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***WHO GETS WHAT AND HOW?:
CHALLENGES FOR THE FUTURE***

Background Report

**Socio-Cultural Change
and Political Development
in Central Thailand, 1950-1990**

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Preface

The research report presented here represents a portion of a larger project titled "Socio-cultural Change and Political Development in Thailand". Socio-economic and political changes taking place in the Central Region of Thailand discussed in this volume include only the highlights of certain characteristics of the Central region vis-a-vis other regions of the country.

The frame for data collection and analysis was agreed upon by the regional teams and core project team. Case studies were to be used for primary data collection to supplement secondary data available elsewhere. This research report follows the guideline and framework which all team members developed jointly in the beginning of the project and it was agreed that the regional reports must deal with the following themes: (1) stages of commercialization; (2) the impact of state policies on the different groups of people in the region; (3) changing social values and coping strategies of the people; (4) access of information; and (5) rural-urban relation.

The people in the Central Region differ from people in other regions in their ability to respond to government economic and political policies much more readily. Close links with Bangkok enabled local entrepreneurs to gradually adapt to the different industrialization schemes and the development ideology introduced by the government. The local level government officers willingly implemented development projects in response to the government policies while farmers made adjustments accordingly. Some joined the development process; others found alternative locations to maintain their traditional livelihood.

The Central Region is becoming more and more industrialized and urbanized and the trend is to become more and more so. Landless farmers responded by changing from agriculture to industrial and service employment. Those with land hold on to their land until

they could not resist the temptation to sell their land for cash return. Among land owners, rising land prices in the Central Region made the shift from agriculture to industrial production bearable. The poor people migrated to work in factories and changed from the "rural poor" to an "urban poor". It is not yet possible to detect social mobility among the poor and landless in this process. However, mobility among the local elites and entrepreneurs are recorded. Nevertheless, data from case studies carried out in this project lead to the conclusion that the "development" ideology introduced by the government through the implementation of many government projects together with initiatives of entrepreneurs in exploring non-traditional means of livelihood result in socio-cultural changes evident in the adoption of new social values gradually replacing the traditional ones.

The team work established during the course of the project made the project a "participatory learning process". The authors of this volume would like to acknowledge the benefit gained through the working spirit of all concerned which enable the team to exchange and explore the different concepts of development. The Central Region team would like to also acknowledge the cooperation of the villagers where case studies were carried out. Collaborative efforts of all involved is greatly appreciated. However, mistakes and misinterpretations appear in the report belong to the authors.

Executive Summary

In this study of change in Thailand's Central Region several key themes are emphasised. First, that historically the provinces of the Central Region have borne the initial brunt of economic and social transformation emanating from Bangkok. The commercialisation of agriculture towards export-orientated production has been evident from the mid-nineteenth century as Siam was "modernised" from above. Through a new network of canals and a new group of Chinese middlemen and rice-processors, the Central Region provinces became tightly interwoven with the capital. This region focussed on the fertile Chao Phraya River basin became the most productive rice-producing area in the Kingdom.

However the acceleration of changes from the advent of national development planning in the post -World War Two period has wrought the most radical changes, even through the groundwork was laid in the earlier century. We discuss the linkages formed between provincial entrepreneurs and merchants and political power holders in Bangkok during the 1950s and the new , economically-based patron client networks formed between farmers and local/metropolitan merchants. We discuss the fundamental changes in agricultural production and the consequences for farmers in the region as well as other traditional industries, such as fishing. We observe the growing consolidation of provincial Sino-Thai merchant alliances as they adapt their practices to new circumstances.

A key concept is that of "coping strategies". In the context of changing economic forces we can observe groups devising strategies to adjust and cope in different economic and policy settings. These coping strategies vary, depending on the circumstances, skills, cultural, political and economic resources of the groups in question.. So the strategies can be seen as pro-active on the one hand, or reactive and defensive on the other, or perhaps a mixture of both. The pro-active strategy can be observed in the ways that Chinese merchants developed holding companies to more effectively mobilise resources in agricultural processing and

export. For poor farmers in the upper central sub-region coping strategies have involved a turn to upland cropping following the sale of paddy land to service debts. Other groups, in Chonburi for example, adapt by transferring occupations in line with expanding opportunities offered by the tourist economy. In Chao Choeng Sao Province, the development of manufacturing has encouraged a shift among farming households towards factory employment. An attempt is made to understand these changes in the context of changing traditional values, and it is concluded that while some fundamental changes have occurred, older belief systems still persist, sometimes aiding in the adjustment process. More research needs to be done on this aspect however.

The contention of this report is that development planning has entailed the emergence of a new ideology which favours capitalist priorities above all else. This has consequences for traditional Thai values and modes of living of ordinary people. The Chinese middlemen, in line with the merchants of Bangkok have been most adept at adopting and cooperating with this state-supported ideology, in partnership with local and central government officials. The benefits accruing from "development" (which among other things involves a new, more money-orientated attitude towards land) are not spread evenly among the agricultural and other occupational communities of the Central Region. This discussion presents case studies drawn from the sub-regions of the area to illustrate the various conflicts which have emerged in the development process.

Chapter 1

Background on the Economic Geography of the Central Region

Land Use

Administratively, the Central Region of Thailand consists of 25 provinces classified, into four subregions, namely, the western, the eastern, the upper-central, and the lower-central (or Bangkok Plain). The western subregion is mountainous with flat plainland in the valleys. It comprises the provinces of Suphanburi, Kanchanaburi, Ratchaburi, Phetchaburi, and Prachuap Khirikhan. The eastern subregion located, on the eastern margin of the central plain includes seven provinces : Nakhon Nayok, Prachinburi, Chachoengsao, Chonburi, Rayong, Chanthaburi and Trat. The upper central subregion forms, the upper part of the broad alluvial plain of the Chao Phraya river, comprising seven provinces : Nakhon Pathom, Saraburi, Singburi, Lopburi, Ayutthaya, Angthong and Chainat. The lower central subregion, on the Bangkok plain, includes Bangkok, Samut Prakan, Samut Sakhon, Samut Songkhram, Nonthaburi and Pathumthani.

The whole region is a flood plain bordered by ridges and highlands on the western and eastern edges, the lower part of the region extending to the Gulf of Thailand. Many important rivers traverse the plain north-south to the gulf; including, the Chao Phraya, the Tha Chin, the Mae Klong and the Bang Pakong rivers. The region's physical endowments make it suitable for agriculture. Therefore, most land has been used mainly for this purpose. However, land use is dynamic. During the past forty years, from 1951 to 1991, many changes have taken place. This interval can be subdivided into three periods, viz. : 1951-1967, 1968-1978, 1979-1991.

1. The 1951-1967 Period

During this period, the Central Region covered a wider area because the delimitation of its boundaries was different. The region then consisted of 34 provinces instead of 25 as at present. It included the additional provinces of Kamphaeng Phet, Tak, Uttaradit, Nakhon Sawan, Phichit, Phetchabun, Sukhothai, Uttaradit and Phitsanulok, which now belong to the lower-northern subregion.

In this earlier period, the Central Region had an area of about 110.2 to 115.06 million rai, (176,320 to 184,096 square kilometers). The proportion of forest land was 58 percent, an area of 63.9 million rai. Although the rate of expansion of settlements and of agricultural use of the land gradually decreased between 1962 and 1965, the forest land's share of the area averaged about one half of the total area of the region.

Land holding for agriculture increased from 19.2 percent of the area in 1954 to 30.05 percent in 1964. Paddy cultivation predominated in agricultural land use. The area cultivated in rice was about 65 percent of the total while upland crop cultivation covered some 17 percent of the area. Land used for horticulture was not significant. This pattern indicates the importance of rice at the time for the economy of the region and of the country. More rice was planted in this region than in others. The government itself contributed much by promoting rice production to meet the country's demand for export. Before 1960, many irrigation projects were launched by both government and non-government enterprises. The region at that time was endowed with all kinds of irrigation facilities such as reservoirs, drainage canals, dikes and supplementary water pumping units. The records indicate that irrigation systems had been developed since 1902 in Thonburi, Samut Sakhon and Samut Songkhram. The projects were then expanded to nearby provinces including Pathum Thani, Nonthaburi, Bangkok, Chachoengsao, Nakhon Pathom, Ayutthaya, Chainat, Singburi, Angthong and Suphanburi. Those in Petchaburi, Prachuap Khiri Khan and Rayong are the most recent.

At the end of 1967, the Central Region led other regions in this respect with an irrigation area covering 18,145,000 rai (29,032 square km.). Credit should be given to the First and the Second National Economic and Social Development Plans which emphasized expansion of the irrigation system in this area.

It was reported in the 1963 agricultural census that the 25 provinces of the Central Region had 19,380,867 rai of land used for farming. The provinces which had the largest share of this agricultural land were those in the Upper Central and Eastern Subregions. Among them were Ayutthaya which accounted for 7.1 percent, Prachinburi 6.8 percent, Lop Buri 6.4 percent, Chachoengsao 6.0 percent, Chonburi 5.3 percent, Nakhon Pathom 5.3 percent, Saraburi 4.9 percent and Chainat 4.5 percent. In the Western Subregion, Suphanburi had the largest share of the total agricultural land of the Central Region, about 9.5 percent, while in the Lower Central Subregion it was Pathum Thani with 4.3 percent.

In conclusion, during this period, the Central Region proved to be fertile and rich in natural resources such as forest, land and water. Also, irrigation facilities were well developed. Its physical setting made the region the rice bowl of the country. However, at the same time, population pressure on the land began to affect some parts of the area, such as Bangkok, Pathum Thani, Samut Prakan, and Ayutthaya.

2. The 1968-1978 Period.

It was during this period that it was decided that, administratively, the region should consist of only 25 provinces, thus reducing the area to about 64,938,253 rai (103,901 square kilometers). Agricultural land accounted for 34.75 percent of the total area. Forested areas had diminished due to the increase in agricultural use of land. Rice still predominated and covered about 64.94 percent of the total area under cultivation in 1971. Upland crops occupied only 13.20 percent of the cultivated area, which was less than in 1964 when they accounted for 20.30 percent. This situation was partly due to the reallocation of the nine upper central provinces where upland crops were grown on a large proportion of land.

The area used for tree crops, fruits and vegetables, which was small in the first period, was expanded to cover 9.91 percent of total land under cultivation. This kind of land use was most evident in the eastern and western subregions.

The 1968 - 1978 decade was a period when land use distributions for most activities changed. Forest land, for instance was reduced in area every year. Between 1976 and 1978 the percentage of forest land dropped from 33.5 percent of the total area of the region (21,535,625 rai) in 1976 to 30.2 percent in 1978. Conversely, land holding for agriculture increased from 43 to 44 percent between 1976 and 1978. Of the total agricultural land

under cultivation, the proportion planted in paddy was over 54.60 percent. However, this was lower than in the North and the Northeast where it was, respectively, 78 and 70 percent of the total agricultural land under cultivation. Remarkably, the area cultivated in upland crops increased from 13 percent in 1971 to 25 and 27 percent in 1976 and 1978. The expansion of the upland crop area took place in upland areas of the Eastern and the Western Subregions and also at the northern margin of the Upper Central Subregion where Lopburi and Saraburi are located. This change must have been in response to the government's support for the expansion of the area in the Northeast in cultivated cassava, sugar-cane, and maize for export. The expansion of agricultural land use and of human settlements was made at the expense of the forested areas which were reduced in size.

In addition, irrigation projects continued to be expanded in the region. At the end of 1972, irrigation systems covered about 22 million rai, an addition of 4 million rai over the same area since 1967. At the same time, the problem of population pressure on the land began to make itself felt. Land under tenancy gradually expanded from 11.33 percent of total farmland in 1964 to 29.28, 27.81 and 28.42 percent in 1976, 1977 and 1978 respectively. The percentage of farmer-owned land was reduced proportionately and was 68.2, 69.36 and 67.8 percent for the same years. There were small percentages of other kinds of land holding; for example, land under mortgages, land sold with rights, and land utilized free of rent. Some 32.19 percent of the land was not utilized by the owners. This problem was more in evidence in the Central Region than in others. Because of this situation, the policy of the government at this time stressed the solving of land problems. Many land policies were initiated during this period. The land reform policy, for example, started to be implemented in 1975. How much these land policies helped solve problems of population pressure on the land in the Central Region is still in doubt, however.

To summarize, this second period was a time when agricultural resource utilization in the Central Region started changing quantitatively and qualitatively. It changed from mono-cropping, with rice as the only major crop, to a variety of crop including upland crops, tree crops, and orchards. Provinces where these changes took place were in the eastern, the western and the upper central subregions. The main provinces concerned were Kanchanaburi, Suphanburi, Phetchaburi, Prachuap Khirikhan, Chonburi, Rayong, Chachoengsao, Lopburi and Saraburi.

3. The 1979-1991 Period

The size of the forested area of the region changed drastically during this period, decreasing from 33.2 percent in 1976 to 27.8 percent, or 18,808,180 rai out of 64,938,253 rai, of the total area in 1979. The Agricultural Land Reform Office reported in 1986 that in 1984 nine provinces in the upper and lower central subregions had no forest land left. Only a few provinces still had small areas of forest. These are listed in Table 1-2.

As for agricultural land use, its share was 45.06 percent of the total area in 1979 and increased gradually to 52.2 percent ten years later. In 1979, rice still dominated, occupying about 55.7 percent of agricultural land, while upland crops used up 28.93 percent. However, in 1989, remarkable changes in land use were observed. The area cultivated in rice had dropped to 42.45 percent of total agricultural land use, while the upland crop area had increased to 30.31 percent. Areas used for tree crops and orchards increased sharply from 7.86 percent in 1979 to 12.46 percent in 1989. Also, horticulture increased slightly from 0.4 percent to 0.6 percent during the same period. Grazing land increased from 0.68 percent to 7.54 percent during the decade of 1979 to 1989. Statistically, in 1983, agriculture diversification was very much in evidence.

Not only did agricultural land use become more diversified, its use for human settlement, manufacturing and infrastructure also increased. The establishment of industrial estates and the Eastern Seaboard Development project caused tremendous change in land use in the eastern and the upper and lower central subregions. These pose problems to which farmers will have to adjust.

In conclusion, during this period, the region faced problems of a deficit in resources such as forest and agricultural land. The expansion of residential and industrial land use was made at the expense of forest land and of land under cultivation. On the other hand, agricultural land was used more intensively and agriculture became more diversified.

TABLE 1-1 : Forest Land in Proportion to the Total Area of the Provinces (%)

Provinces	1984	1991
<u>The Upper and Lower Central Subregions</u>		
Chainat	0.37	0.32
Lopburi	4.56	3.47
Samut Songkhram	6.16	0.00
Saraburi	2.62	2.12
<u>The Eastern Central Subregion</u>		
Chanthaburi	30.53	29.90
Chachoengsao	25.27	22.41
Chonburi	5.92	5.63
Nakhon Nayok	23.65	23.49
Trat	28.14	27.81
Prachinburi	24.34	23.82
Rayong	6.77	6.23
<u>The Western Central Subregion</u>		
Kanchanaburi	60.77	55.59
Prachuap Khiri Khan	22.09	20.84
Phetchaburi	37.66	35.66
Ratchaburi	19.36	25.66
Suphanburi	11.87	11.24

Source : Agricultural Statistics of Thailand

TABLE 1-2 : Land Use Change in the Central Region for 1979, 1989 and 1991 (Crop as Percent Age of total Agricultural Land).

	1979	1989	1991
Agricultural as % of total	45.04	44.56	44.09
<u>Crop as % of agric. land</u>			
Rice	55.79	44.73	43.77
Upland crops	28.95	32.76	32.97
Tree crops	7.86	15.15	15.30
Horticulture	0.48	0.78	1.08
Grazing	0.69	0.46	0.43

Source : Agricultural Statistics of Thailand

Chapter 2

Development Strategies and Stages of Commercialization in the Central Region

1. Thailand Development Strategies

Introduction : A review of rural development concepts and impact on the Central Plain area.

Historically, there has been a subsistence economy in Thailand since before the Sukhothai Period. The signing of the Bowring Treaty in 1855 has been seen as a turning point in Thai economic history when, as a result, Thailand started to export agricultural produce to Europe. Between the time Thailand opened up its economy and the Second World War, between 1850 and 1950, the volume of exports increased more than twentyfold. But, despite the change in economic policy, Thailand did not generate significant economic development.

After the 1932 coup d'etat when Thailand changed from a regime of absolute monarchy to democracy and constitutional monarchy, there was a conspiracy of civil servants and soldiers wanting to take control of the process of change and development. Pridi Phanomyong was given the responsibility to draw up a new economic structure for the country but he was overthrown before it could be implemented. His policy was replaced by what has been called "nationalistic capitalism". During this same period, nationalist ideology seemed to predominate in many of the countries of Asia and elsewhere. In Thailand the government elite wanted to control all of the economic activities themselves and used their positions in the government to bolster the economic

activities of the elitist families. This was also very much in evidence during the later Phibun and Sarit regimes. The law on the establishment of government enterprises was promulgated in 1953. It allowed government enterprises to be set up without the endorsement of parliament. The Forest Industry Organization, the Tobacco Monopoly, the Thai Sugar Industry, and the Thai Sack Industry, are some of the government enterprises formed during that period.

The promulgation of the Industrial Promotion Act in 1954 had the effect of shifting the emphasis from a nationalised economy to of a free capitalistic economy, it reduced the role of government enterprises in favour of private investment. Collusion between the government elite and individual investors became general practice.

The coming the power of Field Marshall Sarit Thanarat in 1958 coincided with a period when the elite was becoming increasingly aware of the nations status as an undeveloped country. This was reinforced by the first World Bank Mission to Thailand which had a fundamental effect on policy development. The first national economic development plan was drawn up to be implemented in 1961. This was the first time "planned change" had been introduced. "Development" at this time was viewed in terms of economic infrastructural development. Roads, dams, and irrigation systems were the items considered most important to facilitate the gradual transformation to an industrialized and internationally competitive economy.

TABLE 2-1 : Per Capita Income Classified by Region for 1960, 1970, 1979, 1987, and 1989 (Baht)

Year	North	NE	South	Central	Bangkok	Nation
1960	1,496	1,082	2,700	2,565	5,630	2,106
1970	2,699	1,822	3,858	4,662	10,234	3,849
1979	8,781	4,991	12,683	17,655	30,161	12,067
1987	13,185	8,343	17,506	18,742	71,566	23,021
1989	18,833	11,981	21,955	30,587	96,234	32,028

Source : National Account Division, NESDB.

In the earlier stages of national development, efforts were made to evaluate performance. Per capita income was used as a development indicator to measure the success of the national development plans. But it became obvious to many observers that

although per capita income had increased, rural people still remained poor, and the main issue was income distribution. In the case of the Central Region areas, the situation was not so bad compared to that of other regions of the country. Data by region on per capita income indicated that the Central Region had the highest after Bangkok.

Similarly, in terms of poverty incidence, the Central Region was much less affected than the other regions, with poverty levels reducing rapidly during the period of the first two Development Plans (see Table 2.2).

TABLE 2-2 : Poverty Incidence Classified by Region for 1963, 1969, 1976, 1981, and 1990. (% of People Whose Income is Below the Poverty Line)

Year	North	NE	South	Central	Bangkok	Nation
1963	65	74	44	40	28	57
1969	38	68	40	18	11	42
1976	35	46	33	16	12	33
1981	23	36	21	16	4	24
1986	22	41	23	17	5	26
1990	16	28	18	13	4	18

Source : National Account Division, NESDB.

In addition to income disparity, another criticism was that "development" had also created rural-urban disparity, especially between Bangkok and the rest of the country. In addition, disparity was also very evident in the provision of social welfare and social infrastructure. It became obvious to the government that new strategies were needed in order to minimize these negative effects. In the case of the Central Region, because of close proximity to Bangkok, rural-urban links had been established in order to more effectively exploit the region in favour of the urban center. The hypothesis proposed in this chapter is that the Central Region has been made to function as the support hinterland of Bangkok. The symbiosis between Bangkok and the Central Region up until the sixties made this region distinctive. Rural-urban disparity was not as obvious there as in the other regions.

2. Stages of Commercialization in the Central Region

To follow up on this line of thought, we now examine the case of commercial crops grown in the Central Plain which had an impact on the way of life of the people. Four commodities, paddy, cassava, sugar cane and fish have been selected, because the commercialization of these products made the Central Region distinctively different from other regions. Commercial activities for these products in other regions either supported or depended on the capability of traders in the Central Region and Bangkok.

Because of close proximity to Bangkok, it is not possible to separate the commercial activities of Bangkok and those of the Central region. Government policies formulated in Bangkok have been implemented in the provinces immediately surrounding Bangkok. Crops were produced to be sent to the Metropolis. Communication systems made the rural areas of the Central Region highly accessible to the elite in Bangkok for the extension of their political and economic influence. The links between the elite in Bangkok and the stages of commercialization in the Central provinces will become very obvious in the sections that follow.

(1) Paddy Commercialization and Rice Exports

a. Before World War II

The introduction of export activities after the Bowring treaty in 1855 did not give rise to a change in production technology. The Thai continued the traditional practice of broadcasting and transplanting as the method of paddy production up until after World War II when new varieties, double cropping, and mechanization were introduced. Changes taking place after the Bowring Treaty and before World War II were in the commercialization process. Rice traders set up rice mills using simple technology, invested in the rice trade, and were the first group of entrepreneurs to become millionaires. They were mostly ethnic Chinese, wage laborers or entrepreneurs who, through economic mobility, became the entrepreneurial elite of Chinese traders. During this period, Chinese merchants could aspire to noble rank in the Thai social system by bidding to become tax-farmers. As tax-farmers, they had ranks and titles similar to those of ethnic Thai noblemen. These were the *chao nai* (members of the royal families), and/or *khunnang* (government officials).

Before 1932, "rice trade capital" formed the basis of the wealth of the merchants who had accumulated income, expanded and had become very influential. In addition to the rice trade, the activities of these merchants included investment in rice mills, sawmills, and the import-export trade. Rice exporters with multiple economic activities were the ancestors of many of the current leading merchant families in Thailand. They are, for example, the Wangli, Lamsam, and Bunkul families. After 1932, Chinese merchants established trade associations which included the Rice Mill Association, the Rice Traders Association, and the Chinese Traders Association. A new rice trader group composed of ethnic Chinese entered the rice trade circle at this time. This group did not have the connections with the nobles and princes of their predecessors, but established a new relationship with civil government officials who came to power after 1932.

When the civil government adopted nationalistic capitalism as the official economic doctrine, the intention was to do away with foreign investors and set up "Thai" government enterprises. In practice, however, groups of Chinese merchants (i.e. the descendants those who had immigrated earlier and who became tax-farmers and nobles, and those who immigrated later and had no titles), established close connections with Thai government officials. Joint investments were then considered to be "Thai" investments. Other activities carried out by the rice merchant groups included the establishment of other government enterprises as well as companies. They included the Thai Insurance Company, the Thai Agricultural Products Company, the Bank of Asia, and the Metropolitan Bank of Thailand.

b. World War II - 1960

After World War II, a shift in economic policy was made by the 1947 coup d'etat leaders. The announced new policy was called "Government Capitalism". In practice, the investment activities did not differ from the practices of "nationalistic capitalism" very much. However, the "government capitalism" policy enabled government officials to be members of the Board of Trustees of two government enterprises each. As members of the board, they were entitled to monthly salaries as well as annual bonuses. As a result, most of the high-ranking officials, military and civilian, and the business investors, became incorporated into the politico-economic system.

In 1946, when the Thai government paid the war claim to Great Britain in the form of 1.5 million tons of paddy, the government issued an order prohibiting private companies

to export paddy. In effect, all rice exports had to be made through a government enterprise called the "Rice Organization", or "Rice Office". A rice premium and rice quota policy was in force as a means for the government to collect revenue.

Rice farmers in the Central Region produced most of the rice for export. The rice mills throughout the Central Region belonged to rice merchants who had close connections with government officials, both military and civilian, in Bangkok. These were local rice merchants residing in provincial areas, or influential rice merchants living in Bangkok but with a provincial clientele supplying them with paddy. These strong links between Bangkok and the Central Region communities contributed to making the Central Region an economic extension of Bangkok. The patron-client relations arising out of the rice exporting business were somewhat different from the traditional two-tiered "patron-client" relations. In the export business, the patron-client relations established were multi-level.

In addition, during this period, competition in the rice trade as well as in other economic activities became severe. Coping strategies of Bangkok-based merchants involved establishing links with the politically powerful groups. The competition process led to the formation of two political factions with their complementary subsidiaries: the Rachakhru group, who were members of the Phibun regime, and the Sisao Thewet group, who were members of the rising Sarit regime.

To survive in this atmosphere of fierce competition and to maintain control of the national economy, holding companies and related firms were established. Monetary institutions in the form of banks and finance companies were instituted and expanded. The fact that the Ministry of Finance became a shareholder of some banks certainly helped strengthen those banks tremendously, both economically and politically.

Coping strategies of rice merchants at the middle level were seen in the establishment and expansion of holding companies with branch offices in provinces of the Central Region. In 1955, the Sun Heng Lee Holding Company set up three provincial offices, in Nakhon Pathom, Ayutthaya, and Phrakhanong (a suburb of Bangkok). Another coping strategy was to increase capital investment without changing the structure of the enterprise or its technology. This group of merchants had connections with local merchants and worked quite closely with them.

c. After 1961

The First National Development Plan proposed the construction of many infrastructural facilities, including dams and roads, which would greatly benefit the farmers in the central plain. Export policy was also included in the Plan. Some rice exporters diversified their activities into other commodities such as cassava, maize, jute, etc. Other rice export activities took the form of the Bangkok International Rice Trade organization, a joint investment enterprise involving Field Marshal Sarit Thanarat, Amphon Bunphak, and the Hun Seng Lee Company, each holding approximately 1/3 of the total shares. Privileges were given to this company, making it possible for it to have a larger quota and to export inferior quality paddy without being punished.

During this period, it was also reported that the rice exporters gained the upper hand with the government. The Rice Trade Union was established in 1959, composed of exporters of milled and parboiled rice. A request was also made to establish a rice subcommittee to look after the rice trade, including members from the rice inspection committee, the rice price committee, and the rice quota committee. As a result, the rice trade became mostly controlled by the merchants, with representatives of the Ministry of Commerce performing advisory roles. In effect, the rice trade activities reached their peak during this period. Rice exporters were able to control the market in the country and they set out to identify international markets for export as well. Simultaneously, they expanded their activities to include the export of other agricultural commodities. New investment options were explored and the shift to investment in non-agricultural activities such as banking was very much in evidence. It is undeniable that rice farmers in the central plain area and elsewhere supported the merchants in their new initiatives in agriculture.

In 1968, the Ministry of Commerce imposed new conditions on the rice exporters. They had to be registered companies with at least 5 million baht capital. Many families then joined together and established trading firms to export rice. These firms concentrated their activities on the rice trade as well as on the export of other agricultural commodities. Almost all of the rice trading firms had their base in provinces of the Central Region. An example is a family in Chachoengsao who started as rice middlemen to set up small rice mills and joined with another family to export rice. This Rungruang Kitti firm was registered in 1973 with 5 million baht capital as required by the Ministry of Commerce. Later, in 1974 and 1978, two other firms were registered for the same purpose. In 1982, these three firms were the largest rice exporters in the country. The Chachoengsao family

then expanded its activities and established the Kaset Rung Ruang Agricultural Product Company, exporting rice and other commodities. Now it has a registered capital of 200 million baht.

Examples of the expansion of the rice trade into other commodities or activities.

<u>Name of firm</u>	<u>Family</u>	<u>Other commodity/activity</u>
1. Kaset Rung Ruang	Damnoenchanwant	Agricultural products
2. Better-living	Iamsuree	Electrical&electronic appliances, insurance
3. Betaco	Liewpaorat Taephisitphong	Fertilizer, insecticide, pesticide animal husbandry,
4. Liewpairat Visahakit	Liewpairat Taephisitphong	Real estate
5. Taephisitphong	Liewpairat	Investor Taephisitphong
6. Thai Damrong Phattana	[about 10 families]	Insurance
7. United Thai Corn	Opaswong	Paddy and maize export
8. Intarico	Iamsuree Opaswong	Exporting upland crops
9. Thai Phanit Navi	Sophonphanit	Maritime
10. Opaskit	Opaswong	Investors
11. Bunsong Refri- geration	Thepphanit	Refrigeration
12. An Fong Lao Mai Hong	Sri-Kasem	Agric. products
13. Aswin Vichit	Aswin Vichit	Real estate
14. K.S. Oriental	Damnoenchanwanit	International trade

In other words, the rice trade led to further economic expansion for the Chinese elite who had access to information and had connections with the political powers. Most of their bases were in the central plains area. At the same time, farmers continued to lose their land to rice middlemen and absentee landlords who lived in Bangkok, as well as to other investors. Because of low rice prices partly due to the world rice economy and partly due to the government's rice premium, many farmers decided to turn to other occupations. At the same time land prices started to increase in late 1970's and escalated drastically in

late 1980's. It is understandable why farmers sold their land and shifted to other income generating activities. The following table indicates some changes in agricultural practices between 1971 and 1991.

Table 2-3 : Land-Holding and Land Use Patterns Classified by Region in 1971, 1981, and 1991.

(unit : percents)

	Land Holding			Land Use			
	Owned	Rented	Other	Paddy	Upland	Fruit	Veget
1971							
NORTH	76.31	18.94	4.75	68.50	21.55	2.49	1.03
NORTHEAST	91.00	3.92	5.08	78.53	11.00	1.26	0.70
SOUTH	92.02	4.22	3.76	36.07	1.85	52.90	0.46
CENTRAL	62.26	34.78	3.96	75.83	15.28	3.00	1.03
EAST	70.46	27.06	2.48	57.40	11.48	17.68	0.75
WEST	74.11	23.59	2.30	59.36	13.09	10.02	4.37
TOTAL	83.08	12.65	4.27	68.18	12.45	9.42	1.05
1981							
NORTH	80.37	13.84	5.79	63.02	28.98	2.99	0.25
NORTHEAST	92.95	3.49	3.56	69.97	20.76	1.06	0.15
SOUTH	92.98	4.31	2.71	34.96	0.85	54.59	0.17
CENTRAL	60.98	36.24	2.78	60.77	24.77	7.17	0.71
EAST	66.73	30.86	2.41	44.89	33.97	11.45	0.12
WEST	70.52	27.22	2.26	46.53	34.30	10.17	0.43
TOTAL	84.74	11.62	3.64	60.62	22.58	9.41	0.25
1991							
NORTH	73.84	17.70	8.46	51.70	35.64	5.97	0.94
NORTHEAST	87.76	5.22	7.35	65.79	23.31	3.19	0.36
SOUTH	91.58	3.18	5.24	20.84	0.87	69.93	0.37
CENTRAL	62.15	33.14	4.71	60.77	24.77	7.17	0.71
EAST	68.54	27.45	4.01	42.24	39.70	28.40	0.70
WEST	70.12	24.85	5.03	5.03	38.77	41.03	20.94
TOTAL	81.20	12.03	6.77	55.25	20.58	8.58	0.23

Source : Agricultural Statistics of Thailand.

Table 2-3 shows that a proportion of farmers in the Central Region lost ownership of their land and the percentage of those among them renting land is the highest for 1971

and 1981. The percentage of land renters dropped in 1991 because a number of farmers shifted to other occupations. During the 1960's to 1980's the government promoted agricultural development in different forms and new seedling varieties were provided to farmers. However, the introduction of new technology in paddy cultivation required farmers to invest in farm inputs in the form of fertilizers, insecticides, and pesticides as well as machinery. Higher investment costs pushed farmers into indebtedness. Many mortgaged their lands to merchants and middlemen in town. After a few years, convinced that they could not pay back their loan and the interest, farmers either gave up their mortgaged land or sold their land for cash to pay back the loan. Later on, many people then cleared previously unexploited upland areas to have land to cultivate. The increase in production of upland crop is also evident in Table 2-3.

There is no doubt that farmers of the Central Region have been suffering from insecurity of land tenure in the sense that, for many, they have no title of ownership to the land they cultivate. They are tenant farmers. Part of the problem is due to lack of land titles which remains an important issue even today. The following two table provide statistics on the incidence of tenancy in the provinces of the Central Region where it is the highest. Table 2-4 gives the percentage of land rented as a proportion of total agricultural and farmers. One should be aware that these figures include both farmers who rent all of their holding and farmers who rent only part of their holding and own the rest. The latter pattern can be fairly common in some areas. In Ayutthaya province, for example, according to the 1990 National Rural Development village survey, the proportion of land renting households was 72.2 percent of total farming households. However, 55.7 percent of these were part-owners, part renters. The government realized this and declared four Central Region provinces (Pathumthani, Ayutthaya, Nakhon Nayok and Chachoengsao) to be the first Land Reform areas. The Land Reform Program was initiated in 1975.

Table 2-4 : Percentage of Total Rented Land Area in Relation to Total Agricultural Land of Some Provinces in the Central Region in 1980 and 1991.

Province	1980			1991		
	agric. land	rented land	%	agric. land	rented land	%
Samutprakarn	313,735	166,301	53	251,112	158,198	63
Pathumthani	809,300	591,903	73	737,080	397,206	54
Ayutthaya	1,441,301	740,930	51	1,196,867	536,301	45
Nakhon Nayok	903,521	358,389	40	789,287	536,301	45
Chachoengsao	1,658,864	745,962	45	1,184,503	675,591	36
Saraburi	1,556,000	539,141	35	1,184,503	675,591	36
Samutsakhon	301,475	124,611	41	250,324	114,492	46
Singburi	458,246	179,968	39	472,334	167,993	36

Province/Region	1980			1991		
	agric. land	rented land	%	agric. land	rented land	%
Central	29,063,036	7,454,800	26	28,629,478	7,239,247	25
North	26,025,213	3,785,104	15	29,394,278	5,203,824	18
Northeast	50,092,989	1,932,401	4	57,718,517	3,014,931	5
South	13,817,702	638,521	5	17,333,915	550,809	3

Source : Agricultural Statistics of Thailand.

(2) Commercialization of Upland Crops: (Cassava and Sugar-cane)

Because of infrastructure development, export crops could be transported much more efficiently. Some of the most economically important crops of the Central Region had been cassava and sugar-cane. Cassava did not assume any importance in the national economy, however, until after World War II, though there were reports of cassava being grown in Songkhla in the late 1930s (Silcock, 1970:93). Cassava reached the Malay Peninsula in the 1850s but did not expand as a commercial crop to any part of Thailand until the 1930s. Then, Chinese entrepreneurs brought the plant further north and introduced it as a cash crop in the Chonburi area during World War II or a little later. From then on, cassava became one of the major crops of the eastern subregion. In the

beginning, cassava roots were processed into tapioca flour for export. When tapioca flour lost its popularity, tapioca pellets for animal feed were introduced by a German expert who was in Thailand at that time. Since 1969, pellets have become the main tapioca product for export to most of the Scandinavian countries and some other European countries. Cassava is exported in the form of chips, flour, pellets, waste, and sago flour and pearl.

TABLE 2-5: Cassava and Sugar-Cane Production for 1968 and 1992.

Region	Area grown (1000 rai)			Production (1000 tons)		
	1968	1982	1992	1968	1982	1992
Cassava						
Central	820 (76.9 %)	2,908 (37.6 %)	2,508 (26.9 %)	2,169 (83.0 %)	6,881 (38.7 %)	5,895 (29.0 %)
Total	1,067 (100 %)	7,726 (100 %)	9,233 (100 %)	2,611 (100 %)	17,788 (100 %)	20,356 (100 %)
Sugar-cane						
Central	679 (59.7 %)	2,436 (66.8 %)	3,428 (59.2 %)	4,132 (70.3 %)	16,188 (66.3 %)	27,225 (57.3 %)
Total	1,137 (100 %)	3,645 (100 %)	5,791 (100 %)	5,878 (100 %)	24,407 (100 %)	47,480 (100 %)

Source : Agricultural Statistics of Thailand

Cassava and sugar-cane are grown primarily for export. In 1968, the Central Region produced 83% of the national total of cassava and 70% of the national total of sugar-cane. In 1992 the percentage dropped to 29% for cassava and 57% for sugarcane. Table 2-5 provides a comparison of the production of these crops in the Central Region with that in other provinces of the country between 1968 and 1991/1992. Cassava and sugar-cane cultivation shifted to the Northeast Region during 1970's and 1980's.

During the early stages, export activities in the Central Region concentrated on rice, sugar and tapioca production for the world markets. For the local, regional, and national markets, fish and fish products, poultry, vegetables and fruits were important. However at present all of these products are produced for export. Development in the Central Region involved not only diversification of crops but also industrialization, which made use of locally-produced and imported raw material.

a. Cassava

Cassava roots are delivered directly to the mills. The final product emerges in four forms : chopped, pellet, flour, and sago.

In 1956, the government Upland Crop Station in Rayong introduced a new variety of cassava called "Rayong Variety". In that same year, cassava was exported to the European community. Machinery to produce chopped cassava for animal feed production was designed in Germany. Cassava production expanded quickly. About 90 percent of the output was chopped and pellet cassava to be exported to the European market.

Chonburi and Rayong were considered to be the centers of cassava production in the 1960s and 1970s. Different types of mills were located in different areas. In Muang District of Chonburi chopped and pellet factories were located in an area called "Noen Teng", which was a village in the Ban Suan Sukhaphiban area and extended to Nong Ree Sub- District. When one travels on the Chonburi - Ban Bung Highway and along the Sukumvit Highway, one sees several sago and tapioca flour mills. Most are located along the highway to minimize transportation problems. And since the same kinds of mills are in the same area, farmers find it very convenient to take their produce with them to many possible processors without having to risk the chance of not being able to sell their produce. The price of cassava roots on any particular day is posted at the entrance of the factory along the highway. This way, farmers may also decide to sell their produce to the processing plant which pays the highest rate within the given price range of the day. In the 1970s, the price fluctuated and was controlled by the Thaiwa Company, the most important tapioca export company.

In the early 1970s cassava roots reached the factories in one of the following possible situations: (1) the producers brought in the produce themselves or (2) the brokers or middlemen brought in the produce.

In most cases, the first method was preferred. The farmers rented a truck from the nearest truck rental agency. This service was one of the most important services offered to the farmers. Each truck carried about 10-12 tons of cassava roots. The farmers accompanied their produce to the mills. If there was no previous contract, most farmers would take their produce to Noen Teng where they could sell it to anybody. The mills paid cash for cassava roots. In 1971-1972, the price was 20-27 baht/hap (70 kg.).

Cassava brokers were truck owners who contacted and bought cassava roots from the farmers at prices lower than the price offered by the mills. The advantage to the farmers of this approach was that they did not have to pay transportation costs. Brokers also paid cash for the cassava roots.

Processing plant owners also preferred to buy cassava roots from the brokers because they could provide much larger quantities dependably than could individual farmers. It was also a time-saving procedure. Both factors were important because there was keen competition for the supply among the mills.

Chopped and pellet cassava mills depended on brokers and/or middlemen more than did sago and tapioca flour mills because they were more dispersed and many farmers did not bother to look around for them. Therefore brokers acted as agents who sought out the farmers and bought the produce to supply the mills.

There were different locations along the road where middlemen offered to buy the produce of the farmers and transport it for them. In the inland districts, middlemen tried to intercept farmers on the road. Brokers contacted the mills before trying to buy the produce from the farmers. This method worked well for farmers who had no contract with any mill. The brokers acted as agents for the mills. They brought in the truck loads of cassava roots and were offered 10 baht/truck load by the mills for the service. The farmers who delivered the roots themselves received the same amount in cash.

Processed cassava had different networks, depending on the type of process. Chopped and pellet cassava had no market in the country, and was delivered therefore to export companies. They were the Thaiwa, the Trakun Kham, and the Thai Bamrung Thai Companies. These companies also had their own mills in Rayong, Chachoengsao, and Chonburi, which also bought processed cassava from other small mills nearby and transported it to the largest plants located in Bang Pakong, Chachoengsao province. Processed cassava was then transported, by truck or by boat, from Bang Pakong to another storage site in Samut Prakan.

Sometimes the product did not reach the export companies directly but in a roundabout way. Instead of producing pellet cassava from cassava roots, many of the mills bought chopped cassava and reprocessed it to make pellet cassava. Also, many of the tapioca flour mills bought coarse tapioca flour from small factories and refined it into

quality tapioca flour. The two-step process by which the product went through two mills was seen in Chonburi, and Bang Pakong District in Chachoengsao. Most of the transactions were made in cash.

Chopped and pellet cassava were sent to the European Community (Germany, Great Britain, France, Switzerland, Denmark, Sweden, Netherlands, and Belgium) for animal feed.

Tapioca flour and sago are produced for the international as well as for the domestic market. The United States and Japan are the two countries which buy tapioca flour from Thailand. Tapioca flour and sago are the only two types of cassava products which are consumed by Thai people. Usually, the products which are distributed domestically are from small mills. The products go through the middlemen in Bangkok before being redistributed to the local markets. The products may also be sent directly to other processing plants such as the A-ji-no-mo-to Factory for reprocessing into other products.

Before cassava production expanded to the Northeast, during the 1970s Chonburi was considered to be the center of the market network. Most of the mills were located in Muang District, either in Noen Teng on the Chonburi-Banbung Highway, or along Sukhumvit Highway. Other services developing because of cassava production included trucking, scale weighing, and machine repair service. Noen Teng was the cassava community where business transactions at all levels took place.

Once the produce was processed, it was transferred to middlemen, collected and redistributed, both domestically and internationally.

Personal contacts had a role in transactions at the lower level, i.e., the pre-processing stage. However, after processing, transactions became more formal, as between companies, and the importance of personal relationships became greatly reduced. There were no brokers and/or middlemen at the post-processing stage. This may be because processed cassava products, especially in the pellet or chopped form, do not last more than about three months. Products are delivered promptly in order to avoid spoilage.

Since the price of cassava fluctuates greatly from year to year, farmers are liable to be very vulnerable. The 1975-1978 period was a low point. The demand in Europe decreased. Cassava production declined from then on, but improved again in 1985. By

then, the main production center had shifted to the Northeast.

In the late 1970s, the European Economic Commission proposed a policy of reducing cassava imports from Asia. One reason was that they were a cause of air pollution because of dust. In fact, cassava flour, if carried in bulk, is said to be the nastiest cargo ever by ship operators. Another reason was the threat to other European animal feed producers.

Cassava export was big business for investors in the import-export business. There are 3 patterns of export: (1) European firms have contracts to provide supplies to big European firms who handle the distribution to animal feed companies. (2) Thai exporters send the product to their branch offices in Europe who handle the distribution. (3) Thai suppliers sell freely without contract to any individual import-export firm doing business in Thailand.

There are many transnational companies involved in cassava transactions. The activities of these transnational companies include import-export, transport, silo storage, etc. Many of these firms are now involved or have the potential to be involved in the activities relating to the deep sea ports in Laem Chabang in Chonburi, and Map Ta Phut in Rayong.

Thai cassava associations have become very well organized. Since 1980, they became more involved in the transaction deals themselves, which was a shift from their role of brokers under contract with transnational companies.

Cassava farmers are a good example of progressive farmers. These might be farmers ones of Chinese descent who were willing to try cultivating upland crops, or Thai farmers who turned to upland crops because they were able to gain access to upland areas. Paddy farmers, finding that paddy cultivation in lowland areas did not provide sufficient income, would try to acquire upland areas to diversify their production. Coping strategies of farmers, in this case, are seen in the shift to upland cultivation, and forming new relationships with middlemen seeking produce to export. In the late 1960s and early 1970s, cassava farmers in the Eastern Region were lucky. Later, when the price of cassava dropped, many of them shifted to other crops and cassava production moved to the Northeast.

Since 1980, cassava exporters have become involved in policy formulation and were able to cooperate with policy makers more effectively. Cassava exporters have organized themselves into the following groupings:

1. The Mahathun Development Company, or Eurasian, with 23 exporters organized in subgroups. In 1982 there were six of these.

2. The Asia Group started with 5 groups but now has 4 groups with related activities.

3. Saeng Thai-Trakun Khan with 4 groups.

4. U.M.C. International with 3 corporate firms.

5. C.F.I. (Siam), operated as a single firm.

6. Ganaria operated as a single firm and had no activities after 1985.

b. Sugar-cane

Historically, sugar-cane was processed in the form of brown sugar. It was reported that sugar-cane cultivation became more popular in the early Bangkok Period when Chinese immigrants were allowed to cultivate it. The first sugar factory was located in Nakhon Chaisri, Nakhon Pathom. Before World War II, with the introduction of white sugar production, the government promoted sugar-cane cultivation with the establishment of the first white sugar factory in Lampang. Two other white sugar factories were later constructed in Uttaradit. There were many brown sugar factories scattered throughout the country. The Sugar Organization was also set up as a government enterprise to control sugar production activities.

In the years 1945-1950, sugar and sugar-cane production fluctuated and was much affected by the world markets. The Thai Sugar Industry was established as a company in 1953 to look after sugar production. In effect, the company had the monopoly of sugar production. The Industrial Promotion Act of 1954 provided tax exemption for the import of processing machinery as well as income tax exemption. New varieties of sugar-cane were introduced in Chonburi in 1956. The innovation spread to other provinces in the Central Region, including Ratchaburi, Kanchanaburi, Nakhon Pathom, Suphanburi, Petchaburi, and Rayong. Government intervention certainly helped sugar-cane investors.

The sugar export industry has been very important to the government. Many government intervention policies were introduced to help improve market conditions.

During certain periods, competition and conflicts between different factories lead to factionalism. Sugar exporters organized into different groups and formed pressure groups, requesting the government to introduce intervention measures every year. In 1975 there were three associations, namely, the Sugar Industrial Trade Association, the Thai Sugar Producers Trade Association, and the Thai Sugar Factories Association.

1. White Sugar Market

There is a quota system in this network. Farmers must sign contracts and obtain a quota indicating the amount of sugar-cane which will be sold to specific factories. As it turns out, sugar-cane grown in a certain area (e.g., a sub-district), is generally supplied to a specific local factory and not transported to more distant factories. The amount of sugar-cane grown in the central plain area is sufficient to supply the sugar factories in the region. In white sugar factories, sugar-cane processing output is in two forms, raw sugar and white granulated sugar. The Ministry of Industry has established regulations to the effect that all white sugar factories must reserve at least 40 percent of their raw sugar production for export. This measure has helped prevent over-production for domestic markets. The raw sugar must be delivered to the Ministry of Industry within 75 days after the opening day of the sugar season. All raw sugar is sent to the silos at Phra Pradaeng to be reloaded on ships for export. The raw sugar is then sent to Japan, the United States, Singapore, Malaysia, Vietnam, Korea, and to European countries.

All white sugar factories, in conformity to the regulations, produce white granulated sugar for internal distribution during the latter part of the production season. The last 60 percent of the yearly production in the form of white granulated sugar is sent to the godowns of the factories for storage. These are located in provinces of the Central Region such as Chonburi, Kanchanaburi, Nakhon Pathom, as well as Bangkok. The sales divisions of the factories are located in Bangkok where all sales are handled. White granulated sugar, then, goes through the hands of sales personnel in Bangkok before being redistributed to local retail stores. In cases where the sugar is stored in the provinces, the procedure followed involves only paperwork. When it is completed, the sugar is then delivered to middlemen to be redistributed to the retailers.

2. Brown Sugar Network

In the 1960s and 1970s, when all of the sugar industry was on a small scale, brown sugar was produced in small sugar factories and delivered to local middlemen. Usually the middlemen provided loans to the small factory owners. Since the loan was usually repaid in kind (brown sugar), the middlemen or the investors always had storage facilities of their own. Middlemen might also buy brown sugar from other producers. Then the first middlemen resold the product to retailers or other agents in the provinces and in Bangkok. Most of the production was sent to Bangkok, where agents redistributed it to other provinces. The center in Bangkok (Songwad Road) was a large area where many middlemen were located and where brown sugar was collected before being redistributed to other provinces, Malaysia, and Singapore.

In the 1960s and 1970s, Chonburi was the center of production for both white and brown sugar, Ban Bung being the most important district. In the case of white sugar production, though the distribution was controlled by agencies in Bangkok, many municipal areas in Chonburi, Rayong, Kanchanaburi and Suphanburi also functioned as redistribution centers. In Chonburi, there were six major sugar middlemen who contacted the second level middlemen. These, in turn, redistributed the sugar to local retailers in the districts.

3. Producers

The CUSRI 1979 Chonburi report pointed out that there were many individuals involved in the sugar production network at all levels, from the primary producers to the consumers. At the primary producer level, there were three types of producers:

(1) Wealthy land-owners, (of more than 100 rai). This group of producers either hired wage laborers to work on their land or rented it out to independent sugar-cane growers. However, the land-owners still lived in the area and kept in touch with sugar-cane production there. Another group of wealthy land-owners were absentee landlords. Though they did not live in the area, they were involved nevertheless, seeing that roads were built, for example, to facilitate transportation for the farmers who rented land from them. This group of wealthy land-owners were crucial for the exploitation and utilization of the natural (land) and human resources of the area.

(2) Individual small sugar-cane growers. They were those who cleared upland areas and cultivated sugar-cane independently, and land renters who paid annual rent to the owners. Both groups were on their own, controlling the land, and bearing sole responsibility for production and for production costs. They had to find market outlets on their own and, moreover, were dependent on quota holders. It was very difficult for individual small sugar-cane growers to survive.

(3) Hired farm laborers (*luk rai*). These were small farmers who were given a certain amount of land to cultivate on the estates of wealthy land-owners. Patron-client relationships were established. The land-owners provided the hired farm laborers with fertilizer, insecticides and other production inputs. The workers could also obtain loans from the land-owners for food and medicine. However, their production output had to be shared with the land-owners in the amount specified in a prior agreement. This was called *chak hua ton*. The production of the *luk rai* was included in the land-owner's sugar-cane quota to be sold to the white sugar factories. Fifty baht per ton was taken as *chak hua ton* from the farm laborers. In addition, when the production was sold to the land-owners, the funds advanced for fertilizer and insecticide were deducted. This group was the poorest of the three groups of sugar-cane producers. However, they earned enough to provide a frugal livelihood. The interdependence of these patrons and clients was obvious.

4. *The Quota System of White Sugar Factories*

The white sugar factories gave quotas to producers who had large land holdings and could supply about 500-750 tons or more of sugar-cane every year during the production season. This requirement limited the number of people who could apply for a quota. The quota system had been established since the opening of the factories and was followed every production season. No new quotas were established and to sell their output, the producers had to depend on those who had a quota. Most of these were producers of the first type discussed above. This meant that producers of the second and third types had to depend on the producers of the first type for the sale of their production. On the other hand, producers of the first type who had quotas had to depend on other producers in order to acquire enough sugar-cane to fill their quota requirement. People who had a quota usually received a small payment per ton of sugar-cane from other producers selling their output under their quota.

Another relationship arising out of the system was that established between factory owners and quota holders. That is, a quota holder could obtain a loan from the factory. The amount of the loan could not exceed 10 percent of the value of the quota, and the interest rate was 1-1.25 baht/month. Payment for sugar-cane was usually 50 percent in cash at delivery and 50 percent by check, 15 days after delivery. (CUSRI, 1979).

5. *Brown Sugar Factories*

Before the expansion of white sugar factories and the disappearance of brown sugar mills, owners of brown sugar factories usually had their own sugar-cane fields to ensure a sufficient supply of raw material. Brown sugar factories were usually small and did not have a quota system. In addition, brown sugar factories were usually of the traditional bazaar-type where most of the labor force was kin-related. Farmers preferred to supply their sugar-cane to large factories where they could be sure of selling it. Therefore, small brown sugar factories produced their own sugar-cane to assure the supply, as well as to minimize costs. Even so, the size of production still fluctuated, depending on the weather and land conditions in any given year.

Small brown sugar factory owners also had to deal with problems of capital. During the harvest season, the factory owners had to borrow cash to meet expenses such as labor. The loans were usually paid back at the end of the season when the brown sugar produced was sold. Personal relationships between factory owner and money-lender were the basis of the loans. There were no written contracts.

The difference between white and brown sugar factories was not only in terms of types of production, but in terms of labor utilization and technology. The differences are summarized in the following table.

	<u>FIRM TYPE</u>	<u>BAZAAR TYPE</u>
a.	large size	small size
b.	white sugar	brown sugar
c.	modern technology	traditional technology
		1. sugarcane press
		2. stoves using wood as source of heat
		3. large kettles

d.	mass production	small production
	1,500-2,000 ton/day	1,800-2,400 kg./day
e.	labor: 160-200 persons	labor: 10-15 persons

Many of the traditional brown sugar factories closed down, because the owners preferred to plant sugar-cane and supply it to large factories rather than operate a brown sugar factory which yielded little profit.

The sugar industry in the Central Region certainly contributed a great deal to migration. In Chonburi, laborers were needed for harvesting and for hauling in the fields, as well as in the factories. Most of the laborers were farmers from the Northeast who came to seek work in the Central Region after harvesting rice in their home areas.

Trucking as a service developed as a result of the sugar industry because of the need of the farmers to transport their produce to the factories.

The sugar-cane harvesting season starts in November which coincides with the processing season of the factories. Once the cane is cut, new stalks are put in to replace the old ones, if they are already 3 years old. If the cane stalks are only 1-2 years old, they can be left to grow again. While the sugarcane is growing, other activities take place. In May and June, weeds must be cleared and, in July, fertilizer must be applied. The second weeding season is between August and October, before harvesting in November. Thus November to April is the peak season for the sugar industry, both in the fields and in the factories.

6. *Sugar-cane Growers*

It is clear from the previous discussion that sugar-cane middlemen dominated and controlled production activities within the country. They adjusted to world sugar-cane prices and put pressure on the government to enact intervention policies. Even then, prices went down and the factories stopped operation. Guaranteed sugar-cane prices were not acted upon. In 1964, the sugar-cane growers in Kanchanaburi, Nakhon Pathom, Suphanburi and Ratchaburi organized themselves into a sugar-cane growers group which in 1971 was registered as the Sugar-cane Growers Association, Region 7. The sugar-cane market structure evolved with the growers gaining more power. The area planted 40 sugar-cane also expanded. Similar associations were organized in other regions. They were able to achieve greater bargaining power and came to control 90 percent of

production. However, in 1983, factions broke out and sugar-cane growers split into 3 groups:

- (1) The Thai Sugar-cane Growers Union, formed in 1973 with 6 associations.
- (2) The Forum of Sugar-cane Agricultural Cooperatives of Thailand, formed in 1968 and registered in 1976.
- (3) The Sugar-cane Multi-Associations of Thailand, organized in 1983.

Conflicts between sugar-cane growers and sugar-cane factories were quite serious. The world price of sugar was the main factor. In 1982/83, the government decided that the allocation of income between growers and sugar-cane factories would be at the rate of 70:30. The Sugar-cane and Sugar Act of 1984 was promulgated. The sugar-cane and sugar committee was established, and the sugar-cane and sugar fund was set up to guarantee the financial security of the industry.

(3) Commercialization of Fishing Activities

In the past, fishing was one of the main activities of the people living along the rivers, canals, and the seashore. Fishing techniques, however, have improved from simple small-scale methods to more capital-intensive techniques used on a larger scale. Before World War II, in addition to simple inexpensive techniques such as bait and hook, spear, and single net, *po* or bamboo traps and *tangke* or Chinese fishing boats, became popular in the upper Gulf of Thailand. The size of the investment required limited the number of people who could utilize these newer techniques.

In 1960, the Department of Fisheries introduced trawl techniques to catch fish at sea floor level. The techniques became very popular in the provinces in the upper Gulf of Thailand and the Eastern Region, such as in Chonburi, Rayong, and Samut Prakan. They were not so popular in the provinces of the lower Gulf such as Petchaburi and Prachuap Khirikhan.

After World War II, trawl techniques requiring the use of larger boats with large nets for deep sea fishing were introduced in the Gulf of Thailand. There were single and double boat trawlers. Fishermen employing other fishing techniques could not compete. In addition, because the technique was so effective, it picked up even smaller fish which should have been left to assure the future of the supply. Owners of large boats now control most of the fishing activities in the area. Refrigerated boats were introduced in Samut

Sakhon and Samut Songkhram provinces. While trawlers go out for a week or two at a time, using ice to keep the catch fresh, refrigerated boats can go out for a longer period, keeping their catch fresh by the use of their refrigerated compartments. Because of their larger size, they are able to travel further into international waters beyond the Thai coastline. The refrigerated boats are usually joint ventures involving Japanese or Taiwanese investors and Thai counterparts. Radar and other electronic equipment are used to detect the schools of fish. After detection, modern equipment is also used to make the catch. Thai fishermen are considered to be experts in large-scale fishing. They have been asked to provide technical assistance in this area by Bangladesh as well as Indonesia.

The introduction of trawl techniques helped increase fish harvests quite drastically. This is evident from the statistics on boat registration and fish production. Table 2-6 provides figures for comparison.

TABLE 2-6 : Number of Boats Registered and Production for 1960, 1970, 1980 and 1990.

Year	No. boats registered	Production (tons)
1960	99	150,000
1970	16,146	1,336,000
1980	19,511	1,648,000
1990	21,547	2,555,000

Sources : Agricultural Statistics of Thailand.

Trawlers unload their catch at smaller docks in Chonburi, Rayong, Prachuap Khirikhan, etc., but larger boats must unload at larger docks in or near Bangkok. The dock in Samut Prakan had been functioning as the only dock for large-scale fishing boats until very recently. Refrigerated boats come to unload their catch in Samut Prakan and Samut Sakhon because the configuration of the coastline in the Gulf makes it impossible for these large boats to unload at other docks in the Eastern Region provinces. The Thai Seri Refrigeration Plant handled frozen fish products for export and was able to monopolize the activities until more sophisticated food industries were established and the fish market was expanded.

The Fish Market Act of 1953 had, in effect, provided opportunities for local merchants to control fish transaction activities at the dock. Local merchants not only

controlled fish transactions, but also controlled dock fees, petroleum prices, ice supplies for trawlers, and other related activities. The dock owners and the local fish merchants became so powerful that they could order a stop to all fish transactions. When they staged a strike in 1974, independent fishermen were very much affected because they had no place to sell their produce.

Fish merchants and dock owners usually functioned as money lenders as well. Independent fishermen became the clients of the dock if they borrowed money from the fish merchants or dock owners. This function was very important in the past because commercial banks were not willing to lend money to fishermen because of the uncertainty of the catch.

The Department of Fisheries became very active in promoting "culture" fishery activities after 1970. Earlier statistics are not available, but existing statistics indicate a large increase in fish production after the promotion of fresh and brackish water "culture" fishery programs started in 1973. In fact, both culture and capture fisheries were promoted and yields of both fresh water and sea water fish production increased, particularly in the Central Region. (Table 2-7)

TABLE 2-7 : Production of Fish Farms for 1970, 1980 and 1989

	1970	1980	1989
Whole country	33,141	34,503	91,679
North	1,327	2,791	9,462
Northeast	1,586	3,378	7,329
Central	29,150	27,516	71,493
South	1,078	818	3,395

Source : Department of Fisheries

Instead of raising fish for consumption on a small scale as in the past, commercial fresh water fish raising came very much into its own during the 1970s. Fast-growing fish and shrimp raising were very popular in Suphanburi, Nakhon Pathom, Samut Prakan and Chachoengsao (See Table 2-8).

TABLE 2-8 : Fresh Water Fish Production for 1970-1987 (tons).

	1970	1976	1980	1983	1987
Whole country	112,714	147,294	143,895	155,447	177,142
North	2,110	4,258	3,154	6,254	21,422
Northeast	38,656	53,021	38,253	42,700	44,237
Central	66,468	81,836	90,708	92,597	102,036
South	5,480	8,179	11,750	13,896	9,447

Source : Department of Fishery

Fisheries production expanded in the Central and Eastern Regions as well as in the South. Table 2-8 shows statistics of the Department of Fisheries in the 1970-1987 interval. In 1983, there were 47 refrigerated firms in Thailand. Of these, 29 were located in the Central region, in Samut Prakan, Samut Sakhon, and Chonburi; the other 18 firms were located in the South

Shrimp farming was being promoted at about the same period. The promotion included both brackish water shrimp and sea water shrimp. Again, shrimp farm activities started in the Central Region before expanding to the South. Statistics of the Department of Fisheries for 1986 by province are presented in table 2-9.

TABLE 2-9: Area and Production of Sea-Shrimp Aquaculture by Provinces for 1982 and 1990.

Province	Area (rai)	1982		Area (rai)	1990	
		Prod (ton)	No. of farm		Prod (ton)	No. of farm
Trat	391	22	81	12,593	4,851	569
Chanthaburi	5,712	201	263	52,898	16,207	2,193
Chonburi	3,062	295	80	3,935	457	122
Rayong	-	-	17	10,833	5,417	163
Chachoengsao	5,137	258	231	21,937	7,978	1,078
Samut Prakan	43,623	2,245	1,019	38,875	4,243	1,211
Samut Sakhon	44,993	2,789	1,033	50,980	9,989	1,877
Samut Songkhram	30,200	919	591	24,407	7,957	577
Petchaburi	10,175	430	147	18,200	4,398	478
Prachuap Khirikhan	1,372	134	186	5,638	2,091	300
Total Central	144,675	7,293	3,648	262,817	64,900	9,036
Other	47,778	2,798	1,885	148,738	53,327	7,263
National Total	192,453	10,091	5,534	411,555	118,227	16,299

Source : Department of Fishery.

Impact on Local Fishermen

The development of the fishing industry has had great impact on local fishermen. During the 1970s when CUSRI conducted field research in Chonburi, it was observed that small-scale fishermen were giving way to large scale fishery and fishermen were shifting occupation to the tourist industry instead.

In the 1970s, traditional fishing techniques could still be seen in Chonburi as well as in other coastal provinces. Single and multiple bait hooks and lines were still used, and this technology was retained as long as the catch was adequate. In Bang Sa-re, Chonburi, there were still fishermen who went out at night with hooks and lines (single hook) for a certain kind of fish called *insi*. The amount of fish caught depended on the day of the lunar month but, in general, these fishermen were still satisfied with their catch. Multiple hooks and lines were more popular. The use of multiple hooks increased the possibility of

the catch and the yield of each trip was generally sufficient for the 3 or 4 fishermen in the team to get a satisfactory share.

Fishermen employing hook and line technology were not poor because they had a boat to share among 3 or 4 persons. If the yield was not satisfactory, these fishermen might invest in something else. The rationale for retaining what may be labelled "primitive" technology was because the operation was still economically profitable. However, most of these fishermen did not want their children to follow them in the same occupation. They said the work was too hard. Some fishermen abandoned hook and line for more sophisticated technology, such as the Thai purse sein or trawl, which required a medium-sized boat with 10 to 20 crew members. The shift to more sophisticated fishing methods was necessary because the amount of fish available was not as abundant as in the past.

Though many fishermen changed technology, their religious customs and practices remain unchanged. Local spirits, net spirits, and boat spirits were worshipped before leaving the shore. The offerings differed from boat to boat, but the general pattern followed that of the worship of household spirits. Most Thai people observe the five Buddhist precepts, one of which is not to take life. Fishermen rationalize their work by saying they catch fish to feed people and to make a living. However, most fishermen (and butchers) observe the Buddhist Sabbath (*wan phra*) on the 7th and 15th day of the lunar month, and abstain from taking life on those days. Even trawl boat operators observe this custom, although Thai purse seine fishermen do not. One fishermen explained that with the Thai purse seine techniques, fish can only be caught during dark nights, and since the crew go to sea only half of the month, they must optimize their work time on each trip. With trawl techniques, fish can be caught any day of the month, and work crews can afford to take the day off on the Sabbath day, once or twice during each trip.

So far, both traditional and modern fishing technology are seen to co-exist. Competition to increase production with a decreasing supply of fish forces the fishermen to readily accept innovation. Religious beliefs and customs followed by the fishermen do not hinder technological change. Economic rationality is the only criterion determining the shift from traditional to modern technology. However, the fishermen who most readily resort to such rational judgement are those who have sufficient financial resources to invest. Those who shift most readily to modern equipment turn out to be entrepreneurs capable of profiting from capital investment.

In addition to economic considerations, another factor influencing technological choice in fishing operations is topography or physical conditions. For example, in Chonburi, because of the configuration of the sea shore, large boats cannot come in to dock there. Trawl boats of medium size are the largest that can come to shore. International fishing boats equipped with full scale refrigeration plants are not seen in Chonburi. The case of Samut Songkhram is different. Being located along the coastline of the country having a more favorable configuration, large fishing boats are able to dock.

Shifts in technology or methods of fishing may also be viewed in terms of social mobility. Many crew leaders or mechanics, after about ten years as hired hands on fishing boats, become self-employed and operate their own boats and equipment. These people employ the technology which is the most appropriate for their operations, which may be traditional or modern. The extent to which they choose "modern" techniques is conditioned by the economic and physical factors mentioned. Given a limited budget, such medium-sized operations cannot become fully modern immediately, and eastern seaboard people who wish to operate large boats may have to move to Samut Songkhram or Samut Sakhon where the boats can land.

Shifts in technology are thus related to operation size. Hook and line technology utilizes 1 to 4 persons, depending on whether the method is single hook or multiple hooks. Modern equipment requires a motor boat. Rather than buy a factory-made motor boat, the resourceful fisherman usually attaches an adapted engine to an existing traditional boat. With increasing investment, operation size increases and technology becomes more sophisticated. Even a medium-sized operation requires a relatively large sum of money. If large sums of money are not available, the technology utilized is semi-modern, relying on improvisation and adaptation. Beyond this improvisation level, investment in fishing is increasingly made by entrepreneurs who have funds to invest but are not themselves fishermen. The industry then comes under their control.

As discussed above, the shift from traditional to more advanced methods of fishing is possible only for those who can afford the extra requirements. Poor fishermen with skill and experience are very much in demand as boat or net leaders by boat owners. Fishermen with few skills are hired as simple crew. In neither case is there evidence of shift in occupation.

Compared to people in most other occupations, people engaged in fishing are generally considered to be adaptable and/or innovative. In economic terms, they can readily see that adaptability in technology leads to higher yields. Yield clearly depends on competition among fishermen to catch as many fish as possible from the same stock. Farmers, on the other hand, depend on the crops planted on a specific privately owned or rented piece of land, and direct competition is not so apparent. Because of the challenging character of fishing, people involved must be competitive and relatively innovative. Those who hold on to irreconcilable customary beliefs and/or practices have no choice but to get out and work in other areas.

Chapter 3

Development Strategies, Democratization and Impact of State Policies on the Central Region

1. Introduction

Economic development strategies initiated as part of national development planning have promoted agro-industries, import-substitution industries, and export-based industrial development. Thailand has been moving ahead towards industrialization but a large portion of the rural sector still faces the problems of unemployment and poverty. How have the Thai people accepted the Development policies, and what lessons have been learned?

To answer these questions, it is necessary to evaluate the attitude of the Thai people towards the government, and to assess the degree to which state policies have provided them with choices, as well as the opportunities to make the choices.

In this chapter, we examine the degree of acceptance of the state ideology (national development ideology) as proposed and publicized by the government, and its effect on the social values and way of life of the people living in the Central Region of the country. What needs to be understood are the so-called "local-level" institutions which may include local government as well as other social and economic institutions.

The literature on the subject indicates that in the case of Thailand, the inter-relationship between the political and economic spheres has been very close. A superficial examination of the situation before World War II may give an impression of the political sphere being dominated by members of the royal elite and the economic sphere being

dominated by the Chinese entrepreneurial class. However, the limited analysis presented in Chapter 2 provides evidence of a close relationship between the ruling elite of the 1932 coup d'etat and the Chinese immigrants of both the first and second generation.

Following Gramsci, Chai-anan described the state, with the government as its concrete structure, as an institution in fact serving the ruling class but presenting itself as if it were serving the people of the nation. In effect, class distinctions became blurred and the state appeared to be operating for the welfare of the people. The state became a sacred symbol created by and integrating a certain ideology and political legitimization process. Chai'anana felt that capitalist ideology together with some political factors were able to create an alliance between the different classes of people (Chai-anan Samutvanij, 1987).

It is clear from the discussion in Chapter 2 that capitalist ideology, in one form or another, was used by the government as the development concept of the country. In this chapter, we will examine some political factors operating at the local level in the form of local institutions which helped bring about an alliance between the different classes and, to a certain degree, legitimize the government .

State ideology, as proposed by various government sources, was interpreted and reacted to differently by different groups of people. Available literature provides concrete examples of the reactions and coping strategies of the people. For the Central Region, three factors are important for the understanding of the overall development process: (1) proximity and ease of communications; (2) the role of local governments; and (3) the emergence of government enterprises and rural industries in the Central Region provinces. The first factor is obvious and need not be discussed.

2. Government Enterprises, Rural Industries, and Local Government in the Central Region

As mentioned in Chapter 2, the "nationalistic capitalist" ideology adopted by the government during the 1945-1960 period encouraged the establishment of state and private enterprises. During this period, these were mainly rice mills, sugar mills, sawmills, and alcohol distilleries. In 1946, the Ministry of Industry took over the operation of all sugar mills. In spite of all the assistance provided by the government, the government-operated sugar factories produced less sugar in 1950 than did the small private factories with their crude equipment.

Because of the factors of proximity and accessibility, about half of the government-operated industries and enterprises were located in the Central Region. Distilleries in many provinces were operated by ethnic Chinese because their skills made them indispensable. Even though the government controlled the enterprises, in fact the operations remained in the hands of local operators.

Another situation which became important was the fact that members of the ruling elite were able to utilize their connections and access to information for their own benefit. In 1950, the World Bank provided 10 million US dollars through the Bank of America in Bangkok to help promote economic activities of private enterprises in Thailand. Phin Chunchawan, Deputy Prime Minister, and Phao Sriyanon, Minister of Interior, then established a company, the Economic Promotion Company, and the two were able to use their influence to have the newly established company borrow the World Bank funds, the government providing the required guarantee. The funds were used to set up the Suphanburi Sugar Mill, the Saraburi Marble Quarry, the Bangphra Paper Mill, the Chonburi Sugar Mill, and the Northeast Gunny Sack Factory. (Sangsit Piriya-rangsan, 1982).

Because of the government policy of controlling economic activity in the country, many entrepreneurs and members of the economic elite invited political elite members to be on the boards of their firms, and established close ties with them. This practice became very common and may be viewed as a form of government intervention. In fact, the payments for economic roles given to the political figures may also be viewed as "protection" awards.

3. Politico-Economic Linkages at the Local Level

The first effort to establish local self-government in Thailand was made as early as 1905. An experiment in local self-government was launched with the creation of the *sukhaphiban* or "sanitary district" of Samut Sakhon. The Municipal Government Act was promulgated by the National Assembly in 1933. However, in 1953, another municipal reform act was adopted which brought urban governments directly under the administrative control of the central bureaucracy (Riggs, 1966).

When the government decided to adopt nationalistic capitalism involving government intervention in economic activities at the local level, its application took many

forms. Chakrit Noranitphadungkarn studied the operation of municipalities and Sanitary districts and showed, through case studies of the Siracha Municipality in Chonburi and Kaeng Khoi Municipality in Saraburi, that there was a very clear relationship between local government officers and local Chinese merchants.

The following are examples of the applications of nationalistic capitalism in different situations.

(1) The Role of Local Influential Families

Ruang Seni, a member of the municipal council, belonged to a family which started the first sugar factory in Chonburi. His father was a tax-farmer and his elder brother was also a municipal council member before he passed away. He also had a nephew who was the under-secretary of the Ministry of Interior at the time of the study. The fact that the government turned the private sugar mill into a government-operated enterprise did not cause him to suffer economically. In fact, he was able to continue making a profit from the mill as well as operate the local bus system and be elected municipal representative.

(2) The Role of Local Government Officials and Rural Industrialization

The District Officer wanted to promote investment in the municipality, both as part of his duty of applying the government industrialization policy, and to create jobs for the local people. He was able to use his contacts in Bangkok to bring high-ranking government officials in contact with potential investors. His efforts were successful and an oil refinery was established not far from the municipality.

(3) The Role of Bangkok People

Many Bangkok-based government officials took up residence in provincial areas of the Central Region on retirement and invested in economic activities there. An example provided by Chakrit is the case of an ex-minister who settled in Chonburi and bought 1,000 rai of land to grow upland crops there. By 1957 he had hired 1,000 workers. In 1958, he was invited to become the manager of a cassava mill employing 1,200 workers and capitalized at 90 million baht. The year after, he became manager of an even larger enterprise with capital of 100 million baht. In 1967, he was nominated to become a member of the constitution drafting committee and, later, became a member of the provincial council. (Chakrit Noranit paddung karn, 1970:97).

Kaeng Khoi subdistrict was upgraded to the status of a municipality in 1945. From 1945 to 1963, all of its mayors had been local people. The community was controlled by influential market people. The Ban Hin Company, under the management of Mr. Thanong at the time of the study, owned most of the property in the municipal area and was able to extend its influence to the outlying reaches of the municipality territory. The company was established by a man who came from Bangkok and became the first district officer of Ban Hin. Some of his descendents inherited the company. Since some lived in Bangkok, the tie-in between Bangkok and Kaeng Khoi was reasonably strong. The relationship between the local people and those from Bangkok had both strengths and weaknesses. Thanong, the manager of the Ban Hin Company, was elected a member of the municipal council twice, thanks to strong and influential support received from Bangkok. He also became a political supporter of the National Assemblyman of the Saraburi riding. When Thanong worked for a ranking military officer who became a minister, he developed a dictatorial management style which was not appreciated by the local people. He was known to use violence to achieve his political and economic goals. In essence, he became the *chao pho* (godfather) of the Kaeng Khoi area.

(4) Migration and Community Expansion

The construction of the Friendship Highway through Saraburi and Kaeng Khoi Municipality brought about many changes. Bangkok culture was brought in by well-to-do people coming to invest in upland cultivation. Farm estates were established as forest land became more and more accessible. Farmers were hired as laborers on the estates. These included both local farmers and migrants from other regions. Migrant workers were both temporary and semi-permanent settlers.

Statistics for 1963 reveal that there were seven times more newcomers than local born people in Kaeng Khoi. New households were established and temporary relationships assumed more importance than the traditional relations based on kinship. Local people who had been able to save some money were considered the local middle class, while the newcomers were considered lower class. Members of the local elite, on the other hand, distinguished themselves from other local people. They had a second residence in Bangkok where their children also attended school. All of this strengthened the links between the Central Region provinces and Bangkok.

These links, were basic to making the Central Region an extension of the capital city. Political connections and the economic interests among the members of the local elite and of Bangkok investors reinforced these ties.

4. Coping Strategies of the Rural People in the Central Region

There are very few accounts of the coping strategies of rural people when the Municipality Administration Act was enacted. When the paddy farmers lost their fields either through mortgage or sales, their coping strategy was to adopt one of three alternatives: (1) shift over to upland farming on encroached forest land; (2) continue paddy farming as low-income tenant farmers; and (3) migrate to Bangkok as wage laborers and/or engage in non-farm activities.

Suntaree Asawai described the situation as "the weakening of rural communities". The weakening process can be seen in terms of local organizations no longer able to sustain themselves. The attempts to establish agricultural cooperatives proved a failure, time and time again, despite the efforts put into it by many government agencies. There was no community organization that could help the poor cope with the changing economic conditions, which were becoming more and more money-oriented.

When, with the encouragement of middlemen export crop production was promoted, many paddy farmers went off either to clear new land or to seek new employment in export crop production. Those who stayed behind were landless and dependent on money-lenders. The people who actually benefitted were local merchants, the local middle class, those who joined in partnership with government officials, and those who became supporters of Bangkok politicians seeking election in the provinces.

The Chinese who settled in the provinces lived in town market areas and developed their own coping strategies. Some assimilated, married Thai women, and adopted a Thai lifestyle. Others who did not fully integrate remained somewhat marginal as members of the small Chinese communities. In Saraburi, there was a Chinese school with 200 students a Hakka Society, and a Funeral Society which made arrangements for burial plots for its members.

S. Sukhonthaphirom classified the provincial Chinese in Thailand into wage laborers and small merchants. The many small merchants were found in market centers.

They set up small shops to produce vermicelli, pickled vegetables, noodles, and rice mills. They were then able to work their way up to becoming more influential business representatives in the provinces by establishing connections with Bangkok merchants.

In other words, the poor sought to cope with the economic conditions unfamiliar to them by becoming clients of patrons living in the market centers. The patrons, in turn, had the opportunity to find new channels for investment by encouraging their clients to provide upland products for export.

5. National Development Policies and their Impact on the People

Two national development policies affecting the people in the Central Region, especially in the Central Plain areas, were policies relating to irrigation and to land. The Rangsit (irrigation) Development Project, started in 1888 by the Siam Canal Company, was not successful until the Department of Irrigation (originally, the Department of Canals) was established in 1923. However, for all practical purposes, the first large irrigation scheme in Thailand was the Chao Phraya Yai Project involving the construction of the Chainat dam and reservoir to collect water. The construction started in 1952 and the irrigation canals became functional in 1964. It is undeniable that the Chao Phraya Yai irrigation system benefitted the farmers in the Central Plain. As shown in Table 3-1, production increased but the irrigated areas during the dry season were always lower than targeted. In 1973, only 13 per cent of the irrigation area provided water during the dry season.

TABLE 3-1 : Average Production of the Chao Phraya Yai Project Areas for Different Years.

Year	Production per rai (kg.)
1958	385
1971	469
1976	622

Source : Department of Irrigation.

The Department of Lands was set up to issue land documents after cadastral surveying and inspection of land boundary markers. The first land law was promulgated in 1901 when land documents were issued to individuals using a cadastral survey system.

According to Toru Yano (Asian Survey, 1988), prior to the promulgation of this land law, individuals occupying and cultivating land had legal rights of ownership to that land. The Land Law of 1901 made a distinction between "land ownership" and "land holding". Most farmers did not understand the new law. In practice, the Land Law of 1901 had no immediate impact on the lives of the farmers who continued to cultivate the land they had been occupying. However, the Bangkok elite understood the Land Law and started to acquire land with land ownership documents. Paradoxically, due to ignorance, the farmers who actually cultivated the land had land documents, but the elite who used land as a form of accumulating wealth were able to acquire ownership. When the Rangsit Canal Project was implemented, the Snitvongse Family who operated the Siam Canal Company and had been granted land concessions, was able to acquire 800,000 rai of land in Pathum Thani, Ayutthaya, and Saraburi Provinces. As a result of transactions over time, these holdings came to belong to people living in Bangkok.

Consequently, the farmers cultivating paddy had to rent land from the landlords living in Bangkok (Zimmerman, 1982). Land ownership sizes ranged from about 100 rai to more than 1,000 rai per individual. These holdings are found in Pathum Thani, Ayutthaya, Nakhon Nayok, Chachoengsao, Saraburi, Ang Thong, Lopburi, and Chonburi, all areas in the periphery of Bangkok (Suwit Phaithayawat, 1978). In addition to normal land transactions among Bangkok people, many landowners acquired land by lending out money to farmers who were required to provide farmland as collateral. When the farmers defaulted, not being able to pay back the loans, the money-lenders then claimed the land.

Landlessness in the Central Region engendered two main problems: land encroachment in border provinces such as Kanchanaburi, Prachinburi, and Chachoengsao, and farm tenancy. Commercial land encroachment in Thong Pha Phum District, Kanchanaburi, was reported to have taken place in the latter part of the 1950s and early 1960s when merchants came in and hired farmers to clear land for 30-50 baht per rai. The payment has since escalated to 30,000-50,000 baht per rai.

The government has been trying to cope with the land tenancy problem by introducing measures such as the Land Rent Act of 1950, the Land Act of 1954, the Land Reform Act of 1974, the Land Rent Act of 1974, and the Land Reform Act of 1975. All of this legislation was aimed at solving some of the farm tenancy problems. The Central Region was given first priority since that region was the most affected. The farmland tenure status for different regions in 1987 is given in Table 3-2

TABLE 3-2 : Farmland Tenure Status Classified by Region.

	North	Central	NE	South	Total
Full owner	908,042 (67.6)	560,974 (58.5)	758 (84.3)	635,737 (81.4)	4,059,512 (75.1)
Partowner/renter	224,841 (16.7)	227,629 (23.7)	217,277 (9.4)	101,141 (13.0)	770,888 (14.3)
Full renter	209,788 (15.6)	170,820 (17.8)	148,086 (6.4)	44,061 (5.6)	572,755 (10.6)
Total	1,342,672	959,423	2,320,121	780,939	5,403,155

Source : Village Baseline Data, 1987. National Rural Development Coordinating Center, NESDB

The Land Rent Acts state that land rent should not exceed 25 percent of the value of the production output. However, Krirkkiet Phiphatseritham reported land rent in Central Region areas to be between 35 to 50 percent of production (Krirkkiet, 1978:34). Even though these laws were intended to help farmers (especially those in the Central Region where landlessness was more prevalent) in effect farmers did not take advantage of the law and simply complied to the demands of the landowners. The Land Reform Act, on the other hand, has not been implemented fully.

The impact on the people of the irrigation and land development projects may be appreciated by assessing the reactions of the people at different levels. To the extent that the development activities are beneficial to them, people remain in the agriculture sector. Otherwise, they have to shift to the non-agricultural sector employment in which water and land conditions are not crucial to their mode of production.

6. Alternative One : Remain in the Agricultural Sector

To identify the coping strategies of the different groups of people involved, the role of local merchants and of government officials in implementing government policy and programs will be examined. Then the reactions, or coping strategies, of farmers to the

newly introduced policies will be discussed.

(1) The Role of Local Merchants and Government Officials

The Investment Promotion Act enacted in 1960 resulted in the implementation of many multi-national investment schemes in the country. Joint ventures between Sino-Thai and Japanese or American firms were initiated and almost all of them are located in the Central Region. To obtain government support, government employees, both at the local and national levels, were used as contact points to promote investment. Trade associations and other so-called non-profit organizations were formed to help establish networks among merchants, and between merchants and government officials.

At the local level, what actually happened was a shift and change of social values. Traditionally, a patron was a respected person who played a protector role for his client. He appeared to be passive and received benefits in the form of goods and services, without having to do any actual work. His status was maintained because of his merit and his good deeds. One was required not to be greedy or want more than what one received. Buddhist ideology predominated in everyday life. When the economic conditions changed, it was not sufficient to maintain the status quo. With the advent of national development policies, there came possibilities for investments, especially when connections with government personnel opened up investment channels enabling those having such connections to move ahead of other ordinary people. To advance economically and socially, one now had to invest to earn more. A successful person now accumulated wealth through investment, drawing on opportunities to utilize the resources available to the best advantage.

One way to accumulate wealth was through land ownership. Local merchants and government officers, as well as Bangkok people, became land speculators, intentionally or unintentionally. Subdistrict and village headmen learned to follow the practice of local merchants and government officers. When they heard of future construction projects or of a new highway to be built in their village area, they took the opportunity to buy up land from fellow villagers to later sell or develop for profit.

An example is Nai Uan in Ban Chung, Nakhon Luang District, Ayutthaya Province. He was a teacher who became a merchant because of better income prospects. After the irrigation scheme was completed in his area and his 100 rai of inherited land was supplied with water all year round, he became a farmer. Because he was relatively well

educated, he was subsequently elected village, then subdistrict headman. While holding office, he bought another 100 rai of land on which he built what has become the Ban Chung market place. In 1967, a road connecting Phachi and Nakhon Luang Districts was built as well as a few other village roads connecting villages with the district centers. Nai Uan then set up a village bus transport system making use of the new roads. It is undeniable that Nai Uan was at an advantage in having access to government information and being able to plan his investments accordingly. He moved up from being an ordinary farmer, an ordinary teacher, to become an influential local merchant, owning most of the Ban Chung market, the bus line, and a few other enterprises besides. Even though he had given land to his children, keeping only 10 rai under his name, he was still the manager of the properties which he inherited and invested in during his lifetime (Banphasirichote, 1982).

Withayakorn Chiengkul described the situation of the 1970s and early 1980s as one of conflicts between the agricultural and industrial sectors. There was conflict between villagers with property and those without. Because of the desire to accumulate wealth and to invest to earn more wealth, land was transacted with a profit motive in mind. Even among upper-class villagers, there were conflicts of interest. The more conservative maintained an anti-land reform position for fear of losing the large tracts of land presently owned. The more progressive supported implementation of the Land Reform Act, hoping that controlling the price of land within reasonably low limits would be conducive to future investment, whether in the agriculture sector or in others.

In any event, the Land Reform Act promulgated in 1975 has not been effective. Large landowners who were influential, both locally and in Bangkok, have been able to take advantage of loopholes in the law not to conform to it. Government officers implementing the law either were not qualified or capable of applying the rules and regulations, or they intentionally neglected to perform their duties out of consideration for personal benefits provided by the large landowners. Smaller landowners with no influence and less information had to cope differently.

(2) Coping Strategies of Farmers

In positive terms, the irrigation system certainly benefited many farmers in Chainat, Singburi, Angthong, Ayutthaya, Saraburi and Pathumthani. There was a shift from broadcasting to the transplanting technique when double cropping became possible with the

provision of irrigation water in the dry season.

Many farmers who had rented out farmland before irrigation water was made available recalled it to cultivate their land themselves. They adopted mechanization and invested in modern technology. They either became large-scale farmers, or retained only enough land to grow what rice was needed for home consumption and sold the remaining land to invest in other enterprises. Because of low rice prices and the fluctuation of the world markets, there were not many large-scale rice farmers. Those who stayed in the agricultural sector shifted to other crops using hired hands as labour.

Smaller farmers who owned less than 20 rai of land cultivated rice for consumption and turned to wage labour or other employment for cash income. However, because of the use of higher technology and mechanization, farm production expenses repeatedly became higher and higher, and cultivating rice ceased to be cost effective. Many small farmers also cleared forested areas to cultivate maize, cassava, and sugar-cane. In addition, other farmers encroached on forest areas to settle. The Kanchanaburi case study reports that many communities in Kanchanaburi were established in this way in the early 1960s. At that time, the irrigation projects had not yet been completed. Income from lowland crops had been low and the people decided to escape poverty and search for new alternatives.

On the other hand, forest land clearing was in fact condoned as a result of the forest concessions given out by the government. At that time, reforestation was not seen as urgent and concessionaire companies were interested in wood products only. The needs of the small farmers and of the concessionaires complemented each other. The companies took the wood, the farmers occupied and tilled the land.

In the Central Region, the percentage of landlessness increased, together with that of indebtedness and the increase in forest encroachment. As has been mentioned earlier, many landless farmers left their lowland homes and cleared forest land for upland cultivation. In 1958, Uthit Naksawat carried out a survey of the 20 central provinces and found that 50 percent of the farmers surveyed had an average indebtedness of 3,160 baht. About 90 percent of the farmers borrowed from local informal sector money-lenders at an interest rate ranging from 16 to 55 percent annually. Other surveys came up with similar findings.

TABLE 3-3 : Percent of Indebtedness of Farmers in the Central Region for Different Years.

Year	% indebted	Data source
1958	50	Uthit Nakasawat
1965	all	Off. Ag. Economics (OAE)
1971	55.76	OAE
1976	72.22	OAE

According to Ansil Ramsay, landless agricultural laborers had the lowest income of all rural families. It was even lower than that of tenant farmers, who have been receiving much attention in recent years. One sample survey in 1974-1975 found that the average gross income of agricultural worker families was only 8,046 baht per year, compared to 20,712 baht for tenant farmers. Farm families who owned all of their land earned 28,786 baht a year on average, while part owners earned 31,385 baht. (Ramsay, 1985).

The most extensive survey of landlessness was conducted by the Division of Land Policy and Planning between 1974 and 1976 in 22 provinces in central and northern Thailand. The findings for the 20 central provinces covered by the survey are presented in Table 3-4.

The survey found that 14 percent of the families were landless, which is very close to a 1978 World Bank estimate of 15 percent of landlessness for the Central Plain. As can be seen from the above table, however, there are major differences between provinces. Only 4 percent of farm families were landless as defined in Kanchanaburi, while Ayutthaya had the highest proportion at 38 percent.

Despite their hardships, the villagers did not organize themselves. Communication between government officers and farmers was minimal. While government officials and local merchants knew about government policies and cooperated to fulfil some of the obligations or responsibility given to them through the line agencies, the farmers were excluded from the information flow. The upper class and the farmer class were two distinct categories of people. Most farmers were keen about sending their children to school to enable them to improve their social and economic standing through education and change in occupation. Upward social mobility has been the desire of most farmers. They put high social value on the status of government officials as those providing power and

authority. Wealth was not expressed overtly as a highly valued attribute during that period.

TABLE 3-4 : Landlessness in the Central Plain Provinces, 1974-1975.

Province	Number of Farm Households	Number of landless farm households	Percentage of landless farm households
Ang Thong	21,061	5,100	24
Ayutthaya	51,191	19,215	38
Chachoengsao	38,016	5,556	15
Chainat	31,353	2,621	8
Chonburi	42,436	2,094	5
Kanchanaburi	32,240	1,236	4
Lopburi	56,867	10,300	18
Nakhon Nayok	16,242	3,884	24
Nakhon Pathom	41,680	5,936	14
Nakhon Sawan	59,679	4,835	8
Nonthaburi	17,385	3,010	17
Pathumthani	12,971	3,331	26
Phetchabun	70,273	4,927	7
Phitsanulok	44,588	3,479	8
Prachinburi	55,132	6,602	12
Samut Prakan	7,361	2,279	31
Samut Sakhon	13,428	2,889	22
Samut Songkhram	12,984	3,156	24
Singburi	16,515	3,186	19
Suphanburi	65,757	5,824	9
Central Plain	707,159	99,460	14

Source : Ansil Ramsey, 1985. p.353.

Educated young people of the Central Region became more active and many were involved in the student-led uprising in 1976. Farmers in the Central Region then organized themselves into farmers' groups demanding government intervention to solve the problems of landlessness and of the low price of agricultural production commodities. The Land

Reform Act and the Land Rent Act were promulgated subsequently. However, as mentioned earlier, neither of the laws were effective.

7. Alternative Two: Diversion on Non-farm Occupations

Because of the hardships mentioned above, many small farmers decided to change occupation. There were those who cultivated paddy for consumption and turned to supplementary occupations for additional income, and those who abandoned farming completely. The government promoted supplementary occupations in the form of second cropping as well as handicrafts to help alleviate poverty. During the 1960s and 1970s, the need for supplementary income was so great that almost every household had to look for alternative means of livelihood. Non-farm activities discussed in this section cover: (1) handicrafts and home industry, (2) the villages' rejection of agricultural development projects of the government and (3) the tourist industry.

(1) Handicrafts and Home Industry

The two types of home industries presented as case studies here may be categorized as (a) self-employed independent home industry and (b) contract home industry.

Self-employed home industry -- the case of brick-making. In the Central Region, brick making has been one of the most popular home industries partly because the soils in the region contain clay suitable for use as raw material, and partly because brick-making involves all members of the family and fits in well with the way of life of the people. In addition, buyers come to the villages to buy the bricks, sparing the villagers the need to find transportation to deliver the product. The demand for red bricks has always been high but this does not mean that the producers control the market. The prices of bricks has always been kept low by the middlemen who come to the villages to buy them. Notwithstanding, brick making is still popular in many areas of the Central Plain and will remain so until all sources of clay are depleted.

Contract home industry: the case of Aranyik knives. The Aranyik production is a traditional non-farm activity of the area. Originally, the knife makers marketed the product themselves. This was so until a few Chinese migrants moved into the communities before World War II. The Chinese became petty traders, selling household goods to the village people. After settling in the villages and becoming part of the communities, the

Chinese traders became involved in the Aranyik trade by helping to identify sources of raw materials as well as market outlets. They could do this as traders who travelled to many places. After a while, the Chinese merchants handled the marketing of the products. Since the Chinese had connections in Bangkok and other market-places, they had the advantages over the villagers who had to sell their products in a retail manner, which was time-consuming and inefficient.

After the War, Nai Ti, a Chinese merchant, moved from Ton Pho Village to Bangkok and became involved in the steel and spare parts trade. Then he gained control as a supplier of raw materials to the knife makers. While Nai Ti supplied raw materials from Bangkok, his son remained in the village, taking care of the marketing of the finished product. Gradually, the Chinese controlled both the input and output of the Aranyik knife production process. However, the relationship between the production and marketing sectors appeared to be reasonably friendly. The CUSRI research team provides the following explanations.

(a) The knife producers depended on the suppliers for raw materials. They did not feel that the suppliers took advantage of them or provided the supplies at an unreasonable price. This is because the Chinese merchants had been able to buy the raw materials at wholesale prices, which were lower than what the knife makers would have had to pay if they bought the raw material themselves. Reciprocal relationships did indeed exist.

(b) The merchants bought the knives at the price which the knife makers had been able to obtain by themselves. The Thai practice of bargaining made it difficult to mark up the price when the knife makers sold the product themselves. However, when the merchants sold the product in Bangkok or elsewhere, they had the opportunity to mark up the price if demand in the market was high. The knife makers received the same amount of money, regardless of how much the merchants sold the product for.

The two case studies presented here provide examples of alternatives the villagers had when they shifted away from farming to non-farm activities. Coping strategies differed from case to case, and each villager had to take his/her chances when the decision was taken to change occupation.

(2) Villager Rejection of Development Projects and/or Out-migration

In his report "Politics of Policy and Implementation: a Case Study of Rural Development in Thailand", Damrong Thandee makes the case that Thai farmers in 1985 were not politically quiescent in the face of severe exploitation and repression by rich landlords and outsiders. The government repeatedly maintained that such confrontation was a threat to national security and that, consequently, the defensive measures taken by the authorities were warranted. Political conflict, then, not only persisted, but intensified because of the conflicting interests of each class.

Damrong observed that the villagers of Kho Khed in Prachinburi never took part either in uprisings against the Bangkok government or in demonstrations at Government House, as did other poor peasants during the 1970s. Instead, they engaged in the practice of "everyday resistance" against those activities they perceived to be unjust or unfair. One obvious mechanism of resistance was for the poor farmers to complain about their exclusion from development projects organized by government officials. They also expressed their negative feelings to intimates when a truck was loaded at their threshing ground with rice for debt and rent payment, leaving only a small portion to feed their families until the next crop year. They were, so to speak, being denied the right to consume what they had produced.

They were also angry with the money-lenders who never sympathized with their need for cash and charged high interest rates. They refused to vote for candidates running for election to the National Assembly unless they were paid for their votes, or unless the candidates made donations to their school and temple. Damrong compared the election behavior of the Kho Khed villagers with that of villagers in the Northeast. Table 3-5 gives the responses of villagers in Kho Khed, Prachinburi, and Nong Gaw, Kalasin to questions on the subject. It shows that only a small percentage of the villagers voted for candidates whom they knew. The reason why the majority voted for given candidates was because of their donations and/or payments for votes. The responses of villagers in the Central Region indicate some regional differences quite clearly.

These modes of resistance of the poor farmers were followed by withdrawal from the development projects initiated by the government extension workers. The farmers of Kho Khed, Prachinburi, might attend the meetings called by the AED and the CD workers because they were asked to do so by the village headman. Afterwards, they simply left to

attend to their own affairs and disregarded what was said in the meeting because they knew that the government's help was not for them. However, these farmers could neither totally alienate themselves from the landlords, nor turn against the money-lenders because these members of the local elite were the only sources of help they could turn to. Meanwhile, they encouraged their youngsters to work elsewhere in order to seek better opportunities. Accordingly, most young adults in the selected communities did so, especially those in Kho Khed who, had had some experience working outside their home villages.

The mechanisms of resistance used by the rich and middle classes differed from those of the poor in that they tried to send their youngsters to school to gain vocational and higher education. A few bribed high-ranking officials in order to get their sons or daughters into government positions, even though they had to sell some property, e.g., farmland or water buffaloes, to pay for these favors. This gave them linkages to government authorities and provided their youngsters with a better life away from rural communities. Damrong gives the example of a local leader in Kho Khed, a village school teacher, who had four brothers and one sister. Two brothers were in business at the Ubon urban center. Another brother was a police lieutenant-colonel, and the fourth brother was a commander in the Royal Air Force. The younger sister was a nurse working in the United States. Other local leaders also had friends and relatives working in Bangkok and other urban centers. The former headman of Nong Gaw had two sons in the armed forces and one daughter teaching in a nearby province. These people working elsewhere played a role in feeding information back to the local leaders, helped with finances, and aided in contacting higher government authorities to assist their families of origin. With these connections and linkages, the rural rich, in turn, benefited a great deal from their resistance mechanisms.

Nonetheless, not all members of the rich and middle classes had good contacts with outsiders to assist them when they needed help. Many joined the poor farmers in resisting the dominant order from outside.

Damrong's discussion of peasant politics indicates that in 1985, farmers were not passive but struggled for themselves and their families. The farmers were rational, as Samuel Popkin has insisted, in that they were not only striving to retain or restore a certain low level of subsistence. They were also trying to improve and raise the standard of subsistence under which they constantly had to struggle.

TABLE 3-5 : Percentage of Household Heads Acquainted with Their Member of Parliament (MP) (From a Questionnaire Survey).

Group	Prachinburi				Kalasin			
	Total no. of hholds	Know MP	MP bought votes	MP donation	Total no. of hholds	Know MP	MP bought votes	MP donation
Group 1	100.0 (58)	12.1 (7)	8.6 (5)	44.8 (26)	100.0 (27)	7.4 (2)	29.6 (8)	18.5 (5)
Group 2	100.0 (71)	15.5 (11)	8.5 (6)	45.1 (32)	100.0 (42)	16.7 (7)	23.8 (10)	16.7 (7)
Group 3	100.0 (17)	47.1 (8)	- (0)	76.5 (13)	100.0 (28)	21.4 (6)	21.4 (6)	7.1 (2)
Total	100.0 (146)	17.8 (26)	7.5 (11)	48.6 (71)	100.0 (97)	15.5 (15)	24.7 (24)	14.4 (14)

Source: Damrong Thandee, 1985.

Damrong describes the characteristics of Thai peasant society as being complex, proletarianized and migratory. Class crystallization is somewhat advanced and large numbers of small and landless peasants can no longer meet their subsistence needs primarily within their own communities. Also, the rural economy is closely tied to the national economy as well as to the capitalist world economy. However, specific characteristics of the subsistence mode of production are kept alive by government programs in order to support the existence of the dependent capitalist state. It follows that an appropriate focus on the characteristics of peasant society depends upon an analysis of the articulation between the subsistence and the capitalist modes of production.

Such an articulation results in a sharp social differentiation among peasants within a community. At the same time, the social divisions are reinforced by the politics and development policies of the Thai state. Because of this, the rural upper and middle classes benefit a great deal from rural development projects, while the poor are largely excluded from the development process.

(3) Tourist Industry and Occupational Shift

An examination of the development of the tourist industry in Chonburi in the 1970s revealed that it reflected quite clearly the interplay of tradition and development in Thailand in terms of planned and natural changes. The fishing industry, on the one hand, and the tourist industry, on the other, cannot be promoted simultaneously in the same area. Full-scale fishing operations do not attract tourists. There is only traditional small-scale fishing that can be promoted for the purpose of attracting tourists and developing the tourist industry.

In the fishing industry, shifts of occupation may be viewed at two levels. The first case is the shift from other occupations to become fishing boat crew members, and the second is the shift from the fishing industry to other occupations. Trawl fishing crews, Chinese purse seine and Thai purse seine crews, are unskilled workers who have usually migrated from Central and Northeastern provinces. On the other hand, there is also the situation where poor fishermen shift occupations to become wage earners, especially in the tourist industry. The main types of occupational opportunity are in tourist industry services.

In Bang Sa-re, Chonburi, where the community was a fishing village prior to the construction of the Phong-Amon Resort Area, villagers, especially the younger labor force members, were attracted to the service industry because the work involved was relatively light compared to the work in primary industries, and because of the regular reliable pay. Both the Bang Sa-re and Pattaya resorts were initially developed to serve the U.S. military base in Sattahip, at the southern tip of Chonburi Province. They shifted to cater to civilian tourists after the termination of the American use of the base. The new service facilities were designed to serve the needs of tourists, not those of the villagers, and present new bridging points between western and local traditions. Young people working in these service centers were learning about new customs and were absorbing and adapting themselves to the new environment where they worked. From the point of view of the villagers who were the parents of these young workers, the adaptation to this new tradition was seen as a requirement of the workplace and therefore, the new behavior and attitudes were generally found to be acceptable. The adaptation to the needs of new customs in the service industry helped to bring in additional income to supplement the declining income from traditional fishing.

Services provided in hotels, restaurants, and other recreational centers catering to the tourist industry may be legitimate and legal, as well as otherwise. Villagers who could spare their womenfolk from household chores usually appreciated the opportunity for them to earn extra income to supplement the income of the heads of household, most of whom were poor fishermen or wage earners. These women were given the opportunity to become familiar with living patterns and life-styles belonging to higher economic brackets of society. Many of them learned to utilize many of the new household equipment items such as refrigerators and gas stoves. The new items adopted were those which were practical and had a manifest function. Non-functional items which appeared to be cosmetic or had merely latent functions such as cleanliness and good health usually were not readily adopted. In villages strongly influenced by the tourist industry, one found modernization taking place in terms of adoption of material goods, and not so much in terms of adoption of behavior patterns. Clothing and fashions were readily adopted while food items were not, even though both were western and/or modern practices. The explanation might be found through manifest and latent function analysis. Modern clothing may be overtly manifested and identified but modern food habits are less obvious, and people preferred to manifest their wealth or modernity.

Another type of service identified as illegal and immoral which developed in a particular form to serve the tourists was prostitution. This is not to imply that there were no prostitutes in Thailand in the past. Indeed, prostitution is the oldest profession and is practised all over the world, in urban more than in rural areas. However in Thailand, during the Vietnam War, because of the large number of American servicemen coming to Thailand for "rest and recreation" (R&R) and after that, when tourism was being strongly promoted, prostitution took a new form. The relationship between a prostitute and her client was becoming more enduring. In the past, the service provided was usually of short duration, an hour or more and, at most, a night. Prostitute services for non-local people during the 1970s lasted for a longer period. Once a prostitute identified a tourist who wanted the service, she tried to remain with him for the duration of his stay which might be from a few days to a few weeks. Some tourists enjoyed being taken around and having the full personal attention of the prostitutes, and paid them for their time. The relationship was satisfactory for both parties.

During the Vietnam War, American servicemen enjoyed being taken care of in this way while they were away from their families. This was referred to as taking a "hired

wife", a literal translation of the Thai term (*Mia chow*) which describes the relationship clearly. A prostitute was hired to be a wife in terms of sexual services as well as other services usually provided by a wife. Many American soldiers preferred this arrangement because they did not want to have to keep looking for someone when they needed the special service. The prostitutes also preferred it because they also did not have to keep searching for new "guests". The agreement was indeed mutual. In terms of the inter-relationship between tradition and modernity, these prostitutes were good examples of the cases where traditional and modern elements interplayed. They spent a few nights in modern well-equipped surroundings and another few nights or days in a traditional household with minimum modern facilities. These people dressed in modern style and sometimes ate "modern" or "western" food when they were out with their guests. They adapted to the dress style but they had difficulty adapting to the food pattern. A prostitute commented that if she had a western breakfast which was not of her own choice but that of her guest, her day was more or less spoiled. Her insides would not function properly and she would soon be hungry again.

In addition to services provided indoors in hotels, bars, and restaurants, outdoor services for the tourists also came to be provided by people whose previous occupation was in another field. Most tourists, especially foreign tourists, were without means of transportation, and many of the fishermen hired themselves out for the use of their fishing boats to transport tourists to the nearby islands. Since no alteration was needed, the boats could be used both as fishing boats and tourist boats, depending on the occasion. Many of the fishermen abandoned their fishing occupation and became motorboat operators, taking tourists around. The ones with the financial means to do so rented out motorcycles and motorboats.

Many young people who were proficient in English or other languages became tour guides and were very much in demand by the tourists. Some guides worked on a one-to-one basis and others catered to tour groups. Working as a guide was considered a good job, both in terms of pay and of status. Their position was better than that of bus boys, dish-washers, janitors, and prostitutes, but not for the same reason, however. Young people who could both operate a vehicle and provide information to tourists were very much in demand.

People who shifted into the service industry discussed in this section were considered "modern" in many respects as a result of their experiences. However, traditional beliefs and practices could still be seen if one examined their behavior closely.

Chapter 4

Industrialization and Urbanization as National Development Ideology and the Changing Values of People in the Central Region

1. Introduction

The study of traditional and changing values is made difficult because of the lack of agreement on an appropriate methodology to study value systems, and the ambiguity of the concept itself. The concept of "values" is related to other concepts such as "world view" and "ideology". World view is the cognition and perception of the world surrounding a person, while "values" comprise the evaluative aspect, concerned with judging situational elements in terms of some value standard of the society. "Ideology" is the value standard of the society which has been accepted at the superstructure level to be the guiding principle to be adopted and followed.

In a collection of papers on Traditional and Changing Thai World View issued by CUSRI in 1985, Buddhist doctrines and traditions are identified as being the basis for many Thai beliefs and practices. The book discusses the impact of doctrinal Buddhist teaching, and of popular Buddhist beliefs and practices, on certain aspects of the Thai social order. Manifestations of Thai world view are seen in areas such as social hierarchy, merit and demerit, *bun khun* (favor rendered establishing an obligation of gratitude), etc. The writings of a popular writer of the early Bangkok period, Sunthorn Phu, are analyzed and these reveal the pervasiveness of the Buddhist world view among the people of Thailand at that time.

Other papers of a more contemporary nature describe the contemporary world view and value system as reflected in folk songs, games, movies, and short stories. These as well as papers reporting on more formal research, show that while the more traditional values, essential for maintaining the social order, are still stable, changes are occurring, more noticeably among the urban Thai. The man-to-man world view seems to be one of harmonious co-existence. It is combined with the pragmatism of adaptability and flexibility.

Traditionally, Buddhism has been treated as the national religion or ideology of Thailand. In his article "Civic Religion and National Community in Thailand", Frank Reynolds draws on the concept of "civil religion" as coined by Jean Jacques Rousseau in the eighteenth century and taken up again by Robert Bellah in his analysis of civil religion in America. Coleman defined civil religion as "a special case of the religious symbol system designed to perform a differentiated function which is the unique province of neither church nor state. It is a set of symbolic forms and acts which relate man as citizen and his society in world history to the ultimate conditions of his existence" (Reynolds 1977). Based on Coleman's definition, Reynolds describes how Buddhist religious beliefs and symbols have been used by the state either to provide legitimacy for itself, or as a mechanism to deliver certain messages. Specific forms of religion associated with the life of the national community were in evidence both during the monarchic period, -during King Taksin's reign in the early Bangkok period, up until the reign of King Rama VI -, and after 1932, when Thailand adopted the democratic political system with the king as head of state. According to Reynolds :

The reformulation of the civic religion that occurred under Wachirawut's [Rama VI] aegis was primarily at the level of ideology and rhetoric. However, in the early 1930s, a second major development occurred which not only brought about further changes at the conceptual level, but also had a profound impact on the more institutional dimensions of civic religious life.

One of the most subtle and yet important, changes was the emergence of the nation as the supreme focus of civic religious identity and devotion. In, the course of events that were epitomized by the coup, the common rallying point was the ultimate importance of the nation and of the people with whose destiny it was identified. The roles of Buddhism and of kingship were problematic; their place in the new order was considered at least partially in instrumental terms. As it turned out, the leaders of the new regime became convinced that the maintenance of a civic religious life in

which Buddhism and kingship played a major role was necessary in order to assure the realization of their national goals. However, there can be little doubt that, for them, the ultimate focus of Thai civic religion had become the nation itself. What is more, in the period since 1932 this emphasis on the primacy of the nation has been continually reaffirmed by the leadership and has, with the passage of time, become increasingly recognized by the population at large. (Reynolds, 1977 : 275-276).

Reynolds further states that in the past, the established form Thai civic religion has proved to be a deeply rooted and highly resilient tradition that has both influenced and adapted to the various crises in the life of the national community. Today, the resources and vitality of this tradition are being put to the life of the national community. Today, the resources and vitality of this tradition are being put to the test in a variety of ways. The nation's success in these areas will depend on the dedication and creativity of those who are responsible for nurturing and adapting the symbols, activities, and institutions that constitute the specifically religious dimension of Thai national life.

Many scholars who studied the function of Buddhism in Thailand have proposed that Thai society and the Thai social order should be seen as having a religious base. Hanks (1962, 1975), for example, believes that "the essence of Thai world view is a cosmic hierarchy whose levels are defined in terms of "merit" (*bun*) and "demerit" (*bap*). He sees patron-clientage as the main relationship in Thai society manifested in many traditional relations. Akin Rabibhadana's work (1969, 1975) brought the patron/client concept to full discussion. The concept was further reviewed by Jeremy Kemp (1980, 1982), Ammar Siamwala (1980), and by Akin Rabibhadana himself (1982). The patron and client relationship as a principle of social structure may have had Buddhist support in the past. With the introduction of a new national development concept, although the patron-client relationship remained operational, it was without the implication of a Buddhist religious base.

What one sees emerging at the superstructural state level is another national ideology which would function as a factor unifying the people of country. The role of the national development plans introduced by the government has been to present new developmental concepts. While some poor farmers accepted the new development concepts, many still have difficulty interpreting and accepting the new ideology. The upper and middle-class people have been able to make adjustments reasonably well. The question being asked at this point is whether, in the year 2010, the new economic

development ideology will replace the traditional Buddhist ideology still adhered to by most villagers.

Another ideology introduced and being promoted is that of "democracy". Available reports show democratic ideology operating neither at the superstructural level (as evidenced by the February 1991 coup d'etat), nor at the infrastructural level (as evidenced by the vote buying incidents). More needs to be known of the operation of the democratic ideology in Thailand.

2. Thailand Development Strategies and Changing Social Values

Past development strategies in Thailand, from their early emphasis on targeting only agricultural rural development, to the contemporary trend of moving toward greater industrialization, were described in Chapter 2. The point was made that earlier development plans emphasized economic growth, little concern being shown for its impact on social conditions and ways of life. Strategies were based on western models, technology transfer, with diffusion being seen as the process by which development was to take place.

The diffusion model based on western experience tends to introduce new development concepts in a top-down manner. Eager to achieve success, implementing agencies were anxious to introduce development projects and get them to work. This brought about two undesirable attitudes. One was the attitude of the Thai implementing agents toward the villagers. Villagers were considered to be stupid and slow if they did not immediately accept what was being proposed. There was no attempt to try to understand why certain items or ideas were difficult to accept or were rejected. Since most projects were introduced from the top, implementing officers felt that the projects should be accepted without question. They were also frustrated if the projects did not gain acceptance, at the local level for their promotions depended on their successfully carrying out the projects.

The second undesirable attitude was the tendency of villagers to take the new benefits provided for granted and without obligations on their part. They became used to receiving free goods and free development projects and became unwilling to contribute labor or money as a condition to get them.

During the 1960s, the diffusion model of development, in effect, presupposed that for economic development to take place, one had to "change the people". Many studies on attitudes of people towards innovation and/or technology transfer were made, but the results were usually negative. Thailand was still backward and undeveloped. Max Weber's "Protestant ethic", or a Buddhist version thereof, was not in evidence. Consequently, there was no "spirit of capitalism". Although one may say that this had nothing to do with Max Weber, some would retort that this proved that Max Weber was right. Buddhist values, they claimed, were not conducive to capitalistic development.

A discussion of development and changes of value systems can best be made starting from the perspective of Weber's "Protestant Ethic and the Spirit of Capitalism", if one accepts the thesis that there is a strong correlation between the "Protestant ethic" -a world view and values derived from the 16th century Protestant Reformation and, more specifically, the views adopted by the Calvinists and the Puritans -and the "spirit of capitalism", which involved a new work ethic, world view, values, and capitalistic economic ideology. What is involved here is that religious values and economic values are essential for our discussion. This is in agreement with the discussion of societal values presented by Harry M. Johnson in the Social Science Encyclopedia. To quote:

Four levels of social structure have been distinguished (Parsons, 1959; 1960; 1967a). Societal values are the most general or abstract normative conceptions of what the ideal society itself would be like -- of course, according to some, most, or all of the participants in the society. Values are always more or less "sacred", thus close to religion, and may be explicitly legitimated and given a meaningful setting in religious terms. (Kuper and Kuper, 1989, p 788.)

It is undeniable that Thailand has been subjected to "directed" change following the capitalistic model of development, at least since the introduction of the first National Development Plan. The Thai government did not question the capitalistic development model advocated and practiced in the West. If Thailand were to develop, following Weber's thesis, one had to change the religious institution which strongly influenced the world view and value system of the country.

Eliezer Ayal, in his article comparing Japan and Thailand, made the point clearly:

We might summarize the available information on Thailand as follows : the Thai *Weltanschauung* was by and large represented by Theravada Buddhism.

It emphasized the primacy of personal values and thus fortified individualism. Few commitments or obligations for the furtherance of social goals were expected or provided for. While one's status was determined by achievement rather than through ascriptive norms, it was the manipulation of other human beings rather than creativity which counted. The role of merit-making as a kind of investment reduced the incentive for economically productive investments. As for political motivation to action, the Thai feeling of loyalty to the Government, in contrast with that of the Japanese, was more of the nature of passive obedience than of active loyalty.

If we attempt to relate these values to the economic propensities essential for economic development -- to accumulate capital, to cooperate, and to apply oneself to systematic hard work -- we have to conclude that these were hardly present. As for the propensity to innovate, there is little to suggest that the Thai value system opposes absorption of new ideas. The primacy of personal values over political values reinforced Thai non-activism since the Thai were deprived thereby of a compelling goal requiring cooperative action. (Ayal, 1963 : 50-51).

3. The Need For National Development Values Ideology

The National Culture Commission must have thought along the same line. According to the then Secretary - General of the Office of the National Culture Commission, to celebrated the Bicentennial of Bangkok in 1982 the Office launched a spiritual development program called "Five Basic Values" to attempt to change the value systems of the Thai people to promote development (Chulalongkorn University, 1982). The Office identified twelve changing undesirable Thai values. They were

- 1) immorality,
- 2) materialism,
- 3) weak work ethic,
- 4) lack of national sacrifice,
- 5) lack of Thai nationalism,
- 6) preferring individual gain to group benefit,
- 7) spending beyond one's economic status [*fum fuey*],
- 8) consumerism,
- 9) "acting big or tough" [*nak leng*],
- 10) living beyond one's economic status [soft life -- *kin di yoo di*],

- 11) fatalism and belief in magic,
- 12) abandoning and looking down upon the rural way of life.

The Subcommittee on Research and Cultural Development identified nine desirable values and felt these were too many to advocate and propagate. They then reduced the number to five items for the campaign. They are similar to the Japanese values identified by Ayal as having helped make Japan more advanced than Thailand. They are :

- 1) self-reliance, diligence, and responsibility;
- 2) frugal spending and saving;
- 3) discipline and abiding by the law;
- 4) a religious ethic ; and
- 5) following the slogan "Nation, Religion and Monarchy".

There is no doubt that in the mind of the public, the need to develop and change values was seen as necessary, because the traditional Thai value system had been deteriorating. People had become materialistic, quite selfish and lacked spiritual norms. Ayal claimed that these values retarded economic development and were the reason why Thailand could not follow Japan in her development path.

When the Five Basic Values Program was launched in 1982, Thailand was in the Fifth National Development Plan. It was also the period when economic recession was felt around the world. The Fifth National Development Plan had the Poverty Eradication Program as its main policy. Economic growth rates of the country were between 2-5% annually.

In 1990, only eight years after the Five Basic Values campaign was launched, Thailand was advancing with annual economic growth rates of around 10%. Was it because the "new ethic" and the "spirit of capitalism" have developed? What took place during the last two decades which led to such development?

Although attempts to advocate national social values have been made, everyone would certainly agree that the prevailing increasing economic growth had nothing to do with the policy advanced by the National Culture Commission. There is no proof that the Five Basic Values have been adopted by the populace. At the moment, no one can claim that "national values" have been recognized and adopted.

At the same time, the government continues to operate using extension workers as the agents to disseminate national development ideology. In the Fifth National Development Plan there were four main ministries given the responsibility to alleviate poverty and bring about economic development. The Ministry of Education, Ministry of Health, Ministry of Agriculture and Ministry of Interior succeeded in delivering the "development" message. In the Sixth Plan, the Ministry of Industry and Ministry of Commerce were added to make six main ministries. There is no doubt that "development" became promoted as a national ideology operating side by side with Buddhist ideology. Many even feel that development has replaced Buddhist ideology. The question remains to be asked is whether "democracy" has become another ideology operating in the Thai setting or not?

4. The Eastern Seaboard and Two Case Studies

1. Regional Background

The Eastern Region is considered as another area distinctive from the traditional rice growing communities prevailing in most parts of Thailand, especially the Central Plain. For one reason, the region has been characterized with more diversified traditional crops, with major production of sugar-cane, cassava, fisheries and rice. Upland crops, such as sugar-cane and cassava, and fisheries have been developed to a large extent and are connected with agro-industries leading to the emergence of several commercial centers in the region. These upland crops and related industries were predominant in the hinterland of Chonburi and Rayong, while rice has been a major export of Chachoengsao province.

The eastern provinces, particularly Chonburi, established an element of capitalist development, where the role of markets and the petty bourgeoisie emerged in the major production process as early as the turn of the nineteenth century. This might be attributed to an introduction of cash crops other than rice such as sugar-cane and cassava, and the Chinese immigrants to Chonburi in initiating the role of traders in local communities (Amara Ponsapich 1979 :23). The development of cash crops and the market economy in the eastern region has taken place for more than a hundred years but has accelerated only in the past 10 to 20 years, with more diversified economic activities and induced industrialization by the state.

The major cash crops and rice production have become less important in the past ten years due to many significant factors, for example, the uncertainty of the world market, deterioration of soil conditions and decreasing crop productivity, and labour shortages. However, there has been an interface between the decline of major cash crops and emerging new industries (agro-industry and tourism). An industrial-oriented economy results in changes in the occupation and income base of local people. It has also affected property and land ownership.

The influence of tourism since 1975, when transportation has been much developed and the legacy of the American military presence, was a contributing factor to the growth of the service sector and town centers along the coast. After more than twenty years of development and booms, tourism became a dependable source of income for people living in the communities along the coast.

The development of the Eastern Region in recent years has occurred in connection with a large-scale project, the Eastern Seaboard Development Project, which designates this to become the leading region for industrial development linking the activities spreading from the Bangkok Metropolitan Area, and acting as an influence on other nearby regions such as the northeast. Several attempts have been made to establish basic industries in the region. This development has resulted in changes, for instance, in the structure of property ownership, physical and social mobility of the population, and entrepreneurship. The impact of these developments on local households and communities cannot be underestimated, because it is likely that all of Thailand will move in this direction.

Since the region has been overwhelmed with conditions initiating change and since this stage of economic development took place here earlier than in other parts of the central region, attention to case studies in this area should reflect certain social and political trends affecting local communities. Although the Eastern Seaboard Project may not necessarily be duplicated elsewhere, the economic progress and its impact on the communities should to a certain extent provide clues as to what awaits local people after successive stages of capitalist economic development.

In Chachoengsao province, agriculture is still predominant, although industrial development is also expanding. The province is considered an advanced agricultural area where farming technology and marketing systems are more modernized. Rice has been a major crop of Chachoengsao, but only in the past ten years has agricultural development

become diversified with fruit production, poultry and pig farming, and (the latest trend) black tiger shrimp farming. In addition, Bangpakong district has been transformed into an industrial area that has absorbed even more agricultural land in the past few years. Many village communities, (including, Klong Banpho the site of the case study), are now at the crossroad between the production of traditional cash crops and other alternative occupations, especially factory-workers.

In Chonburi, the socio-economic setting is slightly different from that of Chachoengsao, in that agricultural development is more diversified and not based on rice. In addition, during the past three years the decline of agriculture has been more considerable because the community (exemplified by Huay Yai), has also been affected by the land speculation phenomenon. The community of Huay Yai is located within the sphere of urban influence from nearby resort towns such as Pattaya and Na Jomtien. The community itself is transforming into an urban area although it is not yet as developed as one of the urban centers. At Huay Yai, besides the influence of the Eastern Seaboard Project, the impact of tourism development has been an important factor of economic change.

2. Social Values and World View

People respond in different ways to the development ideology driven by the bureaucracy and the state apparatus, and by the market economy. The values that reflect how people relate themselves to the changing economy and their adjustment to it can be summarized in the following sections.

2.1 Alienation from the State-led Development Scheme

We might find that the promotion of development has been successful so far, especially in regard to infrastructure. Success has also been evident in the history of the green revolution in Thailand, especially in the rice and upland crop development and related industries in the Central and Eastern Region. However, there has been a lack of progress in other areas, mostly related to the development of different types of social organizations. These have been overly linked with the bureaucracy which creates adverse effects amidst the high growth rates. This situation is substantiated by the stagnant cooperatives, the limited participation in and functions of tambon councils, and the people's indifference to many of the government's local development programs. It has

been a fact for a long time that people always cooperate with government initiatives but the sustainability of these efforts remains uncertain. That is why the explanation of "the people's passive resistance" is still relevant to most parts of the region. The people are not so much a part of the process; in other words, they are still alienated from the promotion of development driven by the mechanism of bureaucracy and the state apparatus.

2.2 Positive Response to the Market Economy

Whether the people possess the "capitalist spirit" or not is still doubtful, but after the economic boom of the past few years, positive attitudes toward the market economy are increasingly becoming manifest. Certain values can be observed in the case of Klong Banpho's intensive shrimp farming development and decline, as well as Huay Yai's land speculation.

The Rationale of Profit Maximization.

The change towards a new production process has alerted people to the notion of profit-making and maximizing. People have developed an entrepreneurial mentality through the exercise of risk taking which is motivated by the expectation of large profits compared to their previous experience. The abandonment of rice farming for a more profitable activity has rapidly expanded as if people were actually waiting for it. They are indeed exploiting the opportunities provided by the high growth situation. The experience from profit making in most cases does not allow the people to return to their original mode of production, i.e., rice farming. This traditional production mode has changed its status from being a main source of income to a mere subsistence activity.

This attitude also extended to social activities which are now becoming more commercialized. Neighborhood assistance in major family affairs is expected in the form of cash and the rising amount of the contribution is becoming a serious concern. The people become cynical about it and call it a "social tax".

Individual Achievement

The fruits of economic growth have certainly benefited a group of households who have the resources to take advantage of the situation. Their material improvement is clearly observed by other community members. This has set an example of achievement. Material improvement such as new houses and household vehicles automatically becomes a

symbol of a higher social status which people regard as an achievement. The improvement of some individual households is therefore in contrast with the general conditions of the village, such as, for example a modern home with running water. However, this does not seem to bother most people because this personal material improvement signifies achievement.

Making Easy Money

The widening income gap within the community as a consequence of the high growth rate exerts pressure upon the lower-income group to meet a higher standard of living. The people's concern in general is how to make household members earn cash, or at the level of household decision-making, to sell its land. It appears that only a minority do not want to change too fast. Those who opt for cash from the sale of their land at present become counter productive, perhaps temporarily, because they are no longer engaged in farming.

This change in values is also reflected in attitudes toward hard work, migration, and the value of higher education. People at one time believed in higher education which meant an improvement in social and economic status. In the past few years, when factory employment has become more dominant, finishing compulsory schooling and rushing into the factory to earn a cash income is an ideal for most villagers. However, the younger generation, influenced by urban values, may take a longer perspective and pursue higher education for a better job in the a long run. Nevertheless, the younger generation's positive attitudes to agricultural work can no longer be sustained and, on the contrary, it is now regarded as inferior to industrial work.

The Changing of Patron-Client Relations at the Periphery and a Manifestation of Democratic Values

Although patron-client relationships have become stronger (with some modification), at the core (the prime patron and his connections with first-level clients) during the period of high growth, such relationships at the periphery (village level) are not the same. The economic boom of the early 1990s has altered the traditional production system and the relationships between patron and client within the village. Economic mobility taking place in the middle and low-income groups has broken a link in the relationship chain with patrons; that is, people have liberated themselves from debts. As a

matter of fact, people are competing for economic improvement rather than being subsumed under a dominant power. A degree of independence can be observed, and the concrete evidence was the 1992 election after the 1991 coup d'tat. It appeared that there were a number of independent votes which were higher than expected by one village head in Huay Yai who believed he could control the majority of the votes.

The almost nationwide political protests after the coup and especially the incidents of May 1992, have sharpened the political awareness of the people at the village level. People of Chonburi and Chachoengsao have been affected by the mass media and have become politically independent from the traditional relationships.

Economic opportunitites and the influence of information through the mass media have had a certain impact on traditional relationships between patron and client.

2.3 Persistence of Traditional Values and World View

In regard to both case studies in the eastern region, there is an amazing number of spirit mediums in the villages who serve people both inside and outside the community. There is no difference in the supernatural beliefs between rich people and poor people who pay visits to the spirit medium. The spirit house and the sacred tree, once deserted, have become important symbols of fortune. The examples of supernatural beliefs are so prevalent that they easily accommodate themselves to the promotion of business.

These supernatural beliefs and practices in some cases have merged with Buddhist institutions. It is common to find that Buddhist monks tell fortunes. This role of Buddhist monks in the local community, where the economy is so dynamic, is even more prevalent than the traditional role of moral teaching and education.

To a large extent, people have linked their economic performance with their fortune.

5. Case Studies of Urbanization and Industrialization in the Upper Central Subregion

1. The Impact of Industrial Development Ideology in the Upper Central Subregion

Urbanization and industrialization has been the development ideology of the government, explicitly promoted since the Fourth National Development Plan (1976-1980), in which the strategy proposed to promote industrial development was to involve the private sector in the process. Both local and foreign investment was encouraged. Although a growth pole development strategy has been in operation since 1976, very little of the urbanization and industrialization process taking place at the growth centers actually had any impact on the economic development of the country. This was partly because the plan was drawn up without identifying strategies for promoting industrial development. Other reasons include two factors occurring in the early 1980s: the increase in oil prices, and the world-wide economic recession which followed.

During the Fifth National Development Plan period (1981-1985), the government emphasized poverty eradication programs. In a way, the shift in emphasis from urbanization and industrialization to rural development was a necessary move. It is undeniable that rural development and poverty eradication programs were needed, especially during the period when the world economy was slowing down. The defensive strategy implemented during the Fifth Plan helped improve the overall quality of life of the rural people. Statistics show that the health and educational status of the people improved. Infrastructural facilities and services provided by the government in these two areas since the previous National Development Plans were now available, although not to an extent sufficient to serve the needs of all the people.

In the Sixth National Development Plan period (1986- 1990), industrial development is clearly the development policy of Thailand. The prospect of becoming a newly industrialized country has certainly been discussed. In the earlier stages of industrial promotion, the government had the policy of promoting import-substitution activities to reduce the outflow of foreign exchange. It appeared as if the government was favoring the development of large firms, most of which were located in Bangkok and its vicinity. According to Chaiwat Roongruangsee, in 1988 Bangkok accounted for 47 percent of all manufacturing units in the country. The dominance of large industries is illustrated by the

fact that in 1982, of all firms receiving promotional privileges from the government, 742 firms or 94 percent of the total had 50 workers or more. The average number of workers per firm was 356. However, promotion and support by the Board of Investment only provides one side of the industrial development activity in the country. The other side involving small firms is usually not well recorded and sometimes ignored by analysts.

When the government switched policies to promote the export of Thai products in the later phase of the industrial promotion strategy implementation, there was a boom in the growth of small-scale enterprises, especially in the form of handicrafts and other value-added product production. In 1982, small-scale firms employed 1.3 million workers or 6.2 percent of the labour force, while larger firms employed 0.4 million workers or 1.9 percent of the labour force. The export-oriented industrial promotion policy was implemented during the Fifth Plan period (1981-1985), in conjunction with the rural poverty eradication policy.

In the Sixth Plan, rural industrialization and employment were specified as objectives to diversify development activities, both in terms of the utilization of local resources and of shifting capital to areas outside of the Bangkok Metropolitan Area. This aimed to help bring about the urbanization of rural areas and, hopefully, reduce rural-urban migration. However, rural industries in this stage of development should more correctly be called non-Bangkok, and non-rural. Most industrial development activities taking place outside of Bangkok were found in provincial cities or towns, and nearby villages. Gradually, the areas became urbanized.

2. Industrialization of Tambon Khokyaе, Nongkhaе District, Saraburi Province

As has been mentioned in Chapter 3, Nong Khaе District of Saraburi Province was one of the areas affected by the so-called "nationalistic capitalism" introduced by the dictatorial regimes. Close ties developed between local leaders and national governments. The establishment of the cement government enterprise was based on the availability of limestone in the area. Downstream products were identified and many mosaic and ceramic factories were supported by the Board of Investment. When the Government decided in the Third Plan (1971-1975) to support foreign investment in manufacturing, many investors responded positively. The first ceramic factory was constructed in the area in 1970 and many more were established in the following years. At the moment there are 14

firms, 9 of which manufacture tile products, 2 produce ceramics, and there is one factory each for sanitary wares and plaster products. A Thai-German Industrial Estate was established in 1989, with Mr. Chalermphan Sivikorn as the main investor. In the 1990 Japan International Cooperation Agency (JICA) report, Saraburi is identified as the urban and industrial center of the Upper Central Region.

With the introduction of factories in the 1960s, and with the implementation of the national development plans, people received the message that the government was introducing a "development" ideology. People needed to make adjustments according to the recommendations and suggestions provided by the government. Many villagers made adjustments quickly and joined the factories. Others took many years to decide to join the factories. At the moment, the villages consist of both farmers and factory workers. The village baseline data indicates that Ban Nong Phak Chi is composed of 46 households; 21 are paddy farmers, 15 of whom own and cultivate land, 4 rent all of the land cultivated, and the other two are part-owners, part renters. The size of the land holdings ranges from 7 rai to 100 rai, with an average of approximately 10 rai per household.

The village baseline data also indicates that, on average, 60 percent of the villagers work in factories in Nong Khae District, where Tambon Khokyae is located. Villagers gradually shifted from agriculture to factory work. Most young people willingly enter factory work as soon as they complete compulsory schooling.

There are also households with mixed occupations. Some families continue to cultivate paddy and at the same time allow young people to join the factory work force. During harvest, some workers take time off from the factories to help on the farm. At the same time, agricultural wage earners have to be sought. Villagers view this change as a natural process where people make adjustments accordingly. Other forms of adjustments include alternative agriculture such as mushroom growing and animal husbandry. Cattle raising was abandoned 5 years after it was attempted because of marketing and labour problems. Another pattern of occupational shift seen in the 1970s was for villagers to choose to work overseas in the Persian Gulf Region.

3. Impact of "Industrial Development" Ideology on Villagers' Values

Two strategies implemented simultaneously which have influenced the way of life and social values of the people are strategies to promote (1) agricultural technology and

practices and (2) industrial development. High investment requirements for farm input, low production, and lack of capital made paddy farming an unattractive venture and a burden on the farmers. Villagers with no land to use as collateral for loans left farming to work in factories for wages. Money and cash income has become the social value admired by most villagers. Factory work became an alternative for the villagers during the period of economic recession. The following discussions under different headings indicate how the two ideologies compete with each other and at the same time provide opportunities and alternatives. Pro-agricultural production policy makers believe that the competition will have negative impacts on the way of life of the people, while proindustrial development policy makers view the impacts positively and feel that the alternatives available enable the people to cope and choose the way of life which best suits them.

Values Concerning Money

A change in values is evident in the shift in occupation from agriculture to factory work. The daily wages of 60-80 baht per day during 1989-1990 was quite attractive. One villager responded to the question on shift of occupation that "one can keep one's hands clean when working in factories."

Because of mechanization, the labour exchange pattern in the villages also differs from the traditional pattern. The traditional form of social organization related to agricultural production disappears and loses its function. Personal relations and communal relations also lose their traditional meaning. New forms of relationship are being established. Cash is now used as a medium of exchange for labour. In 1993, labour exchange is still seen among small groups and for very brief periods because farmers have to rush to complete the transplanting or harvest activities.

The exchange of money for personal services is now an acceptable pattern reflecting a change in social values from personal relationships to monetary relationships.

The desire for a cash income is also seen in international migration when people put great effort and investment to go to the Middle East for employment despite hardships and separation from family members.

Attachment to land is no longer a value adhered to by villagers. Village leaders are no longer necessarily those with large plots of land. Village leaders have to be connected with factory activities. Village headmen became factory security workers or other kinds of

factory employee. A new form of patron and client relation is established, namely, the relation between the factory management and the villagers. Since the villagers are dependent on the factories for work and wages, the factory management has to keep the villagers under control in order not to cause problems. Problems of waste water treatment have been reported but not solved because the people have no power to make the management act responsibly.

Factory Work is of Higher Status than Agricultural Work

Young people enjoy the independent feeling that they are able to earn their own money. They may give some of the income to their parents, but how much they give is their choice. Young girls especially enjoy the freedom to travel between workplace and home. The social life in the factory is also attractive. The uniform is considered "modern". Many young people decided to work in factories and not in the fields. Agriculture is considered "dirty" work.

Some factories require that workers must pass Mathayom 3 (lower secondary standard), which is one reason why factory work is of higher status than farm work. However, poor farmers may not be able to afford the additional 3 years of education for their children. In such case young people join construction work or off-farm work which has no education requirement and try to register in non-formal education programs to complete their education.

Change in Family Values

As already mentioned, group activities such as labour exchange transactions are now disappearing and will eventually be replaced by wage compensation. Without labour exchange there is no need to share meals after work as has been done in the past. The labour exchange did not function as a transaction only, but in fact the occasion was a social function where people ate and drank together. With the labour exchange group becoming smaller, the extended family pattern also loses its function as a network of members.

Since young people now have opportunities to meet with many more people outside of the community, marriage with outsiders becomes more and more frequent. When the parents do not know their in-laws, family ties are not as strong. Furthermore, during festivities such as *kathin*, *songkran*, *khao-phansa* and *ok-phansa*, weakening family ties may prove to weaken the excitement of these activities as well.

Marriage ceremonies have also become less important. Elopements occur among factory workers more frequently. Because of the freedom, young men and women are no longer being chaperoned. Sexual promiscuity and premarital activity are being reported. Family planning programs, abortion clinics, and related health care services need to be provided to serve the needs of these young people.

4. Impact of "Community Development" Ideology: The Change in Community Values

The village youth group was one of the outcomes of the effort of Teacher Kasem, who worked hard to promote group organization. *Chomrom Numsao*, with 40 members, worked closely with community development officers and other government extension workers to bring about "development" in the village. Another manifestation of government efforts to promote community development ideology was the village contest. The village youth group was quite instrumental in helping the village to win the contest in 1987. They helped build the village newspaper reading room, organize a savings group, and other activities. When the community development officers encouraged the village youth group to expand to become the subdistrict youth group, the group lost its momentum and was unable to organize and function effectively. The group was essentially weakened because of its size. There was no force to bring people together. Another reason given for the unsuccessful organization of the subdistrict youth group was the increasing demand for factory workers - the youths were all attracted to join the work force and had no time for group activities. Teacher Kasem, the organizer of the village youth group, was disappointed and felt that the community development officer was responsible for the failure of the group.

This incident shows how government ideology works to change the "sense of belonging" of members of the village youth group from the community or village level to one of larger size. Once the basis of organization moved beyond the community level, the villagers were unable to cope with the concept. Community values have been destroyed in the development process. Many activities took place outside the village and there was no concrete manifestation of the organization.

Another example is the savings group, which was established in 1985 by the community development officer. The objectives were to encourage saving among villagers and help set up funds for the villagers to apply for loans when in need. Because of the

high demand for loans, some of the influential leaders then provided additional funds for the villagers to borrow. The savings group ended up becoming the means for rich villagers to invest their capital and earn interest. Since the savings group is exempt from tax, it becomes an informal channel for many rich people to profit from the interest without paying tax. The outcome made the villagers upset. Yet they know of no alternative way to deal with the influential leaders. The villagers feel quite alienated from the traditional community setting. They lose the sense of belonging they once had. Now there are "other people" in the community.

6. A Case Study from the Western Subregion

1. Impact of "Tourism Development" Ideology and Villagers' Values and Land in Kanchanaburi

Tourism development has been adopted and implemented in many areas of Thailand since the 1970s to the point where the government has identified tourism as the sector generating the second highest revenues in the form of foreign currency. During the recession, tourism helped strengthened the economy of the country and supported the position of the government in promoting tourism. When economic conditions improved toward the second half of the 1980s, resort development also expanded and land prices escalated. Another reason for land price escalation is the expansion of industrial areas along the main highways and in urban areas. In 1986, land prices artificially escalated because of speculation. Land prices continued to increase and reached their peak during the period of the Chatichai Government (1988-1991), which promoted international trade and foreign investment. Many infrastructural projects were initiated there was investment in resorts, agro-homeground (both for residential estates or vacation homes), industrial estates, and other real estate development activities.

Along the Asian Highway, land prices which in 1989 were between 500,000 and 800,000 baht per rai, rose to 1,500,000 baht per rai the following year. Along Sukhumvit Highway, land prices started to rise in the early 1980s when the Eastern Seaboard Project was activated. Now the price is 4-5 million baht per rai along the highway. Land prices in the five provinces of the Eastern Seaboard have risen twenty times since then. In Ban Chang District, Rayong Province, they rose from 20,000 - 50,000 baht per rai to 4-5 million baht per rai.

The case study to be presented here represents an example of how tourism development affected land prices, which in turn impacted the villagers' values toward land. Many agricultural areas were converted to resorts and some people intruded further into the reserved forest areas to clear more land. Golf courses in Ayuthaya cover areas between 1500-2300 rai, while residential real estate projects occupy the total area of approximately 800 rai per project. Industrial estates and warehouse areas cover approximately 1000-3000 rai. Real estate dealers invested by buying plots of land from small farmers to combine into large plots before offering them to the investors in large projects. Land price escalation is the result of such a process.

Kanchanaburi is the westernmost province of Thailand, separated from Burma by the Tanaosri mountain range. The terrain is very attractive because of the hills, waterfalls, and riverine beaches. Many investors are attracted to the province to build resort facilities and vacation homes for the well-to-do and for tourists.

During the 1970s and 1980s (when the industrialization process manifested itself in the establishment of production of manufactured goods in Saraburi and Chonburi provinces, and agro-industrial plants in Chachoengsao province); in Kanchanaburi, resort development activities were planned. These activities were delayed partly because of the period of economic recession. At the end of the 1980s, when economic conditions improved, many of the sites were in full-scale operation.

Both banks of the Khwae Yai and Khwae Noi Rivers are now in the hands of well-known investors. Land documents range from tax receipts to temporary ownership to official title deeds. There are 21 golf courses planned in Kanchanaburi; 7 of them are in operation and, 2 are being completed. Some golf courses are included in the compounds of larger resort projects where hotels and restaurants as well as other recreational facilities are designed as composite units.

Based on government criteria adopted during the Fifth National Development Plan, Ban Lum Phueng was classified as a poor village needing special assistance from the government. A few development projects such as an integrated community development and credit and savings projects were initiated and were evaluated to be successful.

There are 150 households with 387 males and 381 females in Ban Lum Phueng Village. Approximately 80 percent of the population are paddy and upland cultivators,

about 16 percent are wage earners, both on-farm and off-farm, and the other 4 percent are in the service sector. The villagers shifted their occupations from paddy cultivation in the earlier years to become upland cultivators planting sugar-cane when the government began to promote the export of upland crops and agricultural products to Europe and other countries. Sugar production dominated agricultural activities in Kanchanaburi. After two decades of upland cultivation, with the additional demand for land to cultivate and industrial development in general, villagers became wage earners working or in the service sector in clearing the forest for more land. People in Ban Lum Phueng did not at first become factory workers. There are no factories located in the nearby area, only resorts and tourist facilities. Sugar production does not influence the villagers directly. They cultivate sugar-cane to supply the sugar mills but are not involved in production. However, they borrow money from the sugar mill owners and establish a patron-client relationship by agreeing to supply sugar-cane to the mills in return for the loans. In general, the arrangement benefits both the sugar-cane cultivators and the sugar mill owners.

2. The First Signs of "Development" in Saiyok District and the Entrepreneurial Spirit of the Villagers.

A few decades ago, most districts in Kanchanaburi (except Muang, Ban Pong, and Tha Muang, which are located between Bangkok and Kanchanaburi), were considered remote areas and there were few government officers stationed there. The Border Patrol Police was the only government agent initiating "development" activities, which did not reach many of the areas. The first infrastructural initiative which brought about many of the subsequently changes was the construction of the bridge connecting the village of Ban Lum Phueng to the district center, allowing for the western sections of the province to Kanchanaburi and Bangkok.

However, drastic changes were seen in the late 1970s when economic conditions were poor and investors became interested in land along the Khwae Yai and Khwai Noi Rivers. Gradually, land speculation became very obvious. When the laterite road was first constructed in 1978, land prices rose from a few hundred baht to 1500 baht per rai. The first outsider who came to buy land near the river paid 5000 baht per rai. The transaction was directly between the villagers and the outsiders with no agent. The sellers then moved to other areas to clear more land. The economic recession that took place during the late 1970s and early 1980s put many villagers in debt. They were looking for alternative

means of livelihood. During 1984-86 land cost 8,000 baht per rai and after 1987, when the bridge was built to connect the village to the district center, the price moved up to 20,000-25,000 baht per rai. This was also a period of economic boom. Many villagers became brokers and made profit out of the transactions. Middlemen in town also came into the village to buy forested land for speculation. With attractive offers, villagers willingly sold their land. Factors influencing the villagers' decision to sell land included: (1) indebtedness, (2) hardship in agricultural work, (3) family needs, and (4) high land prices.

Change in Values Toward Land

Villagers willingly accepted cash in exchange for land. The traditional belief in attachment to land seems to have disappeared quickly. This may be because people in Ban Lum Phueng were migrants who had not settled in that particular area for long. They were entrepreneurial in spirit and ready to try new ventures. Those who sold land during the period when land prices sky-rocketed received high compensation. The money received was used to buy a small plot, build a house, and after that divide among the children. In addition, some villagers still wanted a small plot of agricultural land and set aside some money to buy upland property prices of which were usually much cheaper. Those with debts, paid them back and some tried to set up small shops to produce or sell goods for tourists. Villagers who still had some land left, tried to continue farming when the productivity was high enough to make the effort worthwhile.

The description presented above shows the transitional stage of land ownership patterns and clearly reflects the change of the villagers' values towards land. They try to hold on to pieces of land, even when further away and/or smaller, until the best offer comes. Eventually they will become completely landless. At this stage, money has replaced land as an object of value.

Patterns of land transaction in the village, which may cause some villagers to become landless, may be classified into four types:

1. Villagers sold land in reserved forests to other villagers .
2. Villagers sold land to sugar-cane middlemen. After the road system reached the village, the middlemen asked to buy forest land from the villagers, who moved further into the forest to clear more land. This resulted in more forest clearing and higher land prices.
3. Villagers sold land to government officials and outsiders who came to buy land

for speculation. This pattern was seen approximately 2 years before the bridge was built. The buyers became absentee owners who perhaps grow orchards but did not otherwise fully utilize the land.

4. Investors came to buy large pieces of land for resort development. There are about ten projects in the nearby subdistrict area.

Change in Personal Relationships between Government Officials and Villagers

The relationships between government employees and villagers which may have been identified as patrimonial in earlier years had now by become transactional relationships. In the beginning, when villages were officially set up after the roads reached the settlements and headmen and subdistrict headmen were subsequently appointed, these village headmen then became involved in land transactions and helped government officials identify plots of land and produce land documents. From then on, village headmen and government officials collaborated in many of the deals made. They joined hands and became real estate agents making money out of the transactions by demanding certain percentages for each deal made. Not only did they become collaborators in producing land documents, they also collaborated in making sales.

Village headmen were also involved in some of the land conflict cases. While a few conflicts were resolved, many remained unsettled. In the case of Saiyok District where Ban Lum Phueng is located, the land officials were accused of producing false documents and many of the transactions were considered illegal. When villagers began to question both the legality of the documents and the status of the deals, village headmen blamed the government officials (either the land officer or the deputy district officer) and vice versa.

In this district, both government officials and villagers as well as village headmen were known to be corrupt. The district office was burnt and all documents were destroyed in 1987.

7. The Changing World View Resulting from the Change in Ideology

The discussion in this chapter, based on the case studies in the three subregions of the Central Region, shows how people make adjustments and cope in different settings. The "development ideology" presented to the people through the National Development

Plans, with government extension workers the concrete representatives of this ideology, made people aware of the need to adjust to this new ideology. Examples presented in the earlier sections show both the bright side and the dark side of the manifestation of the new ideology. In this transitional stage, people coped with the new ideology by changing some of their social values. Land lost its significance and money and other forms of material wealth became more important. This shift in values is seen most readily because they refer to material possessions. On the other hand, changes in traditional Buddhist values have not been reported sufficiently by the research team. Changes in values which are abstract or spiritual are not readily apparent. The question is whether Buddhist values and world view are disappearing or whether the research team overlooked this important matter. The concept of the universe, the perception of self vis-a-vis others, and the relationship between self and nature need to be discussed.

1. Changing World View on the Relationship between Man and Nature when Fishermen Shift to the Tourist Industry

As mentioned earlier, field research in Chonburi indicated that people engaged in fishing occupations were generally more adaptive and/or innovative than people in most other occupations. Because of the challenging nature of fishing, people involved had to be competitive. Those who held to customary beliefs and/or practices that were irreconcilable with regard to needed innovations had to get out and work in other areas.

However, traditions which did not interfere with economic practices were not abandoned and could be faithfully observed. The view of man's relationship to nature remained unchanged. Beliefs in net, boat, sea, and other spirits were maintained, and these spirits were worshipped regularly before each fishing trip and on festive occasions. New boats and equipment had to be ritually initiated for prosperity. Other practices were observed as long as they did not interfere with the fishing process itself. Fishermen who used their boats to cater to tourists had to accept tourist practices and, perhaps, forego customary practices when they could not be reconciled with these new ones.

The world view on relations between people is changing. In this case study, one finds that bringing prostitutes on board and allowing sexual services to be provided violated traditional taboos against women and sexual acts on board. Some fishermen-cum-guides learned to accept such activities while others were annoyed. Those who continued on as guides either closed their eyes or enjoyed watching the activities. In this case, the

degree and/or speed of acceptance of new practices varied from person to person. The ones who dispensed with the traditional taboos were those who could tolerate the new pattern and survive in the industry.

Man's relationship to supernature is still maintained by most people. There were certain traditional practices performed by fishermen, however, which continued to be observed when they became guides. Fishermen had great respect for the *khon rua* (the prow of the boat) which, according to custom, should never be crossed or stepped over. Since the *khon rua* is located high above ground level and out of the way, the taboo could easily be observed. The retention of such observances also gave psychological support to boat operators, since it assured them of the boat's safety. All boat operators paid homage to the *khon rua* and other spirits on festive occasions, and no one disregarded the taboo the rest of the year. This customary practice was maintained because it did not conflict with economic or other requirements for success in the enterprise.

Those who do not do so well still adhere to supernatural beliefs. When tourist activity in Chonburi became slow, prostitutes, restaurant owners, and hotel managers turned to supernatural beings for spiritual supports. Traditional and modern man alike still have relations with both natural and supernatural beings.

2. Industrialization, Urbanization and their Impact on Buddhist Social Order and Values : Changes in the Central Region

Many contemporary studies tend to be pragmatic and deal with the Thai social/moral order, in so far as it relates to values and world view, only very indirectly. Not all Thai intellectuals, however, have been unquestioning of the traditional or official version of the social order. Political changes since 1932, and especially since the 1973 coup d'etat, have caused many to modify their views on the social order. This was influenced by politico-economic considerations and a perception of growing political aspirations among the Thai people. There was a movement in academic circles to review and reinterpret traditional beliefs and practices, as well as traditional versions of history. Examples of Thai scholars writing on such topics are Chatthip Nartsupha and Suthy Prasartset (1981), Chalardchai Ramitanon (1979) and Chayan Vaddhanaphuti (1980, a and b). Such scholars reviewed the role of religion as a determining factor in social structure, as well as emphasized social, economic and political factors. Given the political climate of the time, the ideals proposed for a new social order were popular participation and socio-

economic justice.

The Establishment of New Groups for New Social Functions.

The loosening of kinship ties, the disappearance of residential extended-stem families, and the strengthening of wealth-based patron-client relations to replace traditional kin relations in rural areas were phenomena observed to be taking place in Thai society as the country developed and became more and more urbanized and industrialized. In the industrial setting, the organization of the labor class into trade unions and other groupings was helping to fulfill the functions which kinship groups had performed. At other levels and perhaps in other domains, networks were being established to help link people together. Hanks proposed the concepts of "entourage" and "circle" to describe types of networks among local people in the modern setting. At a somewhat higher level, Evers used the notion of "strategic groups" to represent sets of relationships established as networks within mutual interest groups which, at the same time, have political-economic goals incorporated in them (Korff, 1988).

On the other hand, Frank Reynolds (1977) proposed that "civil" and/or "civic" religion could be observed in Thailand. While civil religion in the American society is illustrated by the use of political ideology as an integrating factor to unite multiple ethnic and religious groups, civil/civic religion in modern Thailand is seen in the efforts of the government to use Buddhist rituals in state functions, legitimizing and, at the same time, transferring spiritual sentiment from the religious-personal sphere to the political-national sphere. When one attends formal functions, one pays respect to the flag as the symbol to the nation, to the Buddha image as the symbol of religion, and to the portrait of the king as the symbol of the monarchy.

Secularization of Traditional Buddhist Organizations for New Functions.

In modern Thai society, the changing social structure and value systems have reduced the role of religion to an almost exclusively spiritual sphere. In the past, religion played a more important role in the political and economic domains. This was particularly obvious in the traditional village context here the *wat* was the heart and center of the community and was deeply involved in all aspects of village life, spiritual as well as material. The head monk served as a respected advisor for all major decisions to be taken by village leaders and was also deeply involved in activities to assure the welfare of all

members of the community, particularly of the needy. A consequence of modern urbanization observed world-wide is a trend toward secularization, a separation of church and state, as if religion had nothing to contribute to the process of modernization.

There has been concern in Thailand about having religion play a more relevant role in the context of a modernizing society. Going beyond the national identity function of religion, proposals have been put forward for religion to contribute to the national development ideology by the following means:

(1) Involvement in the material welfare of the people, religious values tempering the excesses of capitalistic values.

The 1973 coup d'etat brought about a form of democracy previously not known to Thai society and, at the same time, capitalistic values dominated the whole social order. The following are examples of attempts to help poor farmers who were coping badly with the new economic climate of the country.

The first case is that of Phra Maha Chat Khongsuk of The Young Buddhist Movement. In 1975, after the 1973 coup d'etat, Phra Maha Chat demanded that the government take immediate action to help poor farmers by supporting the price of paddy. Phra Maha Chat joined poor farmers in their march to Bangkok to submit the demand to the government. The argument here is that monks have the obligation to work for the community. Helping poor farmers make their demands to the government is one pragmatic means to help them (Suksamran, 1984). Poor farmers in the Central Region also joined the movement.

The second case is Phra Kittiwuttho of Wat Chitaphawan. In 1986, when the price of paddy was again low, Phra Kittiwuttho in Chonburi joined with the Farmers' Union and proposed to help small farmers by setting up small rice mills for them to sell their paddy. The goal was to set up 99 mills in 1987, 999 mills in 1988, and 2,000 mills in 1989, the year of celebration of His Majesty the King's sixtieth birthday. Phra Kittiwuttho offered to take care of the marketing problems of the small farmers involved in the project (Amara Pongsapich, 1990:200-205).

(2) Involvement in education to contribute to the intellectual and moral training of the people for them to become better, more responsible citizens in the modern context.

With the temples losing the role of teaching small boys after the introduction of the educational reforms during the reign of King Rama V, attempts to maintain the educational function of the Buddhist Order are still being made. In addition to teaching young children and providing higher education to monks at the two ecclesiastical universities, Phra Kittiwuttho proposed the establishment of a university to be operated along the lines of Christian and Catholic universities in the West. Similarly, Phra Chayabun Thammachayo at Wat Thammakai in Pathumthani also submitted a proposal to the Ministry of Universities to open a Buddhist university. This would be in addition to the role of Wat Thammakai as a retreat center for the middle-class.

Followers of Wat Thammakai are clear in the objectives of the temple to respond to the spiritual needs of middle class people. University students are recruited to join in summer group ordinations and university graduates are the recruitment target group of the mission. Attempts to revitalize the role of monks in the educational sphere and, at the same time, serve the needs of "modern middle class" people at the tertiary educational level seem to follow the path of development already seen in the West. The phenomenon is new and has not been totally approved of in Thailand.

(3) Revitalization, reinterpretation and the search for meaning in religion.

At the moment, there are many Buddhist centers trying to interpret Buddhist texts by putting emphasis on certain aspects of the Buddha's teaching. Examples include focussing on *panya* or wisdom at Wat Suan Mok, *smati* or meditation, at Wat Thammakai and *sila* or following the precepts strictly at Santi Asoke. Other temples have different interpretations of the "heart" of the teaching.

It is extremely unlikely that, even with the most daring efforts at reinterpretation of Buddhism, one can come up with anything even vaguely equivalent to the "Protestant Ethic" described by Weber, as the latter is the outcome of an experience that is completely alien to that of Asians. A more fruitful approach, it would seem, would be for religious thinkers and ministers of religion to go back to their religious roots to identify Buddhist doctrine and practice in its pristine purity, reflect on its relevance to the modern world, its possible new applications, and how its message can best be communicated in this context, and then effectively to apply the best of what it has to offer to this modern world in order to provide rationalization, discipline, and active ideals of the good and just society. Mahatma Gandhi provides an excellent model of this reformist approach to religious

renewal in the modern world, serving both the requirements of religious integrity and its dynamic insertion in society to serve its political, social, and economic needs as well.

Chapter 5

Conclusion:

Socio-Cultural Change and Political Development

This chapter will attempt to synthesize discussion presented in the previous chapters in response to the proposal at the level of the Central Region. First we will summarize the five research issues identified in the proposal and explored in the earlier chapters in order to provide readers with a more precise picture, then we will conclude by discussing the overall socio-cultural and political development of the Central Region.

1. Regional Research Issues

1. Stage of Commercialization

Chapter 2 discussed stages of commercialization in the Central Region, showing how people in the region responded to different types of commercialization. The shift from a subsistence rice economy was seen first in rice commercialization and then in other export products such as sugar-cane, cassava, fish, and a few other crops. While Chinese merchants and Thai farmers in the central plains area responded to rice commercialization policy, the cultivation of other export crops took place in the more upland areas in the eastern and western subregions. Since rice was the most important export crop for the country, the government agricultural development policies continued to support rice cultivation. In the first few national development plans where infrastructural development was promoted, sophisticated irrigation systems were implemented in conjunction with the plan to provide electricity to the urban centers. Chinese rice exporters became very strong partners in this development process. They were able to establish and maintain contacts

with local Chinese merchants who supported farmers financially. The new rice technology, which required larger farm inputs in terms of new seed varieties, fertilizer, insecticide and herbicide, made the farmers dependent on Chinese rice merchants for farm investment. The links between farmers became even more dependent on local merchants. A commercialized patron-client relationship was established. Local Chinese merchants who owned the rice mills, on the other hand, established collaborative relationships with rice exporters in Bangkok. otherwise, the Bangkok Chinese rice merchants came to the provincial centers to build these connections. In the central plains area, the ties between rice mill owners became very strong. The Chinese merchants who started their business in rice exports were able to accumulate capital and become involved in the export of other commodities.

Sugar factories were established in Chonburi and Rayong in the eastern subregion and Suphanburi, Kanchanburi, and Petchburi in the western subregion. Sugar became one of the more important commodities which started in the Central Region before other parts of the country. Later, cassava became a very strong export commodity in the form of dried chips and pellets using very simple technology. There was no need for "factories" for cassava chips and pellets, only for making tapioca flour, which was of a very low quantity when compared to other forms of cassava exported. Fishery exports also became very important. Chonburi, Samut Songkhram and Samut Sakhon became the centers for fishery activities in the 1970s after the fishermen adopted new fishing technology. Bangkok investors came to provide financial support to medium-size trawlers, and investment in large refrigerated boats came from Bangkok as well as Japanese capitalists. The export of agricultural products took place in provinces around Bangkok prior to other regions of the country. Lower transportation costs and smaller risks enabled investors in Bangkok to have closer control of the management and support of the agricultural export business during 1960-1980s.

Not only did rice merchants invest in the export of other agricultural commodities, they also invested in the banking business and became very powerful nationally. Meanwhile, banks established branch offices in the provincial centers around Bangkok before expanding to other areas. The strong connection between Bangkok and the Central Region were reinforced even moreso.

The industrialization policy also had an impact on the Central Region much earlier than on other regions. When the first industrialization policy, the so-called "nationalistic

capitalism", was announced during the Phibun period, the first government enterprises were located not far from Bangkok. Thai nationals who were supposed to invest joined hands with the Chinese merchants who had capital and skills and were the first groups to be involved in industries. Government officials who were able to become involved in the implementation of this policy were the top-ranked officials who had access to information and were powerful enough to join the process. Lower-ranked government officials had no place here. The first industries included enterprises such as distilleries, sugar refining, gunny sacks, and leather and appeared in the form of government enterprises. Industries or factories which were privately owned included rice mills, sugar mills, saw-mills, and cassava mills. In the early stages, these mills employed simple technology and were the first forms of agro-industry in the country.

When national development plans were implemented during the 1960s and 1970s, government officials in the provinces were supposed to provide information and guidance to the farmers regarding the new policies and strategies. Extension workers involved in introducing and promoting new agricultural technology faced difficulty in transferring the information as well as in demonstrating the strength and benefits of the new technology. Adjustment at this stage was very difficult and painful on both sides. Application of new technology is still being questioned even today.

The strong characteristic of the Central Region is its close proximity to Bangkok which enabled merchants and investors to respond to government development policies quite readily and beneficially. The farmers themselves, in turn, responded to the demands and requests of the Chinese merchants. Some responded willingly and enjoyed the benefits while others had difficulty responding to the new requests and withdrew to clear more forest land to maintain their traditional agricultural practices. At the end of the 1980s, pressures became stronger. Tighter government control on forest land and higher investment costs in agricultural farm input forced many farmers who initially rejected "development" to reconsider. Their children now prefer to join in the "development" process. Some cope quite well while others do not.

2. Expansion of the State

The impact of the expansion of the state on communities in the Central Region follows a pattern similar to the impact of commercialization discussed earlier. People in the provinces near Bangkok were introduced to the "development ideology" through the

various extension workers they came into contact with. The deputy district officers (*palad amphoe*) became well-known people. The district officers or *nai amphoe* had authority second to none. The irrigation officers became the persons who controlled and regulate of the water. Farmers learned to rely on these individuals for information and "supposed" power.

In the Central Region, land became a very important issue. Because of the earlier development of the Chao Phraya river basin and the requirement for fertile soil for paddy cultivation, land became a very important and valuable commodity. People learned to depend on land and land ownership was an important criterion for successful production. Also, because land was an important commodity, it was in great demand. Farmers whose crops failed used land as collateral when requesting loans, even from local villagers and/or merchants. When crops failed in consecutive years, the money lenders then took away land and the farmers became landless and had to rent the pieces of land they originally owned. Landlessness became a big problem in the Central Region and the first land reform areas were identified in central plain provinces. In the 1970s, the land reform officers were recognized as government officials who came to take away land. Because the land redistribution process usually took a few years to complete, if at all, land reform officers were not viewed positively.

District land officers and *palad amphoe* were also important persons. When demand for land increased and land prices escalated, land and other district officers became involved in land transaction activities. Some of the headmen, both at the village and subdistrict levels, also joined in and collaborated to earn extra personal income. The collaboration in Saiyok District, Kanchanaburi Province, became notorious and the central government demanded an investigation. The district office was burned in 1987 when all documents were destroyed.

Structural changes occurred with the expansion of state authority through the implementation of development projects carried out by different line agencies. The extension workers working at the village and district levels were all eager to introduce the new structure in the hope that the new structure would help bring about the so-called development. Examples cited in Chapter 4 show how the introduction of the new youth group at the subdistrict level in Nongkhae District, Saraburi Province, destroyed the traditional groupings at the village level and yet was not able to function at the subdistrict level. The sense of community operated at the village level and could not be expanded to

cover a larger subdistrict. Personal relations only operate in communities of a certain size and cannot be expected to be maintained when a community expands beyond its functional unit.

3. Ideological Change

Chapter 4 discusses ideological and value changes seen in the case studies in the subregions of the Central Region. Ideology, social values, and world view are related terms used in the discussion. World view is defined as perception and cognition of the people regarding their surroundings, the relationship between oneself and others, oneself and nature, and the supernatural. Social values include certain aspects of the world view which one sees as having positive or negative, what is good and what is bad, what is desirable or not desirable. It also establishes the norms of the people in the society. Ideology, on the other hand, encompasses only those items considered desirable and good for the society which should be adopted by all as the guiding principles and objectives of the society. While, traditionally, Buddhist ideology and values predominated, the introduction of new ideologies, i.e., capitalistic and development ideologies, abandoned traditional Buddhist concepts almost entirely. The introduction of capitalistic ideology together with development ideology in the national development plans of the government forced people to adjust and cope with the changing ideology brought to them from the top.

Changing value systems result when people shift from values that regard agriculture as their main livelihood to other alternatives that are available to them through the industrialization and developmental processes. Certain villagers willingly shifted their occupation while others resisted. Change in values toward occupation is seen among young people more than older people. Instead of producing food for consumption, people now are ready to work to produce manufactured goods in return for a cash income. This change is related to shift in the agricultural way of life which valued land as an important commodity; hardships in farming and a higher demand for land, which results in increasing land prices causes the people to change their perceptions regarding land. They are now eager to sell their land for cash even if they have no definite plans for the future.

While one observes that the social values are definitely changing, manifested in diverse behavioral changes in the way of life of the people, changes in world view are not seen so clearly. Perceptions regarding the self in the relationship between oneself and others and between oneself and nature and supernaturals have been examined. It appears

that personal relationships are now viewed differently. Reciprocal obligations and relationships are being replaced by an emphasis on monetary exchange. Cash compensation is used to fulfill many of the traditional values such as *kreng chai* and *bun khun*. Meanwhile, the role of the supernatural in everyday life is still observed, although perhaps to a lesser degree. However, it is clear that beliefs in the supernatural has not been abandoned. People still have relationships with nature and supernature. In other words, the case studies show that the world view of people may be changing at the man-man relation level, but not changing as clearly at the man-nature and man-supernature levels.

4. Access and Impact of Information

Discussion in the earlier chapters indicated clearly that access to information did have an impact on changes taking place in the Central Region in the early stages of capitalistic development when information regarding government policies was transferred to investors who put this information to use. Later on, when the government instigated the national development plans, the information was gradually transferred to the public through official government channels of the four main ministries. The government policies were then translated into action by the line agencies. While some information was applied in good faith, with successes and failures depending on the different context in which the projects were implemented, some information was reinterpreted by the different agencies for personal benefits.

The formation of the savings group in Khokyae was originally planned to provide a source of loans for the people. People with extra money were encouraged to save with the group in order for it to accumulate enough capital to redistribute to those in need. The villagers later learned that the *kamnan* and other well-to-do villagers deposited their money with the savings group and charged interest from those who borrowed. At the same time, the interest gained was not taxable income, unlike interest earned from bank deposits. The villagers viewed this practice quite negatively, accusing the individuals of having personal gains, while the individuals claimed that they were helping the saving groups and were in fact making a sacrifice.

Access to information is also important when the government introduced the summer job creation program, which is now called the rural job creation program. Allocations of government funds to help develop infrastructural projects at the village and

subdistrict levels are now channels for local construction firms to earn income. Information available regarding the infrastructural projects is important and it is at this point where connections between local merchants and the *kamnan* will result in possible corruption or other forms of malpractice.

Information exchange between local politicians and national politicians also occurs. With the active participation of the mass media, information will have to become available to the public; in this way secret information, which may advantage one individual more than others in business or in politics, may be reduced. Personal connections, which were important in the past, will have to be supplemented and complemented by information from the mass media. People have now learned to demand information and their participation in political activities is expected to increase.

5. Urban-Rural Relations

This study of the Central Region emphasizes the role which Bangkok has played in influencing activities in the central provinces, not only in terms of Bangkok as the central government, but also in the ways the provinces around Bangkok have been supporting it and the mutual benefits gained in the process. It is also difficult to make a distinction between Bangkok investors and local investors when proximity between Bangkok and the provinces is not very great and the influence of Bangkok investors at the local level has been exceptionally strong. In the case of the Central Region, urban-rural relations need to be viewed at the level of Bangkok as the urban center and also at the subregional levels where the government proposed the eastern seaboard and the upper central areas as industrial development zones. At the same time, many industrial estates have been established in the process.

Industrialization and urbanization processes have been discussed in the case studies of Saraburi and Chonburi. One sees in this process that rural areas are being urbanized. Nongyai Village in Chonburi is certainly supporting urban activities in Pattaya and Jomthien, which are urban resort centers. Villagers work in the service sector and provide goods and food to support the urban centers. This pattern is seen in addition to the shift from agricultural to industrial activities when factories or industrial estates are established.

The development of the tourist industry in the Chonburi-Rayong area and in Kanchanaburi, as well the beach areas of Petchburi, may also be viewed in terms of

resource utilization. Resources traditionally available for rural people are now controlled by urban investors. Local people then change their occupation to support the new activities. In these areas, the rural-urban gaps are being reduced slowly. Because of limited space, people in the Central Region cannot be pushed further; they will have to make adjustments and cope to live in the changing environment.

2. Socio-Cultural Changes and Political Development

In this final section, changes in the Central Region will be viewed. The underlying theme is the important role which the Chinese have played in the development of the Central Region. The Chinese were living in the provincial towns and in Bangkok traditionally as Chinese immigrants. They possessed immigrant values and have managed to survive in Thailand, becoming quite successful and influential to both local and national governments through skillful adaption and entrepreneurship.

1. The Role of the Chinese in the Economic Sphere

Since the Thai government adopted the capitalistic development ideology, the Chinese or Thais with Chinese ancestry have been able to respond to the governments policy and become a prominent and influential mechanism in the economic development process of the country. The status of the Chinese as an "ethnic minority" is no longer appropriate. They are an "influential ethnic group" dominating many aspects of the socio-economic and political spheres of decision-making in the development of Thailand.

The behavior of the the Chinese in Thailand may be analyzed using rational choice theory which, according to Hechter, is an alternative to normative explanations and structural explanations. Rational choice considers individual behavior to be a function of the interaction of structural constraints and the sovereign preferences of individuals. Within these constraints, individuals face various feasible courses of action. The course of action ultimately chosen is selected rationally (Hechter, 1986:268). Along the same line, Banton has applied rational choice theory to the study of racial and ethnic relations.

"The theory holds that individuals utilize physical and cultural difference in order to create groups and categories by the processes of inclusion and exclusion. When group interact, processes of change affect their boundaries in ways determined by the form and intensity of competition; and, in particular, when people compete as individuals this tends to dissolve the boundaries that define the groups, whereas when they compete as groups

this reinforces those boundaries (Banton 1983:104)."

The question asked here is whether the Chinese in Thailand make rational choices individually or as groups. Certainly when Thai-Chinese relations were poor, the Chinese formed clan associations and started to create groups through the process of inclusion and exclusion. But when Thai-Chinese relations improved, decisions were not made by the Chinese as ethnic groups but as individuals, each wanting to become involved in the profit-making market economy. Rational choices are then made individually.

The Chinese have been able to cope with structural constraints and deal with the situation for their own benefit. Competition and cooperation can be seen in the development process whereby the Chinese cooperate with the Thai elites to compete in the economic sphere among themselves and among others in the world market.

The previous discussion shows that, in exporting, rice farmers in the Central Region formed the majority rice producers in the country. Rice mills established throughout the central provinces belonged to Chinese rice merchants who had close connections with government officials, military and civilian, in Bangkok. These were Chinese rice merchants who were locals and had their residence in the provinces or influential rice merchants living in Bangkok who had their clients supplying paddy to them. These strong links between Bangkok and the communities helped make the Central Region an extension of Bangkok. The patron-client relations established through the process of exporting rice differed somewhat from the former two-tiered patron-client relations. In the export business, multi-level patron-client relations were established.

In addition, during this period, competition in the rice trade as well as in other economic activities became severe. The coping strategies of Bangkok-based merchants took the form of establishing links with politically powerful groups. The competition process resulted in the evolution of two factions of political powers with their complementary subsidiaries: the Rachakhru group, who were members of the Phibun regime, and the Sisao Thewet group, who were members of the rising Sarit regime. To survive in this fierce competition and to maintain control of the national economy, holding companies and related firms were established. Monetary institutions in the form of banks and finance companies were instituted and expanded (Phanne Bualek, 1985). The fact that the Ministry of Finance became a shareholder of some banks certainly helped to strengthen them tremendously, both economically and politically.

One coping strategy of Chinese rice merchants at the middle level was to establish and expand holding companies with branch offices in provinces in the Central Region. Another coping strategy was to increase capital investment with no change in structure or technological practice. This group of merchants had connections and worked with local merchants quite closely.

In effect, rice trade activities during this period reached their peak. Rich exporters had been able to control the market in the country and concentrated their efforts in identifying international markets for export. Simultaneously, they expanded their activities to include the export of other crops. Another group of rice exporters shifted to banking and other types of non-agricultural investment. New economic opportunities were explored and shifted to banking and other types of non-agricultural investment. In this process the Chinese merchant received the backing of rice-farmers.

2. The Role of the Chinese in the Political Sphere

A review of the literature indicates that in the case of Thailand the interrelationship between the political and economic spheres has been very close. A superficial examination of the situation before World War II may give the impression of a political sphere dominated by the royal Thai elites and an economic sphere dominated by the Chinese entrepreneurial class. However, there was in fact a close relationship between these groups.

It is undeniable that capitalist ideology in one form or another had been used by the government as the development concept for the country. In the Sixth and Seventh National Development Plans, the private sector has become more and more involved in the planning process. By this time, the business or private sector consists of people who are no longer "Chinese" even though descendants of Chinese ancestors.

One way to accumulate wealth is through land ownership. Local merchants and government officials as well as Bangkok people became land speculators, intentionally or unintentionally. Subdistrict headmen and village headmen learned to follow the practice of local merchants and government officials and took the opportunity to buy up land from fellow villagers when they heard about future construction projects or new highways to be built.

In provincial towns, many Chinese descendents are construction contractors who gradually enter local politics, some are now involved in national politics. Some establish themselves as *chao pho*, very influential mafia-type leaders who are powerful both economically and politically.

Christina Szanton observed in 1974 that at the local level the Chinese descendants have adopted a Sino-Thai mode of operation which still preserved many features of their Chineseness, and which allowed them to operate successfully in the urban middle class settings where they were in large numbers. At the same time, there were recurring rifts between segments of this middle class, mostly between Sino-Thai, as well as between Thai and Sino-Thai within the petty bourgeoisie segment. Although Szanton found signs of intra-ethnic differentiation at the town level, she also stated that the Sino-Thai have certainly become a new middle bourgeois formation which may lead to ethnic stratification.

The case studies carried out in 1992 indicated a less pronounced degree of overt Chineseness. Almost 20 years after the observation made by Szanton, the urban middle class in provincial towns is not differentiated ethnically. The third and/or fourth generation Chinese are reasonably assimilated. Some still practice ancestor worship and visit the graveyards of the ancestors while others have abandoned the practice. They are now in business or government offices and are part of the Thai social structure.

The issue in Thailand at present is the national economic development policy which favours the Sino-Thai population over the poor rural Thai. The Chinese or Sino-Thai have been able to fulfil the demand for industrial development proposed by the government. In the 1950s, when nationalistic capitalism was designed for the Thai, the Chinese came in and offered their services to make the policy operational. In that process, the Chinese made rational choices and made themselves indispensable for the Thais. This was further facilitated by the realistic policy of co-option adapted by the Sart regime, in contrast to the anti-Chinese stance of Phibul. Later, when the government looked to the private sector to contribute to national development, again the Sino-Thai who were located in private firms, banks, import-export businesses, real estate, etc., complied quite willingly to the request. When the government invited the private sector to become involved in the national development plans as experts and consultants, they were the group who made themselves available. Referring to the past, Skinner has made the following comments:

"the Chinese were simply too useful to the Thai ruling class to be kindered, while at the same time the rulers perceived nothing to fear. Confident in the vitality and invulnerability of their own civilization, the Thai elite did not hesitate to use the Chinese even though they knew the Chinese thought they were using the Thai (Skinner, 1973:406)."

At the local level, what has actually happened is the shift and change of social values. Traditionally, a respected person was a patron who performed the protective role for his client. He appeared to be passive and received income in the form of goods and services without having to do the actual work. His status was maintained because of his merit and his good deeds. One did not need to be greedy and want more than what one received. Buddhist ideology predominated in everyday life. When the economic condition changed, it was not sufficient to maintain the status quo. There are possibilities for investment, especially when connections with government personnel open up investment channels which enable those with connection to advance forward ahead of ordinary people. To advance economically and socially, one now has to invest to earn more. A successful person now accumulates wealth through investment, taking opportunities to best utilize the available resources.

3. Changing Values and the New Social Structure

With the introduction of the national development plans, many local Thai coped with this new policy or ideology and turned to work with the Chinese. Some were and many still are adhering to the Buddhist values and world view which assert that one should not work for one's own benefit entirely, and that the accumulation of wealth should not be practiced overtly. The study of the coping strategies of people in the Central Region of Thailand indicates clearly that when state policies were disseminated at the local level, those who could not accept the new capitalistic ideology rejected it and either moved further into the forest areas to continued their subsistence way of life, remaining poor and helpless. The Chinese or Sino-Thai generally accepted the new ideology and responded readily to the policies such as cultivation of cash crops, tourist and rural industries, new "captured" fisheries such as deep sea fishing or "cultured" fisheries in the forms of fish and shrimp farms using technology and modern management techniques. (CUSRI, 1991).

It is undeniable that the Chinese have social values which are more compatible with capitalistic values. Some theorists call these "immigrant values". The rational choice theory seems to help explain quite well the behavior of the Chinese in different contexts.

The question remaining to be asked is whether the more advantageous status and role of Sino-Thai at present will create antagonistic feelings among the Thai and cause class differentiation as well as ethnic differentiation to become more distinct. If such is the case, then the class and plural society model will have to be re-examined in detail. This model will have to be juxtaposed with the assimilation and acculturation model.

Perhaps the pattern differs between the elite class and the middle class. Among the elitist group, the industrialization and internationalization or globalization taking place all over the world pushes the Chinese investors into the global sphere. Their investment activities become multi-national and their Chineseness becomes more useful. The Chinese connections could be maintained or newly established for the sake of business benefits. In a way, this group of Sino-Thai stop their assimilation process and maintain their Chinese identity together with the Sino-Thai identity. The shift in the globalization process makes the assimilation model less useful than in the past. Now they make rational choices to emphasize their ethnic identity accordingly.

The urban middle class group, on the other hand, consists mostly of second or third generation Chinese who have moved up the social strata and constitute a large majority of the middle strata of the Thai social structure. The question is what will happen to them in the future? Two possibilities are envisioned here. The first possibility is that assimilation will continue and be completed to the point where the terms "Chinese" or "Sino-Thai" will become meaningless. The second possibility is for the group to become more conscious of their Chineseness and prefer to maintain a dual identity. This process is likely to happen for the same reason that the elitist group prefers to maintain their Chineseness for global connections.

One other factor which will help strengthen this possibility is the ethnic situation in Thailand where there are other ethnic minorities. The degree to which the Chinese have become assimilated into the Thai social structure is phenomenal or even exceptional. It is not possible for other ethnic minorities to assimilate into the Thai society in the same degree. Therefore maintaining ethnic identity will be the trend followed by most ethnic minority groups. The Chinese descendants will then follow other groups and maintain their ethnic identity while living in Thailand and maintain Thai citizenship. When this process takes place, Thailand will become a plural society with different gradations of ethnic identity depending on the degree of assimilation taking place. The Chinese will be the group most assimilated to Thai society, while the Muslim Malays will be the group

least assimilated. At the macro-societal level, cultural pluralism is the trend for the future of Thailand. But at the intra-ethnic relations levels, the Chinese will assimilate and maintain their cultural identity if and when appropriate.

For Thailand to exist as a plural society, she will have to allow cultural diversity and at the same time identify an integrative mechanism which will unite the people together. National ideology which is acceptable to all or most people regardless of ethnic background is one solution. Capitalistic ideology supported by the government in the past has an appeal to the elite and the middle class but does not serve the needs of the poor, especially rural people. For the poor, or even investors, spiritual support is still needed. National ideology will have to be composed of a mixture of economic, political and spiritual components which allow for individual freedom. Instead of "civil religion" suggested by Reynolds, "civil ideology" may be a more neutral term to use.

Could "democracy" function as the civil ideology required for the future decade? If democracy is allowed to foster further and develop into full bloom, could it function to replace traditional Buddhist ideology? Many political scientists believe in developing democracy through the decentralization process.

The question remains whether it is possible to reach a fully-fledged democracy in the next decade or two. Has the vicious cycle of coup and counter-coup activities been completed?

Over the last few years it has been demonstrated to the influential business elite of Thailand that political instability is detrimental to profit making. Stabilising the polity by coup is now no longer tenable given the global dependencies of Thailand's economy and the international climate hostile to non-democratic regimes. The "business-like" approach of the two Anand governments helped to reduce the negative impacts of traditional military coup-making. The full ramifications of this topic are beyond the scope of this study, yet it is clear that much of what has occurred in the Central Region highlights some of the most fundamental issues in the development debate: who will be the main beneficiaries of change in the future? Economic and political power are still the key factors controlling access to development benefits, even though some advances have been made in basic social infrastructure through modifications to the development plan objectives. The coping strategies of powerless people may become more political in character if the benefits of development are not perceived to be fair in the future.

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