptualization of 'institutional contradiction' as the driving force of societal transformation or institutional change (Thornton et al., 2012). Institutional contradictions can emerge from frictions among each institutional logic (Friedland and Alford, 1991). In their work, there are five main institutional orders, each with their own central logic: the capitalist market; bureaucratic state; Christian religion<sup>7</sup>; nuclear family, and democracy (Friedland and Alford, 1991). As society comprises different institutions, individuals and organizations are confronted with multiple institutional logics which are interdependent yet contradictory (Friedland and Alford, 1991). According to the authors, a change in the dominant

---

<sup>7</sup> In this study, I followed an inductive approach to capture institutional logic and did not confine myself to the logic categories according to Friedland and Alford (1991). For example, Buddhist logic was captured instead of Christianity. This method is proposed by Reay and Jones (2016).

institutional logics is key to understanding institutional change (Reay and Hinings, 2009). The different institutional logics are as follow:

The institutional logic of capitalism is accumulation and the commodification of human activity. That of the state is rationalization and the regulation of human activity by legal and bureaucratic hierarchies. That of democracy is participation and the extension of popular control over human activity. That of the family is community and the motivation of human activity by unconditional loyalty to its members and their reproductive needs. That of religion, or science for that matter, is truth (Friedland and Alford, 1991, p. 248).

There are four key assumptions in Friedland and Alford's (1991) institutional logic model. First, they state that a society comprises a set of institutions, forming an inter-institutional system, each with its own central logic (Friedland and Alford, 1991; Thornton and Ocasio, 2012). Second, logic provides motive and a sense of self or identity that influences actions (Thornton and Ocasio, 2012; Mutch, 2018). Third, there is a mutually constitutive relationship between logic and action; logics shape rational, mindful behaviour thereby influencing cognition and action, but at the same time actors shape and change institutional logics and can influence how logics are instantiated in different settings (Friedland and Alford, 1991; Besharov and Smith, 2014). Fourth, logic is different across time and context, or in other words, are culturally, historically, and politically defined (Friedland and Alford, 1991). "These institutional logics are symbolically grounded, organizationally structured, politically defended, and technically and materially constrained, and hence have specific historical limits" (Friedland and Alford, 1991, p. 248). This conceptualization of institutional logic reflects going beyond the three schools of thought as they include elements from North, as well as HI, and SI into their analysis of institutional change.

### Limitations

First, Friedland and Alford's (1991) institutional logics were criticized for being broad and abstract. The concept of institutional logic is hard to measure and operationalize (Greenwood et al., 2011; Scott, 2013). In addition, Friedland and Alford (1991) did not explicitly make a distinction between institutional order and institution (Johansen and Waldorff, 2017), as well as institutional logic and institution<sup>8</sup>. This led to different adoptions and varying use (Johansen and Waldorff, 2017). In a subsequent paper, Friedland (2012) states that values should be given more attention in the use of the institutional logic concept, instead of attempting to quantify or capture logic. As Klein (2015) puts it, "The machine-like depiction of institutional logics devised by organizational

---

8

scholars has confined variation and change to a schema of a finite set of combinations, overshadowing the intrinsic and constitutive role of values within institutions.” (Klein, 2015, p. 327). In sum, although the model provides a good basis for institutional analysis and institutional change, it remains largely abstract, leading to reconceptualization in later years by subsequent authors.

The second limitation of Friedland and Alford (1991) model was that it led to a focus on shifts in dominant logics<sup>9</sup> whereas recent development emphasizes multiplicity of logics (Christiansen and Lounsbury, 2013). According to Friedland and Alford (1991), institutional change arises from frictions among logics (Friedland and Alford, 1991). However, the authors did not state how multiple logics can coexist. Early research therefore tended to focus on shifts in institutional logics and their consequences (Thornton and Ocasio, 1999; Christiansen and Lounsbury, 2013). In response to this limitation, research in organizational studies emerged in recent decades which particularly addressed how hybrid organization cope with competing logics (Lounsbury, 2007; Battilana and Dolorado, 2010; Pache and Santos, 2010, 2013), or how multiple logics can coexist through strategic combination (Binder, 2007; Marquis and Lounsbury, 2007;), leading to variation in organizational practice and change (Lounsbury 2007; Greenwood et al., 2011). In sum, recent development points toward a shift from contradiction and dominance of one logic to multiplicity of logics and institutional pluralism (Besharov and Smith, 2014).

Third, the model does not explicitly delineate ‘how’ the societal-level institutional logics affects the organizational and individual levels, or how the institutional change process actually takes place. Friedland and Alford (1991) focused on institutional logics at the societal level but were vague on how these logics transcend to organizations and actions (Thornton et al., 2012). In response to this limitation, recent literature in organizational studies emphasizes the role of organizations and agency in responding to and manoeuvring multiple logics (Besharov and Smith, 2014). Thornton et al. (2012), in her seminal work on institutional logics, further proposed that logic influences action at organizational and individual level through collective identity and sense making. In sum, Friedland and Alford (1991)’s limitations have been addressed in recent research by an emphasis on organizational action, collective identities<sup>10</sup> and *identification* mechanisms to explain how institution change takes place (Thornton et al., 2012).

---

<sup>9</sup> By assuming that each institutional order has a central logic that is relatively stable over time.

<sup>10</sup> Collective identity is cognitive, normative, and emotional connection experienced by members of a social group forged through their social interactions and communications (White, 1992; Thornton et al., 2012). This sense of belonging lead members to protect the interest and identities of the group (Thornton et al., 2012).

### Advantage and Relevance for this research

Despite the model's limitations, an institutional logics framework is highly useful for the study of organizations. This is because it provides a link between macro and micro processes, linking structure to action (Klein, 2015), as well as linking politics to culture in one framework. In addition, the model provides a broad framework, allowing for a combination of logics to exist, not just contradicting each other (Battilana and Dorado, 2010). Lastly, unlike its followers (including Thornton and Ocasio, 2008; Thornton et al., 2012), the original model focuses on the role or value and allows for broader interpretation (an interpretivist approach, rather than a reductionist or positivist approach). The institutional logic model by Friedland and Alford (1991) is highly relevant for the analysis of savings group formalization because its sociological roots allow for the incorporation of socio-cultural elements or embeddedness into the analysis. Studies on savings groups reveal that the influence of socio-cultural norms is present in most savings groups across different geographical regions (Yimer et al., 2018). Friedland and Alford (1991)'s incorporation of politics is also relevant as savings groups usually operate in highly politicized environments where governance structures are often much contested.

In addition, the interdependent and sometimes contradictory institutional logics that are faced by organizations and individuals in their everyday lives are highly relevant for the context of savings groups. As organizations with both economic and social goals, their operations vary across the spectrum. As a result, bringing in the concept of multiple institutional logics can potentially shed light on the driving logic behind their operations. Recent work in organizational studies, has made use of the institutional logics framework in analysing the development of different organizational forms, including community banks (Almandoz, 2012), microfinance organizations (Battilana and Dorado, 2010) and social enterprises (Pache and Santos, 2013; Battilana and Lee, 2014). In addition, the interpretivist inclination of the model also allows for a more comprehensive and flexible analysis compared to other recent work on institutional logics developed in the management field, which are leaning more toward a structural and positivist side (i.e., Thornton and Ocasio, 2008; Thornton et al., 2012), which leaves less room for the role of values (Klein, 2015; Friedland, 2017).

#### 2.5.3 Cleaver and De Koning's Institutional Bricolage

Institutional bricolage offers a complementary aspect on institutional change analysis by theorizing more specifically how institutions change. Similar to Seo and Creed (2002) the concept of embedded agency is adopted. Cleaver, who introduced the institutional bricolage concept, also



includes authority into her framework, embracing elements of both SI and HI to study institutional change. The result is a framework that is broad enough to accommodate different processes of institutional change while recognizing embedded agency, as well as the interaction between external formal institutions and indigenous informal institutions.

### Features and assumptions

The concept of institutional bricolage was first introduced in the work of Lévi-Strauss (1966, p.17) as 'making do with whatever is at hand' but the concept was made widely known by Cleaver (2002). Due to an initially broad definition, work first applied the bricolage concept to a range of different phenomena in different fields without convergence on definition and application (Baker and Nelson, 2005). In the context of institutional analysis, institutional bricolage was made prominent by the work of Cleaver (2002) and characterized as Critical Institutionalism (CI). This strand grew in response to dissatisfaction with the functionalistic and unrealistic perspectives of mainstream institutionalism (De Koning and Cleaver, 2012). The reason for dissatisfaction is the gap between the desired institutional design and outcome and what happens in practice (Haapala et al., 2016).

The first feature of the institutional bricolage framework is a focus on agency, and innovation (De Koning and Cleaver, 2012). Cleaver (2002) assumes that actors have the capacity to interpret, adapt, and transform institutional elements to achieve their goals. Two elements are important in this approach: bricoleurs and bricolage processes (Cleaver, 2002). Institutional bricolage is defined as "a process by which people consciously and unconsciously draw on existing social and cultural arrangements to shape institutions in response to changing situations" (Cleaver, 2002, p. 26). This definition has three implications for institutional analysis. First, it recognizes the importance of agency as well as structure in institutional analysis; in which bricoleurs perform a crucial role in the creative production of new institutions and arrangements (De Koning and Cleaver, 2012). According to Cleaver (2002), bricoleurs shape institutions consciously and unconsciously but at the same time are also constrained by institutions, a concept similar to Giddens (1984). Second, it embraces both rationality and irrationality in human agency; Cleaver (2002, 2012) states that bricoleurs will behave consciously (strategically) as well as unconsciously in piecing together and renegotiating rules (Cleaver, 2002). Third, the definition implies that bricolage is a non-static process; interaction is ongoing and changing (De Koning, 2011). In addition, institutional bricolage considers political dynamics in which bricoleurs renegotiate institutional components that best suit their context (De Koning, 2011).

The second feature of the framework is the recognition of cultural beliefs, traditions, values, and local norms as well as power relations in shaping the bricolage process and outcome (De Koning and Cleaver, 2012). According to Cleaver (2002), the new practice arising from bricolage processes must socially fit with the routinely accepted logic or way of doing things for it to work. Key mechanisms facilitating bricolage processes include 1) calling upon tradition or the right way of doing things 2) the use of symbolic meaning, discourse, and authoritative power, and 3) overlapping social identities (De Koning 2011; De Koning and Cleaver, 2012). De Koning (2011) has later made significant contributions to Cleaver's (2002) institutional bricolage framework. Building on the three mechanisms, she further defined three processes of institutional bricolage as including 1) aggregation (i.e., adoption) 2) alteration (or modification) and 3) articulation (i.e., rejection) and states that local actors will call upon traditions and identities when they would like to reject or modify the externally introduced rules (De Koning, 2011).

The third feature of the framework is the classification of institutions as bureaucratic externally introduced institutions rather than local, indigenously, and socially embedded institutions (De Koning, 2011). Cleaver (2002) assumes that the formal-informal institution definition represents a false polarization and instead calls for the use of modern versus traditional institution instead (De Koning, 2011). De Koning further proposes three different scenarios that could result from an attempt by external agencies to introduce new rules to local communities. She introduced a metaphor of 'throwing a rock into a pond' to explain how externally introduced bureaucratic rules may be accepted, rejected, or modified by local actors. Rejection is when the pond surface becomes thick ice and the rock bounces off (De Koning, 2011). Modification is when the pond becomes soft ice, allowing the rock to dent or leave a mark on it. Lastly, adoption is when the rock sinks into the pond and melts (De Koning, 2011).

De Koning's (2011) seminal contribution to Cleaver (2002) is the linking of the three rock-pond scenarios to three different bricolage processes. First, adoption or aggregation is the recombination or integration of different types of institutional elements; when externally introduced formal regulation integrates embedded institutions such as culture, social norms, traditions, the results can be a balanced or harmonious response by local communities (De Koning and Cleaver, 2012). Second, modification or alteration is when the imposed institutions or locally embedded institutions are adapted, often by the work of local actors who adjust institutions to suit their context or identity (De Koning and Cleaver, 2012). Lastly, rejection or articulation is the assertion of traditional identities to resist externally introduced arrangements, often resulting in a conflict or

clash between different types of institutions, for example between local identities and the introduced regulations (De Koning and Cleaver, 2012).

### Limitations

While the institutional bricolage framework has been more widely used in institutional analysis, it is not without its limitations; scholars have identified concerns about the framework's practicality and its limited scope to account for social structures and historical context in affecting institutional change. First, the broad and abstract nature of the framework renders it difficult to apply in practice. For example, the definition of agency is rather abstract and assumes that actors possess creativity and skill to combine existing institutional elements (Greenwood et al., 2011). In addition, bricolage processes, by definition, can include a wide range of activities, rendering it difficult to define and operationalize in specific context. Moreover, although the framework recognizes both structure and agency, it tends to focus on the role of agency and micro-level bricolage processes and less on the broader socio-political structures that can potentially constrain actions (Schneiberg and Soule, 2005; Greenwood et al., 2011). The framework does not offer much explanation of how the macro-level forces i.e., power and culture and external factors affect change (Christiansen and Lounsbury, 2013; Schneiberg and Soule, 2005). In addition, the approach may overlook the contradictions that can arise from combining elements with different underlying assumptions, histories, values, and meanings (Gephart and Marsick, 2016). All these limitations indicate that the framework should be complemented by other theoretical perspectives to account for the broader context of institutional change in which institutional bricolage occurs.

### Justification of the use of bricolage for this research

The institutional bricolage approach has the potential to shed light on SG formalization in Thailand due to the following reasons. First, the framework recognizes the role of locally embedded institutions and contexts in shaping actions and change outcomes. The model also recognizes power relations and social hierarchies and acknowledges that bricolage processes can involve negotiations and power struggles among different actors with competing interests and values. Second, the categorization of bureaucratic versus locally embedded institutions and the possible processes and outcomes of institutional change can be used as a guiding framework to analyse interaction between SGs and government agencies. SG formalization in Thailand has met with varying success, by focusing on the reality on the ground and unravelling interaction processes over time, the bricolage approach can help shed light on how and why a policy has led

to different outcomes. In addition, SGs often operate in resource-constrained environments, compatible with the setting stipulated in the bricolage literature. Lastly, the model recognizes the change process as non-static and therefore allows for a study of long-lived community organization who have survived for decades.

Following Cleaver and De Koning's approach, the thesis will employ the institutional bricolage approach to unpack processes of SG formalization in Thailand at the local level, and to complement the insights gained from the institutional logic framework. While these two frameworks differ in their scope and focus, they can complement each other by bringing different perspectives on change. First, institutional logic addresses the limitations of institutional bricolage with respect to the broader socio-cultural context affecting change, as well as providing a framework that includes contradictions and tensions in the process of change. Meanwhile, institutional bricolage framework offers explanation of how change takes place, an aspect lacking in institutional logic framework. Friedland said that logic provides a motive for action and identity but did not specify how. Thornton later proposed an identity and identification mechanism but is also vague on how logic leads to certain actions. Complementarily, the institutional bricolage framework links specific logics of action to different types of bricolage processes. De Koning states that local actors will draw on their identity and tradition when they would like to modify or reject the externally introduced rules. The bricolage framework thus links identity and identification to different choices of action i.e., bricolage processes and brings in the 'how' in the analysis of institutional change.

Second, institutional logic focuses more on stability while institutional bricolage facilitates analysis of change. The institutional logic framework views institutions as relatively enduring guided by shared beliefs, values, and assumptions (Friedland and Alford, 1991). In contrast, the institutional bricolage framework emphasizes the importance of adaptation and innovation as driving institutional change (Cleaver, 2002). Friedland and Alford (1991) state that institutional logic provides the motive underlying action and identities for individuals and groups but did not elaborate how that can lead to institutional change. Complementarily, the institutional bricolage framework also recognizes the role of identification mechanisms and collective identities in shaping actions. De Koning (2011) links the process of modification (alteration) and rejection (articulation) to the use of traditions and collective identities. As De Koning (2011) states: "local actors continuously discursively draw upon these understandings: they make claims on traditional beliefs and social norms in order to neutralize the impact and effects of bureaucratic institutions"

(De Koning, 2011, p. 33-34). Collective identities, therefore, link the two models together, allowing each to bring in different perspectives of the institutionalization process and change outcomes.

## 2.6 Conclusion

This chapter presents key concepts and theoretical frameworks used in this study. I began by discussing the three schools of institutional thought: the Rational Choice Institutionalism (RCI), the Historical Institutionalism (HI), and the Social Institutionalism (SI) and then discussed recent developments toward a more integrated approach to the study of institutional change. Next, three theories of institutional change that go beyond these schools of thought were presented. This includes Boettke, Coyne, and Leeson (2015)'s regression theorem, Friedland and Alford's (1991) institutional logic, and De Koning (2011) and Cleaver's (2002) institutional bricolage. The justifications and limitations of each theoretical framework were discussed. I conclude that the institutional bricolage framework can complement the institutional logic framework in the analysis of institutional change. The institutional logic framework offers the 'why' explanation; the framework highlights logic as a guiding source of motive and identity driving action. Meanwhile, the institutional bricolage framework emphasizes the 'how' of institutional change by linking different mechanisms i.e., collective identities, traditions, symbolic meanings, to different bricolage processes (namely, adoption, modification, and rejection) that ultimately lead to institutional change. Using the two approaches together can therefore provide a more nuanced understanding of the mechanisms and processes of institutional change.

## Chapter 3: Research methodology

*‘Social research does not conform to a neat, linear process...researchers may find themselves facing unexpected contingencies and difficulties. At the same time, it is suggested that a familiarity with the research process and its principles is crucial to navigating through the unexpected.’ (Bryman, 2016, p.2)*

### 3.1 Introduction

This chapter explains the research methodology and how it has been operationalized. Section 3.2 first presents the research strategy, beginning with the rationale followed by the researcher’s epistemological and ontological stances. Section 3.3 describes the research design and discusses why the qualitative research method and case studies approach was adopted. Section 3.4 then describes the tools used to collect data for each phase of the study and how the data has been collected and analysed. Researcher positionality, reflexivity, and ethical consideration will also be discussed, along with reliability and validity of the qualitative research method.

### 3.2 Research strategy

#### 3.2.1 Rationale and objective

The objective of this research, as stated in chapter 1, is to examine how SGs respond to external interventions in terms of rule adoption in the context of informal institutions such as socio-cultural norms, logics, and values. The predominantly top-down literature focused on rule adoption as being driven by agency-led interventions. The *bottom-up* research strategy in this thesis aims to fill the gap in the ‘top-down’ understanding by providing perspectives from the SGs themselves complemented by field-based insights on what works in practice. Focusing on three SG interventions in Thailand, i.e., government-led, public bank-led, and Buddhist monk-led interventions, this study asks what do SG formalization processes look like? What rules do or do not get institutionalized? How and why is that the case? At the same time, it aims to promote greater recognition of local institutions and how they could hinder, facilitate, or complement top-down interventions, thereby affecting SG practices. In addition, this study examines insights from central policymakers and local officers into how they navigate SG policy implementation.

### 3.2.2 Epistemological and ontological stance

My epistemological and ontological stance has progressed along the research process, from that of positivist to interpretivist. The *researcher's* own *ontological* and epistemological positions guide how research is conducted, including the choice of theory, research methodologies, and research processes (Bryman, 2016). Given my background as an economist, my research enquiry began with positivist epistemology. I believed there was a set of rules that can lead to sustainable SGs, and that my task was to find the 'right' set of regulations that would enable institutionalization. My epistemological stance then led to my first choice of research methodology which was to conduct surveys and undertake quantitative analysis to find the relationship between financial performance and the rules that SGs had adopted. However, the more I delved deeper into the study of savings groups, it was apparent that norms, beliefs, culture, and traditions form an important part of the institutional context and influence how SGs operate. I then realized that the institutionalization process is far more complex. It is an intricate and '*embedded*' process; socio-cultural and historical contexts play a vital role in shaping the processes (Cleaver, 2002) and outcomes of institutional change. Therefore, as I proceeded to design my study, it became apparent that in order to unpack SG interventions to see what worked, or what formal rules get adopted, informal institutions such as norms, tradition, beliefs, and culture, would need to be closely examined. In this respect it was necessary to move from an objectivist to subjectivist ontology, and from a positivist to an interpretive epistemology. For my case, this shift enabled me to challenge my own assumptions and go beyond my initial worldview.

Social constructionism is adopted as it places an emphasis on the power of social interactions, language, socio-cultural and historical context in the process of knowledge generation (Burr, 2015) which is the central focus of this thesis. Social constructionism emphasizes the role of humans, collectives, and social interaction processes in generating and maintaining reality, and thereby rejecting an objective reality (Weinberg, 2009; Burr, 2015). This is particularly relevant in this study as shared group norms, beliefs, and other informal institutions can potentially exert significant influence on SG practice; in other words, the role of meaning making and SG rule adoption (Arderner, 1995; Bouman and Hospes, 2019). According to social constructionism, individual interpretations are not constructed in isolation, but are guided by socio-cultural and historical contexts (Burger and Luckman, 1966). In addition, adopting a social constructionist approach means acknowledging that subjectivity exists both at the respondent level as well as the researcher's level (Charmaz, 2006). This means that the researcher's

background, values and ideas influence how they generate theory from data, thereby necessitating a reflexive and interpretive approach to data collection and analysis (Charmaz, 2006).

### 3.3 Research design

#### 3.3.1 Qualitative research approach

A qualitative research approach has been adopted because it enables an understanding of *why* people behave the way they do, *how* the interaction and processes take place, and the *underlying institutional context* that governs their responses (Creswell and Poth, 2016). Qualitative researchers recognize that the information collected from people cannot be separated from the context in which they say it (Creswell and Poth, 2016). As a result, qualitative approach allows for a holistic understanding of social phenomena; qualitative researchers collect data in a natural setting to enhance understanding of human experiences and interactions, cultures, beliefs, and values, with an objective to establish patterns or themes (Merriam, 1988; Creswell, 2014; Creswell and Clark, 2017). The nature of this inquiry is exploratory, inductive, and interpretative. As Creswell and Poth (2016) asserts, in this approach to research: “The final written report or presentation includes the voices of participants, the reflexivity of the researcher, and a complex description and interpretation of the problem, and it extends the literature or signals a call for action” (Creswell and Poth, 2016, p. 37).

#### 3.3.2 Case studies as research method

The case study research methodology was chosen because it is most suitable to answer the ‘how’ and the ‘why’ research questions (Yin, 2009; Merriam, 1998). In the previous chapter, I have highlighted key questions including how savings groups respond to different SG interventions? What gets institutionalized? How and why does institutional change in savings groups take place? All these questions require an in-depth investigation into each SG dynamic and complex interaction. In this regard, the case study approach permits an in-depth analysis of a phenomenon of study (Bryman, 2016), allowing for an in-depth investigation into the process, patterns, and the understanding of the meaning of action (Saunders et al., 2009) where it is not possible to separate the embedded multiple phenomenon’s variables from their context (Yin, 1994). In addition, given limited resources, the case study approach is not as time consuming as phenomenological and ethnography that requires the collection of copious amounts of qualitative data and an immersion in the setting (Creswell and Poth, 2016). Instead, case studies allow researchers to employ data from multiple sources, both qualitative and quantitative, in order to



holistically understand the social phenomenon. Using multiple data sources helps reduce potential biases and provides diverse aspects of empirical realities (Yin, 2011; Denzin and Lincoln, 2011).

Moreover, another advantage of case study as a research methodology is that it is a flexible research approach that does not implicate a researcher to any data collection method or data analysis (Merriam, 1998). Rather, it is the epistemological and ontological stances of the researcher that affect the design and process of case study (Bryman, 2016). For example, Yin (2013) adopts a positivistic leaning on case study and suggests that case study as a research methodology should focus on maximizing construct validity, internal and external validity as well as reliability and objectivity (Crotty, 1998). Meanwhile, Merriam (1998) and Stake (1995) argues that a subjectivistic paradigm should be adopted for case study and the focus should be on producing holistic, thick description of the social phenomenon and recognizing the possibility of multiple level of interpretations (Merriam, 1988; Stake, 1995). This is based on the view that “reality is constructed by an individual interacting with their social world (Merriam, 1998, p. 6).”

As a result, this thesis, drawing on social constructionism, shares several underlying assumptions with constructivism but differs in the unit and aspect of focus, and adopts the case study approach in line with Merriam (1998) and Stake (1995). A case, according to Merriam (1998), is “a phenomenon of some sort occurring in a bounded context (Merriam, 1998, p. 27).” According to her, a qualitative case study is “an intensive, holistic description and analysis of a bounded phenomenon such as a program, an institution, a person, a process, or a social unit” (Merriam, 1998, p. 13).

### *Limitations of case studies*

Similar to any research approach, there are both strengths and limitations to the case study method. In terms of limitation, issues that arise include generalizability, validity, and reliability (Yin, 2013). For generalizability, obviously case studies cannot be used to represent the whole population (Merriam, 1998). Moreover, researchers need to be systematic and transparent about the research process to ensure internal validity and reliability (Yin, 2013) as qualitative case studies are limited as well by the integrity and sensitivity of the researcher (Merriam, 1998). In this regard, including multiple cases can increase the external validity and generalizability of the research finding (Merriam, 1998). As Miles and Huberman (1994) puts it, cross-case analysis can enhance the validity and stability of finding by: “looking at a range of similar and contrasting cases, we can understand single case-finding, grounding it by specifying

how and where and, if possible, why it carries on as it does. We can strengthen the precision, the validity, and the stability of the findings” (Miles and Huberman, 1994, p. 29). Following Miles and Huberman (1994), this research will use multiple case studies instead of a singular case to enhance the external validity and generalizability of the finding while maintaining a coherent and transparent study protocol and use data from multiple sources to maximize reliability and construct validity, respectively (Yin, 2013).

### 3.3.4 Reliability and validity in qualitative research

Reliability and validity are critical as they both represent the trustworthiness or rigor of research (Seale, 1999). Reliability represents the stability, consistency, and precision of the data collection and analytical procedure (Long and Johnson, 2000). A study with high reliability means that the research methods can reproduce the same results when repeated by other researchers or multiple times (Merriam, 1995; Golafshani, 2003). Unlike quantitative research, in qualitative research, the researcher is the instrument (Patton, 2014). Thus, any potential bias that may arise from the researcher or the research method must be accounted for (Long and Johnson, 2000). Therefore, to maximize reliability, the qualitative researcher should clearly describe the data collection and data analysis while being transparent about the researcher’s own worldviews (Creswell and Miller, 2000). In addition, the theoretical frameworks used for the analysis must be clearly discussed (Silverman, 2015). Meanwhile, validity represents how accurately the findings represent reality or the social phenomenon in question (Maxwell, 1992; Long and Johnson, 2000). Creswell and Miller (2000) argue that validity comes not only from the quality of data collection but also from how a researcher makes inferences from those data, which ultimately depend on the researcher’s lens or paradigm assumptions. As a result, the author proposed that to determine validity in a qualitative research, the researcher’s conception of validity and his or her worldviews or paradigm assumptions i.e., positivist, constructivist, critical influence must be considered (Creswell and Miller, 2000).

This study has taken measures to maximize the reliability and validity of the study. This includes a detailed explanation of the ontological and epistemological stances of this research (section 3.2), detailed data collection and data analysis (section 3.2 and 3.4), as well as my background, worldviews, and potential biases as a researcher in reflexivity and positionality section (section 3.2.2). I also outlined measures taken during the data collection and analytical phase to enhance the reliability and validity of the research, including triangulation i.e., using data from multiple sources, relationship building with participants, third-party transcription, and

transparent and consistent coding (section 3.2.2). In addition, application of all the theoretical frameworks will be presented and discussed throughout chapter five to eight.

### 3.3.5 Positionality Reflexivity, and ethical consideration

#### *Positionality and reflexivity*

Transparency regarding the researcher's positionality increases the credibility and ethical standards of the research and provides readers with the context necessary to fully understand the study (Silverman, 2015). Positionality is the researcher's identities i.e., background, worldview, experiences and the position they adopt in regard to the research (Holmes, 2020). The researcher's positioning including gender, age, race, personal experiences, values, ideological stances, and social position can all influence how the research is designed, how language is used, how information is filtered, collected, and analyzed, and hence research quality (Lincoln and Guba, 1985; Charmaz, 2006; Berger, 2015; Holmes, 2020). Meanwhile, reflexivity is the process that informs positionality; it is an explicit self-assessment by the researcher of his or her background, worldview, preconception, and how it affects the totality of the research (Berger, 2015; Bryman, 2016; Holmes, 2020). Since this study is qualitative research within a social constructionism paradigm, the researcher is seen as the instrument in the process of knowledge creation (Patton, 2014). Therefore, an articulation of the researcher's positionality and reflexivity is required to ensure the rigor of the research (Lincoln and Guba, 1985; Silverman, 2015).

Reflexivity requires researchers to be conscious of their socio-cultural and political context since values, beliefs, preconceptions, and personal integrity can all influence the research process (Bryman, 2016). Reflexivity not only enhances the credibility of the research but also research ethics; reflexivity increases ethics of the research by taking into account possible implications for the participants in the research and their socio-political context where the research takes place (Von Unger, 2021). Identifying the researcher's positionality involves locating themselves in regard to the research topic, the participants, and the research context and process (Savin-Baden and Howell-Major, 2013). It is crucial for all phases of the research process, from formulation of research questions to data collection, data analysis, and conclusions (Berger, 2015).

First, regarding my positionality, I consider myself an expert and insider regarding the research area, with ease of access into the field. I was trained as an economist working in the micro-finance field for nine years on microfinance development and worked with various stakeholders including several types of microfinance organizations i.e., cooperatives, community

banks, village funds, SSGs, as well as external agencies i.e., GSB, SSG. Consequently, my access to the field was facilitated by my previous engagement with these stakeholders. My prior experience with the different types of microfinance organizations, SGs included, has equipped me with insights that would not have otherwise been possible without prior hands-on experience with them.

However, my identity as a policymaker comes with a set of preconceptions which may impact the quality of data from participants. I entered this research with preconceived beliefs that SG formalization was always a good thing, and that SG financial performance will depend on rule adoption. However, as the fieldwork progressed, I then realized that these assumptions were wrong. Second, my role as a policymaker might lead to biased responses. To mitigate this, one of the criteria in selecting SGs was that they must have never worked or known me from my prior policy work. As a result, they only knew me as an academic conducting research. Also, anonymity was clearly explained to ensure participants of their right and the use of their data. In addition, this limitation will be addressed by 1) triangulation 2) the use of different data sources, and 3) the use of local interviewer in selected interviews.

Second, regarding my positionality in relation to participants, being a female, Thai policymaker from Bangkok can influence participants' willingness to respond, and the depth of information revealed (Berger, 2015). First, regarding gender, being a female Thai who spoke the same language did help with communication as female members often feel more comfortable revealing their information with female researchers (Silverman, 2006). In addition, I was considered relatively young compared to most participants and hence interaction was more open and friendly than if I was a senior male figure (Silverman, 2006). Moreover, as a Thai I was also aware of how to approach and communicate with participants without offending them. However, as a doctoral researcher from Bangkok, I could be seen by SG members as being an outsider and having a superior social position. This power relation can also impact participant's response (Berger, 2015). To mitigate this, I hired a local female Research Assistant who accompanied me to all the interviews to help make participants feel comfortable and help with communications. The local Research Assistant (RA) also spoke the local dialect which helped when participants spoke both Thai and local dialect but preferred to use the latter.

#### *Ethical considerations*

Regarding the research context, ethical consideration was given to prevent potential tensions between SGs and external agencies as well as to ensure data quality. First, as

the research was conducted when all SGs remain active in the SG intervention, measures have been taken to prevent the research from affecting their relationship with external agencies. In this regard, anonymity will be applied at three levels of data to protect all respondents. This includes 1) individual level (person's name, address, and other identifiable personal information) 2) group level (group name, address, and other identifiable personal information), and 3) area level (site name, address, and other identifiable personal information). First, individual level anonymity ensures that the person who raised an issue will not be implicated by an external agency or their group. Second, group level anonymity ensures group's privacy and hence SGs that raised issues or comments about external interventions will not be implicated.

Lastly, area level anonymity has been used to protect officers, both senior and junior, in the different agencies. In addition, sensitive issues such as politics and questions that could jeopardize a group's status or local agency offices have been avoided. Second, I have attempted to avoid hierarchical tension with external agencies and within groups. As SGs derive resources and benefits from these external organizations i.e. GSB, CDD, SSG, and particularly government agencies are viewed as higher in the hierarchical order. As a result, respondents might not reveal all the information when external representatives are present. This is due to a patron-client relationship culture in Thailand (Rigg, 1991). To mitigate this limitation, interviews and observations were conducted without the presence of any representatives of the external agencies. In addition, a one-on-one interview was required for all participants to prevent group leaders or influential members from influencing the interview.

Ethical research approval was obtained from the Social Science Research Ethics Committee (SSREC), University of Bath, prior to the fieldwork and the guideline was strictly adhered to throughout the project. During the fieldwork, data collection and storage was conducted in accordance with the SSREC guideline. First, all identifiable information i.e. name, address, group name have been anonymized to protect the participants, and all participants were clearly informed. Second, all participants were informed of the project at least 48 hours in advance through receiving the project documents, including project information sheet and interview questions, so that all respondents had time to study and decide whether to participate. Third, prior to each interview, each participant was verbally briefed on the project, as well as their risks, and their rights regarding the use of personal information, research data and the possibility of withdrawal at any time during the project. All respondents were also informed that they could ask for the deletion of their information or interview data at any time during and after the project, and that throughout the project and in the future, the data would be used only for academic purposes.

Then, participants were asked to digitally sign the consent form. All the digitally signed consent and debrief forms were then securely in separate encrypted folders in an encrypted device, and separately from the research data.

Data collection, storage, and analysis was conducted in a manner to ensure the confidentiality and anonymity of the participants throughout the study. First, the signed and debriefed consent forms where important information including names and addresses have been stored in an encrypted folder separate from other data, where I was the only person with access. Second, the interview responses were recorded as audio data and stored in an encrypted folder on my own device, and the data was only accessed by myself and the Research Assistants. Third, all participants were informed that their identity, personal information, and location would be fully anonymized.

### 3.4 Data collection

#### 3.4.1 Qualitative data collection

Since the research questions require a deep understanding of SG rule adoption, primary qualitative data collection was chosen for this research. In chapter two, we learned from the SG literature that informal institutions can exert influence on how SGs behave. To be able to conduct in-depth analysis of how SGs adopt rules, and the role of norms, values, and beliefs in the SG formalization process, four methods were used. First, in-depth semi structured interviews were conducted with SG members where rules were discussed directly, especially repayment rules. Second, I also used the group's key historical events as a focus of discussion when asked about how rules have changed. To gain diverse perspectives, my sample of SG members included the leader, committee members, and ordinary members, an approach similar to Malkamäki (2015). Third, the group's written constitution, group rules, financial statements, and memos were requested and were used to triangulate information (Creswell and Miller, 2000). Fourth, in-depth semi structured interviews were conducted with their registered trainers, allowing for triangulation across participants (Creswell and Miller, 2000). Table 2 presents the research questions and tools used. In total, there were 49 interviews, 35 interviews were conducted during the field trip in Northern Thailand during February-March 2021, and 14 interviews were conducted during June-September 2021 by telephone. Table 3 presents interviewees and the method used.

Table 2: research questions and tools used

<u>Research question:</u>	<u>Tools used</u>
1) How do attempts to formalize SGs take place in Thailand?	<ul style="list-style-type: none"> <li>▪ Semi-structured interviews</li> <li>▪ Key informant interviews</li> </ul>
<u>Sub research questions:</u> 2) How do SGs respond to externally introduced rules?	<ul style="list-style-type: none"> <li>▪ Semi-structured interviews (SGs)</li> <li>▪ Key informant interviews (trainers)</li> </ul>
3) What rules get institutionalized?	<ul style="list-style-type: none"> <li>▪ Semi-structured interviews (SGs)</li> <li>▪ Key informant interviews (trainers)</li> <li>▪ Group's written constitution/ rules</li> </ul>
4) Why and how is that the case?	<ul style="list-style-type: none"> <li>▪ Semi-structured interviews (SGs)</li> <li>▪ Key informant interviews (senior officers, policymakers)</li> </ul>

Table 3: Interviewees and data collection method

Fieldwork	Number of interviews	Data collection method
Round 1		
SG interview		
• Member	10	Face-to-face, semi-structured interviews
• Leader/committee	25	Face-to-face, semi-structured interviews
Total round 1	35	
Round 2		
SG interview		
• Leader/committee	6	Telephone, semi-structured interviews
Trainer	4	Telephone, key informant interviews
Policymakers	4	Telephone, key informant interviews
Total round 2	14	
Total (both rounds)	49	

The data collected included contemporaneous developments as well as retrospective data i.e., group history, and verbatim quotations from semi-structured interviews were used throughout the analysis chapter to increase the reliability, validity, and trustworthiness of the findings (Bryman, 2016; Creswell and Poth, 2016). However, collecting retrospective data could lead to biases from incorrect recall as well as changing individual realizations with the passage of time. Recognizing this limitation, I engaged in repeated interactions with groups to obtain a more accurate account of what had happened. Furthermore, the data used in this study was triangulated in at least one of the two methods in line with Yin (2009) and Creswell (2000). First, triangulation across multiple data sources (i.e., from several participants, especially between SGs and their trainers) was conducted to confirm the stories, themes, and patterns. I interviewed their direct trainers and compared and contrasted information from multiple sources where possible. In the follow-up interviews, I also deepened my understanding of the incidents by posing similar questions on previously discussed topics to SG leaders. Second, I used multiple data types i.e., interviews, group documents, and direct observations which allowed for triangulation across



different methods of data collection (Creswell, 2000). In addition, the first research assistant and the author collected interview data throughout the process, so as to ensure consistent data gathering.

### *Fieldwork challenges*

Severe air pollution, the covid-19 pandemic, and participant dropouts limited fieldwork period and data collection. Although more time for field work would have been ideal, severe air pollution in Northern Thailand during the time of the fieldwork did not allow for this to happen<sup>11</sup>. In addition, the second field trip was not feasible as the covid-19 pandemic led to travel restrictions in Thailand during the third quarter of 2021. As a result, subsequent interviews were done over the telephone. Surprisingly, the quality of data from telephone interviews was satisfactory; interviews lasted on average an hour and information given by participants were deeper than the first round of field trip. Lastly, over the course of the project, two SGs stopped their participation completely and did not submit their financial statements and group rules. Therefore, I obtained their information from the first round only.

Another challenge came from the role of the research assistants (RA). As previously mentioned, I hired two local RAs to perform three tasks. The first RA, based in Chiang Rai, was responsible for 1) communicating with interviewees in local dialect should he or she does not prefer to speak Thai during the interview, 2) making interviewees feel more at ease and 3) transcribing the interviews. The second RA helped with transcribing the interviews. The RAs performed the first two tasks relatively well. However, transcripts showed errors regarding technical terms related to microfinance and development. Consequently, I had to recheck all the transcripts myself which was time-consuming.

### *Sampling selection*

#### 1) Site, group, and participant selection

Adopting a social constructionism paradigm, this research explored how SGs adopted rules that were introduced to them by external agencies under the three different SG formalization programs already discussed in Chapter 1: CDD, GSB and SSG. Under social constructionism, history and culture both have an influence on how individuals socialize and perceive the world (Berger and Luckmann, 2016), rendering site selection one of the important steps in data

---

<sup>11</sup> PM 2.5 during the third week of the fieldtrip was higher than 150 AQI, which was considered very unhealthy.

collection. Given the social constructionism paradigm, SGs from different regions which inherit different historical and cultural backgrounds might interpret and adopt rules differently. Although it would have been interesting to study how SGs in different regions respond to intervention, the limited time and resources did not allow me to do so. As a result, I chose one province in Thailand so that all SGs have a sufficiently shared history and culture, rendering the intervention itself to be the focus of the study.

The criteria for choosing an area of study includes 1) comprehensiveness 2) diversity, and 3) distribution. For comprehensiveness, the area chosen must have a variety of savings groups and include all the three types of SG. For diversity, an area should have diverse contexts within it. For distribution, each SG should not be settled too far away from each other given limited time and resources. Comprehensiveness criteria was necessary given the research question whereas diversity enhances external validity of the data (Yin, 2013). Given the available resources and time constraints, it was necessary to concentrate the case studies in one province in Thailand, which satisfies all the three criteria. The Northern region, one of the poorest regions of Thailand (NESDC, 2021), has been chosen since it has a vibrant SG sector that includes all the interventions in this study. Being a poor region, SGs in this region often are targets of SG interventions. The province name has been anonymized due to ethical considerations.

Gatekeepers were used for both SG and participant selection. First, regarding SG selection, the responsible agencies i.e., CDD, GSB, and SSG were asked to provide a list of groups to participate in the study. The criteria used for group selection were communication capability and availability. Although this method has pros and cons, it was the only option available given that my objective was to select SGs with which I had no prior engagement from my previous work. With the SG list, I planned to use a purposeful sampling method to allow for maximum depth of data given my limited resources (Palinkas et al., 2015). However, with my request to scope down the area to one province, I only obtained eight SGs in total from three different agencies. As a result, I did not have the opportunity to apply purposeful sampling methods and instead reached out to all of them. They all agreed to participate.

Second, regarding participant selection, I relied on SG leaders to select members for my study. As I did not have the resources to build relationships with groups prior to the study, it was impossible to contact individual members directly prior to the fieldwork. As a result, group leaders were instead asked and briefed by their trainers to select four more members from their groups to participate. In total, there were five members from each SG, including the group leader, two committee members, and two ordinary members. The sample size was selected to maximize

diversity subject to my resource and time constraints. Members from different positions were necessary to ensure insightful perspectives of group realities. Meanwhile, in all SGs, group leaders and committee members were included because they had the most knowledge of the group's practice and evolution.

#### *Limitation on the use of gatekeepers*

The reliance on gatekeepers, namely, the external agencies for SG selection and group leaders for participant selection, could potentially lead to selection bias. For example, external agencies could have selected only top performers while group leaders could have selected only members who held positive views about the group. However, this was less problematic for my research as my study used qualitative case studies to deeply understand the role of values, norms, and the institutional influence governing SG rule adoption in the formalization processes, not SG performances. Moreover, given the design of the study, I do not intend to generalize my findings. More importantly, as the analysis sections will show, there was nevertheless sufficient variation in the sample in terms of how and why they adopted rules, which was the main research question in this study.

#### *Semi-structured interviews*

In-depth semi-structured interviews were conducted with savings groups members, where topics of discussion were loosely set, allowing for flexibility and important themes to emerge from the conversation (Bryman, 2016). This tool is suitable for research questions as the study seeks to deeply understand the role of norms, values, and beliefs underpinning savings group operation as well as group behaviour in terms of rule adoption. At the same time, it respects the inductive interpretive research approach. Regarding the interview setting, all interviews consisted of the researcher, her RA, and the interviewee, without any presence of external agencies or government officers. This setting ensured that non-respondents could not influence what respondents would say. All the interviews took place at each SG location. All respondents were informed of anonymity, confidentiality, and their rights and the use of their private data. Regarding interview questions, there were five topics of discussion. This includes 1) motivation to join the group; 2) group activities or services; 3) group rules e.g., repayment rules; 4) changes in the group over time i.e., rule changes as well as sources of change; 5) role of external agencies. Table 5 summarizes all the interview topics for both rounds of data collection.

After the first field trip, follow-up interviews were designed to include more specific questions about each incident of change, the change process and the role of external agencies

in these. Across most groups, interviews with SG leaders and committee members gave more insightful information than interviews with members. As a result, follow-up interviews targeted committee members. Regarding the quality of the data obtained, the depth of data varied. 2 groups, namely, SGP2 and SGP3 opted out after the first round of fieldwork. In addition, 3 SGs, including SGP2, SGP3, and CB3 did not submit group written regulations and financial statements. Therefore, analysis was based upon limited data availability from these groups.

### *Key informant interviews*

Initially, key informant interviews with the external agencies with SG interventions were included to provide triangulation for SG interview data and to provide additional perspectives on SG practice, performance, and changes. However, it turned out that key informant interviews also offered insights into the challenges and persistent patterns in SG interventions. As the fieldwork progressed, qualitative data from key informant interviews opened up several key issues related to the institutionalization of SG practice and SG interventions more generally. As a result, key informant interviews with policymakers at regional and national levels were added to provide a broader perspective and explore patterns and issues arising. Chapter 7 discusses the findings from these interviews. Although all the key informant interviews were conducted over the telephone, the quality of the interview data was better than anticipated, with the interview lasting for an average of one hour. Local officers were able to provide in-depth information on SG practice, performance, and changes, as well as key issues in SG institutionalization. Table 4 an overview of the final sample obtained.

Table 4: Overview of the final sample and data collected<sup>12</sup>

	Total
Number of groups (semi-structured interviews)	8
SGs by intervention type	
▪ Sajja Savings Group (SSG)	1
▪ Savings Group for Production (SGP)	4
▪ Community Bank (CB)	3

<sup>12</sup> Note: Data was collected from February – September 2021.

	Total
Number of trainers (Key informant interviews)	4 <sup>13</sup>
Number of senior officers and policymakers (Key informant interviews)	4
Groups > 10 years old	4
Groups > 20 years old	4
Financial data of SGs	5
Group rules/ constitution	4

Table 5: Interview topics

Interview round	Interviewee	Interview topic
1	SG members	<ul style="list-style-type: none"> <li>▪ Motivation to join group</li> <li>▪ Group activities or services</li> <li>▪ Group rules e.g., repayment rules</li> <li>▪ Changes in the group over time i.e., rule changes as well as sources of change</li> <li>▪ Role of external agencies</li> </ul>
2	Trainers	<ul style="list-style-type: none"> <li>▪ Implementation experience</li> <li>▪ SG activities and performance</li> <li>▪ Group activities or services</li> <li>▪ Group rules e.g., repayment rules</li> <li>▪ Changes in the group over time i.e., rule changes as well as sources of change</li> <li>▪ Challenges</li> </ul>

<sup>13</sup> For one of the trainers, Monk Subin, data was coded from a previous interview by the Reform Office due to travel restriction during Covid-19 pandemic.

Interview round	Interviewee	Interview topic
2	Policymakers	<ul style="list-style-type: none"> <li>▪ SG policies in Thailand</li> <li>▪ SG agencies</li> <li>▪ Change within the sector over time</li> <li>▪ Challenges – policy and implementation</li> </ul>

### 3.4.5 Data analysis

#### *Thematic analysis and methodological journey*

Initially, my assumption was that each intervention program has different underlying values, logic, norms, and ways they operate, coupled with SG informal institutions, this should lead to distinct outcomes in terms of rule adoption. Given this assumption, I identified SG cases according to the legal status of each SG and ensured that I had cases of SGs from each intervention to ensure diversity and comparative understanding. By purposive case study selection, I would have the diversity and could conduct comparative analysis on SG formalization. However, as the fieldwork progressed, I encountered the unexpected; it became clear that none of the SGs represented one intervention alone. All SGs in my sample had interacted with multiple interventions. As a result, using the case as a boundary had become less useful.

Therefore, thematic analysis was adopted for the data analysis in this study. Thematic analysis is a method of identifying, organizing, interpreting, analysing, and reporting patterns or themes within a data set (Braun and Clarke, 2006; Nowell et al., 2017). Thematic analysis is chosen because given our research questions, thematic analysis allows for a rich, complex, and detailed account of the data (Nowell et al., 2017). More importantly, since thematic analysis is a method, not a methodology, it can accommodate different epistemologies and ontologies (Braun and Clarke, 2006), including social constructionism. However, the researcher is required to articulate the assumptions that guide their approach and maintain reflexivity and transparency throughout the process (Braun and Clarke, 2006). Following thematic analysis, I derived key forms of logics from the data, and these became the new analytical categories. Using a spectrum approach with two logics as categories (i.e., community and banking logic), I was then able to distinguish groups according to the logics that they used to explain their practice, as well as the strategies that they used to respond to external interventions in terms of rule adoption or rejection.

### *Data coding*

Data coding and analysis respected an inductive, interpretive research strategy. I had some prior knowledge drawing from SG literature on the role of informal institutions i.e., socio-cultural norms, values, beliefs, and social relations on SG practice and rule adoption (Ardener, 1995; Bouman, 1995; Hospes 1990; Johnson and Sharma, 2007; Green, 2019). In addition, theories of institutional change including institutional logic and institutional bricolage were also used to inform the analysis. However, data were coded around those topics but with no predefined set of codes. I analysed the data around these themes while remaining open to other themes that emerged. Data was coded using NVivo software. Transcripts were produced in Thai by the research assistants and were audited by the author. Codes and themes were recorded in English but some key words in Thai are coded in vivo. Transcripts were then analysed by the author. Analysis was conducted between different phases of the fieldwork. As a result, the results from the first field trip were used to guide follow-up interviews. This included the finding of multiple interventions operating in SG formalization. As a result, follow-up interviews in phase two were also designed to include insights from policymakers, both local and national, and to dive deeper into these issues by situating them in an analysis of SG rule adoption. In total, 14 in-depth interviews, including 6 interviews with SG leaders and 8 key informant interviews with senior policymakers and trainers were added in round 2 to gain more in-depth understanding on this emerging theme.

### 3.5 Conclusion

This chapter has presented the research methodology, starting with a discussion of my epistemological and ontological journey, from a positivist to an interpretivist stance. I then presented a qualitative research approach as a chosen approach for the study. Together with an interpretivist stance, this guided the research strategy, research design, data collection, sampling method, and data analysis. Social constructionism was adopted since the study seeks to understand how meaning making relates to SG rule adoption. In addition, the nature of research questions led me to adopt the case study method. However, although I began the study with sampled SGs from different interventions and intended to conduct cross-case comparative analysis, the SGs turned out to be engaged with multiple interventions. This unexpected discovery necessitated a change in data analysis method, and it was thematic analysis that best enabled me to draw conclusions about SG rule adoption. In addition, the chapter also discussed ways to

mitigate potential biases of the researcher and respondents and to increase the validity, generalizability, and reliability and how these were implemented, along with how ethical considerations have been addressed.



## Chapter 4: Context and Savings Groups

### 4.1 Introduction

This chapter discusses the context in which SG interventions in Thailand occur and then presents short profiles of the groups involved in the study. Beginning with Thailand's cultural context, section 4.2.1 highlights how Thailand particularly maintains social order through the norm of relational harmony, and the concepts of face, merit (*bunkun*), and manners. Section 4.2.2 then discusses how national policy making is embedded in hierarchical and patron-client relationships. Section 4.2.3 then presents a historic overview of SG interventions in Thailand, from the 1960s to the present time. Section 4.2.4 then offers some additional context for the three SG interventions and the Northern region's specific institutions i.e., Lanna culture, economy, and politics. Section 4.3 then presents a brief profile of the eight savings groups that were involved in the study.

### 4.2 The institutional context of SG development

#### 4.2.1 Thai culture

Thailand has a collectivist culture where a great deal of emphasis is placed on maintaining relational harmony, hierarchy, and manners (Hanks, 1962; Komin, 1990; Scroope, 2016; Jory, 2015, 2021). Collectivism is defined as “societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty” (Hofstede et al., 2010, p. 92). Kinship, family and community are important in collectivist culture (Hofstede et al., 2010). Thais prioritize the welfare of their in-group members and will neglect rules when necessary to protect their members (Hanks, 1962; Komin, 1990). Thai culture is also influenced by Buddhism with Thai manners being influenced by Theravada doctrine on mastering one's bodily action (*kai*), speech (*waja*), and mind (*jai*) (Jory, 2021). The concept of merit (*bunkun*) is used to navigate social relationships, reinforcing clientelism. (Hank, 1962; Komin, 1990, Rigg, 1991; Scroope, 2016). Thais are taught to be grateful and loyal to a person to whom they owe favor (Hanks, 1962; Scroope, 2016). Similar to face, merit can be earned, lost, or maintained (Hanks, 1962).

Embedded in collectivism, harmony and respect are highly valued and manifest through the concept of 'face' and 'kala thesa' (Komin, 1990; Scroope, 2016). As Reid (2015) nicely highlighted: “One of the defining characteristics of Southeast Asian societies generally is the high

value placed on civility and harmony in personal interactions and public life” (Reid, 2015, p. 422). First, the concept of face governs the way in which Thais behave and interact with one another (Hanks, 1962; Scroope, 2016). Face represents an individual’s reputation and honour, which can be lost, earned, or maintained (Scroope, 2016). To maintain relational harmony, Thais value being considerate or ‘kreng jai’ and in doing so, they seek to not make another person lose ‘face’ by avoiding criticism and conflict, especially in public (Komin, 1990; Scroope, 2016). Even in a professional context, studies have found that Thais prioritize relational harmony over organizational progress or efficiency (Komin, 1990; Schaaf, 2010). Regarding the second concept, ‘kala’ thesa’, means being aware of social context and is used to guide social interaction. In essence, this concept reflects high value placed on the display of proper respect and manners (Van Esterik, 2020; Jory, 2021). For example, as a country with a long history of gerontocracy (Komin, 1990; Jory (2021), or of “filial piety and respect for elders” (Sharps et al., 1998, p. 658), younger individuals are taught to use polite language with the elderly to display respect (Jory, 2021).

Regarding gendered norms, women play an important role in household management, inheritance custom, and have also been active in earning money (Patana, 2004). However, Komolvadhin (2008) finds that despite more equal access to economic opportunities, women are faced with an institutional contradiction; social norms presuppose women to prioritize their family over their career path, and women still appear to follow the existing gendered norm (Komolvadhin, 2008). In addition, she finds that society is male-dominated and the social norm on women to be ‘good’ has resulted in women having limited bargaining power, both in sexual and gender relations (Komolvadhin, 2008).

#### 4.2.2 Policymaking at the National level

Thailand’s policy making mirrors Thai culture and society at large by being highly centralized and paternalistic (Hanks, 1962; Rubin, 1974; Komin, 1990; Siamwalla et al., 1990; Riggs, 1991; Phongpaichit and Baker, 2015). As a result, policy making reflects the concentration of power in the hands of the Bangkok elites (Rigg, 1991; Kongkirati, 2018). As Rigg (1991) puts it: “The system allows little room for initiative, and decisions are usually taken so that they correspond to the wishes, or the perceived wishes, of those, above...this normally means the wishes of those in Bangkok” (Rigg, 1991, p. 202). The hierarchical bureaucratic structure is also present in the central-local government relations; the allocation of public funds is a top-down centralized process (Johnson, 2001). Clientelism naturally arose from this hierarchical structure and was observed in the relationship between central policymakers (e.g., members of cabinet)

and local authorities (e.g., village heads, local politicians). As Johnson (2001) puts it: “Here, the relationship between village leaders and those who decide and/or participate in rural development is vital; villages with well-connected leaders are far more likely to receive the spoils of public funding than are those without” (Johnson, 2001, p. 122).

As a result of highly centralized and clientelist system, politicians have turned policy implementation into a distributive game. Parties in power will need to please business elites in Bangkok and a large number of rural voters in order to win an election (Christensen, 1993). Such a phenomenon has, in turn, rendered parliamentary democracy fragile and susceptible (Christensen, 1993). As Christensen (1993) notes “public policy becomes a means to redistribute resources from Bangkok back to provinces at the expense of the taxpayer” (Christensen, 1993, p. 4).

#### 4.2.3 SG policies

The development of SG policies in Thailand is characterized by two influences: a long history of ‘top-down’ government interventions and ‘bottom-up’ development supported by NGOs and international organizations. This section will discuss key SG policies and historical events.

Rural communities in Thailand have a long history of interaction with the central government; ‘top-down’ SG policy began as early as the 1970s when the first Savings Group for Production (SGP) was established under the purview of the Ministry of Interior (MOI). The program was initiated in a period where the central government increased its presence, especially in rural areas, throughout the country, as a move against communism (Rigg, 1991)<sup>14</sup>. Consequently, the relationship between SGPs and the government, similar to other community-based organizations created during the period, was ‘top-down’ and hierarchical as the government intended to use the groups mainly for security purposes (anti-communism), rather than community empowerment (Rigg, 1991; Kelly et al., 2012). In the following decades, the government also established the Village Fund program in 2001 and Community Bank program in 2010. In Thailand, the government is the most dominant player in microfinance and SG policies (Lewis et al., 2013).

Meanwhile, a local ‘bottom-up’ approach supported by NGOs, development and international organizations (Kelly et al., 2012) was developed in the 1980s in parallel to the ‘top-

---

<sup>14</sup> During 1960s-1980s, the country was fighting against communism.

down' policies. An interesting phenomenon in this period is the emergence of 'development monks' (*Phra Nak Pattana*) who began implementing and institutionalizing their own alternative development programs (Kelly et al., 2012), including savings groups (Suzuki, 2009). The Sajja Savings Group (SSG) program was created by a 'development monk' called Monk Subin in 1990. The model was based in Buddhism and was replicated across the country, especially in the Eastern region (Suzuki, 2009). The development was a response to widening income and inequalities between the fast-growing industrialized cities and rural agricultural towns (Kelly et al., 2012; Ouyyanont, 2016)<sup>15</sup> that began to widen long before the 1998 financial crisis.

Bottom-up movement culminated in the aftermath of the 1997 financial crisis: the crisis revealed the resiliency of communities in acting as the social safety net that helps absorb shocks (Schaaf, 2010) and an importance of social capital in Thai communities (Baker and Phongpaichit, 2022). There was a growing appreciation of local, participatory development by communities, one that is 'sustainable', 'self-sufficient' and 'local' (Baker and Phongpaichit, 2022). Following the 1997 crisis, more international financial assistance and development funds arrived, leading to the setting up of several local development projects led by NGOs and international organizations (Boonyabancha, 2002). In 1998, the government established the Social Investment Fund (SIF) in collaboration with the World Bank<sup>16</sup> to revive community activity and boost employment and productivity post financial crisis. SIF led to a large increase in the number of community-based organizations, including savings groups; this led to the strengthening of local networks and social capital (Boonyabancha, 2002).

From 2000 onward, SG policy shifted toward populist and market-based approaches. Persistent rural-urban inequalities led to SG policy being used by political parties to gain votes from the large rural majority (Christensen, 1993). During this period, several populist policies were used, including subsidized credit, debt moratorium and debt restructuring (Christensen, 1993). Regarding SG policy, the biggest populist policy in this period was the Village Fund (VF) scheme, where each village was given a one-million-baht loan by the government (Phongpaichit and Baker, 2008; Chandoevwit and Ashakul, 2008). Although initially intended to support the formation of savings groups across the country, the VFs became a tool used by governments to disburse loans and subsidies resulting in household savings remaining low, and household debts

---

<sup>15</sup> This was partly a result of the National Development Plan that geared the country toward industrialized, high growth economy. See Kelly et al. (2012) and Ouyyanont (2016) for more detailed account.

<sup>16</sup> World Bank loan at the time required that funds be used to set up community-based organizations (Siamwalla and Paitoonpong, 2002).

rising significantly (National Reform Council, 2015). Beginning in 2010, a market-based approach to SG policy was initiated; the government intended to use public banks to institutionalize transparency and accountability practice in VFs and tackle poverty and household debt problems, with 'the Community Bank (CB)' program established in 2010 (Government Savings Bank, 2011). The program was one of the largest SG-Bank linkage programs established in Thailand, with the goal to transform VFs into sustainable community banks with the support from the Government Savings Bank (GSB) and the Bank for Agriculture and Agricultural Cooperatives (BAAC) (National Reform Council, 2015).

In a recent decade, as the various types of savings groups have grown larger, so has their degree of financial complexity (Kangvonkit, 2017). As a result, several initiatives have been taken to strengthen semi-formal and informal financial institutions (Meagher, 2013). In 2021, the Community-Based Financial Institution Act (CBFI) was enacted. It was the first law in Thailand to recognize and give legal rights to savings groups regardless of their registration status, on a voluntary basis (National Reform Council, 2015). The CBFI Act represents an attempt to formalize SGs by integrating them into the formal market economy and by the provision of rule of law.

Figure 2: Timeline of key SG policies and historical events



Source: CDD website, Siamwalla and Paitoonpong (2002), Kelly et al. (2012)

#### 4.2.4 The three SG interventions in this study

##### 1) *Sajja Savings Group (SSG) – Buddhist monk-led intervention*

An SSG is a product of the bottom-up grassroots movement led by ‘development monks’ to fight poverty in rural Thailand. The Sajja Savings Group (SSG) was first created by ‘development monk’ Subin Paneeto in 1986 in Trad, the eastern region of Thailand. Monk Subin adopted the idea from Teacher (Kru) Chob, the leader of the one-baht-per-day Sajja Savings Group approach, and he then incorporated Buddhism into his approach (Suzuki, 2009). There are five principles governing the operation of an SSG: 1) reliance on trust and strong ties; 2) the use of saving to strengthen ties; 3) regular meetings and savings; 4) contributions to welfare funds; and 5) voluntary association (Sutunto, 2013). Today, the Sajja Saving Group model has been replicated across the country (Suzuki, 2009). The group has also formed an apex network in the eastern region of Thailand, consisting of more than 58,000 members across 161 groups and representing more than 700 million baht of capital (Lewis et al., 2013).

An SSG is religion-based; rituals, monks, and Buddhist values play a vital role in institutionalizing the SSG model (Sutunto, 2013). Regarding Buddhist values, *Sajja* (integrity, holding on to commitment), compassion, honesty, frugality, diligence, and sacrifice were Buddhist values reported in the previous studies in the context of SSG intervention (Orn-In, 2002; Kacha, 2006; Manpayak, 2006, Suzuki, 2009; Sutunto, 2013). Regarding practices, an SSG revolves around the temple and its monks. First, an SSG office is often located inside a temple, allowing for members to participate in rituals and become close to the monk. (Suzuki, 2009). Second, an SSG has one monk as group advisor, who was trained by Monk Subin (Suzuki, 2009). Third, SSG uses karma, or bad deeds, as an enforcement mechanism; those who fail to repay or save are deemed not true to their words, and hence sinners. Also, those who do not help others (i.e., not donating to the welfare funds) are also considered selfish and unworthy (Suzuki, 2009). The social pressure works rather effectively in communities where Buddhism is predominantly observed<sup>17</sup>. Rules that SSG monks attempt to institutionalize include 1) regular mandatory savings, called ‘Sajja savings’ 2) the setting up of a welfare fund 3) election for committee members and 4) Annual General Meetings (AGMs) (Sutunto, 2013). An SSG relies on collective activity; every month, all members will meet to pledge their savings and donate to the welfare funds according to their capability (Sutunto, 2013).

---

<sup>17</sup> In Thailand, 93.6 percent of the population are Buddhist.

## 2) *Saving Groups for Production (SGP) – Government-led intervention*

Saving groups for production (SGP) was a government nationwide SG intervention initiated in 1974 and is run by the Community Development Department (CDD) of the Ministry of the Interior (MOI)<sup>18</sup>. The objectives of the SGP program are: 1) reduce community reliance on external funding i.e., banks and informal lenders, and 2) increase human capacity to use money and the group process, which will then strengthen family and community (Community Development Department, 2013). Four principles guide SGP operation: 1) self-reliance 2) cooperation and reciprocity, 3) integrity and compassion (*kunnatam*) 4) shared ownership, and 5) self-monitoring (Community Development Department, 2013). CDD also incorporated Buddhist values into their approach, stipulating that committees and members of an SGP must have 'the five *Kunnatam*', comprising honesty, sacrifice, integrity/commitment, compassion, and trust (Community Development Department, 2012).

SGP follows a rule-based intervention approach, where CDD staff provide an assessment checklist and regulations to follow. According to CDD regulation B.E. 2555, an SGP is "a group formed by the people to collectively save and self-organize according to the guideline provided by the CDD" (CDD regulation B.E. 2555, p. 1). CDD regulations stipulate that a CDD director shall have full authority in the supervision and support of an SGP (CDD regulation B.E. 2555). CDD staff act as both trainers and supervisors of SGPs (Community Development Department, 2013). Key rules they attempt to institutionalize are 1) regular mandatory savings, also called *sajja* savings; 2) the setting up of a welfare fund; 3) election of the SGP committee; 4) Annual General Meetings; 5) repayment enforcement. Mandatory savings reflect an emphasis on self-reliance and integrity whereas a welfare fund stress helping as a recognized value (Community Development Department, 2013). Meanwhile, elections and AGMs reflect a shared ownership principle. Apart from this regulation, staff adhere to CDD's manual for rating governance as well their template for written group regulations. Periodically, an SGP will be assessed based on the assessment checklist. In 2019, there were 22,657 SGPs across the country, with more than 5 million persons as members, representing total saving of around 1 billion USD<sup>19</sup> (Fiscal Policy Office, 2019). This was a decline from 26,819 SGPs in 2012. On

---

<sup>18</sup> Since the CDD has a local branch in every district in Thailand, the SGP implementation at the local level was feasible.

<sup>19</sup> 31,969 million baht

average, there are 134 members per group, with an average saving per member of 321 USD (Tambunlertchai, 2015).

### *3) Community Banks (CB) – Public bank-led intervention*

Community Bank (CB) was a nationwide SG intervention initiated in 2010 and is run by the two public banks, the Government Savings Bank (GSB) and Bank for Agriculture and Agricultural Cooperatives (BAAC). The objective of the program was to support strong Village Funds (VFs) to become CBs (Government Savings Bank, 2011)<sup>20</sup>. CBs can be formed by upgrading one strong village fund together with a combination of other village funds and other types of saving groups (Suzuki, 2009). On average, there are 190 members per CB, although the figure can go to as high as 3,000 persons for a medium-sized CB (Fiscal Policy Office, 2019). At present, a national registry of CBs does not exist. Estimates of CBs range from 2,000 to 3,000 in 2019 (National Reform Council, 2015). The Ministry of Finance (MOF) conducted an initial survey and estimated that CBs represent around 135 million USD of savings with more than 880,000 members across the country (Fiscal Policy Office, 2019).

CBs follow a market-based intervention approach, where GSB or BAAC staff provide technical support and incentives to groups. For example, GSB hired a private company to develop group accounting software. Groups that are performing well are also eligible to take out wholesale loans from the public bank. BAAC provides loans to groups at an interest rate of 5.25-6% per annum (Lewis et al., 2013). In addition, periodic training by the local bank staff on accounting, governance, and financial management is also included. To become a CB a group must have: 1) elected committee members; 2) shared ownership structure; 3) full-time employees; 4) written regulations; 5) financial activities including savings and loans; 6) reliable accounting and document storage; 7) welfare activities i.e., funds for welfare, funerals, risk mitigation, scholarships and health (Government Savings Bank, 2011). These requirements represent rules that CB officers attempt to institutionalize in a group and represent an effort to transform a group into a more structured organization.

#### 4.2.5 The Northern regional context of this research

While sharing features of the country's national cultural identity, including collectivism, relational harmony, Buddhism, and clientelism, the Northern region is also unique in its Lanna

---

<sup>20</sup> As village funds mainly provide only loans to members, a CB is hoped to provide a more comprehensive range of financial services to members, who often reside in rural areas, thereby reducing reliance on loan sharks and increasing savings. See National Reform Council (2015) for more details.



culture which includes spirit worship, matrilocality, matrilineage, and norms of reciprocity, contributing to strong community spirit.

### 1) *Socio-cultural institutions*

The northern region was originally home to Lanna kingdom, with its unique Lanna culture that remains influential today<sup>21</sup> (Jarusawat, 2017). It comprises the language or the now-called '*Kam Muang*' dialect<sup>22</sup> and a tradition that revolves around Buddhism and ancestral spirits (Kammoon, 2014; Jarusawat, 2017; Badenoch, 2022). Influenced by Buddhism, Lanna life revolves around the temple: each village has their own temple, where rituals, merit-making activities and celebrations are organized throughout the year, and monks are given an important status (Charoensri, 2018; Schedneck, 2017). In addition, Lanna people worship ancestor spirits for protection and guidance (Shigetomi, 1992; Jarusawat, 2017). The worshipping ceremonies were used not only to transfer social norms i.e., norm of reciprocity, relational harmony, gerontocracy, and traditions to descendants, but also to unite the village as a community (Shigetomi, 1992; Jarusawat, 2017). It is believed that members share the same fate, and an individual act can damage the whole if it disrespects the spirit (Shigetomi, 1992). In addition, Lanna culture was based on matrilineal and matrilocal practices, where traditions and roles were transferred through women (Jarusawat, 2017).

Throughout the years, several traditions unite people in the same village, including the Thai new year celebration, the merit (*boon bang fai*), house rituals, and funerals, reinforcing a common village identity and norm of reciprocity (Shigetomi, 1992). Moreover, the harsh mountainous landscape also reinforces the norm of reciprocity as each household has to depend on one another for labour and other resources (Shigetomi, 1992). In addition, hill tribes contribute to the region's cultural diversity; several hill tribes are found in small communities scattered throughout the mountainous Northern region (Choochart, 1996). Different hill tribes have their own dialect, food culture and costumes, most believe in Buddhism while some have converted to Christianity (Wichai, 2021). The Northern region exhibits strong gerontocratic practices, as Sharps et al. (1998) mentions: "Thai culture is one with a long and enviable history of filial piety and respect for elders. It still maintains such a tradition, especially in the North" (Sharps et al., 1998, p. 658).

---

<sup>21</sup> Before being incorporated as part of Thailand. See Jarusawat (2017) for more details.

<sup>22</sup> The incorporation into Siamese or central Thailand has resulted in the decrease in the use of Lanna language as the Thai government encouraged the use of Thai language. However, the language remains most used in the region apart from Thai language. See Jarusawat (2017) for more details.

## *2) Economic and Political context*

The Northern region is one of the poorest parts of the country, with GDP per capita half of the national average, equivalent to 103,760 baht or 2,964 USD per year (Tambunlerdchai, 2015; NESDC, 2020). The agricultural sector plays an important role in the region, representing the main source of income and employment (NESDC, 2020). Main crops include rice, corn, sugar cane, coffee, tea, and winter fruits (NESDC, 2020). The region is surrounded by mountains in the North and West, with more than half of the lands conserved as national forests whereas one third is used for agriculture (NESDC, 2020; Banedoch, 2022). In terms of financial access, the region has a relatively high degree of household access to savings product (91.2% in 2020) while household access to loans<sup>23</sup> was lower at 51.7% in 2020 (Bank of Thailand, 2020). Weak financial positions were cited as the main reason for low access to loan services (Bank of Thailand, 2020). In line with national conditions, the region performed less well when measured by the quality of services and how well the products and services serve the needs of clients (Ariyapruchya et al., 2019). Meanwhile, there is no gender difference in terms of financial access (Bank of Thailand, 2020). and women play a key role in the economy (De Young, 1966; Bowie, 2008).

The region has undergone significant change during the 1960s-1990s; the arrival of market economy and industrial expansion led to out-migration to other urban cities, resulting in major socio-economic change in the region (Shigetomi, 1992; Ouyyanont, 2016). First, family structure changed with working age people migrating outward for employment while the elderly cared for young children and remained in the village (Michinobu, 2004). Second, non-agricultural sources of income played a more important role sustaining families in the region, as a result of family remittances (Michinobu, 2004). Third, this structural change has made voluntary labour exchange more difficult and necessitates the village to transform from one with voluntarism to collective organisation based on collective agreements and rules, including the savings groups, irrigation groups, rice banks, and community stores (Shigetomi, 1992). Lastly, out-migration has decreased the importance of matriliney as an organising principle of social organisation (Bowie, 2008).

Politically, the monk abbot, village head and teacher are three of the most influential figures within a village (Jarusawat, 2017), most of whom are male, but women also retain an influential role in household finance and management due to matrilocality and matrilineal practices (Rigg, 1991; Sharps et al., 1998; Bowie, 2008). The arrival of Buddhism changed Lanna society

---

<sup>23</sup> Excluding credit cards. The definition and methodology were derived from BOT household financial survey 2020.

from a matriarchal to patriarchal one (Jarusawat, 2017). Formal roles are now held by men, including the village head, monk, and other local government positions (Jarusawat, 2017). Despite the new structure, women retain an important role, both in family and work spheres (Bowie, 2008; Jarusawat, 2017). Women are responsible for household finance and often the ones who make decisions on matters related to credit extension to relatives and friends (Bowie, 2008). The village head is one of the key people since he connects village society with the bureaucratic central government (Rigg, 1991).

#### 4.3 Profiles of eight savings groups<sup>24</sup>

This section provides a brief profile and history of the eight SGs who took part in this study. Due to data anonymization, their real names, location, and identifiable information will be concealed to protect their privacy. Each group was named according to 1) their registration status when first contacted by the research team, and 2) the order in which they were interviewed. For example, CB1 means that group is registered as a CB and was interviewed first among other CBs in the study. A table summarising basic data on the eight savings groups can be found at the end of the chapter.

##### *CB1*

CB1 was formed in 2002 and is supported by the GSB.<sup>25</sup> Most of the members are descendants of Myanmar immigrants and are living on a mountainous hilltop, more than 100 km from the nearest city, reached by a difficult downhill journey. The original immigrants moved across the border following war and political unrest more than three decades ago. Most of the first-generation immigrants do not have Thai citizenship and therefore lack access to basic government provision, while the second-generation has Thai citizenship. Nor is land ownership feasible here since most of the land belongs to the Ministry of Natural Resources. In recent years, the district has become a tourist attraction, the main occupation of the people here therefore includes both farming and tourism-related work. Given the hardship and lack of access to resources, CB1 was formed to provide financial services. Over the years, the group has maintained close contact with GSB staff and participated in several trainings on accounting and software organised by GSB and the Village Fund office. Since its inception, CB1 has grown rapidly

---

<sup>24</sup> Information in this section is derived from savings group data and materials, municipalities, and researcher observation during field visits.

<sup>25</sup> Initially, the group was formed as a village fund but later was upgraded into a community bank.

from 140 members and 718 USD<sup>26</sup> of sajja savings, to 1,844 members and 3,031,250 USD in capital.

### *CB2*

CB2 was formed in 2011 with support from the GSB. The group is ten years old - relatively young compared to other SGs. The group's vision is to help reduce informal debts and improve people's welfare. The group is located in a peri-urban area. Their district is well-developed, with high quality roads and several shops, buildings, and ATMs. The temple in this community is also huge and spacious, signifying its developed status. Like CB1, the group was upgraded from a village fund. However, CB2 is formed by 23 village funds leading to a complex organizational structure. A retired teacher proposed the idea of forming CB2 to village fund heads. It took a long time for the proposal to become accepted by all of them. But in the end, after several town hall meetings and presentations, all the funds agreed to join and form one community bank.

Once the group was formed, the retired teacher became the group's manager and let another well-respected community figure hold the leadership position, neither of which have changed since. The teacher was an influential figure in the village; he held several positions in the village, ranging from CB2 manager to VF advisor, deputy head of the municipal office, and leader of the Elderly Fund. The office of this group is one of the most spacious, modern, and clean that I saw, looking like a bank branch and they own the land and building. There was a GSB ATM in front of the building. The group currently has no welfare fund or community fund. For their operation, they rely on village heads for loan approval and loan collection decisions since the head of each village fund knows all its members. Hence, they are responsible for preliminary screening and loan collection in exchange for some privileges.<sup>27</sup> Over time, the group has grown rapidly from 100 members to more than 2,000 members, and their assets have grown from 938 USD in 2011 to 1,375,000 USD in 2020. CB2 is rated as outstanding by the GSB in 2020 and is now registered as a CBFI under the MOF.

### *CB3<sup>28</sup>*

CB3 was formed in 2010 with support from the GSB. Since then, they have been active in participating in the training events held by GSB, both in the region and in Bangkok. The village where the group is located is in an urban area and was more developed than the majority of

---

<sup>26</sup> Exchange rate used: 1 USD = 32 THB.

<sup>27</sup> Each village head automatically becomes group committee members and get lower interest rates on loans.

<sup>28</sup> Information from this group is less than other groups since they dropped out of the second rounds of interviews.

villages visited. One of the provincial universities is situated here. Members of this group comprise pineapple farmers who have unstable cash income as well as local teachers. The group operates as an apex; they also have an occupation group under their umbrella. The group has a welfare fund and community fund. The leader of the group is a retired female teacher who is also a of a teacher's cooperative, where the group's deposit is placed. Currently the group has 600 members and has 406,250 USD in total assets.

### *Sajja*<sup>29</sup>

This group was formed in 1995 following the advice of Monk Subin, leader of the SSG movement. The group's office was located inside a temple. Members of the village moved from the Northeastern region to settle in the North region four decades ago and called themselves '*Esan Lanna*'<sup>30</sup>. This village was poor and little developed, surrounded by rice and pineapple fields and with small, unpaved roads. The village is divided into smaller sub-units called '*Koom*' where all members know one another. With this tightly knit structure, the group is able to use social information for their operations. Most of the members are farmers. To escape poverty, several working-age men and women in the village went to work abroad and send back remittances to their family who remain in the village, consisting largely of elderly and young children. It took several years for the people in the village to accept the idea of *sajja* savings and form a savings group. But after being introduced to meditation practitioners at the temple who agreed to save collectively, the group was formed. The first committee comprises the district head, village head, principal teacher, who drafted the first regulation with guidance from the monks.

During the inception phase, Monk Subin came to stay at the temple to guide the group. After the group grew larger, contact with Monk Subin became less frequent. A local monk who resided in the temple continued to act as intermediary between the group and Monk Subin's team to provide guidance as the group evolved. The current leader of the group is Monk Subin's student and has been in position for almost a decade. His wife is the group's secretary. One interesting feature of this group is the composition of the committee. Apart from the leader, all other committee members were women. At present, the group has total assets of 416,614 USD and 400 households as members. They are ranked as outstanding by the SSG trainer.

---

<sup>29</sup> To avoid confusion with SGP, I have renamed the group Sajja group since there was only one SSG in the sample.

<sup>30</sup> Meaning a blend of North-eastern and Northern Thai culture.

### SGP1

SGP1 was formed on September 15<sup>th</sup>, 1999, following CDD advice, and is situated in a peri-urban area not far from the city centre. The objective of the group was to provide members with sufficient financial access. Households here are mostly rice, corn, cassava, and soybean farmers. Similar to Sajja group. The community context of this group is a classic example of the 'missing middle' (*wang glang*) village with residents being the elderly and children and the working age population having migrated to work elsewhere. Some migrated to big cities in search of higher paid jobs while others went to work for universities or big companies in the province. The leader also holds several positions in other organisations including the Village fund, the community council, the occupation fund, the sufficiency fund, and village committee. At present, the group's total assets are worth 531,250 USD and members have increased to more than 400 persons. The group has been rated as outstanding by CDD and has been labelled a '*kaokradoad*', meaning a group that grows very fast.

### SGP2

SGP2 was formed on September 1<sup>st</sup>, 1996, following the advice of CDD. The group vision is "to help care for members and communities (*chumchon*) in a genuine (*taejing*) way, for a better quality of life and sustainability". SGP2 is located in a poor rural village where most members are farmers. The socio-economic status of the village was reflected by the poor quality of the village infrastructure including roads and buildings (*look rung*) road, which are one of the least developed compared to all SGs visited. The group office was also relatively small. Their members comprise both individual and institutional members whom they call '*wisamun*' or special members, comprising: 1) an agricultural group; 2) a sock makers group; 3) a bamboo producers' group; and 4) a pig farmers group. The group has a strong affiliation with local government, with the village head automatically allowed to sit on the committee's board and the current leader of the group is also a member of the Subdistrict Administrative Organization (SAO). He has been group leader for several years and is well respected by the members in the village. The group also has a welfare fund that provides for members in the case of death, illness, and birth, as well as a community shop. Their shop was located right next to the group's office. CDD has ranked this group as moderate and labelled this group as '*chao baan*' group, meaning they operate in a local way and grow slowly. Initially, SGP2 had 92 members who each contributed 30 baht as Sajja savings per month, totaling 2,760 baht as initial savings. Since then, their members have grown slowly, from 92 to 202 in 2015, and 272 in 2020, respectively. In 2015, their total assets were 36,912 USD.

### SGP3<sup>31</sup>

SGP3 was formed in 2004 with support from the CDD. They are located in a peri-urban area. Members are farmers and small business owners. Their village is small and tightly knit. Most of the village members are members of the group. The group leader and majority of committee members are elderly women. Some do not speak Thai and prefer to use northern dialect. Currently, they have 406 members; the group also recruited young children and elderly as their members. The group also has a welfare fund and a community fund. The group leader has been in position for ten years and seems to know everyone in the village well. The group also mentioned that they received significant support from the village head, who also acts as honorary advisor to the group. The village head informs the group of new opportunities, mostly competitions where monetary awards were given. The group did not seem to have a close relationship with CDD and is rated by CDD as moderate.

### SGP4

SGP4 is the youngest SG in the sample having formed in 2011 following the advice of CDD. As their village was further divided into two sub villages by the MOI, SGP4 was formed to represent the newly divided village. Although the group was relatively new, its development trajectory surpassed many of the SGPs in the region. CDD has classified the group as '*Kaokradoad*' group, meaning 'group that grows extremely fast'. At present, the group is considering becoming registered as a CBFI to come under the umbrella of the MOF. The leader is well respected by members of the village and owns a computer shop in the community. As he serves several government clients, he has a good connection with government agencies. Key features of this group were an emphasis on the use of software and IT systems, networking, and knowledge sharing. The use of software and a barcode system served to accommodate their fast expansion. Their assets, namely savings, have grown rapidly since its inception. One of the factors of the fast-growing assets include the socio-economic condition in the community. People in their community are generally more well-off than neighbouring villages, and the village roads and buildings were well-developed. More members have business alongside farming. The group office was located close to the village market and school. In 10 years, SGP4 has grown their assets to 228,125 USD and been ranked as outstanding by CDD.

---

<sup>31</sup> Information from this group is less than other groups since they dropped out of the study after the first field visit.

Table 6: Profile of the 8 savings groups

Group	Community context	Group age (Years)	Asset size in Million USD (1 Baht = 34 USD)	Members	Contact obtained from
CB1	<ul style="list-style-type: none"> <li>Village mainly comprise Myanmar immigrants and descendants</li> <li>Poor and rural communities situated in rural hilltop area</li> <li>Lack access to basic government provision for those not obtaining Thai citizenship</li> <li>No land ownership because land owned by Ministry of natural resource.</li> <li>Village comprises mostly elderly and young children</li> <li>Depend on agriculture and tourism</li> </ul>	19	2.9	1,844 persons	GSB
CB2	<ul style="list-style-type: none"> <li>Situated in peri-urban area</li> <li>Quite developed agricultural communities</li> <li>Well-developed roads, buildings, temple, shop, ATM</li> </ul>	10	1.8	2,400 persons	GSB
Sajja	<ul style="list-style-type: none"> <li>Tightly knit village comprising people who migrated from North-Eastern region</li> <li>Poor, rural, agricultural communities</li> <li>Mostly elderly and young children</li> <li>Working population usually go to work in Taiwan or Korea and send remittances home</li> <li>Village has low quality roads surrounded by rice and pineapple fields</li> </ul>	26	> 0.3	400 households	SSG



Group	Community context	Group age (Years)	Asset size in Million USD (1 Baht = 34 USD)	Members	Contact obtained from
CB3	<ul style="list-style-type: none"> <li>▪ Situated in urban area with one large university</li> <li>▪ Quite developed infrastructure</li> <li>▪ Mainly agricultural community</li> <li>▪ Members are farmers and teachers</li> </ul>	20	0.3	600 persons	GSB
SGP1	<ul style="list-style-type: none"> <li>▪ Situated in peri-urban area not far from city centre of the province</li> <li>▪ Poor agricultural communities</li> <li>▪ Mostly elderly and young children</li> </ul>	22	0.5	355 persons	CDD
SGP2	<ul style="list-style-type: none"> <li>▪ Poor, rural, agricultural communities</li> <li>▪ Poor quality village infrastructure</li> <li>▪ Most members are farmers</li> </ul>	25	NA	272 persons	CDD
SGP3	<ul style="list-style-type: none"> <li>▪ Situated in peri-urban area</li> <li>▪ Small tightly knit village</li> <li>▪ Poor agricultural communities</li> <li>▪ Members are farmers and small business owners</li> </ul>	NA	NA	406 persons	CDD
SGP4	<ul style="list-style-type: none"> <li>▪ Village with well-developed roads and buildings</li> <li>▪ Relatively more well-off than neighbouring villages</li> <li>▪ Members often have business alongside farming</li> </ul>	10	0.2	NA	CDD

#### 4.4 Conclusion

This chapter sets the stage for the analysis of SG practices in chapter 5 to 7. By introducing cultural, national, regional, and local institutions relevant to SG interventions. The first section introduced aspects of Thai culture, especially collectivism, relational harmony, hierarchy, and Buddhism. Next, Thai national policy making was discussed, including its highly centralised, hierarchical, and paternalistic nature. It is also laden with patron-client relationships that result in decision-making reflecting the desire or perceived desire of those in Bangkok. Despite a strong hierarchical structure, the 'top-down' SG policies co-exist with 'bottom-up' development initiatives by NGOs, civil servants, international organisations, and development monks. Such dual development persists until the present period. Next, the culture, economy, and history of the Northern region were presented, particularly characterised by a mountainous landscape, Lanna culture (i.e., Buddhism, norm of reciprocity, spirit worship), and matrilocal practices. Lastly, section 4.3 presents the profile of the eight savings groups studied.

## Chapter 5 Logics in Savings Groups

### 5.1 Introduction

Using data from in-depth semi-structured interviews, this chapter seeks to understand SG practices through the perspective of institutional logics presented in chapter 2. Section 5.2 begins by presenting initial unexpected discoveries and their necessary adjustments to the research, and then proceeds to report on the SG's activities and governance practices. In section 5.3, guided by the institutional logic framework, I present findings on how I categorise SGs based on their dominant logic (i.e., community and banking logics). Subsequently, I propose a new way to look at savings groups based on a spectrum perspective to account for clusters of diverse SG practices, which I then present. Section 5.4 discusses the nuances and limitations of the approach. Lastly, section 5.5 concludes and discusses the usefulness of the institutional logic framework.

### 5.2 Initial findings

As earlier noted, my assumption was that the groups that I encountered in the field would be clearly identified with the intervention that had introduced me to them, and that their operations would reflect the approaches that these interventions were promoting. However, my first realization was that this was not the case.

First, all SGs in the sample are relatively mature<sup>32</sup> and have engaged with more than one of the interventions I am studying as well as others such as the Village Fund. For example, CB1 started as a Sajja Savings Group (SSG) in a temple. Later, they became registered as an SGP and as a Village Fund (VF)<sup>33</sup>, before upgrading into a Community Bank (CB). The group therefore had multiple registrations and engaged with multiple agencies. A similar story was found in CB3 and other groups. Second, SG committee members often hold multiple positions across a number of different groups in the village. In all surveyed SGs, leaders hold more than one position, with other positions including head of a VF, head of an occupation group, head of an elderly group, or members of a municipal office. Table 7 summarizes the two observed patterns.

---

<sup>32</sup> With the youngest SG aged 10 years.

<sup>33</sup> Overseen by the Village Fund Office (VFO)

Table 7: Summary of SG engagement with external agencies

Group	Multiple engagement with external agencies	Multiple positions held by group committee members
CB1	GSB, CDD, SSG, VFO	Village fund, SGP
CB2	GSB, VFO	Village fund
CB3	GSB, CDD, VFO	Village fund, SGP
Sajja	CDD, SSG	Village fund, one-baht fund
SGP1	GSB, CDD	Village fund
SGP2	GSB, CDD, SSG	Village fund
SGP3	GSB, CDD	Village fund
SGP4	GSB, CDD	Village fund

Source: Interview data

With this finding, my focus on the SGs themselves deepened to look at each group's dynamics in terms of its relationship to each of the interventions. Moreover, given that the logic of the interventions themselves were inadequate to categorise the group it was then necessary to explore their activity and underlying logic. The following section therefore reports my findings on group activity and governance structure, which varied according to the dominant logic.

### 5.2.1 Group activity and governance practice

SG activity and governance practices vary from the way groups conduct transactions and make decisions to the type of labour used as well as how groups enforce rules, sanctions, and record data. First, regarding how groups conduct transactions, there are groups that only gather once a month to conduct all types of transactions (i.e., save, repay loans, contribute to welfare funds) in public locations or common areas such as a temple. Meanwhile, other groups conduct transactions in purpose-built offices that are open daily. In these groups, individual members can come to transact at any time of the day. Second, in terms of products and services, the most notable difference lies in the mandatory savings product, or so-called '*sajja savings*'. Some groups are very strict with mandatory savings. Members who do not contribute regularly lose welfare

benefits or membership status. Meanwhile, other groups do not have mandatory savings at all. Lastly, the type of labour used also differs; some groups have their committee members do all the operational work while others hire full-time employees to run daily operations.

Similar to group activity, the group's governance practices also vary. To analyse this, I adopted a similar approach as Malkamaki (2015) who used Ostrom's framework as a guideline for studying SG practices covering four areas: 1) how leaders and committee members are appointed (position rule); 2) how groups make decisions (aggregation rule); 3) the way groups sanction non-repayors (payoff rule); and 4) how group record and report their transactions and financial status to members and to the public (information rule). First, regarding the position rule, all groups stated that their leader and committee members must be elected at general elections. Second, regarding the aggregation rule, there are groups that make all their decisions only once a year during the Annual General Meeting (AGM). In addition, there are also groups whose decisions are made by committee members during monthly or emergency meetings. Third, some groups sanction non-repayors by taking the case to the village head while others use legal proceedings to seize the assets of the repayors. Lastly, some groups record all their transactions by hand and occasionally input them into a computer while others digitalize all transactions through accounting software. The latter groups also report their financial status to the public regularly. Table 8 gives an overview of the way the eight groups operate and summarizes these four governance areas in the last four rows.

Table 8: Group activity

Group Activity	Sajja	SGP2	SGP3	SGP1	CB3	SGP4	CB1	CB2
Group venue	temple	Office in public building	Office in public building	Own office and land	NA	Own office and land	Own office and land	Own office and land
Operating hour	Monthly	Monthly	Monthly	Daily	Weekly	Weekly	Daily	Daily
Type of transaction	Monthly get-together	Monthly get-together	Monthly get-together	Individually at group office	Individually at group office	Individually at group office	Individually at group office	Individually at group office
Type of labour used	Volunteers / committee members	Volunteers / committee members	Volunteers / committee members	Full-time staff	NA	Committee members (paid annually)	Paid full-time staff	Paid full-time staff
<u>Loan:</u>								
-Loan products	2 <sup>3</sup>	2	2	3	3	2	3	3
-Interest rate on loan (p.a.)	12%	12%	15%	9%	12%	9% <sup>1</sup>	11%*	12%**
- Late payment fee	No <sup>7</sup>	NA	NA	Yes	Yes	Yes	Yes	Yes
-Loan ceiling (baht)	200,000 <sup>2</sup>	NA	50,000 <sup>5</sup>	150,000, 5 times of savings	500,000	700,000, 10 times of savings	1,000,000	1,000,000
<u>Savings:</u>								
- Savings product <sup>6</sup>	1	1	1	2	3	2	7	5
- Interest rate on savings (p.a.)	0.85	NA	NA	1-2%	1-2.5%	2%	0.25-1.5%	0.85-3%
-Savings rule	Same amount, monthly	Same amount, monthly,	Same amount, monthly	Same amount, monthly	-	-	_ <sup>8</sup>	-
-Savings cap (baht per month)	10-500	-	20-1,000	50-1,000	NA	No cap per month but	-	-

Group Activity	Sajja	SGP2	SGP3	SGP1	CB3	SGP4	CB1	CB2
			And total must not exceed 30,000			total must not exceed 500,000		
<u>Welfare fund</u>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-
<u>Community shop</u>	-	Yes	-	Yes	Yes	-	-	-
<u>Governance</u>  How leaders and committee members are appointed (position rule)	General election by open vote							
How group decisions are made (aggregation rule)	AGM			Committee and AGM				
How non-repayors are sanctioned (payoff rule)	-No dividend -Social pressure	-No dividend -Social pressure -Village head	-No dividend -Social pressure -Village head	-Notice -Legal proceedings	-Notice -Legal proceedings	-Notice -Legal proceedings	-Notice -Fine -Legal proceedings	-Notice -Fine -Legal proceedings
How group record and report information and financial status (information rule)	Written record, periodically transferred into computer	Written record	Written record, periodically transferred into computer	Both written record and computer	Both written record and computer	Computer and accounting software	Computer and accounting software	Computer and accounting software

Source: interview data and group written document

### 5.3 Unpacking SG diversity through the institutional logic framework

In this section, I look at the SGs through the lens of institutional logic. Institutional logic is defined as organizing principles guiding actor's behaviour, comprising a set of belief systems, normative assumption about behaviour, and associated practices (Friedland and Alford, 1991; Reay and Hinings, 2005)<sup>34</sup>. In this study, the focus of analysis is at organizational level; the actor in this case is the SG. For value, I include both explicit and implicit responses. Explicit responses include their direct mentioning of certain values while implicit responses represent texts with implied meaning that require deeper interpretation. To capture institutional logic, I adopt the *pattern-inducing* approach to identify the dominant institutional logic, in line with Reay and Hinings (2005), Smet et al. (2012), and Reay and Jones (2016). In a pattern-inducing approach, institutional logic is captured by analysis of qualitative data inductively, without being compared to ideal types (Reay and Jones, 2016). The pattern inducing approach is chosen because of three underlying reasons. First, the pattern inducing approach is suitable for bottom-up, interpretivist, constructivist, qualitative research. Second, since the research is a small N sample with in-depth interviews, the deductive approach is less reliable<sup>35</sup>. Third, since all the SGs in the sample were involved in multiple interventions, this renders the last approach, the ideal type or pattern matching approach to identifying the institutional logic inappropriate. This section presents an overview of the two logics found whereas more detailed account of group narratives and examples will be shown in the next section when each cluster is presented.

#### 5.3.1 Findings on institutional logics

From the analysis it became evident that there were two strong logics in evidence in the narratives of the groups, not just in the ways that they operated but also in the ways that they explained this. First, all but one of the groups contained what I call a "community" logic, and alongside this there was an overlapping "banking" logic. In this study, the definition of banking logic is in line with Otero and Rhyne (1994), Battilana and Dorado (2010), and Pache and Santos (2013), meaning the pursuit of profit maximization, growth, and efficiency to support organizational survival and meet fiduciary obligations (Battilana and Dorado, 2010; Pache and

---

<sup>34</sup> I follow the definition of institutional logic proposed by Friedland and Alford (1991) who argued that institutional logic comprises both value and associated material practices, and that the two reinforced each other and should not be analysed in isolation. See p. 11, Friedland (2012).

<sup>35</sup> The pattern deducing approach use the counting of occurrences and co-occurrences to reveal patterns, therefore it is usually chosen when scholars have large volume of qualitative data, such as primary texts, articles, and computer programs are often used to count the occurrences (Reay and Jones, 2016).



Santos, 2013). The term market logic is not used because it does not include the specificity of savings group features, which include the need to fulfil financial obligations and achieve technical financial management (Battilana and Dorado, 2010)<sup>36</sup>. Meanwhile, the term community logic is defined as an involvement of non-economic institutions in village life, including family, religion, and household that promote voluntary collaboration, trust, cooperation, and contribution to a common geographic location (Thornton et al., 2012; Diab, 2021). The multiplicity of logics found in each savings group is consistent with Reay and Hining (2009), Besharov and Smith (2014), and Zhao and Lounsbury (2016), who documented the co-existence of multiple logics in an organization and practice variation.

### *Community logic*

The “community” logic that is evident is one that emphasizes the importance of member welfare and relationships within the community above all else. SGs that reflect elements of the community logic include Sajja, SGP2, SGP3, SGP1, SGP4, CB3, and CB1, totalling 7 out of 8. The normative assumption in this logic is that everyone should support each other, ensure the welfare of all members in the community, and contribute to the betterment of community. This logic sees SGs as a form of collective action formed from the support of each member who commits to sacrifice labour, time, and save for the community. The values in this logic include solidarity, sacrifice, self-reliance, helping, flexibility, relational harmony, and fairness. SGs with a dominant social community logic often share seven features. First, the type of transaction involves monthly meeting where all members convene to conduct all transactions at the same time. Each member performs both borrower and saver roles and contributes to the welfare fund, which reinforces mutuality (Haveman and Rao, 1997). Second, the type of labour used often involves voluntary labour from committee or ordinary members, who are then willing to commit time and resources to maintain unity and relationships<sup>37</sup>. Third, the type of products offered tend to feature a comprehensive range of welfare products, whereas loan and savings products are kept simple. Fourth, for decision-making, groups used the Annual General Meeting (AGM) to decide on most matters. Fifth, for rule enforcement and sanction, groups rely on social pressure and have high degrees of flexibility. Lastly, for recording, groups often record their transactions manually; all data is stored in a book and periodically transferred to a computer. The last two features render

---

<sup>36</sup> Market logic is defined the pursuit of growth, market position, and profitability (Thornton, 2004), or as the commodification of human activity, what Friedland and Alford (2011) coined as logic of capitalism (Friedland and Alford, 1991).

<sup>37</sup> Other studies also document voluntary labour in Thai rural villages. This includes Shigetomi (1992), Tannenbaum (2000).

technology i.e., computer, accounting software, and law less relevant in the operation of this group.

### *Banking logic*

In the banking logic, the main goal is the organization's profit and survival, not community and members' welfare. SGs that reflect elements of banking logic include SGP1, CB3, SGP4, CB1, CB2, totalling 5 out of 8. The normative assumption in this logic is that any entity can make profit from providing valuable products and services to its clients. In this logic, SGs are therefore a specialized financial institution offering unique financial products and services. The value proposition of SGs is therefore to provide fast, convenient, safe, and reliable financial products and services to its clients. The values in this logic include growth, return, efficiency or productivity, credibility, professionalism, and transparency. SGs with banking logic as the dominant logic often share seven features. First, the types of transaction involve individual transactions done at the group's office which open at convenient hours. Second, given the type of transaction, some groups hire full-time paid staff who sit behind counters. Some groups also hire a full-time manager who gets paid for taking care of day-to-day operations, separate from the committee. Third, the group offers an extensive array of financial products where welfare products are kept at a minimum. Thus, banking logic emphasizes the specialization of financial services (Pache and Santos, 2013). Fourth, in terms of decision-making, banking logic groups are business oriented and look out for opportunities. They act fast and decision-making can be done by committee members monthly or whenever necessary. They are also proactive to change. Fifth, some groups adhere to written contracts and enforce rules and sanctions accordingly. Legal measures can be taken when the groups' income and sustainability is at risk. Lastly, these groups rely more on technology i.e., computers and accounting software to grow, increase their productivity, and become more credible. They do so by automating transaction records by using computer software, which allows real-time financial status reports and updated member bank books at any time.

### 5.3.2 Spectrum approach and the three emerging clusters

After having identified these two logics in the data, it is also clear that almost all the SGs exhibit *both* logics at the same time. Only two out of eight groups (i.e., CB2 and SGP3) demonstrate elements of just one logic. The banking logic dominates in CB2 and community logic in SGP3. The rest adopt different elements of both logics. It is therefore necessary to present groups with respect to a dominant orientation to these two logics while recognizing that both are

present in different degrees. I use the terms socially oriented and business-oriented to capture the combination of logics on the spectrum.

For example, SGP4 is a business-oriented SG but still relies on voluntary labour and has no paid staff. The adoption of hybrid practices is not surprising since groups have been engaging with multiple interventions. Therefore, to further the analysis, I decided to cluster them along a spectrum. I employed a spectrum approach, as opposed to a categorical approach, in analysing SGs, like Cleaver (2002).<sup>38</sup> The spectrum-cluster approach is broad enough to accommodate SG diversity in terms of their practices while allowing me to analyse nuances found in SG practices, especially groups in the middle, where nuances are the greatest. The focus on group orientation is along the same line as Reay and Hinings (2005), Battilana and Dorado (2010), and Gravesteijn (2014) which emphasize the importance of the group's institutional logic or core orientation.

Figure 3: Spectrum of SG practices



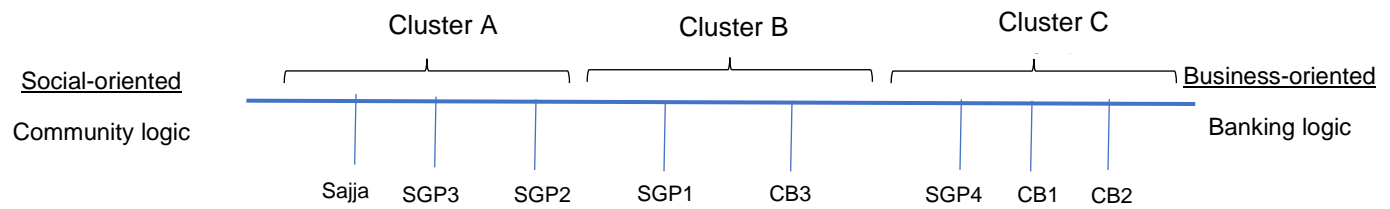
### 5.3.3 The three emerging clusters

Using the spectrum-cluster approach, I was able to cluster SGs into three clusters based on their dominant institutional logic. On the lefthand end of the spectrum lies cluster A, the socially oriented welfare funds. SGs in this cluster are dominated by community logic. Three SGs fall into this cluster: Sajja, SGP2, and SGP3. Next, in the middle lies cluster B, the growth-oriented social enterprises. These SGs are influenced by both community and banking logic. Two SGs fall into this cluster: SGP1 and CB3. Lastly, on the righthand end of the spectrum lies the profit-oriented community banks who are dominated by banking logic. Three SGs fall into this cluster: SGP4, CB1, and CB2. Figure 4 illustrates where each SG is placed on the spectrum. Detailed characteristics of each SG in relation to its position on the spectrum is summarized in table 9 at the end of this section.

---

<sup>38</sup> Cleaver (2002) says that institutions are dynamic and should be considered as a gradient, rather than an absolute.

Figure 4: Clusters of SGs on the social-business spectrum



#### *Cluster A: Social-oriented welfare funds*

The social-oriented welfare funds are influenced mainly by community logic with cluster, community strengthening and the welfare of members in the community being emphasized. They rely mainly on social mechanisms and informal institutions to sustain group operations, including emotional connections and relationships among members, mutual cooperation, trust, shared beliefs and commitment to community value and identity (Marquis and Lounsbury, 2007; Thornton and Lounsbury, 2012; and Almandoz et al., 2017). The values observed in these SGs that reflect community logic include solidarity, self-reliance, helping, sacrifice, relational harmony, and equality. To them, an SG is regarded as community collective action where all members have a role to play. Most of the members interviewed in these groups reported that being part of the group is about more than merely engaging in financial transactions; it shows their contribution to the community, reinforces their social ties, and invokes pride. SGs in this cluster have a multi-purpose structure comprising a savings group, a welfare fund, and a community fund. The focus is on the welfare fund (to provide welfare payments) and less on generating revenue from providing financial services<sup>39</sup>. In other words, this type of SG operates in a similar manner as the government's social security fund.

Mutual cooperation was observed, ranging from how the group is run to how they organize their activities, make decisions, and enforce rules and sanctions. First, in terms of how the group is run, voluntary labour and a loose structure was observed. Across all groups, a common narrative was found where a committee member is expected to sacrifice their time to run the group while members are expected to cooperate. There is no hired employee or manager; the monthly operational workload is shared among committee members. For example, the SGP2 leader mentioned: "We operate once a month. Everything has to be completed within a day because all

<sup>39</sup> Although, in some instances, this type of SG also has their own community shop, it is usually small and does not generate much profit.

committee members have their own work and responsibilities. We cannot work here every day. We have our own jobs. But we continue to help the group". Similarly, an SGP3 committee member mentioned: "This is public work. Money is not our primary objective. We, the committee, must sacrifice". Meanwhile, members mentioned that they cooperate because they see committee members' sacrifices. For example, an SGP2 member mentioned: "Committee members do not get any salary. Maybe a few hundred baht per year. They don't do it for the money. They do it with their hearts... everyone must do their part to make it our home...every one of us thinks like this". Likewise, a Sajja committee member said: "Our group is still here today because all members allow us to be. It is mutual. Everybody plays their part out of love and oneness (samaggi)<sup>40</sup>".

Regarding group activity, the monthly get-together and annual meeting reflect solidarity, mutuality, and fairness. In these groups, all members convene on the same date every month to save, take loans, and contribute to the welfare fund, all at the same time. The monthly get-together also allows members to socialize and reinforces mutuality. As one of the Sajja group members put it: "On the 25<sup>th</sup> of every month, we come to meet one another... this group makes us love each other and are able to help each other". Another Sajja group member mentioned: "I saw other people begin to save and I wanted to do the same. I wanted to join some group in the village... to be visible, you know. I want to participate". In addition, the monthly activities result in group operations being transparent to all members, reinforcing equality and fairness. Transactions are designed to be visible to other members as the tables for collecting savings, loan, and welfare contributions are placed next to each other. No member can take advantage of the group, everyone gets their share of loans and contributes their share of savings. Across all SGs, regular mandatory savings is imposed, called 'Sajja savings'.<sup>41</sup> At the beginning of the year, member must choose the amount to save and stick to it the whole year. Members mentioned that the monthly activity has helped them save and reinforced social relationships.<sup>42</sup> In order to secure the welfare benefits, members must continue contributing Sajja savings. Welfare payments cover births, accidents, marriages, and funerals. Across all groups, members reported that welfare payments and dividends also make sGs different from banks. "The group helps you when you are sick...this is different from a bank (Sajja group member)". Meanwhile, all groups mentioned that decision-making is done once a year during the AGM.

---

<sup>40</sup> The term 'samaggi' in Thai was often used to represent oneness.

<sup>41</sup> All SGs use this term for mandatory savings.

<sup>42</sup> In Sajja group, for example, there is a special term for the monthly get-together: '*sajja together*'.

In terms of rule enforcements and sanctions, values such as flexibility, helping, and relational harmony and social mechanism were observed. SGs in this category have the most flexible repayment enforcement with members compared to other clusters, as one SGP2 committee member put it: “The bank’s money is not like our money. If you cannot repay the bank’s money, you risk losing everything”. A member who is in trouble can discuss with the committee for help. As long as a member shows willingness to pay back, groups will allow loan restructuring. “If a member cannot repay us, first he or she will not get the dividend for that year. Then, we will go talk to him or her about loan restructuring and how we can help. We might not collect interest payment...we will help the person find the solution” (Sajja group leader). The same practice was reported in SGP2 and SGP3. Often, groups mentioned that most members will still be able to pay back small amounts frequently. As groups are flexible with members, these builds trust and relationship between members and group, as an SGP3 member mentioned: “The group is flexible with me. So, I trust them and want to save with them”. These groups also mentioned the use of shame, social pressure, and the village head’s authority to enforce repayment and other rules. The Sajja group also mentioned karma.

Among the three SGs in this category, the Sajja group is the most self-reliant. It relies on religion to unite, discipline, and enforce rules among members while reliance on external sources (i.e., the government) is to be avoided. The group leader mentioned: “I do not like government system because it is a system of control...it is about documentation and reporting...We are based on a communal system...we avoid dealing with government at all costs”. Meanwhile, SGP3 has a more neutral view: “We accept help but mostly our strengths come from ourselves” (SGP3 committee member). Meanwhile, SGP2 displayed obedient language: “District officer orders us to do accounting...We follow government regulations...if we don’t, they won’t take care of us” (SGP2 member). However, they said that they follow their own group’s rule, not the rule of law.

The Sajja group turns to religion to discipline and unite their members instead of relying on the legal system. For example, one member said: “we have different units (koom) in the village...but we all respect the monk, so we listen to what he says...he unites our hearts...” Every year, members will swear in front of a buddha image in a ritual led by the monk, that they will save together. As one member put it: “We have our ceremony. We would pray and swear that we will join the group...and be honest...Sajja means promising to oneself and to the group...if you do not repay, this means you steal other people’s money”. The leader reported that they do not go to the land office to register a mortgage: “We use our own integrity (‘sajja’). In sum, Sajja is the

most self-reliant case where religion instead of bureaucratic authority was used to enforce, discipline, and unite members.

#### *Cluster B: Growth-oriented social enterprises*

SGs in the middle-rung group, cluster B, are influenced by both community and banking logics; they adopt growth and professionalism values and practices (banking logic), but they still want to be self-reliant and flexible (community logic). Two SGs are in this cluster: SGP1 and CB3. Both SGs have been involved with the CDD and the GSB. A common narrative found in both groups across different interviews was that they want to grow but use the profits to give back to the community, and that they want all or most of their resources to circulate within their community. In a way, these SGs seem to be a middle-rung group who have adopted market practices but still resist the forces of modernization. They focus on organizational growth by generating income from providing financial services along with selling products from their shops. Their activity is usually more complex than cluster A; in these instances, they both operate as apex groups and have occupation groups within them.

Influenced by banking logic, these SGs differ from cluster A as they rely less on social norms and more on professionalism in the form of paid employees, contracts, and technology. First, these two groups have their own group offices and paid managers responsible for day-to-day operations. For SGP1, there are two hired full-time employees sitting behind each counter in the group office and serving members daily. In cluster B, committee members only come periodically for monthly meetings on loan approval and inspection.<sup>43</sup> An SGP1 leader also mentioned that buying their own land was important for them: “We bought our own land and have our own office...we no longer have to be considerate to anyone” (SGP1 leader). With group offices and official working hours,<sup>44</sup> the nature of their transactions thus changed from one that depended on the power of collectives i.e., a monthly get-together, to individual transactions with paid staff. In addition, peer pressure and social sanctions that would have been present during the monthly get-together are replaced with enforcement of individual contracts by loan officers, who directly report to the committee. A loan officer in SGP1 mentioned that a written contract is enforced if repayments have been missed multiple times, and this was similarly reported in CB3. Meanwhile, both groups still resorted to legal measures only when necessary. Regarding data recording,

---

<sup>43</sup> In both groups, the manager is the same persons as the group leaders.

<sup>44</sup> SGP1 are open daily whereas CB3 is open once a week.

SGP1 and CB3 both used technologies i.e., computers, but also recorded everything manually. Their trainer explained that they still did not trust technology and wanted to use written records as a last resort when there is a problem with the computer.

SGs in this cluster value growth and efficiency. They are opportunistic and invest their money and time in networking events. For example, SGP1 came up with a new scheme for members to take out loans for buying gold necklaces when the group had lots of surpluses. They did this because they did not want to deposit their money into a bank, where they would obtain minimal interest. Another area that sets them apart from cluster A is that they are open more frequently. SGP1 has full-time staff and owns the office on their own land and is open daily. Meanwhile, CB3 is open once a week. Although they have a business-like practice, to them, a traditional business - or what they term "the capitalist" - takes advantage of the local people by selling highly priced products and charging high interest rates on loans. Therefore, they attempt to cut this circle by providing the same services and products at a lower, fair cost.

These group's strong desire for self-reliance sets them apart from SGs in cluster C. SGs in this cluster value their autonomy and are suspicious of the government's formalization schemes. They explicitly stated that they value their independence and would like to keep it that way as long as they see the expected benefits not outweighing the costs of becoming formalized. Interestingly, both groups stressed the point that they want to circulate the money within their community. "We do not want to become registered as a CBFi because we do not want to deposit our money at the GSB. We are strong because we deposit our money with a local teacher cooperative (CB3 leader)<sup>45</sup>". The SGP1 leader reported: "We do not want to be registered because we do not want to be taxed...and there are too many regulations...We keep our savings here and we then lend out to members. This way, the money circulates here". He also mentioned owning land as one form of independence: "We saved and bought our own land, from our own profit. We did not use government money at all...So, we don't have to be too considerate to anyone". As growth-oriented social enterprises they value fairness and do not trust businesses: "We do not deposit our money at the bank. We let the money circulate within our community... We no longer need the GSB money. We have our own savings" (CB3 leader).

Influenced by community logic, SGs in this category also strongly value being flexible and helping one another, to the point where it can compromise their growth. This is reflected in their

---

<sup>45</sup> The leader and 2 committee members of the group are also a member of a local teacher cooperative. They then set up a joint account at the cooperative to deposit group's savings.



repayment enforcement policy. “For non-repayment, we must look at it on a case-by-case basis, we cannot always use legal measures. We learnt that we must be flexible. We cannot use the bank’s system 100%. It is impossible. So, sometimes we do not get all the money back...however, we must also adhere to what is right. We cannot let our members’ money just disappear...because it is their money” (CB3 leader). For CB3, it is only when members refused to pay for several years will group act, suggesting negotiation and flexibility. As the leader said of a debtor: “He did pay the remaining debt by selling his land, but the feeling is never the same.... Nowadays, member who do not repay will need to come to discuss with the committee members on how their loan can be structured”. A similar policy is used in SGP1: “When a member cannot pay, I say forget about interest. Just pay us back 300 baht regularly. That’s all we need for now” (SGP1 committee member). Influenced by community logic, these two SGs therefore value giving back, solidarity and providing welfare: “At the end of the year, we donate to the elderly, the disabled, children, and also spend the rest on public interest” (SGP1 leader).

#### *Cluster C: the profit-oriented community banks*

The profit-oriented community banks are influenced mainly by banking logic. There are three SGs that fall into this cluster: CB1, CB2, and SGP4. SGs in this cluster are comfortable with profit making and strive to provide specialized professional financial products and services to their customers. They value being professional and credible and are proud that their services are comparable to that of a bank. For example, CB2’s manager described their practice: “We operate like a bank. You come to save, take loans...after you repay, we are done.” Similarly, SGP4 leader mentioned: “Financial institutions often have more than 100 million baht in capital. We were a small group, but we asked ourselves why we couldn’t be like them. That was when we started our group.” Their practice and narrative reflect values such as growth, efficiency, professionalism, and transparency. SGs in this cluster are the most advanced, professional, and tech-savvy groups.

SGs in this category operate like a bank branch. First, they are open daily<sup>46</sup> with working hour suitable for farmers (opening early at 8.30 am). Their loans are approved fast, thanks to their better knowledge of the customers. The daily operation means no monthly activities, a form of socialization that glues socially oriented SGs together. They have their own group office with a designated counter area for transactions, a separate manager’s office, locked safety area,

---

<sup>46</sup> An exception is SGP4, who opens weekly.

computers and CCTV<sup>47</sup>. They also offer the most extensive savings and loan products, more like bank products.<sup>48</sup> They have full-time staff who are friendly to their members and a separate counter for each type of transaction. Two SGs in this cluster, namely, CB1 and CB2 also provide lower interest rates on loans and fee exemption as special privileges and incentives for their employees, committee members, and advisors. Most of the interviewed members also cite convenience, professionalism, and credibility as the main reasons for using the group's services. As one CB2 member put it: "It is very convenient. I can deposit and withdraw anytime I want. I no longer had to ride my motorcycle to a farther place. Plus, the staff are very professional." Similarly, a member from SGP4 mentioned: "I can see my savings amount from my book every time I come to deposit." In sum, their specialized services and products are what set them apart from SGs in the previous two clusters.

SGs in this cluster use technology to promote growth, efficiency, and transparency unlike SGs in cluster A who rely mainly on the social mechanism for their operation. Leaders of the three SGs mentioned that technology (i.e., computer and accounting software) was instrumental to the group's growth and development. All three SGs in this cluster use computers as well as accounting software to automate data recording. The adoption of technology has several implications. First, it allows groups to grow as they can accept more members by reducing the recording burden. For example, SGP4 leader mentioned: "The small group calculates everything by hand, and it is very cumbersome, you know. That is why they cannot grow!" With technology, groups can take on more members. Being growth oriented, SGs in this cluster also have the highest savings and loan ceilings. For example, CB2 manager mentioned: "We can give out loans worth 1 million baht maximum. Loans given will be half of your collateral's appraised value." The average loan ceiling for this cluster is 900,000 baht, more than five times the average amount for groups in cluster A.

Second, computer records allow groups to decrease human error and manage fraud - a narrative they shared. For example, the SGP4 leader recounted that groups that record their transactions manually sometimes did not input the correct amount because they forgot or lost their accounting book. At the end of the period, this became problematic as the figure and cash at hand did not tally. Third, technology increases transparency and credibility as groups can report their status more regularly and members can come to the group office to update their bank book.

---

<sup>47</sup> CB1 and CB2 used CCTV whereas SGP4 did not.

<sup>48</sup> CB1 and CB2, for example, offer multiple fixed term savings products including 12-month, 24-month, and 36-month fixed deposits, each with varying interest rates.

With technology, these groups can close their accounts daily and report their performance regularly, as CB2 manager puts it: “We have survived for 10 years because we have transparency. We report our status, policies, and interest rates to members” (CB2 committee member).

Unlike SGs in cluster A who rely on social mechanisms, SGs in this cluster value legal recognition and the rule of law for effective contract enforcement and sanctions. First, all groups have detailed written rules that stipulate consequences for late repayment and non-repayment i.e., prohibition of savings withdrawal, fines, and legal consequences. Second, all groups have a legal officer in charge of legal proceedings. Third, two of these three groups require formal proof of collateral for mortgage loans: CB2 requires a member to go to register a mortgage at the land office, while SGP4 takes a member’s land deed and store it in a safety box until the loan is repaid.<sup>49</sup> Lastly, all groups expressed their desire to become licensed as a community-based financial institution (CBFI) under MOF so that they can sue members and own assets. For example, the CB2 manager mentioned that: “Having a legal entity is of utmost importance to us because at present we, as a group, cannot pursue legal proceedings, and we cannot own assets from mortgages.” Similarly, the SGP4 leader mentioned: “Once we have a legal entity, our legal department will then be able to handle cases. Nowadays, all we can do is take the person’s land deeds but we cannot really pursue legal proceedings.” Their practice and narratives around legal measures are very different from the social-oriented SGs. However, there is within-group variation; SGs in this cluster still reflect a varying degree of community logic. with SGP4 being the most social and CB2 being the most business-oriented among the three SGs. These nuances will be discussed in the next section.

---

<sup>49</sup> CB1 do not take land document because this group lives on government land on a mountaintop so they cannot own land. Instead, they take photos of the land and housing property as mortgage document.

Table 9: Spectrum table – How groups are classified

Note: community logic is written in green, banking logic in blue, and both logics in orange

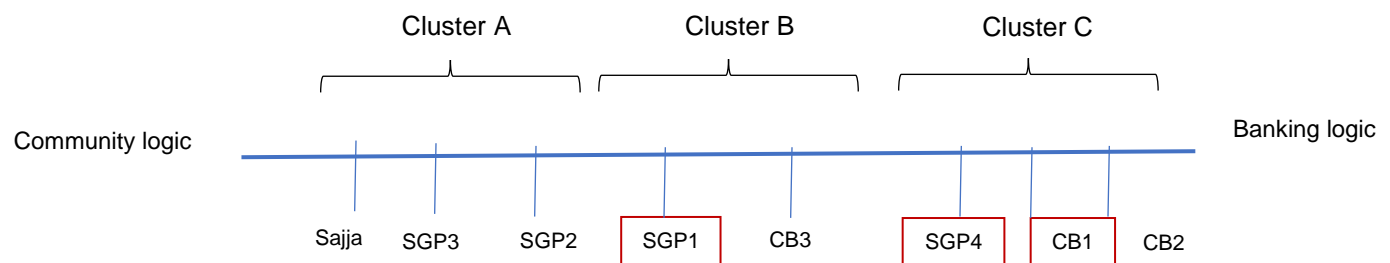
<div> <div>Social-oriented:</div> <div>Community logic</div> <div>Business-oriented:</div> <div>Banking logic</div> </div>								
	Cluster A			Cluster B		Cluster C		
	Sajja	SGP2	SGP3	SGP1	CB3	SGP4	CB1	CB2
Group venue	Temple	Community public area	Community public area	Owned office & land	NA	Owned office & land	Owned office & land	Owned office & land
How group conduct transaction: Collective vs individual	Collective	Collective	Collective	Individual at group office	Individual at group office	Individual at group office	Individual at group office	Individual at group office
Grp office hour: daily versus monthly	Monthly	Monthly	Monthly	Daily	Weekly	Weekly	Daily	Daily
Type of savings: compulsory vs voluntary	Compulsory	Compulsory	Compulsory	Compulsory	Voluntary	Voluntary	Voluntary	Voluntary
Loan and deposit cap	both	both	Deposit cap	both	NA	both	No	No
Welfare fund or not	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Group labor: voluntary vs hired paid employee	Voluntary	Voluntary	Voluntary	Paid full time	NA	Quasi Voluntary*	Paid full time	Paid full time

	Cluster A			Cluster B		Cluster C		
	Sajja	SGP2	SGP3	SGP1	CB3	SGP4	CB1	CB2
How group make decision: bod vs AGM	AGM	AGM	AGM	BOD and AGM	BOD and AGM	BOD and AGM	BOD and AGM	BOD and AGM
How group record data: manual vs computer	Manual	Manual	Manual	Both, no accounting software	Both, no accounting software	Computer and accounting software	Computer and accounting software	Computer and accounting software
How group enforce rules and sanctions: village head vs legal proceedings	Village head	Village head	Village head	legal proceedings	legal proceedings	legal proceedings	legal proceedings	legal proceedings
Flexibility on repayment	High	High	High	High	Low	High	Low	Low
Would like legal status as a community bank	No	No	No	No	No	Yes	Yes	Yes
Value mentioned by members	Love, Solidarity, Helping, Sacrifice, Self-reliance, Equity, Honesty	Love, Solidarity, Helping, Sacrifice, Self-reliance, Fairness	Solidarity, Helping, Self-reliance	Growth, Efficiency, Credibility, Profitability, Solidarity, helping, Self-reliance, Fairness	Growth, Efficiency, Credibility, Profitability, Solidarity, Helping, Self-reliance	Growth, Efficiency, Credibility, Profitability, Transparency, Sacrifice, Helping	Profitability, Growth, Efficiency, Credibility, Transparency, Sacrifice, Helping	Profitability, Growth, Efficiency, Credibility, Transparency, Convenience

## 5.4 Nuances and limitations

In the previous section, I applied the institutional logic framework and identified key values and practices found in the eight SGs. By using a spectrum spanning community to banking logic, I was able to categorize SGs broadly into three clusters based on their dominant logic. However, in many cases, the boundaries between clusters were nuanced and not clear cut as SGs adopt multiple logics and/or practices at the same time. This section therefore will discuss the nuances found and discuss the limitations of the approach. Of the eight SGs, nuances are observed in three SGs in particular: SGP4, CB1, and SGP1.

Figure 5: Spectrum and nuances in group position



First, for SGP4, the group is the most social group among the three SGs in cluster C. SGP4 is tech-savvy and professional, and expressed their desire to become a registered Community-Based Financial Institution (CBFI). However, they have one practice that reflects community logic; staff do not receive a salary. Instead, staff get paid from group proceeds only once a year, irrespective of the amount of time they spent helping the group. The leader reported that each gets 15,000 baht per year on average. This is way below the minimum wage of 12,000 baht per month, or 144,000 baht per year. When interviewed, staff members cited the heart narrative and values such as sacrifice in explaining this. Therefore, this group represents an interesting mix of business-like operations performed by quasi-voluntary labor. In addition, the trainer mentioned that the SGP4 committee does not force troubled members to repay. Rather, they would negotiate for small regular repayment over a long period of time to help members. The practice reflects a high degree of flexibility unlike the other two SGs in cluster C (business-oriented), who strictly enforced fees after a one-week delay.

Second, although CB1 is dominated by banking logic, they also emphasize the welfare fund which reflects community logic. This nuance reflects specific socio-economic conditions--group members consist largely of Myanmar immigrants who do not have Thai identification cards

and thus cannot access basic welfare service from the government. As a result, members look to the group for welfare payments and to them, the welfare product is as important as the financial services. Members' right to receive welfare is enshrined in the group constitution. In addition, the leader in CB1 has a high level of discretion regarding contract enforcement. Interviews with several members revealed that CB1 follows a case-by-case basis for loan restructuring, where the leader assesses who to help. The leader himself explained: "In this village, I know everyone, including their occupation. If you gamble and are in trouble, I don't help you. But if you are diligent and work...we will take care of you." There is also a written group rule stipulating that committee members can consider annulling or decreasing interest for a debtor when deemed necessary and when endorsed by at least half of the votes from members. The discretion of the leader and the case-by-case basis contrasts with professionalization and governance value in banking logic but reflects community logic.

Lastly, for SGP1, group operations align with that of business oriented SGs in that they bought land, have their own office, are open daily, have full-time paid staff, and use computers. However, they still enforce regular forced savings, Sajja savings, with a cap on savings per member. Hence, this group operates in a business manner but mobilizes their resources in the same way as social oriented SGs in cluster A. Moreover, the group narrative and practice reflect a strong adherence to a logic of self-reliance or, in other words, a desire for autonomy, which is an element of community logic (Marquis and Lounsbury, 2007). SGP1 reported that they would like money to circulate within their community and that they see business as "ripping off" local people.

## 5.5 Conclusion

In this chapter, I show how SGs operate in the local, rural areas of Northern Thailand. It was observed that SG practices are diverse. Using the institutional logic framework as a guideline, I was able to identify two institutional logics: community and banking. The community logic focuses on member's welfare and community strengthening while the banking logic focuses on generating profit from offering specialized products and services. The analysis showed that six out of eight SGs feature different elements of both logics. Therefore, to further my analysis and unpack their diversity, I use the spectrum-cluster approach where SGs are clustered along a spectrum. On the lefthand end of the spectrum lies the community logic whereas the other end represents banking logic. This approach is broad and flexible enough to allow me to analyze the diverse practices of SGs in the sample. Following this approach, I was able to cluster SGs into three clusters: cluster A, the socially oriented welfare funds (dominated by community logic);

cluster B, the growth-oriented social enterprises (influenced by both community and banking logic); and cluster C: the profit-oriented community banks (dominated by banking logic).

Using institutional logic as a guiding framework helps shed light on SG diverse practice despite nuances and limitations. SGs in each cluster seem to demonstrate practices and narratives that are coherent with a dominant institutional logic. The socially oriented welfare funds focus more on welfare products and rely mainly on social mechanisms to sustain their practices. They have forced savings, collective monthly get-together, unpaid voluntary staff, and everything is decided together during the AGM. They are also the most flexible with contract enforcement as they value helping, flexibility, and relational harmony more than profit, growth and efficiency. Meanwhile, the profit-oriented community banks have their own offices where transactions occur between the paid staff and the group's paid employees. There is no monthly get-together. These groups rely on law and technology for growth. Meanwhile, there are also SGs in the middle, who feature elements of both logics. For example, SGP1 still enforce mandatory savings but they operate like SGs in cluster C, where individual transactions take place.

While I have endeavoured to present a spectrum, it has also become clear that each SG is somewhat unique in the way it adopts elements of each logic. There is clearly therefore some complexity in how these logics are combined and how the groups position themselves in relation to them. Nevertheless, there is indeed value in employing this analysis of logic, as it demonstrates the messy reality that the interventions of policy makers must interact with.



## Chapter 6: Bricolage in action in Savings Groups

### 6.1 Introduction

In this chapter, I explore the patterns that arose from my analysis of interview data (including stories of past incidence) and evidence from SGs (i.e., the group's written regulations) regarding how groups responded to the different rules introduced by the different interventions. De Koning's (2011) bricolage framework will be used to understand how SGs strategically navigate interventions through adoption (what De Koning calls aggregation), modification (alteration) or outright rejection (articulation). The institutional logic framework from chapter 5 will also be used to help provide perspective on the bricolage process. Section 6.2 presents the findings and analysis. Section 6.3 discusses some nuances and implications for the study. Findings from this chapter should help policymakers understand better the processes of institutionalization of SG activities and see where potential problems may arise.

### 6.2 Findings and analysis

From the analysis, there are six patterns that are of note. These patterns show that, first, SGs are far from being passive recipients of interventions. Instead, they are strategic in choosing different rules to adopt. At times, they choose to modify and reject rules. When this happens, it can be either overt or more nuanced. In most cases of rule modification that I found; change can be more subtle. Second, using the institutional logic framework helps shed light on which rules each group is likely to adopt. SGs with a dominant banking logic tend to be more receptive to rules that involve legal measures, technology, and transparency, and reject rules that limit their growth. Meanwhile, SGs with a dominant community logic tend to be more receptive to rules that make use of the collective such as Sajja savings rule and monthly activity while rejecting rules that involve the use of technology, law, or accounting software. Third, the institutional logic framework also helps explain variation in group response within a particular bricolage pattern, to be discussed in more detail in pattern 1 and 2.

#### 6.2.1 Pattern 1: Simple and smooth rule aggregation

##### a) Finding

So called "Sajja savings" which is the basis of the SSG intervention, is a mandatory savings scheme whereby members save a small, fixed amount each month throughout the year. A member determines his or her own amount within an allowable range. Once the amount is set,

a member needs to stick with it for the rest of the year. This rule was adopted by all groups except CB2<sup>50</sup>. Three groups: the Sajja group, SGP2, and CB1 learnt this rule from the monks whereas SGP1, SGP3, SGP4, and CB3 learnt it from CDD. However, regardless of the agency they learnt from, SGs with a more dominant banking logic tended to respond differently than the ones with a more dominant community logic; banking logic SGs treated Sajja savings as the minimum requirement while majority of the funds are in the form of time deposit or special deposit<sup>51</sup>. The more banking-oriented they are, the more extensive deposit products they have, and the less emphasis given on Sajja savings. SGs in cluster C from chapter 5, who are the most banking-oriented, have the most extensive deposit products apart from Sajja savings. In addition, CB2 also allowed members to deposit Sajja savings annually instead of paying a fixed monthly amount<sup>52</sup>

## b) Analysis

First, Sajja savings rule was adopted by most SGs because the rule aligns with local institutions, including local culture, way of living, and community logic (solidarity, helping, and self-reliance). De Koning (2011) terms this adoption process as ‘aggregation’ or “recombination of various institutional elements” (De Koning, 2011, p. 32). There are three elements supporting rule adoption. First, Sajja is a Buddhist value meaning integrity, fulfilling one's promises. Unlike communal norms that dictate what is appropriate in each situation, Sajja influence is deeper as it is tied to self-identity. For members, an inability to hold on to one's commitment means disgrace, shame, disappointment to honorable self.

Second, the role of SSG monks and rituals help with rule adoption. Majority of Northern local people are Buddhists and life in rural villages often revolves around temples, with monks considered revered figures in the village (Kammoon, 2014). Members across different groups reported that the revered status of the monks, who introduced the Sajja savings rule, helped facilitate rule adoption. For example, one Sajja group's member said: “Monks are the pillars of our group... We didn't understand or know much about savings, but I participated anyway because I respected them”. Similarly, another Sajja group's member said: “When a monk says something, we listen. We respect him. We then merge our hearts into his teaching”. Similarly, a CB1 member

---

<sup>50</sup> CB2 lies on the right most end of the community-banking logic spectrum. The group is the most banking oriented.

<sup>51</sup> For this type of deposit, the committee is the one who set an interest rate, terms and conditions, and when the product shall be available.

<sup>52</sup> According to written group regulation, members are required to have Sajja savings but are allowed two options 1) pay 34 US Dollar annually or 2) pay 3.4 US Dollar monthly.

said: “We used to have a meeting at the temple. We prayed and paid respect to the monks. This helped make members adhere to rules.”

SSG monks introduced the Sajja savings rule by repetition, through rituals and collective monthly activities, which made the rule stick. Every month, the SSG monks lead the group’s monthly rituals and reinforced the adoption of the Sajja savings principle. Ritualization was also documented in Green (2019), where rituals were used as a disciplinary and framing device for members of savings groups in Tanzania. The author mentioned that repetitive elements in rituals enabled the realization of “distinct and replicable forms across a range of contexts” and that this attribute contributes to “the speed with which these organizational forms are appropriated wherever they appear.” (Green, 2019, p. 117). Like Green (2019), SSG make use of rituals to institutionalize the mandatory savings rule and encourage members to save collectively.

In addition, collective monthly activities<sup>53</sup> make use of the already existing community logic, which, in turn, strengthens group identity and sustains rule adoption. Values such as solidarity (*‘samaggi’*), helping, and self-reliance were being mentioned by members. For example, the Sajja group leader said: “We are *Esan* (people from northeastern Thailand). Our common root unites us...also the temple and the monk. When we come to the temple, we are one (*samaggi*) and we show our commitment (*sajja*) to save.” Similarly, another member said: “People in our village are not that well-off. Coming together is important...Monthly Sajja together makes us love each other (*rak*) and we are proud of our group”. Over time, the act of ‘Sajja together’ has become part of the group’s identity, differentiating members from non-members: “I saw that other people in the village come together to save and I want to be part of it. I want to be visible and recognized too, so I also joined. (Sajja group’s member).” This is also similar to an early Thrift industry in California documented by Haveman and Rao (1997), where ideologies and mandatory savings are also used (Haveman and Rao, 1997). The author described Thrift method as: “a system of logic and ethics that combined Stoic prudence and self-command with Christian benevolence” (Havemand and Rao, 1997, p. 1612). The authors also mentioned that mandatory savings were used to distinguish the group from a for-profit bank (Haveman and Rao, 1997).

There are, however, variations in rule adoption. While Sajja savings form one of the core activities in groups with dominant community logic, the rule was adopted but does not reflect core practice of the SGs with dominant banking logic. For the latter, Sajja became the minimum

---

<sup>53</sup> Sajja group required monthly get-together transaction where all members have to convene to save, repay loans, and contribute to welfare funds.

requirement for members to obtain welfare benefits, and there is no monthly get-together to contribute the savings. In addition, most SGs in cluster C, the profit-oriented CB, offer several other kinds of deposits apart from Sajja savings, similar to a bank i.e., time deposit and special deposit. This is because the Sajja savings rule appeals to SGs that value helping one another. Meanwhile, banking logic emphasizes professionalism, growth, profitability, and so Sajja in the form of collective activity is less emphasized. Members in banking oriented SGs often report values such as convenience and professionalism when asked about why they save with groups. However, the fact that this rule was also adopted by most SGs indicates the presence of community logic across most SGs, representing the presence of multiplicity of logics (i.e., both community and banking logics) within the organization.

#### 6.2.2 Pattern 2: Alteration and accommodation of rules

##### a) Finding

In this pattern, SGs reinterpreted the externally proposed rule to fit their context. Alteration and accommodation of rules was observed across all SGs when repayment rule was introduced; GSB and CDD stressed the need to enforce repayment as per the written contract. Interestingly, all SGs reinterpreted contractual time-bound repayment rules to take into account both ability and willingness to pay. All groups mentioned that issues of non-repayment arise, a case-by-case approach is used, and the concept of 'unwillingness to pay versus inability to pay' was used to determine the appropriate repayment enforcement rule. As long as members demonstrate some willingness to pay, instead of being forced to repay the owed amount as stipulated in the contract, groups will continue collecting small amounts over a period. Interestingly, dominant institutional logic or group orientation determines when tough measures will be implemented to recover debt. In socially oriented groups, which have a dominant community logic, a longer grace period spanning several years tends to be granted whereas business-oriented groups, which have a dominant banking logic, members are allowed only weeks to repay<sup>54</sup>.

Another finding was that, across most SGs, they do not simply negate the regulation upfront and instead, use loan restructuring or refinancing to overcome the externally introduced repayment rule. In the first method, they would enact their own group rule under the section called loan restructuring. In this case, the rule would stipulate that loan restructuring will be triggered after a period of non-repayment, and that once an agreed-upon repayment term is made, the loan

---

<sup>54</sup> For example, CB2 only allows members 1-2 weeks of late repayment. Those who exceeded the limit will be fined in the following month.

can then be extended. In practice, the repayment amount can be as low as 300 bahts or 10 dollars per month, depending on the member's circumstances. Most groups say that local people can pay back small amounts of loans over a long period but cannot pay the same amount when collected one time on a yearly basis. As the SGP1 leader mentioned: "Often, they cannot repay large amounts, but they can pay me back 300 baht every week, you know." A similar narrative was heard in other groups. In the second method, groups allow the remaining debt to be refinanced by a different type of loan requiring a guarantor and/or collateral. The large loan is usually called 'special loan'. This practice is also common in cooperatives.

#### b) Analysis

This practice, according to De Koning (2011) reflects an adaptation process where SGs have accepted the rule but attempted to make the formal institutions fit their context. When the rule gets changed by reinterpretation, it reflects SG's conscious adaptation in the process of formalization. It is a situation where local actors engage in 'tweaking and tinkering with different institutions to make them better fit their livelihoods or identity' (De Koning and Cleaver, 2012, p. 285). With reinterpretation, actual implementation can be different from the intended outcome (De Koning and Cleaver, 2015). In this case, external agencies, namely GSB and CDD, attempt to introduce the rule of law to enforce repayment and depersonalize transactions. However, this is considered inappropriate by groups where community logic of helping one another, being flexible, and maintaining relational harmony is present. Through reinterpretation, groups bring back elements of community logic into personal finance. This shows that across most SGs, community logic forms part of the group's multiple logics. This is not surprising since all SGs are situated in tightly knit communities in scattered villages. The finding is also similar to Schaaf (2010), who finds that SGs in Northeastern Thailand prioritized relational harmony over financial efficiency.

Adaptation of the repayment rule reflects the priority placed on embedded communal norms of relational harmony, mutual help, and flexibility, elements of community logic, over bureaucratic regulations. As previously mentioned in chapter four, Thais highly value relational harmony (Komin, 1990). For groups, it is not worthwhile to create long-term damage to the relationships over relatively small amounts of loans (norm of harmony). In addition, Thais value flexibility and can bend the rules to fit a person or circumstances (Komin, 1990). The norm of flexibility can be viewed as a social contract where all members in the village expect the same degree of flexibility when they have trouble. The same goes for the norm of mutual help, which fosters trust and bond among members. As groups reinterpret the rules, it was observed that these values are often used in a narrative to justify their reinterpretation of the rule.

A pattern of narratives was found across groups that reflects an emphasis on the values of mutual help, flexibility, and relational harmony. For example, an SGP1 committee member said: “We understand that sometimes members are in trouble and so we will be kind to them. As long as they send some money, no matter how small, then that’s okay.” Similarly, the Sajja group leader said: “If you really cannot repay, I tell members that they can always come and talk to the leader or a committee member. It is not like we have a hard number and must stick to it. It is a case-by-case basis, not the same for everyone. Our group’s focus is helping each other.”

Likewise, CB3 leader said: “We have used legal measures and it has affected the feeling between that member and our group... So after that, we are flexible with members. They can come to talk to the committee members to restructure the remaining debts.” Other groups also echoed this narrative. In turn, flexibility and negotiability is one of the reasons that members choose to join a group. For example, an SGP3 member said: “As groups are flexible with us, we trust the groups and would like to save with groups”. This is similar to Johnson (2004) who finds that members joined savings groups because of their negotiability features. When analyzed further, the case-by-case approach is feasible in these groups due to the tightly knit community context. If committee members do not have a knowledge of a member, it would be difficult to implement a case-by-case approach. While this approach accords more flexibility, a high degree of discretion leaves the group vulnerable to potential abuse (Johnson and Sharma, 2007).

In this pattern, differences in dominant institutional logic help explain variation in a group's response to the same externally introduced rule. SG's dominant logic seems to be correlated with how they enforce repayment. For example, in business oriented SGs (including CB1, CB2, SGP4), a member is allowed a shorter grace period before their case is changed to *unwillingness to pay*. Moreover, the written group rules clearly stipulate late repayment measures. In these groups, legal measures are considered acceptable. In addition, a lawyer was hired to work on non-compliant cases. Groups explained that they must do it to survive. For example, the CB1 manager said: “We need to survive too, you know. The group is for community but also it is a business and involves a lot of money!” In this case, groups have an intention to adopt repayment rules and only alter the condition slightly. In contrast, in more socially oriented groups (including Sajja group, SGP2, SGP3), legal measures are reserved for cases of extreme necessity. Instead, taking the case to the village head is the preferred option. Long grace periods are granted to troubled members. In this case, the degree of alteration is much higher than the business group with dominant banking logic. In this regard, institutional logic helps explain variation in the group's response and the degree of alteration and accommodation that occurs.

### 6.2.3 Pattern 3: Subtle alteration and articulation or covert alteration and articulation

#### a) Finding

Data indicated that each SG tried to maintain their engagement with all the external agencies by initially saying ‘yes’ to most proposed rules which they may subsequently reject or adapt. At first glance, SGs seemed to welcome all interventions<sup>55</sup>. However, when I delved deeper, significant variations in rule adoption were observed. SGs do not adopt all the rules from different agencies as they initially said they would. For example, when I visited SGP3, I saw a computer in their group office and was told that the group received the computer from the GSB. GSB intervened to promote digitalization and transparency while preventing fraud. However, their trainer later revealed that the group did not use the computer and still recorded their transactions on paper. Nonetheless, the computer was placed conspicuously to serve as a public symbol of adoption. The same situation was also observed in Sajja group and SGP2. In addition, non-confrontational yes followed by rejection or rule bending was also reported for accounting software, repayment enforcement, savings and loan caps, and elections rules. *Subtle alteration*, whereby SGs initially say yes to a rule but later decide to change it, is motivated by livelihood strategies or norms of relational harmony. In the context of SG formalization, this phenomenon has several implications for program implementation. First, subtle alteration leads to SGs appearing as if they have adopted all rules from different agencies when, in fact, they have not. Hence, if the intervention is a one-off or lacks a monitoring mechanism, group responses might be misinterpreted and hence no outcome is ever achieved. Or, in long-term intervention, ‘Thai style yes’ makes it hard to distinguish whether a group would like to adopt a rule or simply wants to postpone it indefinitely without any intention to adopt the rule at all. An example of this was given by a CDD trainer, who mentioned that SGPs often cite AGMs as a way to postpone rule adoption, and therefore avoid institutional change.

#### b) Analysis

There are two plausible explanations for the Thai style ‘yes’: Thai cultural norms and livelihood strategies.

In regard to Thailand cultural norms, saying yes to avoid confrontation is often seen as appropriate as Thai culture values peace, non-confrontation, and most importantly ‘face’ (Komin, 1990). As a high-context communal culture, social harmony and ‘face’ are prioritized over tasks

---

<sup>55</sup> An exception is Sajja group, who refrained from any involvement with any government agency.

(Knutson et al., 2003; Komin, 1990; Moemeka, 1998). As a result, Thai people view disagreement as negative and to be avoided (Komin, 1990; Sahban and Abbas, 2018). Rejecting external agency recommendations or offers can be regarded as confrontational. Saving face as well as *kreng jai* (consideration) are the right ways of interacting with others (Knutson et al., 2003). This often results in Thais avoiding conflict by saying 'yes' to everything despite their disagreement to prevent discord and maintain relational harmony.

Another plausible explanation is more strategic: SGs say yes to maximize access to resources in the context of clientelism. External agencies are often perceived as having superior status and resources to groups. In line with the context of Thai clientelism previously mentioned in chapter 4, patron-client relationship can dictate group behavior; SGs mentioned that they reported to all agencies so that "they will take care of us...otherwise, they won't." From the SG's perspective, accepting all rules means an opportunity for them to access different resources which they can then maneuver for different uses. Groups would like to maintain relationships because they never know which agencies will bring much-needed resources in the future. A similar phenomenon was documented by Cleaver (2012), who found that common resource management groups in Tanzania avoided conflict as part of their livelihood strategy to secure access to resources. Resource dependency, in this case, helps explain the strong dislike of conflict (Cleaver, 2012).

#### 6.2.4 Pattern 4: Alteration – subversion or compromise

##### a) Finding

The fourth pattern that I observed was that all groups conduct open voting for the general election of leaders and committee members. Interestingly, all groups use the same term, 'hand-raising' or '*yok mue*' (in Thai) to represent the act of voting and how they comply with the externally recommended proposal to hold elections. Across all groups, SG leaders stressed that they have been democratically elected by their people in justifying their legitimacy. For example, the SGP4 leader said, "I did not want to continue being the leader, but they (members) kept raising hands (*yok mue*) for me." Similarly, the Sajja group leader said: "We do not select committee members. It is the members who raise their hands for us every two years." Coincidentally, across all groups, the current leaders have been serving for more than one tenure, with an average tenure of 8 years.



## b) Analysis

The phenomenon of an open ballot or '*yok mue*' (hand-raising) took place because the externally introduced rule itself is vague and leaves room for alteration by SGs. Normally, Ministry of Interior (MOI) election rules regarding village organizations committee members often involve two different options 1) a secret ballot and 2) an open ballot. However, in regard to SGPs, MOI only vaguely stipulates that SG committee members shall be elected by SG members and shall have a limited tenure. No mention is made of either secret or open ballot. Given such a vague rule, all SG committees were able to conduct open ballots, potentially allowing local power groups to remain in position for long periods of time<sup>56</sup>. However, an open ballot rule veers away from the original intent of the agencies' election rule. CDD and Monk guidelines stress democracy and inclusion as the underlying principles while GSB also emphasizes transparency, governance, and credibility. This implies that members should cast their votes strictly based on their preference and leader groups should be altered regularly to prevent elite capture (Community Development Department, 2012; Government Savings Bank, 2011). In this way, we see the bending of externally proposed rules as part of the bricolage process (De Koning, 2011). This pattern of rule adoption reflects a group's internal power dynamic, regardless of their dominant logics.

The implementation of an open ballot, or hand-raising by SGs could be due to either compromise or subversion. First, hand-raising could be a result of a compromise between the implementing agency and local SGs to make the rule more feasible--hand raising could have been viewed by agency as an easy method to institutionalize seemingly democratic practices in local groups, as some SG members might be illiterate or not comfortable with a secret ballot. Or it could be 'subversion', where SG leaders negotiated omission of the secret ballot rule in order to protect the status quo. Cleaver (2002), De Koning (2011), and Steenbergen (2016) also documented similar phenomena in other countries where local bricolage processes, in some instances, have been found to reinforce existing inequalities in local communities.

To understand why an open ballot could be problematic, the role of socially embedded cultural norms, such as conformity, must be considered. In the Thai context of relational harmony, conflict avoidance, and clientelism (Komin, 1990), the use of an open ballot for all members does not necessarily allow members to cast their votes as they desire. Members may tend to follow the

---

<sup>56</sup> When analyzing MOI related regulations e.g., regulation on the selection of committee members for village organizations, a similar situation was found; both a secret ballot and an open vote were allowed as options for the selection of committee (Ministry of Interior, 2008).

majority, rather than their own preference, to maintain peaceful relationships and protect themselves. As a 'face' culture, Thais do not want to create discord, upset the status quo or confront existing power groups upon whom they might depend for resources. The finding is also similar to UNDP findings by Worakul (2006), where an SG in Southern Thailand reported that "to elect new committee members while the old ones have been performing well would be seen as insulting" (Worakul, 2006, p. 16). In sum, in an open ballot, it is highly likely that ordinary members will not openly cast their vote against powerful members.

Similarly, Steenbergen (2016) found that for the case of a community-based conservation group in Indonesia, when externally introduced frameworks are flexible enough, local village leaders might adapt them to their own interests. One local leader steered the selection of committee members toward their kin and family members following adaptation or rule-bending of the requirement for broad representation by external agents. However, he pointed out that the phenomenon should not simply be regarded as local elite capture or failure since there was a positive conservation outcome. Nevertheless, tensions and intra-group dynamics should be assessed and addressed (Steenbergen, 2016). Cleaver (2002) also found that the bricolage process has in some instances reinforced social division: young members, women, and poorest families were still excluded from the resource management program in Tanzania (Cleaver, 2002). Similarly, Johnson and Sharma (2007) also documented an abuse of power by SG leaders, sustained by lack of transparency and accountability in SG practice.

#### 6.2.5 Pattern 5: Overt alteration and articulation of rule by using discursive argument

##### a) Finding

In this pattern, SGs adopt discursive arguments or narratives that draw on the specificity of their local context to justify adaptation or rejection of externally introduced rules. Interestingly, most groups use the same Thai word '*boribot chumchon*' (meaning community context) when they reject or bend rules. This pattern was observed across almost all groups, but the rules in question differed. For example, CB3 used this narrative when they rejected the use of legal enforcement proposed by GSB for unpaid loans: "We cannot use the law for everything, you know. It doesn't suit our community context". Meanwhile, the same narrative was found in the Sajja group when they rejected the minimum welfare and savings contribution rule proposed by Monk Subin. "Yes, we refer to Monk Subin for recommendations...But we have to make some adjustment to make the rules suit our context...Our context (*boribot*) is different from theirs and

therefore changes are needed (Sajja group leader).” Similarly, the narrative of local context (*boribot chumchon*) was used in SGP1 and SGP4 in regard to CDD regulations. For example, the SGP4 leader mentioned: “CDD recommended us to do many things, but what they proposed came from the central authority. Those recommendations do not reflect the context of each village. Each village has a different context (*boribot*), so rules must be different. It is impossible to be the same as they expect”. Similarly, the SGP1 leader said: “CDD regulations are generic (*ruam ruam*)...We have to then adjust to our own context. Each group is different, you know.” A similar narrative was found in other groups.

#### b) Analysis

In this pattern, a discursive argument focusing on the uniqueness of local context has been used by SGs to secure a group's own decision-making power, often when they disagree partially or completely with the externally introduced rule. Like subversion, this pattern reflects the SG's attempt to retain autonomy. Discursive arguments are often used in the process of rule rejection or rule adaptation to justify what locals see as the right way of doing things (De Koning, 2011). This process demonstrates how socially embedded institutions function as a barrier to the adoption of bureaucratic institutions (De Koning, 2011; Cleaver, 2002). As De Koning argues: “This process relates to the actors’ deeply embedded understanding of the ‘right’ way of doing things. Local actors continuously discursively draw upon these understandings: they make claims on traditional belief and social norms to neutralize the impact and effects of bureaucratic institutions” (2011, p.33-34). Regarding adaptation, a narrative can also be used to justify rule bending and rule negation (De Koning, 2011). In this case, the narrative used often reflects a reinterpretation mechanism, which often occurs when a group attempts to adapt to the externally introduced rule (De Koning, 2011). The use of a unique local context narrative also resonates with the regression theorem which posits that externally proposed rules far from the local way of doing things will not stick (Boettke et al. 2015).

To understand how this pattern of bricolage became used across different groups, and why the same term, ‘local context’ (*boribot chumchon*), was used, it is important to refer back to development at the national level that began in the 1980s, discussed previously in chapter 4. It turned out that SG’s ‘community context’ narrative might have originated from a nation-wide bottom-up movement for decentralization that began in the 1980s. In this ‘unique context’ narrative, SGs cite their local wisdom to justify their autonomy. Johnson (2001) and Kelly et al., (2012) documented an NGO- and monk-led development movement in the 1980s that emphasized an alternative development path. “The centralized paternalistic power of the

entrenched bureaucracies in Bangkok” is challenged by the promotion of local wisdom and self-reliance that empower communities to take control of their resources (Kelly et al., 2012, p. 6)<sup>57</sup>. Similarly, Johnson (2001) documented the use of ‘community’ narrative to reject or resist state-led modernization. Johnson (2001) described NGO-led bottom-up movement in 1980s-1990s in rural Thailand as “a philosophical orientation that is decidedly hostile towards the forces of market capitalism and globalization...an assumption that community orientation, village institutions and self-sufficiency can promote an alternative form of rural development” (Johnson, 2001, p. 123). The author also documented that the movement ultimately led to constitutional reform, enshrining the rights of the local communities to conserve their customs, knowledge, and culture and participate in the management of natural resources and environment.

In this observed bricolage pattern, SGs’ narratives resemble the wider discourses on bottom-up development.<sup>58</sup> Once again, it shows that SGs are strategic and creative in the way they deploy different norms, values, or logic to achieve their goals. Even the Sajja group also used this strategy against Monk Subin when they felt that the rules did not suit them, even though the SSG monks are not part of the government or market economy. In sum, this pattern shows that SGs make use of the community logic strengthened by narratives of prior NGO movements to justify their response to the process of SG formalization. They send a clear message: they know their community best, and so they should be the ones who decide on which rules to adopt. I regard their action as an example of overt alteration and articulation of rules by using discursive argument.

#### 6.2.6 Pattern 6: Overt alteration and articulation of rule by using group identity

##### a) Finding

Among the four SGPs in the sample, the two fast-growing ones, called the ‘leapfrog’ groups (*kao kradoad*), rejected the deposit and loan cap rules proposed by CDD. The rules were recommended to groups because CDD does not want SGPs to grow to unmanageable sizes. The rule stipulates that an SGP shall collect not more than 20 baht per month from a member for

---

<sup>57</sup> The authors also mentioned critics of the movement. One critic is that the attempt to separate communities from the state and market is not practical and sustainable in the current era of modernization.

<sup>58</sup> This narrative is the same as the one used by proponents of fiscal decentralization ‘*Individual local governments are presumably much closer to the people and geography of their respective jurisdictions; they possess knowledge of both local preferences and cost conditions that a central agency is unlikely to have*’ (Oates, 1999, p. 1123).

savings, and loans should not exceed the savings amount<sup>59</sup>. However, both groups explained that they have already exceeded the limit stipulated by the rule. In both groups, the term 'leapfrog' was used to identify themselves and justify their rejection of the rule.

#### b) Analysis

Local people can articulate their collective identity to reject or adapt government regulations (De Koning, 2011). One of the mechanisms through which institutional logic can have an influence on individuals and organizations is through an identification with collective identities (Thornton, 2012). Collective identities are developed from social interactions and communications among members of a social group and are a common cognitive, normative, and emotional connection that once institutionalized, becomes the group's own distinct institutional logic that dominates that group (Thornton et al., 2012). In this case, the collective identity of the 'leapfrog' groups is that of growth and efficiency, a key feature of banking logic, which does not align with CDD's limiting rule which seeks to retain elements of community logic. The CDD enacted the deposit and loan cap rules to ensure that groups remain small and their transactions simple as growing too large can be problematic.<sup>60</sup>

Interestingly, both SGP1 and SGP4 used discursive arguments to turn the negative 'leapfrog' label into a positive 'leapfrog' narrative that justifies their rejection of the CDD rule. Both groups mentioned that they initially observed the rule but as the groups matured and got larger, this CDD rule no longer served them. For example, an SGP1 leader said: "The rule is fine for a newly formed group, but our group is 20 years old, you know...CDD only allows us a certain limit for loan, we already exceeded it. Also, CDD told us to collect savings for only 20 baht a month, we're doing 1,000 a month." More importantly, the SGP1 leader mentioned that given their status, it no longer makes sense to follow the rule: "We surpassed CDD criteria...So, we do not need to follow all their rules...it is time for us to set new rules for ourselves... we are the groups that leap forward." A similar narrative was observed in SGP4: "CDD said our group grew too fast. We 'leapfrog'. They said that they were worried...but our committee is the one who decides... when the old regulation no longer serves us...we hold a meeting and let members raise hands for us" (SGP4 leader). In addition to their size and growth, both groups also emphasized their capacity

---

<sup>59</sup> If a member wishes to ask for loan amounts that are higher than his or her savings, he or she will have to find a personal guarantor who has an unused savings quota with the group, as measured by their remaining savings that have not been used for loan application.

<sup>60</sup> Another way to look at the phenomenon is that CDD might not have the capacity to oversee large and sophisticated savings groups and thus enacted the rule to reflect their capacities.

to justify their 'leapfrog' identity. For example, both reported that they volunteered to help CDD more than getting help from them: "Nowadays, instead of them (CDD) helping us, we help them... We are now close to the GSB... We have grown too fast for CDD, you know...we do everything like a bank now" (SGP4 leader)."

In sum, these two groups co-opted the term "leapfrog" (*kaokradoad*) given by the external agency to denote rule-breaking to instead mean they are ready to 'jump forward' and leap higher than what CDD has envisioned for them. Both groups highly value growth, an element of banking logic, and use discursive arguments to achieve their goal. By adopting the new 'leapfrog' identity, with more orientation toward banking logic, the group's bricolage strategy moves from adoption to ultimately rejecting the legitimacy of some CDD rules. This pattern shows that the dominance of a logic within a group can change over time, leading to changes in intraorganizational collective identities (Thornton et al., 2012), and, in this case, institutional change.

### 6.3 Reflections on bricolage theory

This analysis suggests that there are some limitations to De Koning's bricolage framework. First, SG responses to externally introduced rules might be more nuanced than the categories proposed by De Koning due to cultural norms of relational harmony, face culture, and unequal power dynamics. More specifically, given the culture of 'face' and an emphasis on relational harmony, SGs say yes to all interventions up front only to abandon or change the rule later. Their initial agreement upon an encounter with an external agency might be interpreted as rule adoption when in fact they intend to alter the rule (alteration) or never had the intention to adopt it (articulation). In the Thai culture of patron-client relationships where poor rural residents are often the target of multiple forms of development interventions, SGs might not want to break the relationship with any external agencies which hold superior authority and resource access. In Thai culture, rejecting one's proposal, especially that from a person with a superior socio-political status, is considered unwise and can be regarded as an act that breaks the other person's face and hence relationship (Rigg 1991; Komin 1990). Moreover, SG does not know which agency will bring the needed resources in future. Consequently, they might see the need to strategically please external agencies or at least do not 'break their faces' by upfront rejection. This point is clearly reflected in group narratives.

Examples of this nuanced response can be found in the instances of computer adoption and repayment enforcement rules. Three SGs<sup>61</sup> accepted a computer but rarely used it, while putting it in the front of their office for all to see. This could be due to either their lack of competent staff or rejection of technology. In either case, this does not lead to the intended development outcome of institutionalizing technology and transparency in group data recording. Another example is the repayment rule. All Groups said they take this rule seriously but, they often do not collect the debts back as contracted but instead grant the members long grace periods when they are considered 'not able' but 'willing' to repay the debts. From their practice, it is unclear whether groups tried to adapt the rule to suit their context or intended to disregard the rule subtly by using the concept of 'inability to pay vs unwillingness to pay'. Meanwhile, the development officer might be inclined to interpret the group response as welcoming and accepting. Another example is the use of the AGM as a reason to delay adoption. These cases do not fit clearly with adaptation or rejection. Groups might never intend to adopt a rule in the first place. Or, they do not yet have the capacity yet and are working toward rule adoption. In this case, the external agency will be unlikely to find out if they do not have a monitoring system or close contacts with groups.

Second, this analysis has sought to demonstrate how bringing institutional logic into the discussion of bricolage enriches understanding of how the group's motives - drawn from their underlying identity - affect their bricolage strategies. For example, this study has shown how norms of relational harmony which operate with the underlying community logic, lead to adaptation of the loan repayment rules. Combining these two approaches therefore adds depth for understanding how the nature of formalization processes being introduced interacts with these logics to produce different patterns of adoption, adaptation, and rejection.

Moreover, the analysis has also identified how the way rules are adapted may fail to have the intended outcome. In particular, while holding elections and voting at AGMs might endeavour to build transparency and accountability in SG operations, the way this rule is used locally to support hand raising can in fact have the reverse effect, since members may be unwilling to express alternative opinions or not vote for those in power, for fear they will put at risk their own entitlements within the group.

---

<sup>61</sup> All 3 SGs in the social-oriented welfare funds group (community logic is dominant), including Sajja group, SGP2, and SGP3

## 6.4 Conclusion

This chapter explored how SGs adopt rules by using De Koning's (2011) institutional bricolage framework. It presented six response patterns observed in the study and discussed the how and why of each pattern in detail. In sum, it found that SGs are strategic in terms of how they adopt, adapt, or reject externally introduced rules. When the externally introduced rules align with the groups' norms, values, and logic, it gets adopted easily (Boettke et al., 2015). This was the case for the Sajja savings (mandatory savings) rule introduced by the SSG monks and CDD. However, when rules are not aligned with the group's logic, it was found that SGs use discursive arguments, reinterpretation, postponement, and a non-confrontational 'yes' followed by rejection for the adaptation or rejection of external rules. Their responses were found to be more nuanced and subtle than might be thought.

In addition, the use of institutional logic and clusters from chapter 5 has helped provide an explanation as to why groups adopt rules as well as variation in rule adoption. Using De Koning bricolage framework as a standalone framework might not yield full insight on SG-external agency interaction. Instead, using the framework together with institutional logic framework that includes collective identities, logic, or even boettke et al. (2015) theorem that includes the degree of discrepancies between formal rules and informal local norms brings more insight. Overall, SGs with dominant community logic tend to be more receptive to rules that make use of the collective identity such as the Sajja savings and monthly activity rules, while rejecting rules that involve the use of technology, law, or accounting software. Together, the patterns and rules adopted shed light on the SG formalization process and present areas where potential problems may arise.



## Chapter 7: SG Interventions – their logics and bricolage

### 7.1 Introduction

Given the finding that the three interventions studied are overlapping at the ground level, this chapter explores the causes for this through interviews with senior policymakers in Bangkok and officers at the provincial level. Section 7.2 discusses the wider policy context which has given rise to the multiple overlapping interventions. Section 7.3 will then discuss how each agency strategically differentiates their programs in this somewhat crowded environment by making use of institutional bricolage and institutional logic frameworks.

### 7.2 The wider policy context giving rise to multiple interventions

Interview data revealed that the primary cause of multiple overlapping interventions is a high degree of centralization and lack of coordination in SG policy implementation. Regarding the high degree of centralization, in Thailand the different ministries played a key role in policy design and implementation across all the subnational levels (Mutebi, 2004). For example, a former senior Prime Minister Office (PMO) microfinance expert explained:

*“Nowadays, too much money and power of the central government and ministries have restricted development in Thailand...These ministries have a lot of legal power and each of them feels that they have authority...They enact rules, own budgets, basically everything...We have central government implementing projects at the community level!... local government entities are not strong...they have limited power, budget, and role.”*

One indicator of a highly centralized system is a strong presence of central government agencies across all provinces through the establishment of local offices. “No matter which province you go to, the first thing you see is numerous central government offices crowding both sides of the road!” (Former senior PMO microfinance expert). The presence of these field offices of the central government agencies in every province was designed to ensure effective control of the rural population (Chardchawarn, 2010). These field offices implement projects according to policy direction from Bangkok, alongside local government entities, representing a dual governance system (Johnson, 2001). “These ministries own offices and lands in local areas and want to exert power on everything” (former senior PMO microfinance expert). Along a similar line, the CDD Provincial Director reported: “For us, executives in CDD, policies are cascaded down

from the central ministry to us...We need to follow the direction from the centre. When the policy direction compass shifted, we had to follow. Sometimes, this creates problems...”

In addition to being highly centralized, public administration in Thailand remains highly uncoordinated (Poocharoen, 2010). Each department follows directives from the different ministries in Bangkok, initiates their own programs and does not coordinate with one another. “These divisions and ministries focus on their own business and consider other divisions and ministries irrelevant to their business. Meanwhile, local people have to coordinate with all of these multiple entities. This should not be the case. (Former senior PMO microfinance expert)” Similarly, a senior development officer mentioned: “The Thai bureaucratic system works in silos. Each agency has its mandate and implements what they think should be done. But if you look at committee members in all these funds, they are the same group of locals...women's fund, and several other funds are like this.” Meanwhile, local government entities have limited resources and power to run their localities (Chardchawarn, 2010; Patamasiriwat, 2012; Kangvonkit, 2019). “For local government entities, development is done in a much more integrated manner. But they have limited power. The degree of decentralization is low.” A lack of coordination results in local people being imposed top-down in a disoriented manner. “The locals are like puppets. They have been pulled in different directions, here and there, by the different ministries” (former senior PMO microfinance expert).

The culture of fear also contributed to a lack of coordination among the different departments in the Thai bureaucracy. Within and across departments, there exists a norm of ‘not crossing each other’s line’ to avoid conflict between departments. The norm dictates that each department stays within their boundary of authority. “It is incredible how much fear is in the system. Everyone is like ‘I cannot go beyond my jurisdiction’. They are all afraid of crossing each other’s line” (a senior development officer). Similarly, a former PMO microfinance expert mentioned: “Coordination is hard to come by...there are walls between each ministry.” Lack of coordination makes it hard for development programs to be implemented since the program often involves more than one department. “When you work with the different departments in a ministry, you get answers like ‘I can only answer about environmental issues, if you would like to know about social issues, it is beyond my division’s jurisdiction... This makes running a development program challenging! (Senior development officer).”

A lack of coordination leads to similar microfinance programs being carried out by different agencies, unrelated to each other but sharing the same objectives. The findings reveal a presence of multiple funds in one village, each under the purview of a different ministry. “In one district, you

see at least 4-6 different types of funds initiated, each with different mechanisms but which are not related to one another” (former senior PMO microfinance expert). These funds include the SGPs who are under the Ministry of Interior (MOI), Village Funds (VFs) who are under the Prime Minister Office (PMO), cooperatives who are under the Ministry of Agriculture and Cooperatives (MAC), CBs who are supported by the GSB and BAAC, women funds who are under the PMO, and many other funds. Similarly, a former GSB program director mentioned: “...right now it is ‘Village Fund office said this, CDD said that GSB said this, BAAC said that...’ but in the end, they are all doing the same thing...and they all target the same locals! ...there is no coherence, and this confuses local people!” In some instances, the presence of several funds also leads to unnecessary competition. “When there are several funds, they start to compete with one another, you know. Competition on dividend payouts, interest rates, and even welfare payments then arise, to name a few” (former GSB program director).

Across interviews, senior officers mentioned that there should be coordination as well as a clear division of roles and responsibilities. For example, a senior development officer mentioned: “They should sit together and help one another...seriously discuss who will take what role and how a problem can be solved.” Similarly, a former GSB program director mentioned: “All of them should come together and discuss on a case study basis so that it is going in the same direction.” Part two will further highlight that for SG intervention, in fact each agency skillset can be made complementary to one another.

The second finding is that highly politicized policymaking also contributes to multiple overlapping interventions and lack of policy continuity. Across interviews, policymakers reported that microfinance policy is highly politicized. “Recently, the government has made local communities much more dependent on them...in fact, local communities in Thailand like to be self-sufficient. They do not want to have a lot to do with the government, you know” (former senior PMO microfinance expert). In recent years, the government has been using SG interventions as a tool for populist policies (Phongpaichit and Baker, 2005; Chandoevwit and Ashakul, 2008). As each political party wants to have their own legacy, the new government tends to overthrow or neglect past programs and create their own.

*“The problem is that when a new government comes in, they create another type of fund. For example, Yingluck government created a nationwide women’s fund...with a hidden agenda of bringing women into politics to vote for their party...They simply created another development fund and implemented it across the country. As a result, we now see several*

*funds like this in one village. It is all fragmented and messy” (Former senior PMO microfinance expert).*

In the past decades, several development funds and local organizations have been created e.g., the VFs mainly with the goal to channel public funds to local communities to gain popularity (Chandoevwit and Ashakul, 2008). This phenomenon adds to the complexity of the intervention environment at the local level as it results in 1) multiple overlapping intervention programs and 2) lack of policy continuity.

Highly politicized microfinance policy also brings with it a new populist logic where locals expect free money or subsidies from the government. Populist logic is to win popularity and power by appealing to the poorest, most vulnerable, and disadvantaged groups in the society using massive redistributive measures, often by providing quick and easy responses to the complex problems of poverty and inequalities through e.g., subsidies, debt moratoria, financial support, (Mudde, 2010; Müller, 2017; Prieto and Berman, 2022). “Each government comes and uses an easy way out to tackle poverty. This does not really solve grassroot problems” (Former senior PMO microfinance expert). Similarly, a senior development officer mentioned: “When politics interfere with microfinance intervention, capacity building at the local level is not achieved, only money given...in no time problems will arise”.

Across interviews, VFs have been considered a highly politicized policy intervention which has had immense impact on the whole sector. The VF program was the largest and most highly politicized microfinance scheme in Thailand. It has been used by several governments to disburse money to local communities (National Reform Council, 2015; Srisuksai, 2021). Two senior policymakers who were involved with the design and implementation of the VF program initially hoped to take microfinance in Thailand to the next level by integrating all the multiple funds and strengthening rural communities on a gradual basis. However, the program failed to do so and was used instead to create a political legacy.

*“Initially, the Village Fund was supposed to unite all the several funds already existing in one village, it was supposed to be a tool to boost financial mechanisms at the grassroot level holistically. But the Thaksin government then did not want it, they said it would take a long time, and not many communities would have that kind of capacity. They simply wanted to stamp their branding on the program, telling the local people that they have given one million baht to every village. It was mainly politics” (Former PMO Microfinance Expert).”*

Similarly, a senior development officer explained:

*“The Village Fund was a good idea but a bad approach...the VF program should be separated from politics...each village should improve themselves to get the one-million-baht loan...they should see the money as difficult money, not easy money. Instead, all villages, regardless of whether they are weak or strong, got the same one million baht. This is because it was politics and not a real effort to solve the problem...the Village Fund became a political promise made to local people during the election by the Thai Rak Thai party” (Senior development officer)*

Villagers consider the money from the fund, or what they call ‘the one-million-baht fund’ (*kong tun ngerlarn*) as a windfall (Chandoevmit and Ashakul, 2008). “It was viewed as ‘Thaksin’s money’ and thus several people believed it was OK not to repay” (Former senior PMO microfinance expert). “The locals, they feel that they are entitled to receiving the money; they will look for ways that they can maximize their share” (CDD field officer). The phenomenon has directly impacted other microfinance organizations and SGs in the villages. For example, the coming of VFs has decreased the number of SGPs as people opt for ‘easy money’.

*‘It is basically free money from the government, so the locals are like ‘why do i need to form a savings group to collect savings? Let’s choose the easy way out. Under my supervision, there used to be 50 SGPs, but now there are only 29. Many locals prefer easy money to difficult money, you know’ (Senior CDD officer).*

Another CDD officer termed the behavior as “whose hand is the longest are able to get the most money”. That is different when it is their own savings (CDD field officer).” In addition, the Village Fund relied on local networks to disburse funds quickly (Chandoevmit and Ashakul, 2008), which in turn, led to elite capture, favoritism, and low impact in terms of poverty reduction (Coleman, 2006; Srisuksai, 2021; Vera-Cossio, 2022). Exclusion and low turnover were also mentioned. “The real poor are excluded...discrimination is embedded in the VF system” (a senior development officer). “A good fund needs to be revolving, people need to repay. If this is not happening, then it is too politicized. Recently, different governments have been using the Village Fund scheme as a mechanism to splash money to the locals” (former senior PMO microfinance expert).

Being a top-down highly politicized program, the rules of the VFs regarding repayment terms and conditions differed vastly from other existing savings groups in the village. Instead of having to repay on a weekly, or monthly basis, now the locals only need to repay once a year.

“Locals cannot repay a large amount once a year, you know. They can only repay small amounts frequently. So, in the end, some members end up borrowing from other savings groups to repay their Village Fund loans. others do not repay at all” (SGP1 leader). A large portion of the Village Fund loans were never repaid but instead rolled over by those that gained them, leaving vulnerable groups excluded from the fund (Coleman, 2006; Boonperm et al., 2012). Hence the benefits of these loans were frequently captured by local elites<sup>62</sup>.

Highly politicized policymaking also leads to policy discontinuity. New governments ignore policies and programs initiated by former governments and seeks to implement policies that they see as increasing their reputation and this can be at the expense of existing programs and communities (McConnell, 2010; Kaye-Essien, 2020). This leads to policy discontinuity (Kaye-Essien, 2020) and poor outcomes (McConnell, 2010). The phenomenon was mentioned in most interviews with senior policymakers. Policy changes from the central government i.e., the coming of VFs along with other community development programs have decreased local CDD resources available for the SGP program and hence their relationship with the local SGPs. The CDD Provincial Director’s complained of being overburdened with new assignments.

*“Our core program, the SGP program, has been neglected due to a change in policy direction from the centre... I wish those executives could reconsider their policy and understand what our core work should be. SGP program is the right direction. We use SGP to develop people, who then strengthen the community...With policy change, our staff are now less focused and trained... In the old times, there was even a regulation for the CDD trainer to go and spend the night with the group...Just one motorcycle, the staff, and trust...we stayed overnight when invited. It is in situations like this that trust, and faith develop between the group and the trainer. Once trust is developed, the group listens to us when we guide them. Going in and out of the village frequently was how we reinforced our SGP principles...that is not the case now” (CDD Provincial Director).*

The senior and operational level officers also echoed the same narrative as the Provincial Director. “With more work, we had to let the SGP go for a while, you know. But then after some years, we realized there have been some fraud cases. And that was when we realized we needed to recheck the SGPs” (A senior CDD officer). “Nowadays, SGP work has dropped.

---

<sup>62</sup> Nevertheless, the policy has made Thaksin and his party become popular among the rural population, representing two-thirds of total population, who then distinguished themselves from Bangkok and the ruling elites (Phongpaichit and Baker, 2008).

But let me tell you, this SGP is the real work in our department, other work assigned are like burning straws” (CDD field officer).

In sum, this section has shown that the presence of multiple overlapping interventions is a result of several factors including politics, lack of coordination within and across departments, and a culture of fear about ‘crossing each other’s lines’. The next section will present how each agency seeks to strategically differentiate their program in this context.

### 7.3 Bricolage by implementing agencies

Using interview data from Northern Thailand, this section demonstrates how different agencies implement SG formalization programs. Their implementation strategies will be analyzed using institutional bricolage and institutional logic frameworks. This section will highlight how each agency (i.e., monk-led, central government-led, and public bank-led) differentiate their programs in a multiple intervention environment. It shows that agencies also learn from each other and use or reject logic to tailor their programs to local contexts.

#### 7.3.1 Monk Subin and articulation strategies<sup>63</sup>

The monk-led Sajja Savings Group (SSG) demonstrates how implementing agents reinforce local institutions i.e., community and Buddhist logics in the face of external SG interventions. The SSG movement was part of a nation-wide bottom-up development movement following rapid but unequal industrialization. When rural communities fell behind in the era of industrialization and modernization (World Bank Group, 2019), Monk Subin suggested that communities look inward and rely on themselves.

The core strategies used by Monk Subin to differentiate his program was 1) articulation against banks and government and 2) promotion of Buddhist and community logics, which aligned with the rural way of life. According to De Koning (2011), articulation takes place when agents reject the introduced institution and even mobilize themselves against it (Gebara, 2019). In the case of Monk Subin, a clear narrative against government and market interventions was observed. This discourse is similar to NGO ‘bottom-up’ movements previously discussed in chapter 4, where markets and government are considered external forces that impoverish rural communities and devalue local institutions (Kelly et al., 2012). Hence, communities need to stand

---

<sup>63</sup> The data in this section comes from an interview with Monk Subin in 2011, conducted by V-Reformer (in Thai). Due to the covid-19 outbreak, travel restrictions and Buddhist rule prevented the team from having an interview with Monk Subin and hence secondary data from previous interview was used, along with findings from previous studies.

up for themselves and become self-reliant, thereby becoming shielded from the market and an authoritative state (Kelly et al., 2012).

Monk Subin (SSG movement leader):

*“Banks, they do not know or care when you are sick. If you need money urgently, they even charge higher. So, they make you suffer more...Why don't you rely on yourself and your own community and help each other instead?...I tell them that borrowing from outsiders does not help the community...loan sharks, banks are outsiders...Banks are too far from the community... Banks are not your brothers or sisters, they are outsiders. So, if you must rely on outsiders, then that means you are very weak, like you need someone else to put an oxygen mask on you”. (Monk Subin, 2011).*

SGs in the social-oriented welfare fund, where the community logic was dominant, echoed Monk Subin's narrative. For example, Sajja group leader mentioned:

*“We do not rely on outsiders, we focus on helping each other and ourselves...Monk Subin stressed that we must not get involved with the bureaucratic system...The bureaucrats, they come to control us, so we will not be ourselves. The government also requires lots of documents, distribution criteria, everything. We must not get involved. We do not focus on that. We focus on relying on ourselves” (Sajja group leader).*

Apart from articulation against banks and government, Monk Subin adopted aggregation strategy where he emphasized community and Buddhist logic, elements that were already present in rural Buddhist villages. First, Monk Subin used the Thai merit-making culture as a starting point to engage locals to form an SSG. “I would approach the group by asking, ‘Do you already make merit regularly? Do you play the lottery? If so, would you like then to donate together and collect money for the poor...and for yourself?’ (Monk Subin, 2011). Once the group agreed, he then proposed that the group office reside inside a temple, where monthly rituals, praying, and collective transactions also take place (Suzuki, 2009). Buddhist values or ‘*Kunnatam*’, including Sajja (integrity, commitment), honesty, frugality, sacrifice, and compassion are reinforced during rituals, praying, and preaching (Sutunto, 2013). Monk Subin promoted *Kunnatam* instead of relying on bureaucratic regulations. “The only sustainable way for development is to make people have *Kunnatam* in his hearts. You don't need many regulations. With *Kunnatam* in his heart, he will not take for himself or be involved in fraud.” (Monk Subin, 2011).



Apart from Buddhist values, Monk Subin also reinforced community logic using the welfare fund (Suzuki, 2009). Interest rate is not a term used in an SSG, 'maintenance fee' is used instead. Monk Subin explained that this is to prevent an association of group with for-profit entities, which promotes greed (Orn-In, 2022). Maintenance fee is to be redistributed to members, half of it as dividends, and the other half as welfare fund (Orn-In, 2022). The use of welfare funds together with collective monthly activities is seen as helping promote solidarity among members (Sutunto, 2013).

In sum, Monk Subin's use of the local way to shape interventions is in line with Boettke et al., (2015) who posit that including local elements into the newly introduced institutions is what will make an institution stick (Boettke et al., 2015). Also, it reflects what Gebara (2019) terms 'Rock shaping the water', where an implementing agent does not simply seek to impose new institutions for the locals to adopt and adapt, but at the same time, agents consider the local way of doing things and tailor the intervention to suits their needs. This suggests that the relations between institutions and practices are characterized by reciprocity (Gebara, 2019).

### 7.3.2 GSB and aggregation strategies

As a financial institution, the GSB is driven by banking logic, and the SG program represents a win-win for the bank. Instead of rushing to open more branches in rural areas, GSB sees an opportunity to gain access to the bottom-of-the-pyramid market through the local savings groups. GSB implementers took the SG intervention as an opportunity to engage with CBs and SGPs to strengthen them<sup>64</sup> and provide them with their wholesale and/or individual loans. In return, they helped strengthen groups' accounting, financial, management and IT systems, thereby providing them with the information that is also useful for GSB for loan making. According to the former program director:

*"If you use savings as a criterion for making loans, then it is easy and the risk for the bank dramatically decreases...The SG program was an opportunity for me to carry out GSB work in the most effective way... My philosophy was a win-win approach...I saw that the market with local communities was big... We realized that they lack a practical and detailed accounting system...that their accounting was weak. So, I invented my method with my team...We printed out excel sheets on A3 and gave the*

---

<sup>64</sup> GSB was tasked by MOF in 2001 to incubate and supervise VFs, CBs (upgraded from VFs), and have also worked with CDD briefly to strengthen SGPs.

*piece of paper to savings groups every month. Our team then helped groups close their account and audited their account' (Former GSB program director).*

Aggregating the local norm of reciprocity into their intervention, the GSB lead officer devised a win-win strategy where they focused on helping groups with accounting and IT systems in exchange for loan making and group information. Each month, the team would print a big paper with excel sheets for groups to fill in manually, the team then used the information to keep track of the group's accounting and perform periodic audits for them. Over time, helping groups enabled the officer to build good relationships with them.

*"I gained the hearts of the locals (dai jai) when I helped them set up an SG...Other banks opened a new branch, but I am not afraid you know. It's all about the language...SGs speak the local language, not bank" (Former GSB program director).*

This engagement has allowed GSB to differentiate their presence from other banks. Regarding loan making, GSB officers devised an easy language to educate groups on how to make loans; they advised them that loans with small amounts and short maturity can be provided by SGs whereas loans with long and large amounts can be provided by the GSB. "I tell them that small and short (loans) are for you, large and long (loans) are for GSB" (Former GSB program director).

The GSB's expertise seems to be filling an expertise gap left by the CDD. According to one of the *leapfrog* SGPs, SGP4, one of the factors that drew them toward the GSB is the GSB team's technical strength on accounting and IT systems. These are areas that they lack, given current CDD support. "GSB helps us a lot, they know about accounting and the IT system...We also attend all of their training sessions...CDD does not help much when it comes to accounting...It's more like we help them" (SGP 4 leader). Similarly, SGP1 and CB1 mentioned that CDD are not as experienced when it comes to management and accounting.

In sum, although GSB initiated their program with a banking logic, they approached SGs by using the norm of reciprocity and elements of a community logic, which, over time, has allowed them to build relationships with groups and follow their win-win strategy. GSB came in with financial expertise and this has helped groups. In addition, it shows that external agencies, too, aggregated local norms when implementing their program to differentiate themselves from the competition.

### 7.3.3 CDD aggregation and articulation strategies

To strategically differentiate its program from VFs and CBs, CDD emphasizes their community and Buddhist logics, similar to Monk Subin. This stands in contrast to banking and populist logic of the GSB and VF programs, respectively. Across interviews, local officers mentioned ‘real ownership’, bottom-up, helping, and *Kunnatam* (buddhist values). For example, the CDD Provincial Director said: “Nowadays, most funds come from government subsidies...but for SGs to be sustainable, it must come from the community themselves...that way SGs can be sustainable and have the strength to be in the area.” Similarly, a field officer explained: “Savings of SGP all come from local people with CDD regulation as a guideline...meanwhile, for VFs, local people will try to maximize their benefits from the funds because they feel that this is not their money.” This was consistent with the narrative explained by several SGP members. For example, SGP1 leader said: “For the million-baht fund<sup>65</sup>, most of it is government money”. Similarly, the SGP4 leader said: “VF is money given by the government.” In sum, CDD officers echoed a narrative against free money (VF) and bank money (GSB).

For CDD, both GSB and the Village Fund initiatives brought a new, populist logic that weakened the current SGs. A senior CDD officer mentioned:

*“When there are financial institutions that come to give top-up loans to existing savings groups, or the government comes to give free money to savings groups, this makes the weaker groups weaker. The stronger groups, they will not want more...But the weaker ones will say ‘why then do we need to save? It is capitalism, you know. It has changed communities. I do not know how long we can withstand this trend. The only thing I can do is to support and monitor the strong SGPs that remain.”*

CDD also viewed banking logic as taking advantage of local groups. As the CDD Provincial Director said: “The bottom line for the GSB program is for the bank to make more loans from these local people. So, in the end, all the money goes back to them”. Similarly, a senior officer said: “GSB, they are here to make profit...We are not like that.”

Local officers stressed the bottom-up community logic. For example, a CDD senior officer mentioned:

---

<sup>65</sup> Locals used the term ‘million-baht fund’ to represent the Village Fund.

*“Our program is voluntary. It is capital truly built by the locals... we focus on Kunnatam, sajja<sup>66</sup>, using the SGP to strengthen community...each member has ‘sajja’, meaning they commit to save...Also, we emphasize welfare, so groups help their community...it is helping one another” (CDD senior officer).*

Similarly, a CDD field officer mentioned: “SGP is a savings group by the local people, and the group fosters love and oneness through collective action. It is helping each other”. Their narrative is similar to that of SSGs led by monks. Learning could have taken place between CDD and monks that allowed them to aggregate the practice from one another.

CDD reinforced their SG principles through a system of SGP training and networking. CDD officers stressed that they do not provide money but focus on giving knowledge. This, again, differentiates their program from GSB and VF.

*“We do not provide money for the SGP, but we provide knowledge, and we do not do legal proceedings, we use the five Buddhist rules (kunnatam) as principle<sup>67</sup>...We let stronger SGPs teach weaker SGPs, a system called ‘siblings help siblings’...SGP committee runs their group themselves, it is truly capital from the community, unlike other groups that received initial funding from the government”. (CDD Field officer).*

The SGP school and network function not only as a knowledge exchange platform that reinforces norms of reciprocity and social sanction. Across interviews, SGP committee members said that CDD helped connect them with other SGs and learn new practices. Meanwhile, CDD officers also use the platform to reinforce CDD principles and discipline weak SGPs. “I use a networking system. All troubled (non-compliant) SGP cases are raised during the networking event...It is SGPs helping one another. You can’t just run SGP any way you want to” (CDD field officer). Interestingly, the network is led by a group of strong SGP leaders who have been trained by CDD. As the SGP1 leader mentioned: “I help CDD lecture other groups...I teach them that this SGP model allows the profit to remain within our community. Everything is distributed and shared in our community. We don’t need to give to business!”

CDD’s differentiation strategies also include letting go of SGPs who identify themselves more with banking logic. These groups tend to grow their assets rapidly over the years.

---

<sup>66</sup> Sajja means integrity, holding on to one’s commitment.

<sup>67</sup> CDD promotes five Buddhist values including honesty, sacrifice, integrity/commitment, compassion, and trust, which they stipulate are the required attributes of committee and members of an SGP.

The CDD field officer reported:

*“Under my supervision, SGP4 is the one that is a leapfrog group. They have used computers since the very beginning. They have the capacity and technical know-how. But the downside is that they grow too fast. They are much younger than other groups, but they have accumulated more than 2 million baht in sajja savings and more than 5 million baht on special sajja savings. They have some NPLs though...More importantly, they have lawyers as their committee, so they know how to mediate and all that...For other groups that are not leapfrog, they follow our guideline by the book.”*

Once the SGPs reach what they call ‘a leapfrog’ stage, CDD officers no longer restrict them to remain with the CDD. One CDD officer puts it: “For the leapfrog SGPs who would like to go to the MOF, I usually tell them to go. I don’t stop them. If they are mature and want to fly, I let them fly” (CDD field officer). However, once the SGPs decide to leave CDD, the local officers are no longer taking care of groups. “If they choose to go and they have problems with the banks, I usually tell them that we cannot help them. It is beyond our jurisdiction” (CDD senior officer). Once again, this shows how little coordination takes place among the different external agencies. In sum, CDD practice makes use of community logic, Buddhist logic, power of collectives and social mechanisms, and local SGP leaders to institutionalize their practice in SGPs.

## 7.4 Conclusion

This chapter provides insights from policymakers and implementers into the causes of multiple overlapping interventions and how local implementing agencies seek to differentiate their programs in this context. It does so by using the data from semi-structured interviews with senior policymakers in Bangkok as well as local field officers in Northern Thailand. Firstly, I began by investigating the macro context governing policymaking that contributes to multiple overlapping interventions. It was found that policymaking in Thailand is highly centralized; central government retains most of the power and resources whereas local governments are weak. In addition, government agencies, governed by norms of ‘not crossing each other’s line’ and a culture of fear in doing so, do not coordinate with one another. Moreover, politicized policy also leads to multiple overlapping interventions and a lack of policy continuity. The Village Fund is one of the most cited examples of a politicized policy that affected other SG interventions, particularly SGP. All these conditions make it difficult for local implementing agencies to carry out their programs.

I then explored how local implementing agencies differentiate their programs in this context using De Koning's (2011) bricolage terminologies of aggregation process (adoption); alteration process (modification); and articulation (rejection). It was found that agencies had become bricoleurs of their interventions and that each agency is strategic in its program implementation, differentiating their program while also seeking to comply and support the use of local norms, logics, and values to make the program stick. In this sense, they make do with whatever is at hand to make the program work amid competition from other agencies. Their strategies include the rejection and use of certain logics present in the work of other agencies, as well as the adapting and borrowing of institutional elements from one another to differentiate their program and make it implementable.

In terms of logic, the finding points to an interesting phenomenon where all three agencies have learnt to adopt community logic when they attempt to institutionalize SGs using their own approach to enable these institutions to stick. This is consistent with Boettke et al. (2015), who states that "the fact that a particular FEX institution stick speaks only to the fact that an IEX institution (and indirectly IEN institution rooted in metis) is at its core" (Boettke et al., 2015, p. 354). The phenomenon was partly due to bricolage processes that took place not only vertically (SG-agency) but also horizontally (among agencies), where each party learnt to adopt or adapt elements of another. In any case, the recognition of community logic and bottom-up approach where SG needs are considered enabled greater success in implementation of SG formalization. Monks and CDD both exhibit community and Buddhist logics whereas GSB reflects a blend of community and banking logic. Gebara (2019) terms this phenomenon as 'rock shaping the water', a situation where implementing agencies are also shaped by local context instead of simply being able to impose an intervention top-down.

Moreover, each agency has something to offer to SGs and their strengths complement each other. Monk Subin uses religion and social mechanisms to discipline collectives through rituals and compulsory savings. GSB brings in technicality and supports high-growth SGs that would like to become formally registered as a financial institution. Meanwhile, CDD has an extensive SG network which allows for knowledge sharing and social sanction. Lastly, when mapped with group narratives, it was revealed that most SGs adopted multiple elements from multiple agencies. For example, leapfrog groups adopted both community and banking logics from CDD and GSB, respectively. Thus, having multiple agencies can be good for SGs if there is coordination and division of roles among them. As Cleaver said: "plurality brings opportunity by

allowing for the processes of bricolage” (Cleaver, 2002), even if this appears to be at some cost in terms of government resource duplication and inefficiency.

## Chapter 8: Conclusion

### 8.1 Introduction

This thesis began with the goal of understanding how best to formalize savings groups to enhance their sustainability in the long run. The thesis journey has transformed the research from a positivist approach into an interpretivist methodology that offers 'bottom-up' perspectives from the savings groups and street-level bureaucrats themselves. The research took place in Northern Thailand, where multiple savings groups interventions take place. The findings from this study have broadened my perspectives far beyond my initial expectations, particularly on how SGs operate, what logics guide their action, and how they act and navigate external interventions. It is hoped that these insights can be used by policymakers to gain more understanding of how SGs behave and respond to new regulations, thereby enabling better balance of the 'top-down' mindset of policymakers with the real-world 'bottom-up' perspectives of groups in order to design regulations that will better fit groups' needs and lead to successful adoption.

In this study, I have attempted to examine how rules are being adopted under the different SG programs. Three interventions were included in this study, including 1) the monk-based SG program 2) the public bank-based SG program and 3) the government-based SG program. More specifically, I sought to unravel what rules got adopted, why, and how that was the case, in order to understand what works. I defined the process where a new set of SG rules are introduced to existing communities as an institutionalization process. My hypothesis was that each intervention carries its own logic which guides the institutionalization process and hence the outcome in terms of which rules SGs adopt. In addition, my underlying assumption before embarking on the fieldwork, given my economic background, was that SGs will inevitably be faced with financial sustainability problems should they not adopt the best practice provided by the finance-related authority i.e., MOF, GSB. What I did not realize then was that this was a 'top-down' mentality to SG development. I also did not realize that the SG formalization process takes place in much more complex environments. The following sections will briefly summarize my thesis journey. Section 8.2 discusses findings from chapter five, six, and seven, as well as my reflection on the findings. Section 8.3 then reflects on the usefulness and limitations of the institutional theories for analyzing SG programs. Section 8.4 discusses the limitations of the thesis. Lastly, section 8.5 discusses some implications for future SG policy and research direction.



## 8.2 Summary and reflection on empirical findings

I started this study with a top-down lens, initially focusing on how to best formalize SGs, however, insights gained from this study have shifted my perspectives and rendered them to be more balanced, with more recognition of local groups and their contexts. The findings far exceeded my expectations. First, I planned to study SGs based on their intervention approach (monk, bank, government), but eventually found out that in rural villages, one SG often engages with multiple agencies, rendering a one-on-one relationship non-existent. This unexpected discovery also led to a change in research strategy to focus on SGs themselves rather than modes of intervention. In addition, it was found that there are multiple forms of savings groups and microfinance in the same village, often run by the same group of local people who are comfortable dealing with governments or who have the power and skills to engage with external organizations. This renders the context of SG formalization highly competitive and complex, with each agency trying to institutionalize their approach with the same group of people. However, the complex environment also allows for creativity through the recombination and modification of institutions (Cleaver, 2002).

The second finding and one of the key takeaways from this study is that SGs are governed by multiple logics and are diverse in their practice and how they respond to external interventions. I found that SGs have multiple logics and with varying degrees of embeddedness to each logic, which can also be mapped to their varying practice and change over time. Using the institutional logic framework, I was able to capture two main logics in SGs: a community and a banking logic. Community logic emphasizes social relations, unity, and harmony whereas banking logic emphasizes growth, profit, and professionalism. The next challenge was to find a systematic way to analyze SGs since all of them possess multiple logics. With a different degree of orientation toward each logic, I then proposed the spectrum-cluster approach to conduct comparative analysis of these hybrid organizations. With this method, I was able to cluster my sample into three clusters.

The cluster-spectrum approach is broad enough to accommodate SG diversity in terms of their practices and allows me to analyze nuances found in SG practices, especially groups in the middle, where nuances are the greatest. The focus on group orientation is along the same line as the study by Reay and Hinings (2005), Battilana and Dorado (2010), and Gravesteyn (2014) who emphasize the importance of the group's underpinning institutional logic or core orientation underpinning their operation. Employing a cluster-spectrum approach to shed light on SG diverse practice, I was able to cluster SGs into three clusters: 1) cluster A: the socially oriented welfare

funds - dominated by community logic; 2) cluster B: the growth-oriented social enterprises - influenced by both community and banking logic; and 3) cluster C: the profit-oriented community banks - dominated by banking logic.

The socially oriented welfare funds focus more on welfare products and rely mainly on social mechanisms to sustain their practices whereas the profit-oriented community banks make use of law and technology. They have compulsory savings, collective monthly get-togethers, unpaid voluntary staff, and everything is decided together during the AGM. They are also the most flexible with contract enforcement as they value helping, flexibility, and relational harmony more than profit, growth, and efficiency. Meanwhile, the profit-oriented community banks have their own offices where transactions occur between the paid staff and the group's paid employees. There is no monthly get-together. These groups rely on the law and technology for growth. On the other hand, there are the more profit-oriented savings groups, who operate in a much more professional manner than the socially oriented SGs. These groups value professionalism and aspire to become formally and legally recognized financial institutions. They take pride in their complex IT systems that allows for the automation of accounting and data recording. They value growth, scalability, and profit while also giving back to the community. Their operation is much more structured and complex than the socially oriented category. They are open daily, charge fees, and will use legal measures in case members do not repay. Their degree of flexibility is often lower than the socially oriented category. Lastly, in the middle, there are SGs that embrace the business concept of growth but would like to remain a community entity. This group is distrustful of the private sector (or the so-called '*capitalists*'), the government, and technology. However, they value growth and more impact to their community and therefore are open to learning. They have full time staff and are more professional than the socially oriented groups.

There are, however, some nuances and limitations with this clustering approach. It turned out that each SG is somewhat unique in the way they adopt elements of each logic. For example, SGP4 is in cluster C (profit-oriented community banks) but they still rely on quasi voluntary labor who only get compensation once a year. All these examples indicate a high degree of SG diversity in Thailand. The presence of multiple interventions has allowed SGs to pick and choose different elements from different interventions and has partially resulted in this diversity in SG practices.

The third finding from this study, which also somewhat surpassed my prior expectation, is that SGs are not passive recipients of interventions. Instead, this study has shown that they attempt to reinterpret, modify, and bend rules to make them suit their needs, and that their

response can be much more subtle and nuanced than expected. This was discussed in detail in chapter 6, where institutional bricolage and institutional logics were used to analyze SG responses in terms of rule adoption. Including the institutional logic framework in the bricolage analysis helps explain why SGs resort to particular actions. It turned out that SGs would adopt rules that are in line with their dominant logic. For example, SGs whose logic is a banking logic adopted rules that made use of technology, law, and accounting to ensure growth, reliability, and profitability. Meanwhile, SGs whose dominant logic is community logic often reject or modify such rules but adopt rules that reinforce solidarity such as compulsory savings rule, collective monthly gathering rule, and emphasizing member contribution to welfare funds.

Regarding the modification and rejection of rules, these two scenarios occur when the rule introduced is not in line with their logic, cultural beliefs, or way of doing things (De Koning, 2011). It was found in this study that SGs are indeed strategic; when they would like to reject or bend rules, they often do it discreetly, a process I called “subtle alteration”. This is a situation where groups openly accept rules at first to maintain relationships with the different agencies but then modify or reject the rule later. In addition, SGs also made use of their collective identity e.g., as a fast growing “leapfrog” group; or a discursive argument e.g., the importance of recognizing their context, alongside their reinterpretation of rules. Regarding the latter, this often happens when the introduced rule is vague. For example, all SGs introduced their own open ballot practice in response to GSB, CDD, and the monks’ recommendations. An open ballot results in it being uncomfortable for those who disagree to cast a vote against the current powerful members hence maintaining the group's internal power relations and inequalities. This practice, once again, reflects a strategic response by SGs to external intervention that surpassed my priori expectation as a policymaker in this field. It also points toward the importance of knowing a group's power relations before any rule is to be implemented.

Lastly, through interviews with trainers as well as policymakers, this study has shown that structural problems at the macro level result in the *addition of new* SG interventions on the ground. The highly centralized, fragmented, and politicized features of the central government operations have resulted in a lack of coordination and communication among the different ministries and cultivated a culture of fear especially “not crossing each other’s lines”. Such policymaking makes life hard for the implementing agencies on the ground, who must carry on their intervention amid several other interventions. In this context, agencies become a bricoleur for their own intervention. Amid scarce resources, they make do with whatever is at hand to make their program work. This includes the rejection and use of certain logics associated with other interventions, as well as the

adapting and borrowing of institutional elements from one another. For example, monks reinforced Buddhist values, social protection, and community logics while rejecting the state and market. Meanwhile, CDD reinforced the community logic, focusing on networking, helping each other, and trust, and rejecting the populism logic associated with the village fund scheme. GSB focused on their '*win-win*' approach, highlighting an adoption of norm of reciprocity, element of community logic. Interestingly, the different agencies responded to the different needs of the local SGs, with the GSB catering to the profit oriented SGs while SGs who are in category B and C often identified themselves with the monk or CDD. The latter point suggests that plurality can result in a more diverse SG design that better suits the various needs of local people.

Regarding the contribution of this thesis, this study has contributed to literature on institutional logic, organization studies, institutional change, and savings group and microfinance literature, and provided real-world insights from Northern Thailand for policymakers. First, the spectrum-cluster approach contributes to institutional logic literature by offering a systematic approach to conduct comparative analysis on hybrid organizations. It also contributes to SG and microfinance literature by highlighting how SGs navigate interventions guided by multiple logics. Second, using institutional logics to explain organizational practice variation and change, this thesis contributes to literature in organizational studies, highlighting the role of multiple logics and bricolage processes in maintaining organizational identities over time. Third, the use of institutional logic and bricolage frameworks provides different and complementary perspectives on institutional change contributes to literature on institutional change by offering new ways to understand why and how SGs adopt rules over time. Fourth, the relatively mature SGs in this study allow for an analysis of their diverse interaction with external agencies over time, which was lacking in Thai SG literature. Lastly, the 'bottom-up' perspectives and insights gained from this study should enable policymakers to better understand the actual process of SG formalization. Better understanding of groups' behaviors should also lead to a more balanced policy which considers both local context and the need for formalization to sustain SG rule adoption in the long run.

### 8.3 Reflection on institutional change theories

Empirical findings from the application of institutional change theories, the institutional logic and institutional bricolage frameworks, indicates the usefulness of these theories in explaining the institutionalization of SG rules and their variation across categories, albeit with some limitations.

First, there are some limitations to both frameworks: in real world settings, SG formalization takes place in much more complex environments and institutionalization processes are more nuanced. Both frameworks offer a rather simple categorization that fails to capture some of the nuances found. For Friedland and Alford's (1991) institutional logic framework, findings are consistent with the theory's limitations documented in chapter 2: i.e., the framework offers ways to capture logics but not how multiple logics can coexist in one organization. Particularly, the different degree of embeddedness of each different logic in one group or their dynamics over time could not be captured by the Friedland and Alford (1991) framework. As a result, I had to modify it by offering the spectrum approach to show the different degrees of orientation to each logic in each SG. The spectrum approach allows me to better understand SG diversity, variation in their practices and change.

For the institutional bricolage framework, a similar limitation is observed. De Koning (2011) proposed three different kinds of bricolage processes: rejection, modification, and adoption. In the real-world context of SG formalization in Thailand, such processes are much more nuanced. For example, one of the patterns that was observed across groups was the subtle alteration or subtle modification, or a situation where groups intentionally appear to accept external rule when they were first presented, but then later abandoned the rule or modified it. This was due to combinations of embedded institutions, including the Thai culture of face-saving, clientelism, and norm of relational harmony. Under such a dynamic and complex interaction, using De Koning's threefold framework (2011) did not do justice to the complexity of data observed.

Regarding usefulness, although each framework has its limitations, each framework addresses some of the limitations of the other providing different but complementary perspectives on the process of institutional change. Using both the institutional logic and institutional bricolage frameworks makes it possible to understand the 'how' as well as the 'why' of the SG institutionalization process. First, by using the institutional logic framework, I was able to understand why some SGs behaved the way they did, why certain rules got adopted and not others, and why SGs resorted to certain bricolage processes. For example, it turned out that differences in dominant logic i.e., community versus banking logic, led to differences in rule adoption. For example, SGs with dominant banking logic tend to enforce repayment rules and have much shorter grace periods whereas SGs with dominant community logic reinterpreted repayment rules and allow for very long periods of repayment. Meanwhile, most SGs use 'unique context' argument to justify their overt alteration and articulation. Unique context narrative focuses on community self-reliance, solidarity, local wisdom, and autonomy, elements of community logic.

This highlights the multiplicity of logics in SGs and the important role of local institutions, particularly logic and meaning-making that influence SG rule adoption.

Second, by using the bricolage framework, I was able to better understand how SGs navigate change, which complements the why. The different patterns found in chapter 6 highlights different ways SGs can either adopt, tweak, modify, or reject external rules to fit their needs and contexts. The use of traditional beliefs, cultural norm, collective identities, discursive argument, and reinterpretation all indicates that SGs are strategic in the way they interact with external agencies. For example, SGs with dominant banking logic made use of leapfrog identity to justify their overt articulation of deposit and loan cap rule. More importantly, the findings highlight the role of SG formalization in addressing potential risks arising from their strategic responses. Repayment issues, potential abuse of power and fraud from long tenure, and lack of transparency in their accounting can all put members' lifelong deposits at risk.

#### 8.4 Limitations of the thesis

The Covid-19 outbreak, and severe air pollution (pm 2.5) coincided with timing of the first and second fieldwork phases limited my interactions with the groups and hence the data I was able to collect. During the first field visit, limitations from both factors resulted in all participants having to always wear a facial mask and maintain proper distance during the interview. As a result, I was not able to fully observe their facial expression during the time of the interview. In addition, the air pollution which became increasingly severe toward the final weeks of the fieldwork resulted in a shortened fieldwork period. All second follow-up interviews with group members as well as interviews with policymakers and trainers then had to be conducted by telephone. This limitation has a direct implication on my relationship with groups and the quality of data received. The limited time spent with groups meant that I was not able to develop the kind of relationship that would allow groups to share sensitive information such as NPL data and fraud cases with me. Previous studies on savings group found that some of the key challenges in SG management include 1) non-repayment on loan (i.e., large NPLs in group portfolio) 2) fraud and mismanagement by leaders and 3) potential abuse and elite capture (Johnson and Sharma, 2007; Malkamäki, 2015). Given my constraints, I was therefore not able to explore these issues and do not know how severe the situation was in each group. With limited interaction, two out of eight SGs also asked to opt out during the second telephone interview. Hence, data from the two groups was much less than the other 6 groups.

In addition, during the second field visit, there was a second Covid-19 outbreak, leading to restricted travel in several areas. Consequently, I was not able to interview Monk Subin as Buddhist rules prohibit female researchers from communicating in private with a monk, including by telephone. As a result, information from the SSG movement was derived from a former interview with Monk Subin conducted by a reporter from a V-Reformer publisher on similar topics. In sum, I am aware that there are limitations during the data collection phase that resulted in more limited information being available than had I had better access to the field. In particular, I cannot make conclusions or analysis pertaining to SG's financial performance. Nevertheless, the interviews conducted yielded a significant amount and depth of data from which I have gained valuable insights on the underpinning logics in different groups and how they responded to different interventions, which was the main task of the thesis.

## 8.5 Implication for future SG policy and practice

The institutional diversity observed in this thesis suggests that it might be too naïve to attempt to formalize all SGs in the same way. Instead, multi-tiered regulations and multiple SG interventions can protect their organic nature, right to self-govern, self determination to transition and graduate to higher or different tier, and thus preserve their variety (Meagher, 2002; Steel, 2013; Jarden and Rahamatali, 2018). For example, regarding multi-tiered regulation, the fast-growing SGs ('the leapfrog') in this study should be allowed to voluntarily graduate into more formal form of financial institutions i.e., CBFI, with the help and coordination of relevant agencies such as CDD and GSB. Coordination among agencies also ensures smooth and successful transition.

In Thailand, however, attempts have been to move away from multi-tiered regulations and multiple SG interventions. For example, efforts have been made to integrate SG formalization and supervision under one agency, the MOF (National Reform Council, 2015). However, this study has shown that SGs do benefit from the multiple forms of interventions, both the one that draw from banking logic (CB) as well as the one that reinforce community logic (SGP, SSG). Multiple interventions allow each agency to bring in different sets of strengths and skills that can support SG institutional development. For example, CDD local officers speak the local language and are good at networking and mobilizing groups using community logic. Meanwhile, GSB brings in financial and technical expertise that are crucial for the long-term survival of SGs, especially as they have more members and are growing in asset size. Through processes of bricolage under

multiple interventions, SGs are provided with space for rule adapting, borrowing, and rejecting, drawing from both community and banking logics.

Moreover, all SGs should not be forced to become under the purview of the MOF which focuses on supervision of formal financial institutions. In Thailand, efforts have been recently made to integrate SG licensing and supervision under the MOF (National Reform Council, 2015). These efforts reflect a certain policy bias that SGs should either be fully regulated as profit-maximizing banks or not allowed to exist due to perceptions of a lack of capacity and risk management. For example, MOF has promoted private sector options such as pico-finance companies, as more viable options that could effectively substitute for a large number of SGs. However, this study has shown that SGs draw from both community and banking logic and socially oriented SGs do not seek profit-maximizing as their ultimate goal. This therefore makes them an entirely different form of organization from a bank. This study showed that mature socially oriented SGs, some attaining over 20 years of age, do exist and serve the community well. Therefore, SGs should be allowed to simply be what they are. By allowing for the parallel development of different types and forms of SGs, their survival could be safeguarded. Their identity and evolution are not confined to a *middle-rung* organization whose mandated single path to formalization and integration might eventually mean elimination by more effective players like banks, as Geertz (1962) predicted. The presence of multiple interventions would allow SGs to pick and choose elements that suit their groups, as Cleaver (2002) put it: '*plurality also creates opportunity*' (Cleaver, 2002, p. 28).

In addition, SG formalization must recognize SG logics, their identities, and the local institutions in which they operate to increase the chances of success of the program, especially in the context of voluntary schemes (such as the three interventions in this study). To do so, policymakers need to first acknowledge that each SGs can be different and do not necessarily need to follow a universal policy for all SGs (such as the VFs). In addition, efforts should be made to understand their local institutions and contexts prior to the design and implementation of rules and programs. Understanding influential local institutions can help with the design of programs and rules, such as the use of Sajja savings and norm of reciprocity documented in this study. For any attempt at SG institutionalization, agencies must recognize '*the depth of social and cultural embeddedness of decision-making and co-operative relations*' (Cleaver, 2002, p. 28). Balancing top-down policymaking with bottom-up institutions should be a sustainable method in the longer run instead of merely seeking to impose rules on SGs externally, which this study has shown that



groups will find ways to negotiate, reinterpret, or postpone in the context of imperfect enforcement and monitoring.

Moreover, coordination between agencies should be enhanced to increase efficiency and complementarity of SG interventions. As seen in chapter 7, several overlapping SG interventions lead to decreased resources for existing programs including SGPs and more resource toward highly politicized intervention such as the Village Fund (VF) program.

Lastly, although my data collection did not allow me to fully address the question of default and fraud in the groups studied, it was clear that there are rooms for improvement for SG management that would increase their sustainability (Johnson and Sharma, 2007; Malkamäki, 2015), especially in terms of payment enforcement, transparency, and accountability. In my study, it was clear that payment was not strict in the more community-oriented groups. Given findings about the performance of groups both in Thailand and elsewhere, this still raises questions of how power inequalities in the groups are to be addressed and savings are to be protected. These are important for the question of regulation and what regulators are most concerned about.

Regarding future research, this study sought to understand institutionalisation processes over time using a retrospective approach in interviews. In the future, investigators might examine SGs in more detail over a longer time horizon to see their dynamics in practice and over time, observing the logics they bring to their evolution as it happens, alongside how this affects the rules adopted. In addition, an approach which does this alongside understanding their financial and social performance is important, especially to understand the internal power dynamics and how these are in fact modified or exacerbated by new rules and approaches. Moreover, it would be important to understand the importance of the local economic and demographic contexts of the groups to how the possibilities for institutional change happen. Critically, this research suggests that such research should be undertaken alongside any new policies for institutionalising savings groups in order that their impact can be better understood and feed back into policy making.

## References

- Achavanuntakul, S. 2011. The pocketbook of inequality. Bangkok: V-Reform publication. (In Thai)
- Alford, R.R. and Friedland, R., 1985. *Powers of theory: Capitalism, the state, and democracy*. Cambridge: Cambridge University Press.
- Alliance for Financial Inclusion (AFI), 2010. Formalizing Microsavings: A Tiered Approach to Regulating Intermediation. *AFI Policy Note*. Kuala Lumpur: AFI publication.
- Almandoz, J., 2012. Arriving at the starting line: The impact of community and financial logics on new banking ventures. *Academy of management Journal*, 55(6), pp.1381-1406.
- Aoki, M., 2001. Toward a comparative institutional analysis. Boston: MIT press.
- Archibald, M., Bossuroy, T. and Premand, P., 2020. Productive Inclusion Measures and Adaptive Social Protection in the Sahel: A Case Study. Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/945281604463808844/A-Case-Study>
- Ardener, S., 1964. The comparative study of rotating credit associations. *The Journal of the Royal Anthropological Institute of Great Britain and Ireland*, 94(2), pp.201-229.
- Badenoch, N., 2022. The Uplands of Northern Thailand: Language and Social Relations beyond the Muang. *Routledge Handbook of Highland Asia*. London: Routledge.
- Baker, C. and Phongpaichit, P., 2022. *A history of Thailand*. Cambridge University Press.
- Baker, T. and Nelson, E., 2005. Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative science quarterly*, 50(3), pp.329-366.
- Bank of Thailand, 2020. Financial access survey of Thai household 2020. Bangkok: Bank of Thailand.
- Battilana, J. and Dorado, S., 2010. Building sustainable hybrid organizations: The case of commercial microfinance organizations. *Academy of management Journal*, 53(6), pp.1419-1440.
- Battilana, J. and Lee, M., 2014. Advancing research on hybrid organizing – Insights from the study of social enterprises. *Academy of Management Annals*, 8(1), pp.397-441.
- Baumgartner, F.R. and Jones, B.D., 2010. *Agendas and instability in American politics*. Chicago: University of Chicago Press.
- Berger, P. and Luckmann, T., 2016. The social construction of reality. In *Social Theory Re-Wired* (pp. 110-122). Routledge.
- Besharov, M.L. and Smith, W.K., 2014. Multiple institutional logics in organizations: Explaining their varied nature and implications. *Academy of management review*, 39(3), pp.364-381.
- Binder, A., 2007. For love and money: Organizations' creative responses to multiple environmental logics. *Theory and society*, 36(6), pp.547-571.

- Boettke, P.J., Coyne, C.J. and Leeson, P.T., 2015. Institutional stickiness and the new development economics. In *Culture and economic action* (pp. 123-146). Edward Elgar Publishing.
- Boonperm, J., Haughton, J., Khandker, S.R. and Rukumnuaykit, P., 2012. *Appraising the Thailand village fund*. Bangkok: The World Bank.
- Boonyabancha, S., 2002. *Decade of Change: from the Urban Community Development Office to the Community Organization Development Institute in Thailand, A* (Vol. 12). London: International Institute for Environment and Development.
- Bouman, F.J. and Hospes, O., 2019. Financial landscapes reconstructed. In *Financial Landscapes Reconstructed* (pp. 3-16). Routledge.
- Bouman, F.J., 1995. Rotating and accumulating savings and credit associations: A development perspective. *World development*, 23(3), pp.371-384.
- Bowie, K., 2008. Standing in the shadows: Of matrilocality and the role of women in a village election in northern Thailand. *American Ethnologist*, 35(1), pp.136-153.
- Boxenbaum, E. and Rouleau, L., 2011. New knowledge products as bricolage: Metaphors and scripts in organizational theory. *Academy of management review*, 36(2), pp.272-296.
- Braun, V. and Clarke, V., 2006. Using thematic analysis in psychology. *Qualitative research in psychology*, 3(2), pp.77-101.
- Bryman, A., 2016. *Social research methods*. Oxford: Oxford University press.
- Burr, V., 2015. *Social constructionism*. London: Routledge.
- Campbell, J., 2021. *Institutional change and globalization*. Princeton University Press.
- Chandoewit, W. and Ashakul, B., 2008. The impact of the village fund on rural households. *TDRI Quarterly Review*, 23(2), pp.9-16.
- Charmaz, K., 2006. *Constructing grounded theory: A practical guide through qualitative analysis*. London: Sage publication.
- Charoensri, C., 2018. Buddhist Monks in the Upper-northern Thailand as Social Change Agents in the Post-Kruba Srivichai Period-2017 (in Thai). *MFU Connexion: Journal of Humanities and Social Sciences*, 7(2), pp.48-75.
- Choochart, C., 1996. Cow market: Socio-cultural change in Northern Thailand. *Cultural research paper series*. Office of the National Cultural Commission. (in Thai)
- Christensen, S.R., 1993. Democracy Without Equity?: The Institutions and Political Consequences of Bangkok-based development. *TDRI synthesis papers Vol. 3*.
- Christiansen, L.H. and Lounsbury, M., 2013. Strange brew: Bridging logics via institutional bricolage and the reconstitution of organizational identity. In *Institutional logics in action, part B*. Emerald Group Publishing Limited.
- Clarke, V., Braun, V. and Hayfield, N., 2015. Thematic analysis. *Qualitative psychology: A practical guide to research methods*, 222(2015), p.248.

- Cleaver, F. and De Koning, J., 2015. Furthering critical institutionalism. *International Journal of the Commons*, 9(1).
- Cleaver, F. and Franks, T., 2005. How institutions elude design: river basin management and sustainable livelihoods. *BCID Research Paper 12*. Bradford Center for International Development.
- Cleaver, F., 2001. Institutional bricolage, conflict and cooperation in Usangu, Tanzania. *IDS bulletin*, 32(4), pp.26-35.
- Cleaver, F., 2002. Reinventing institutions: Bricolage and the social embeddedness of natural resource management. *The European journal of development research*, 14(2), pp.11-30.
- Coccia, M., 2018. An introduction to the theories of institutional change. *Journal of Economics Library*, 5(4), pp.337-344.
- Coghlan, D. and Brydon-Miller, M. eds., 2014. *The SAGE encyclopedia of action research*. London: Sage Publication.
- Coleman, B.E., 2006. Microfinance in Northeast Thailand: Who benefits and how much?. *World development*, 34(9), pp.1612-1638.
- Community Development Department (CDD), 2008. History of Community Development Department. Bangkok: Ministry of Interior. (in Thai).
- Community Development Department (CDD), 2012. Regulation on the promotion of Savings Groups for Productions B.E. 2555. Bangkok: Ministry of Interior. (in Thai).
- Community Development Department (CDD), 2013. Guideline on the formation of Savings Groups for Productions. Bangkok: Ministry of Interior. (in Thai).
- Community Development Department (CDD), 2017. The origin and principles of the Savings Group for Production. Bangkok: Ministry of Interior. (in Thai).
- Community Organizations Development Institute (CODI), 2003. *Community organizations: Development fund for community self-reliance*. Bangkok: CODI.
- Connors, M.K., 2003. *Democracy and national identity in Thailand*. Routledge.
- Copestake, J., 2007. Mainstreaming microfinance: Social performance management or mission drift? *World development*, 35(10), pp.1721-1738.
- Creswell, J.W. and Clark, V.L.P., 2017. *Designing and conducting mixed methods research*. Sage publications.
- Creswell, J.W. and Miller, D.L., 2000. Determining validity in qualitative inquiry. *Theory into practice*, 39(3), pp.124-130.
- Creswell, J.W. and Poth, C.N., 2016. *Qualitative inquiry and research design: Choosing among five approaches*. Sage publications.
- Crotty, M.J., 1998. The foundations of social research: Meaning and perspective in the research process. *The foundations of social research*, pp.1-256.

- De Koning, J. and Cleaver, F., 2012. Institutional bricolage in community forestry: An agenda for future research. In *Forest-people interfaces* (pp. 277-290). Wageningen Academic Publishers, Wageningen.
- De Koning, J., 2011. *Reshaping institutions: Bricolage processes in smallholder forestry in the Amazon* (Doctoral dissertation, Wageningen University).
- De Young, J.E., 1966. *Village life in modern Thailand*. University of California Press.
- Denzau, A.T. and North, D.C., 2000. Shared mental models: ideologies and institutions. *Elements of reason: Cognition, choice, and the bounds of rationality*, pp.23-46.
- Denzin, N.K. and Lincoln, Y.S. eds., 2011. *The Sage handbook of qualitative research*. Sage Publication.
- Diab, A.A., 2021. The appearance of community logics in management accounting and control: Evidence from an Egyptian sugar beet village. *Critical Perspectives on Accounting*, 79, p.102084.
- DiMaggio, P., 1988. Interest and agency in institutional theory. *Institutional patterns and organizations culture and environment*, pp.3-21.
- DiMaggio, P.J. and Powell, W.W., 1983. The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American sociological review*, pp.147-160.
- Dolfsma, W. and Verburg, R., 2008. Structure, agency and the role of values in processes of institutional change. *Journal of Economic Issues*, 42(4), pp.1031-1054.
- Dore, R. F., 1988. Modern cooperatives in traditional communities. Who Shares? Cooperatives and Rural Development. D. W. Attwood and B. S. Baviskar. Delhi, Oxford University Press
- Douglas, M., 1986. *How institutions think*. New York: Syracuse University Press.
- Eisenhardt, K.M., 1989. Building theories from case study research. *Academy of management review*, 14(4), pp.532-550.
- Faye, P., Haller, T. and Ribot, J., 2018. Shaping rules and practice for more justice. Local conventions and local resistance in Eastern Senegal. *Human Ecology*, 46(1), pp.15-25.
- Friedland, R. and Alford, R. R. 1991. Bringing society back in: Symbols, practices, and institutional contradictions. *The new institutionalism in organizational analysis*, pp.232-263. The University of Chicago Press.
- Friedland, R., 2017. The value of institutional logics. In *New themes in institutional analysis* (pp. 12-50). Edward Elgar Publishing.
- Funder, M. and Marani, M., 2015. Local bureaucrats as bricoleurs. The everyday implementation practices of county environment officers in rural Kenya. *International Journal of the Commons*, 9(1).
- Gebara, M.F., 2019. Understanding institutional bricolage: what drives behavior change towards sustainable land use in the Eastern Amazon? *International Journal of the Commons*, 13(1).

- Geertz, C., 1962. The rotating credit association: A "middle rung" in development. *Economic development and cultural change*, 10(3), pp.241-263.
- Gephart, M.A. and Marsick, V.J., 2016. *Strategic organizational learning*. Berlin/Heidelberg: Springer.
- Giddens, A., 1984. *The constitution of society: Outline of the theory of structuration*. University of California Press.
- Glynn, M.A. and Lounsbury, M., 2005. From the critics' corner: Logic blending, discursive change and authenticity in a cultural production system. *Journal of management studies*, 42(5), pp.1031-1055.
- Glynn, M.A., 2008. Beyond constraint: How institutions enable identities. *The Sage handbook of organizational institutionalism*, 41, pp.3-430.
- Golafshani, N., 2003. Understanding reliability and validity in qualitative research. *The qualitative report*, 8(4), pp.597-607.
- Government Savings Bank, 2011. *Upgrading a village fund into a community bank*. Bangkok: Government Savings Bank. (In Thai).
- Gravesteyn, R., 2014. *Models of social enterprise?: microfinance organisations as promoters of decent work in Central Asia* (Doctoral dissertation, University of Bath).
- Green, M., 2019. Scripting development through formalization: Accounting for the diffusion of village savings and loans associations in Tanzania. *Journal of the Royal Anthropological Institute*, 25(1), pp.103-122.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E.R. and Lounsbury, M., 2011. Institutional complexity and organizational responses. *Academy of Management annals*, 5(1), pp.317-371.
- Greif, A., 2006. *Institutions and the path to the modern economy: Lessons from medieval trade*. Cambridge: Cambridge University Press.
- Guba, E.G. and Lincoln, Y.S., 1994. Competing paradigms in qualitative research. *Handbook of qualitative research*, 2(163-194), p.105.
- Haapala, J., Rautanen, S.L., White, P., Keskinen, M. and Varis, O., 2016. Facilitating bricolage through more organic institutional designs? The case of water users' associations in rural Nepal. *International Journal of the Commons*, 10(2).
- Hall, P.A. and Taylor, R.C., 1996. Political science and the three new institutionalisms. *Political studies*, 44(5), pp.936-957.
- Hanks Jr, L.M., 1962. Merit and Power in the Thai Social Order 1. *American Anthropologist*, 64(6), pp.1247-1261.
- Haughton, J., Khandker, S.R. and Rukumnuaykit, P., 2014. Microcredit on a large scale: Appraising the thailand village fund. *Asian Economic Journal*, 28(4), pp.363-388.
- Haveman, H.A. and Rao, H., 1997. Structuring a theory of moral sentiments: Institutional and organizational coevolution in the early thrift industry. *American journal of sociology*, 102(6), pp.1606-1651.

- Hay, C. and Wincott, D., 1998. Structure, agency and historical institutionalism. *Political studies*, 46(5), pp.951-957.
- Hayek, F.A., 1945. The use of knowledge in society. *The American economic review*, 35(4), pp.519-530.
- Hayek, F.A., 1973. *Law, legislation and liberty, volume 1: Rules and order* (Vol. 1). University of Chicago Press.
- Hayek, F.A., 1980. *Individualism and economic order*. University of Chicago Press: Chicago.
- Heis, A., 2018. Strategic Alliances or What Alternative? The Bia Kud Chum and Community Culture in Thailand. In *Forum for Development Studies* (Vol. 45, No. 3, pp. 415-435). Routledge.
- Hirsch, P., 1990. *Development dilemmas in rural Thailand*. Oxford University press.
- Hodgson, G.M., 1998. The approach of institutional economics. *Journal of economic literature*, 36(1), pp.166-192.
- Hofstede, G., Hofstede, G.J. and Minkov, M., 2010. *Cultures and organizations: Software of the mind*. Revised and expanded 3<sup>rd</sup> edition. New York: McGraw-hill.
- Holmes, A.G.D., 2020. Researcher Positionality--A Consideration of Its Influence and Place in Qualitative Research--A New Researcher Guide. *Shanlax International Journal of Education*, 8(4), pp.1-10.
- Ingersoll-Dayton, B., Saengtienchai, C., Kespichayawattana, J. and Aungsuroch, Y., 2001. Psychological well-being Asian style: The perspective of Thai elders. *Journal of Cross-Cultural Gerontology*, 16(3), pp.283-302.
- Ishak, N.M. and Abu Bakar, A.Y., 2014. Developing Sampling Frame for Case Study: Challenges and Conditions. *World journal of education*, 4(3), pp.29-35.
- Jarden, F. and Rahamatali, A., 2018. State of practice: Savings groups and the role of government in sub-Saharan Africa. *The SEEP Network*. Available from: [https://seepnetwork.org/files/galleries/SEEP\\_Savings-Groups-and-the-Role-of-Government-in-SSA\\_v2.pdf](https://seepnetwork.org/files/galleries/SEEP_Savings-Groups-and-the-Role-of-Government-in-SSA_v2.pdf) [Accessed 6 April 2023].
- Jarusawat, P., 2017. *An exploration of the potential for collaborative management of palm leaf manuscripts as Lanna cultural material in northern Thailand* (Doctoral dissertation, University of Sheffield).
- Johansen, C.B. and Waldorff, S.B., 2017. What are institutional logics--and where is the perspective taking us? In *New themes in institutional analysis* (pp. 51-76). Edward Elgar Publishing.
- Johnson, C., 2001. State and community in rural Thailand: Village society in historical perspective. *The Asia Pacific Journal of Anthropology*, 2(2), pp.114-134.
- Johnson, S. and Sharma, N., 2007. 'Institutionalizing suspicion': the management and governance challenge in user-owned microfinance groups. *What's wrong with microfinance*, pp.61-72.

- Johnson, S. and Williams, R., 2016. The political economy of financial inclusion: Tailoring donor policy to fit. *Development Policy Review*, 34(5), pp.721-743.
- Johnson, S., 2004. 'Milking the elephant': Financial markets as real markets in Kenya. *Development and Change*, 35(2), pp.247-274.
- Jones, S., 2015. Bridging political economy analysis and critical institutionalism: an approach to help analyse institutional change for rural water services. *International Journal of the Commons*, 9(1).
- Jory, P., 2015. Thailand's Politics of Politeness: Qualities of a Gentleman and the Making of 'Thai Manners'. *South East Asia Research*, 23(3), pp.357-375.
- Jory, P., 2021. *A history of manners and civility in Thailand*. Cambridge University Press.
- Kacha, H., 2006. The Mobilization of Buddhist Way Under Consumerism: A Case Study of Phra Subin Paneeto, Wat Phai-lom, Muang District, Trat Province. Huachiew Chaleomprakiat University. Bangkok. [Master's Thesis] (in Thai).
- Kammoon, P., 2014. Chiang mai-Lampoon cultural route for education and cultural tourism. Chiang Mai University: Chiang Mai. (in Thai)
- Kangvonkit, P., 2017. Through Multiple Lenses: An Analysis of Thailand's Financial Cooperative Reform Using the Punctuated Equilibrium Theory (PET) and the Multiple Stream (MS) Framework. University of Bath.
- Kelly, M., Yutthaphonphinit, P., Seubsman, S.A. and Sleight, A., 2012. Development policy in Thailand: From top-down to grass roots. *Asian social science*, 8(13), p.29.
- Klein Jr, V.H., 2015. Bringing values back in: The limitations of institutional logics and the relevance of dialectical phenomenology. *Organization*, 22(3), pp.326-350.
- Komin, S., 1990. Culture and work-related values in Thai organizations. *International journal of psychology*, 25(3-6), pp.681-704.
- Komolvadhin, N., 2008. *New economy and gender relations in Thailand: The implications of the Internet*. London School of Economics and Political Science (United Kingdom).
- Kongkirati, P. and Kanchoochat, V., 2018. The Prayuth regime: Embedded military and hierarchical capitalism in Thailand. *TRaNS: Trans-Regional and-National Studies of Southeast Asia*, 6(2), pp.279-305.
- Krasner, S.D., 1982. Structural causes and regime consequences: regimes as intervening variables. *International organization*, 36(2), pp.185-205.
- Kuhn, T.S., 1970. *The structure of scientific revolutions* (Vol. 111). Chicago: University of Chicago Press.
- Ledgerwood, J. and White, V., 2006. *Transforming microfinance institutions: providing full financial services to the poor*. World Bank Publications.
- Lévi-Strauss, C., 1966. *The savage mind*. University of Chicago press: Chicago.
- Lewis, S., Tambunlertchai, K., Suesuwan, E., Adair, M. and Hickson, R., 2013. Microfinance Supply-Side Assessment Report. *Kingdom of Thailand: TA7998 (THA) Development of*



- a *Strategic Framework for Financial Inclusion in Thailand, Technical Assistance Consultant's Report*. Bangkok: Asian Development Bank.
- Libecap, G.D., 1993. *Contracting for property rights*. Cambridge university press.
- Lincoln, Y.S. and Guba, E.G., 1985. *Naturalistic inquiry*. Sage publications.
- Long, T. and Johnson, M., 2000. Rigour, reliability and validity in qualitative research. *Clinical effectiveness in nursing*, 4(1), pp.30-37.
- Lounsbury, M., 2007. A tale of two cities: Competing logics and practice variation in the professionalizing of mutual funds. *Academy of management journal*, 50(2), pp.289-307.
- Mahoney, J. and Thelen, K., 2010. A theory of gradual institutional change. *Explaining institutional change: Ambiguity, agency, and power*, 1, pp.1-37.
- Mahoney, J., 2000. Path dependence in historical sociology. *Theory and society*, 29(4), pp.507-548.
- Maitrot, M., 2014. *The social performance of microfinance institutions in rural Bangladesh*. The University of Manchester (United Kingdom).
- Malkamäki, M., 2015. *An institutional analysis of savings group development using evidence from Kenya*. (Doctoral dissertation, University of Bath).
- Mankong T. and Issaradet W., 2022. The management of saccha savings group for sustainable community welfare. *The Journal of Research and Academics*, 5(1), pp. 67-80. (in Thai)
- Manpayak, A. 2006. Application of Buddhist concept to enhance the community strength: a case study on Ban Nong Nam Chued, Tha Prik Sub-district, Mueang District, Trat Province. Thammasat University. Bangkok (In Thai).
- Marquis, C. and Lounsbury, M., 2007. Vive la résistance: Competing logics and the consolidation of US community banking. *Academy of Management journal*, 50(4), pp.799-820.
- Maxwell, J., 1992. Understanding and validity in qualitative research. *Harvard educational review*, 62(3), pp.279-301.
- Meagher, P., 2002. Microfinance regulation in developing countries: A comparative review of current practice. IRIS Center, University of Maryland.
- Meagher, P., 2013. Microfinance regulation and supervision recommendations report. *Kingdom of Thailand: TA7998 (THA) Development of a Strategic Framework for Financial Inclusion in Thailand, Technical Assistance Consultant's Report*.
- Merriam, S.B., 1995. What can you tell from an N of 1? Issues of validity and reliability in qualitative research. *PAACE Journal of lifelong learning*, 4, pp.51-60.
- Merriam, S.B., 1998. *Qualitative Research and Case Study Applications in Education*. San Francisco: Jossey-Bass Publishers.
- Michinobu, R., 2004. Configuring an ideal self through maintaining a family network: Northern Thai factory women in an industrializing society. *Japanese Journal of Southeast Asian Studies*, 42(1), pp.26-45.

Ministry of Interior, 2008. Regulation on the selection, responsibilities, and meetings of village organizations' committee members. Bangkok: Ministry of Interior. (in Thai)

Mudde, C., 2010. Populist radical right parties in Europe. Cambridge: Cambridge University Press.

Müller, J.W., 2017. *What is populism?*. London: Penguin.

Mutch, A., 2018. Practice, substance, and history: Reframing institutional logics. *Academy of Management Review*, 43(2), pp.242-258.

Mutebi, A.M., 2004. Recentralising while decentralising: Centre-local relations and “CEO” governors in Thailand. *Asia Pacific Journal of Public Administration*, 26(1), pp.33-53.

National Reform Council, 2015. Rural finance reform and the community-based financial institution. Bangkok: The Secretariat of the House of Representatives. (In Thai)

North, D.C. and Weingast, B.R., 1989. Constitutions and commitment: the evolution of institutions governing public choice in seventeenth-century England. *The journal of economic history*, 49(4), pp.803-832.

North, D.C., 1991. Institutions. *Journal of economic perspectives*, 5(1), pp.97-112.

North, D.C., 1994. Institutional change: a framework of analysis. *Social Rules*, pp.189-201.

North, D.C., 2006. *Understanding the process of economic change*. Princeton: Princeton University press.

Nowell, L.S., Norris, J.M., White, D.E. and Moules, N.J., 2017. Thematic analysis: Striving to meet the trustworthiness criteria. *International journal of qualitative methods*, 16(1).

Oates, W.E., 1999. An essay on fiscal federalism. *Journal of economic literature*, 37(3), pp.1120-1149.

Office of the National Economic and Social Development Council (NESDC), 2020. Development plan for Northern region 2017-2022 (revised version). Bangkok: NESDC.

Office of the National Economic and Social Development Council (NESDC), 2021. Gross Regional and Provincial Product Chain Volume Measures 2021 Edition. Bangkok: NESDC.

Orn-In, G., 2002. Buddhism and The Success of Sajja Savings Group: Case Study of Muang District. Trat: Burapha University. Chonburi. (in Thai).

Ostrom, E., 1990. *Governing the commons: The evolution of institutions for collective action*. Cambridge: Cambridge University press.

Ostrom, E., 2009. *Understanding institutional diversity*. Princeton: Princeton University press.

Ouyyanont, P. 2016. *Rural Thailand: Change and Continuity*. Pasir Panjang: ISEAS–Yusof Ishak Institute.

Pache, A.C. and Santos, F., 2010. When worlds collide: The internal dynamics of organizational responses to conflicting institutional demands. *Academy of management review*, 35(3), pp.455-476.

- Pache, A.C. and Santos, F., 2013. Embedded in hybrid contexts: How individuals in organizations respond to competing institutional logics. In *Institutional logics in action, part B* (pp. 3-35). Emerald Group Publishing Limited.
- Palinkas, L.A., Horwitz, S.M., Green, C.A., Wisdom, J.P., Duan, N. and Hoagwood, K., 2015. Purposeful sampling for qualitative data collection and analysis in mixed method implementation research. *Administration and policy in mental health and mental health services research*, 42(5), pp.533-544.
- Patana, S.T., 2004. *Gender relations in Thai society: A historical perspective*. Seoul: Ewha Womans University Press.
- Patton, M.Q., 2014. *Qualitative research & evaluation methods: Integrating theory and practice*. Sage publications.
- Patriotta, G., 2020. Actors and actorhood in institutional theory. *Journal of Management Studies*, 57(4), pp.867-872.
- Peters, B.G., Pierre, J. and King, D.S., 2005. The politics of path dependency: Political conflict in historical institutionalism. *The journal of politics*, 67(4), pp.1275-1300.
- Phanichpant, V. 2005. *Vithi Lanna [Lanna way of living]*. Chiang Mai: Silkworm Books.
- Phongpaichit, P. and Baker, C. eds., 2015. *Unequal Thailand: aspects of income, wealth and power*. NUS Press.
- Phongpaichit, P. and Baker, C., 2008. Thaksin's populism. *Journal of Contemporary Asia*, 38(1), pp.62-83.
- Pierson, P., 2000. Increasing returns, path dependence, and the study of politics. *American political science review*, 94(2), pp.251-267.
- Pierson, P., 2011. *Politics in time: History, institutions, and social analysis*. Princeton University Press.
- Patamasirawat, D., 2012. Fiscal inequality and grant allocation: Provincial analysis of Thailand's local government finance. *Local Governments in A Global Context*, pp.91-116.
- Poocharoen, O., 2010. The bureaucracy: problem or solution to Thailand's far south flames? *Contemporary Southeast Asia*, pp.184-207.
- Prieto, M. and Berman, S., 2022. Democracy and Dictatorship in Europe. From the Ancien Régime to the Present Day. *Historische Zeitschrift*, 314(3), pp.716-717.
- Reay, T. and Hinings, C.R., 2005. The recomposition of an organizational field: Health care in Alberta. *Organization studies*, 26(3), pp.351-384.
- Reay, T. and Hinings, C.R., 2009. Managing the rivalry of competing institutional logics. *Organization studies*, 30(6), pp.629-652.
- Reay, T. and Jones, C., 2016. Qualitatively capturing institutional logics. *Strategic Organization*, 14(4), pp.441-454.
- Reid, A., 2015. *A history of Southeast Asia: Critical crossroads*. John Wiley & Sons.

- Rigg, J., 1991. Grass-roots development in rural Thailand: a lost cause?. *World Development*, 19(2-3), pp.199-211.
- Rubin, H. J., 1974. *The Dynamics of Development in Rural Thailand*, Special Report No. 8., Center for Southeast Asian Studies. Northern Illinois University.
- Saunders, M., Lewis, P. and Thornhill, A., 2009. *Research methods for business students*. Pearson education.
- Savin-Baden, M. and Howell-Major, C., 2013. Qualitative research: The essential guide to theory and practice. *Qualitative Research: The Essential Guide to Theory and Practice*. Routledge.
- Schaaf, R., 2010. Financial efficiency or relational harmony? Microfinance through Community Groups in Northeast Thailand. *Progress in Development Studies*, 10(2), pp.115-129.
- Schneiberg, M. and Soule, S.A., 2005. Institutionalization as a contested, multilevel process. *Social movements and organization theory*, 122, p.160.
- Scott, W.R., 2013. *Institutions and organizations: Ideas, interests, and identities*. Sage publications.
- Scroope, C., 2016. *Thai culture: core concepts*. The Cultural Atlas. Available from: <https://culturalatlas.sbs.com.au/thai-culture/thai-culture-core-concepts#thai-culture-core-concepts>. [Accessed 29 September 2022].
- Seale, C., 1999. The quality of qualitative research. *The Quality of Qualitative Research*, pp.1-224.
- Seo, M.G. and Creed, W.D., 2002. Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of management review*, 27(2), pp.222-247.
- Sharps, M.J., Price-Sharps, J.L. and Hanson, J., 1998. Attitudes of young adults toward older adults: Evidence from the United States and Thailand. *Educational Gerontology: An International Quarterly*, 24(7), pp.655-660.
- Shigetomi, S.I., 1992. From "Loosely" to "Tightly" structured social organization: the changing aspects of cooperation and village community in rural Thailand. *The Developing Economies*, 30(2), pp.154-178.
- Siamwalla, A. and Paitoonpong, S., 2002. The Social Investment Fund in Thailand. *Cross-Sectoral Partnerships in Enhancing Human Security*, pp.157-187.
- Siamwalla, A., Pinthong, C., Poapongsakorn, N., Satsanguan, P., Nettayarak, P., Mingmaneeakin, W. and Tubpun, Y., 1990. The Thai rural credit system: public subsidies, private information, and segmented markets. *The world bank economic review*, 4(3), pp.271-295.
- Silverman, D., 2015. *Interpreting qualitative data*. Sage publications.
- Stake, R.E., 1995. *The art of case study research*. Sage publication.

- Steel, W.F., 2013. Regulation and performance of Ghana's multi-tiered rural and microfinance industry. *Promoting Microfinance: Challenges and Innovations in Developing Countries and Countries in Transition*, pp.77-100.
- Steenbergen, D.J., 2016. Strategic customary village leadership in the context of marine conservation and development in Southeast Maluku, Indonesia. *Human Ecology*, 44(3), pp.311-327.
- Sutunto, J. 2013. Buddhist Concept to Manage Saja Sasomsub Group in Wat Pa Tepnimit, Pongnamron, Thesis (M.A.). Rambhai Barni Rajabhat University. (In Thai)
- Suzuki, P., 2009. Microfinance and Rural Economy. *Thailand Research Fund final report*. Bangkok: Thailand Research Fund. (In Thai)
- Tambunlertchai, K., 2015. Financial inclusion, financial regulation, and financial education in Thailand. The Asian Development Bank.
- Thornton, P.H. and Ocasio, W., 1999. Institutional logics and the historical contingency of power in organizations: Executive succession in the higher education publishing industry, 1958–1990. *American journal of Sociology*, 105(3), pp.801-843.
- Thornton, P.H., 2004. *Markets from culture: Institutional logics and organizational decisions in higher education publishing*. Stanford University Press.
- Thornton, P.H. and Ocasio, W., 2008. Institutional logics. *The Sage handbook of organizational institutionalism*, 840, pp.99-128.
- Thornton, P.H., Jones, C. and Kury, K., 2005. Institutional logics and institutional change in organizations: Transformation in accounting, architecture, and publishing. In *Transformation in cultural industries* (pp. 125-170). Emerald Group Publishing Limited.
- Thornton, P.H., Ocasio, W. and Lounsbury, M., 2012. *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford University Press on Demand.
- Tripathi, A.K., 2014. Spread of the Self-Help Group–Bank Linkage Programme in India: Potential Vis-à-vis Achievements. *Journal of Asian and African Studies*, 49(2), pp.215-233.
- Tuomela, R., 2007. *The philosophy of sociality: The shared point of view*. Oxford University Press.
- Van Esterik, P., 2020. *Materializing Thailand*. Routledge.
- Von Unger, H., 2021. Ethical Reflexivity as Research Practice. *Historical Social Research/Historische Sozialforschung*, 46(2), pp.186-204.
- Weinberg, D., 2009. Social constructionism. *The new Blackwell companion to social theory*, Blackwell Publishing Ltd.
- Wichai, C., 2021. Cultural Identities in Multicultural Ethnic Societies in the Chiang Rai Special Border Economic Zone. *Thai Journal of East Asian Studies*, 25(1), pp.32-42.
- Williamson, O.E., 1991. Comparative economic organization: The analysis of discrete structural alternatives. *Administrative science quarterly*, pp.269-296.
- Williamson, O.E., 1996. *The Mechanism of Governance*, New York: Oxford Univ.

Williamson, O.E., 1998. Transaction cost economics: how it works, where it is headed. *De Economist*, 146(1), pp.23-58.

Williamson, O.E., 2000. The new institutional economics: taking stock, looking ahead. *Journal of economic literature*, 38(3), pp.595-613.

Worakul, W., 2006. Community-Based Microfinance: An Empowering Approach Towards poverty Alleviation and Community Self-Reliance. *UNDP Thailand*.

World Bank Group, 2019. Taking the pulse of poverty and inequality in Thailand. Bangkok: World Bank. Available from: <https://documents1.worldbank.org/curated/en/614661586924075867/pdf/Taking-the-Pulse-of-Poverty-and-Inequality-in-Thailand.pdf>. [Accessed 14 September 2022].

World Bank Group, 2019. Thailand Economic Monitor: Harnessing Fintech for Financial Inclusion (Vol. 2) (English). Washington, D.C.: World Bank. Available from: <http://documents.worldbank.org/curated/en/765751562176921636/Thailand-Economic-Monitor-Harnessing-Fintech-for-Financial-Inclusion>. [Accessed 9 June 2022].

Yimer, G.A., Decock, W., Ghebregergs, M.G., Abera, G.H. and Halibo, G.S., 2018. The interplay between official and unofficial laws in rotating savings and credit associations (Eqqub) in Tigray, Ethiopia. *The Journal of Legal Pluralism and Unofficial Law*, 50(1), pp.94-113.

Yin, R.K., 1994. Discovering the future of the case study. Method in evaluation research. *Evaluation practice*, 15(3), pp.283-290.

Yin, R.K., 2009. *Case study research: Design and methods* (Vol. 5). Sage publication.

Yin, R.K., 2011. *Applications of case study research*. Sage publication.

Yin, R.K., 2013. Validity and generalization in future case study evaluations. *Evaluation*, 19(3), pp.321-332.

Zhao, E.Y. and Lounsbury, M., 2016. An institutional logics approach to social entrepreneurship: Market logic, religious diversity, and resource acquisition by microfinance organizations. *Journal of Business Venturing*, 31(6), pp.643-662.