

**Mapping Households' Coping Mechanisms in the Era of
Recession: Peri-urban Village Case Studies in Northern
Thailand**

Nongyao Nawarat

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Abstract

This thesis examines the survival strategies and coping mechanisms employed by Thai households in the face of the Thailand's 1997 economic recession and the structural adjustment policies employed by the Thai governments. The thesis deploys recent developments in the conceptualisation of Gender Analysis and uses the 'Livelihood System Approach' developed by Grown and Sebstad (1989) to study poor women's livelihood strategies as an umbrella concept which is complemented by Moser's 'Asset Vulnerability Framework' (1998). These concepts are applied to a study of households in two poor peri-urban villages in northern Thailand. Thus the study contributes to existing knowledge about the survival strategies of households, particularly peri-urban poor households and their members.

The critical and original contributions of this thesis mainly derive from the intensive fieldwork on sample households which have been able to present a direct account of their differentiated experiences.

In exploring various modes of coping mechanisms, the research centres on labour assets as the essential resources of survival and subsistence and indicates the constraints placed up on these assets, especially male labour. In this context, female labour is found to play a central role in the sample households' coping strategies. In addition, this research highlights the importance, in the period of recession and transition, of the social capital of local women's groups which has long been invisible in Thai civic discourses and movements. This contribution consolidates the existing literature on the essential roles of local women's groups which encompass both providing needed resources and bringing women's needs into the centre of the analysis. Further, the shortcomings and limitations of social capital are specified in terms of De la Rocha's 'Poverty of Resources' Thesis.

In addition the research suggests that not only the household's stock of assets but also its composition and human resource base influence its coping strategy. Moreover, the survival of marginal households is also affected by the pattern of the local political economy of the area in which their home villages are located.

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Abbreviations

ADB	Asian Development Bank
ADB Loan	The first package of Social Loan Fund which Thai Government borrowed from the Asian Development Bank, amount US\$ 500 million
APEC	Asian and Pacific Economic Commissioner
BAAC	Bank for Agriculture and Agricultural Cooperative
CCCC	Community Child Care Centre
CHO	Community Healthcare Centre
CWYP	Chiangmai Women and Youth Project
DCD	Department of Community Development
DSO	Department of Skills Promotion
HCC	Handicraft Community Centre
TDN	Thai Development Newsletter
EGS	Employment Generation Scheme
IGS	Income Generation Scheme
IQLS	Improvement Quality of Life Scheme
IMF	International Monetary Fund
LDI	Local Development Institute
LWYP	Lumphun Women and Youth Project
MOI	Ministry of Interior
MOIN	Ministry of Industry
MOLSW	Ministry of Labour and Social Welfare
MP	Member of Parliament
NOPMCNW	Network of Occupational Promotion and Micro Credit for Northern Women
NGO-COD	The NGO-Co-ordination Committee on Development
NRIE	The Northern Regional Industrial Estate
NNCD	Northern Network of the Disadvantage Children
NGOs	Non-Governmental Organisations
NPK	Naewrum Prachakom Kuchat (People's Liberation Alliance)
Or Bor Tor	Tambon (subdistrict) Administration Organisation
Or Bor Jor	Provincial Administrative Organisation
PKK	Prachakum Kobbun Kumeuang (Community for National Restoration)
DRID	Department of Rural Industrial Development
SIF	Social Investment Fund (Programme established by the Thai Government in 1998 to implement a development task driven from grassroots civil organisations with a budget of 4800 million <i>baht</i>)
SIP	Social Investment Programme Loan (which Thai Government borrowed from the World Bank, and assisted from OECF of Japan, United Nations Development Programme and Australian AID)
SOFO	Social Fund Office
SAP	Structural Adjustment Programme
VHG	The Village Housewife Group
WID	Women in Development
VAT	Value Added Tax

Map1 Northern Thailand: Chiangmai and Lamphun Provinces
(details of studied area on Map 2 page 33)



Chapter One

Introduction: Thailand's 1997 Economic Crisis: a crisis of survival for the poor and women

Introduction

The aim of this thesis is to examine how households located in peripheral areas (Rim Ping and Pa Sang, see Map 1, page xiii) of the large city of Chiangmai and the industrial town of Lamphun, in northern Thailand, have responded to the current economic crisis which started in 1997. The analysis centres on exploring the survival strategies which particular poor households and women have deployed to minimize their vulnerability and to counter the impact of the 1997 recession and the adjustment policies subsequently introduced by the IMF (International Monetary Fund).

1.1 Thailand's 1997 Economic Crisis is a Crisis of Survival of the Poor and Women

To begin, I would like to argue that the 1997 recession, which turned the Thai miracle economy into a misery, should be regarded as a crisis affecting the ability to survive of those who had already been excluded from social and economic development during the long economic boom preceding the crisis. Although the turmoil in the financial sector was the trigger, the crisis was not simply a financial one as international institutions like the IMF and the World Bank emphasise (Shivakumar, retrieved 14 February 2002). Indeed, Bello and Malhotra (1998:3) argue that:

The crisis that struck Thailand and Indonesia is far more than an Asian financial crisis...It is above all a human crisis. Already millions of people have been thrown out of work, and poverty and hunger are on the increase.

The crisis resulted in a widespread contraction of the urban labour market largely in, the construction and manufacturing sector (World Bank Office, Bangkok, 1999a), which employed less educated women and men. These workers tended to obtain fewer benefits from the social security provision implemented in the pre-recession era since such schemes did not apply to the majority of employees, even those working in the formal sector (Sheehan, 2002, APEC, retrieved 14 February 2002; Jurado, retrieved 15 February 2000). This suggests that the long period of economic growth rarely offered significant improvement in the livelihood security of the majority of workers who formed the backbone of the Thai economic boom. Furthermore, the delays in the assistance provided by the social loan fund, its insufficiency and the way it operated, which I will discuss in Chapter Three, are indications of how the poor and their vulnerability have been excluded from the analysis of international institutions like the IMF and the World Bank.

Indeed, at the time of the fieldwork of the present (3 January 2000-31 October 2000) the crisis was not yet over if we take into account the vulnerabilities of ordinary people. The poverty incidence in Thailand, which rose from 11.4 per cent (of the total population) in 1996 to 15.9 per cent in 1999, continued at the same level in 2000 (World Bank Office, Bangkok, 2001:4). The unemployment rate in 2000 was still pervasive (World Bank Office, Bangkok, 2000c:4) (see Section 1.3 below). This macro analysis presents a clear picture of how the 1997 crisis provoked the deterioration of the main sources of livelihood of millions of Thai people. Given that, it seems strange that only a few recent studies and surveys are available on the impact of the crisis and on how private institutions (households) have responded to the crisis. As Rigg suggests (2002:1), a full understanding of the real impact of the crisis and the devastating costs of the SAP (Structural Adjustment Programme) is impossible if its negative effects on the livelihoods of marginalised households and ordinary people are not fully taken into account. Indeed, the experiences of other developing countries located in other regions largely indicate that in the face of hardships households have been used as the central force for mobilising and utilising all possible resources as an immediate response to the crisis of survival and the economic uncertainty of their members. Households, thus, are not simply passive victims of economic turmoil and adjustment policies (Cornia, 1987; Beneria, 1992; Safa and Antrobus 1992; Daines and Seddon, 1994; Schild, 1997; De la Rocha,

2001). As Cornia (1987:90) argues "adjustment entails a variety of adaptation-survival strategies by households that are often attributed with the potential for reducing welfare losses during periods of decline". In the case of Thailand, there is no doubt that, due to an absence of formal social security and social safety net provisions noted earlier, the survival and subsistence of the poor, in the face of abundant layoffs and hunger, would depend on both the strengths and limitations of this institution (households) (Parnwell, 2002; Rigg, 2002).

Studies and discourses which present a more comprehensive understanding of the responses of Thai poor in general and households located in non-urban areas in particular are extremely rare, however. These households in fact were pushed to act as 'absorbers' of the urban crisis despite the fact that rural livelihoods had also been severely jeopardised by the economic meltdown, not least because of the complex linkages between urban and rural economies and the long neglect of the agricultural sector (Changnoi, 1997; Kelkar and Osawa, 1999; Parnwell, 2002; Rigg, 2002), in particular in the context of peri-urban areas where this research is situated. Even studies such as those of Parnwell (2002) and Rigg (2002), that identify the importance of urban-rural linkages, lack a close appreciation of social and economic differentiation, especially within rural and peri-urban communities and households. They wrongly suggest, when looking at long term livelihood insecurity, that the crisis produced a less devastating impact on non-urban households. However, through more detailed fieldwork in peri-urban communities, and greater use of class analysis, the present study challenges this impression.

This thesis will, therefore, attempt to bridge this gap in academic discourse by looking at the lessons that can be learned from the day-to-day struggle of ordinary people, especially the poor and women. To learn about their strengths and limitations may be helpful, not only in terms of understanding the particular ways in which people were struggling while being excluded from the centre, but also in terms of advocating policies in favour of the marginalised.

The analysis presented above suggests two main questions which this study aims to address: (1) What were the responses to the crisis of poor households and their members, and how did women and poor households look for collective means to

confront the crisis? (2) What were the implications of these individually and collectively organised adjustments?

Before going into more detail about how these questions are to be answered, it is necessary to briefly present the organisation of this chapter. The aim of the chapter is to firstly outline the main argument and questions of this thesis, and secondly to describe the nature of the 1997 economic crisis as the context in which households' immediate responses were taking place. To accomplish this two-fold task, the chapter divided into five sections. A brief overview of the 1997 recession in Thailand and its negative impact on the livelihoods of the poor is discussed in Sections 1.2 and 1.3. Sections 1.4 and 1.5 outline the arguments and explain the organisation of the thesis.

1.2 Thailand's 1997 Economic Crisis: a global crisis emerging locally

The economic crisis and prolonged stagnation experienced in a number of countries, particularly in the South, may be understood as a turning point or a period of transition (Elson, 1992:26). According to Antonio Gramsci, such a period can be described "as a situation in which the old is dead and the new is not born yet" (cited in Elson, 1992:26). Elson elaborates Gramsci's view on this transition period as follows:

What is dead is the long boom of the capitalist world economy the high levels of employment creation and rapid rates of growth of national income and international trade in the capitalist and industrial world from the early 1950s to the early 1970s. What is not yet born is a new mode of capital accumulation that leads to a return to high and stable growth rates in the world capitalist economy. We are in the middle of a period of stagnation, instability, and restructuring (Elson, 1992:26-27).

However, suggests Elson (1992:27) "the incidence of the crisis is uneven", as some countries may experience serious crisis, while other parts of the world may continue to enjoy rapid growth and high levels of employment. In the 1980s, for instance, particular regions such as Latin America and Sub-Saharan Africa suffered a severe recession and stagnation (Elson, 1992; Feldman, 1992; Geldstein, 1997; Pearson, 1998) while other countries in Asia, such as Singapore and South Korea, enjoyed rapid growth (Elson, 1992).

This suggestion is seemingly true, as later, from 1997 onwards, this global economic crisis has manifested itself in South East Asia. Starting in Thailand, it turned the long period of economic growth enjoyed by a number of East Asian countries, in particular Thailand, Indonesia and then South Korea, into economic meltdown. This turmoil, particularly with regard to the erosion of the labour market and the sharp depreciation of countries' currencies, led to the collapse of economic growth across the whole spectrum (Ammar and Orapin, 1998; Bello and Malhotra, 1998; Warr, 1999; Hewison, 2002).

Thailand, in particular, was still suffering from the symptoms of low economic growth, depreciation of the exchange rate and unemployment in 2000 when the field work for this thesis was undertaken, despite the fact that the Thai government announced that the country had fully recovered from this recession in that year. This suggests that the cause of the Thailand's 1997 economic disaster is deeper than the commonly cited list of domestic factors, like crony capitalism, money politics, and a lack of political leadership, which appears in mainstream discourse (Bello, 1999; Amoroso, 2002).

In the boom period (1977-1996), the stability of the Thai economy was marked by a continuing high growth rate, averaging 7.6 per cent over the last two decades of the pre-crisis era along with minimal rates of inflation and unemployment (Ammar and Orapin, 1998: 5). From mid-1997 onwards, the economy collapsed and the impressive growth rate abruptly reversed from 6 per cent in 1996 to an 8 per cent contraction in 1998. By the end of 2001, the rate of growth was less than 2 per cent (see details in Table 1.1 below).

Table 1.1: Change of Economic Growth Rate in Thailand (1996 to 2001)

1977-1998	1996	1997	1998	2000	2001
*7.6%	**6 %	**0%	** -8%	**4.5%	***1.5%

Sources: *Ammar and Orapin, 1998:1

**World Bank Office, Bangkok, 2000c:4

***Institute of Social and Economic Policy, 2001 (cited in *Siam Rath Weekly*, Vol. 25 (12-22 Nov) 2001:38.

Further, as is well known, the current recession started from financial turmoil which caused the depletion of the level of official international reserves, the massive depreciation of the Thai currency, and a huge amount of foreign debt. The level of international reserve funds declined from US\$ 33.8 billion at the beginning of 1997 to almost zero six months later (Ammar and Orapin, 1998:6).

After the Thai currency (the *baht*) was floated in July 1997, the exchange rate immediately moved from 25 to 30 *baht* per US\$ 1, and by January 1998 to 55 *baht* per 1US\$ (Warr, 1999:59), a depreciation of more than 100 per cent. This massive depreciation of the *baht* sharply doubled the foreign debt which, prior to the crisis, has been around US\$ 90 billion (Ammar and Orapin, 1998:6; Sompop, 1999). In 2001, when the recovery from the recession was formally announced, the massive depreciation of the *baht* still remained.

In response to financial instability and economic contraction, the Thai government decided to restructure the economy under the guidance of the IMF by implementing the SAP over a 34- month period, from August 1997 until May 2000 (Bank of Thailand, retrieved 28 June 1999:1). However, the responses of the international financial institutions to the Thai economic crisis have been widely criticised, especially from the NGOs and the localist movements (Connors, 2001; Hewison, 2000, 2002), because, here as well as in other countries experiencing crisis, the SAP guidelines, which shaped national policies were aimed largely at enhancing private investment and private accumulation rather than protecting the livelihoods of the poor (Bello and Malhotra, 1998; Bello, 1999). Indeed, the SAP in Thailand set a number of conditions aimed at reshaping the state's policies in order to meet the foreign debt borrowed from international institutions (Bello and Malhotra, 1998; Bello, 1999; Connors, 2001; Hewison, 2000, 2002), 80 per cent of which was incurred by the private sector (Ammar and Orapin, 1998:6). In terms of fiscal policies, in accordance with conditions of the standby loan, the Thai government began to operate the 1997/1998 fiscal surplus by cutting down public expenditure. Additionally, to improve revenue, the value-added tax was to be raised from 7 to 10 per cent, starting from 16 August 1997 (Bank of Thailand, retrieved 28 June 1999:1-5) (more details will be discussed in Chapter Three, Section 3.1). Consequently, the combination of the prolonged crisis itself and the devastating impacts of the

implementation of the IMF's SAP created a real crisis in social as well as economic terms, and in the following sections some crucial aspects of this real crisis are presented.

1.3 The Persistent 1997 Economic Crisis and the Rise of Poverty and Vulnerability of the Poor and Women

As noted earlier, there is a widespread criticism that the last two decades of sustained economic growth in Thailand contributed only small improvements in equity of wealth and income distribution between the rich and the poor (Arkin, 1993; Nithi, 1993; Ammar and Orapin, 1998; Medhi, 1999; Hewison, 2000; Connors, 2001). In particular, if the incidence of relative poverty is taken into account, the last long boom increased income inequity among Thai people. In 1981, the richest group (quintile 5) of households had an income share of 51.47, and this share rose to 63.06 per cent in 1995. Meanwhile the income share of the poorest class group (quintile 1) of households declined by 2 per cent (Medhi, 1995: 63 cited in *TDN* (Thai Development Newsletter), 1998:30). This gap widened even more in the crisis period (Medhi, 1995, 1999) due to the fact that social welfare and social protection systems, on which the unemployed and other disadvantaged could fall back, were rarely well provided (Medhi, 1999; World Bank Office, Bangkok, 1999a; Sheehan, 2002).

1.3.1 The Rise in the Incidence of Poverty: an indication of reproduction insecurity

Although the incidence of poverty is not a sufficiently sensitive indicator to present the reality of the whole range of vulnerabilities of poor households during an economic recession, it can give an indication as to how economic disaster constrains the basic needs such as food and health care provision of ordinary people¹ and their household. As noted earlier, in Thailand in 1996, a year before the crisis started, the incidence of poverty stood at 11.4 per cent (6.8 million people), but then it rose to 15.9 per cent in 1999. According to the World Bank Office, Bangkok, (2001:4), this

¹ In Thailand in 1996, the poverty line was set at 876 *baht* per month to cover a basic food budget) (Medhi, 1999:3) (during the period of the study, the exchange rate ranged between 60 to 69 *baht* per one pound sterling).

rate persisted until 2000.

Experiences from other third world countries faced with economic crisis and adjustment policies show that the livelihood vulnerability of poor households and women is profoundly intensified by the combination of production and consumption factors (Beneria, 1992; Elson, 1995a, 1995b; Geldstein, 1997; Pearson, 1998).

Thailand is not an exception. As noted, as a result of IMF standby loan conditions including a requirement to increase the value added tax from 7 to 10 per cent a new fiscal policy was introduced with the aim of increasing government income.

Consequently, the prices of water, petrol and gas started to sharply increase, resulting in a rise in the prices of food, transportation and other basic goods (Ranee, 1998; Robb, 1998), (see details in Box 1.1, page 8). These increases were compounded by the decline of social welfare provisions, due to a cut in public expenditure, which the government began to implement in the fiscal year 1997/1998. Consequently, the appropriation on social welfare and services declined by 23 per cent (World Bank Office, Bangkok, 1999a:10).

Box 1.1 Changes in Prices of Food and Basic Needs during the 1997 Recession in Thailand

It was reported that the overall inflation rate jumped from 4.4 per cent in June 1997 to a peak of 10.7 per cent in June 1998. The prices of food and beverages increased by 20.2 per cent in the first ten months of 1998. The price of electricity, fuel and water rose by more than 18 per cent in the first half of 1998, compared to the first half of 1997. VAT also increased to ten per cent (World Bank Office, Bangkok, 1998:). As indicated in a small-scale study (Robb, 1988: 4), however, the inflation rate appeared higher when the prices of selective basic items were considered: the price of rice increased from 12 to 20 *baht* per kilo, that of cooking oil from 25 to 40 *baht* per litre, and that of fuel from 9 to 13 *baht* per litre. These increases meant that by the end of 1998, the prices of these basic items had risen by more than 60 per cent as compared to the pre-crisis era.

The findings from the two villages studied indicated that the prices of basic goods like petrol and cooking oil were even higher those indicated in Robb's study. So, as a result of the gradual increase of the cost of fuel, monthly minibuss fees for transporting children from Pa Sang village to a school in the town of Lamphun increased from 120 *baht* in 1997 to 280 *baht* in 2000 (Pa Sang sample households in-depth interviews, May-June 2000).

1.3.2 The Erosion of the Labour Market: increasing layoffs, unemployment and underemployment

As in the experience of other countries, Thailand's economic turmoil entailed an erosion of the labour market: it is estimated that at least one million workers were laid off from both large and small enterprises. The widespread layoffs during the first six months of the crisis resulted from the closure of large numbers of finance companies and business firms; the construction and garments industries in particular experienced continuous layoffs from the beginning of the crisis (Jacques-chai, 1998; Maunpong, 1998:8; World Bank Office, Bangkok, 1999a) (see details in Box 1.2).

The incidence of unemployment and underemployment amongst skilled and new-entrant workers also sharply increased in this period (World Bank Office, Bangkok, 2000c). The huge number of lay-offs discussed above were largely generated by the

Box 1.2 Incidence of Layoffs during the 1997 Economic Crisis in Thailand

In 1997, according to the Industrial Association, 422,000 workers, more than half in construction industries and the rest in manufacturing, were laid off. In 1998, another 5,434 companies were closed down adding a further 351,320 formal sector workers to the lay off figure (Maunpong, 1998:8). According to the Ministry of Labour and Welfare, company closures and bankruptcies slightly declined in 1999 and 2000 (*Krungthep Thurakit*, 22 July 2000:2).

Box 1.3 Incidence of Unemployment and Underemployment during the 1997 Economic Crisis in Thailand

According to Labour Force Survey's between February 1997 and February 1998, the total number of unemployed almost doubled, increasing from 1.0 million (2.2 per cent of the labour force) in February 1997 to 1.8 million people (4.6 per cent) in February 1998 (World Bank Office, Bangkok, 1999a:7). This problem steadily developed until mid- 1999, when the unemployment rate rose to almost 6 per cent (World Bank Office, Bangkok, 1999a:7; 2000c:8-9).

Similarly, according to the Labour Force Survey in February 1998, the number of underemployed - defined as persons working from 1 to 20 hours per week - was 1.7 per cent in 1997 and increased almost three fold to 4.6 per cent in 1998. This trend continued despite the improvement in the employment rate in 1999 and 2000 (World Bank Office, Bangkok, 1999a:7; 2000c: 8-9).

scale on which firms and industries were closing down, and the sharp drop in domestic demand. From early 1997 to 2000, around 3 million people were added to the unemployment category. Similarly, in this recession the incidence of underemployment has also sharply increased, rising from 544,000 in 1997 to almost 1.48 million in 1999 (see more details in Box 1.3).

In fact, the account presented above has been challenged by NGOs which argue that the actual numbers of unemployed and underemployed persons must be higher than those indicated by official data (Jacques-chai, 1998; Parnwell, 2002; Rigg, 2002). For instance this account ignores the millions of seasonal workers who regularly came to large cities like Bangkok in search of additional income (Jacques-chai, 1998; Parnwell, 2002; Rigg, 2002). In Parnwell's study (2002), it was reported that every year around one million people migrated from the northeast to Bangkok for seasonal work. But such seasonal wage labour opportunities declined greatly during the recession period.

This indicates that the economic recession generated a huge increase in both open and disguised unemployment. Furthermore, I would argue that the slight decline in the unemployment rate that took place between mid-1999 and mid-2000 should be seen in conjunction with a rise in the underemployment rate in this period. Thus, the livelihood security of poor households might not significantly improve, since most of them possibly earned a living from part-time work in the informal sector where wages and working conditions were worse than in the formal sector. For instance, according to a survey conducted by the National Statistics Office in Bangkok in 1999 among 311,790 home workers, 45 per cent earned less than 10,000 *baht* a year (*Krungthep Thurakit*, 7 January 2000:9). This means that their monthly earning level was under the poverty line. So, even though they had a job in the informal sector, their earnings were insufficient to ensure their subsistence.

The evidence noted above supports some scholars like De la Rocha and Grinspan (2001), and Parnwell (2002), who argue that unemployment became unaffordable by the poor due to diminishing resources and assets of their households, and this forced individual members to scrape a living by engaging in part-time and casual employment with enduring long working hours, harsh working conditions and low

payment. Parnwell (2002) indicates that the large number of northeastern (*isan*) young returnees who had refused to work for a low salary at the onset of the crisis gradually returned to the cities and looked for part-time or low-paid job for the sake of survival. The findings in my research villages support this account: the constraint of households' resources impelled every member of poor households to engage in a wide range of works and precarious activities for cash and non-cash incomes, if regular employment was not available (this point will be further examined in Chapter Six). This coping strategy, therefore, might have brought the decline of open underemployment rate, but barely helped alleviate poverty and hardship.

In fact in this period, even for those whose employment was secure, survival stability was threatened by the fall of real wage income (Robb, 1998; Parnwell, 2002). Additionally, although the Thai government and its agencies claimed that the recession had ended, the minimum wage rate between January 1998 and April 2000 remained static (*Krungthep Thurakit*, 13 January 2000:8), so even employed workers found making a living harder.

In this circumstance, it was important that effective social security system and social safety net provisions be implemented, both before and after the recession. Therefore, the insufficiency and the delay in the implementation of state policies in this matter triggered the livelihood vulnerability of the poor and the unemployed. Furthermore, Parnwell's study (2002), based on field visits in early 1998 to 25 villages in northeast Thailand where migration to cities had been long established, noted that to be registered under the Social Security Act, 1990 and 1994 might not prevent workers from being laid-off without unemployment benefits (see details in Chapter Three, Section 3.3.4). According to the author, every household had at least one member who could be identified as a 'reverse migrant' who had left their workplace without severance pay. The findings in my research revealed a similar result, bearing in mind some exceptions, mainly in the case of those working in advanced sectors such as finance (this will be discussed in more details in Chapter Six).

The insufficiency and fragility of the official social safety net and social security schemes meant that returning to their home village became the only option available to these million jobless people (World Bank Office, Bangkok, 2000c; Hewison,

2000; Parnwell, 2002; Rigg, 2002). In this context, non-urban poor households' livelihood vulnerabilities, therefore, again intensified by the absence of the Thai Government's social safety nets and social protection schemes.

1.4 Rethinking the Impacts of the 1997 Economic Crisis in Thailand

1.4.1 The Strength of the Rural Economy

As noted earlier in most Thai discourses on the crisis, the impact of the recession on poor households in rural areas is, however, not really a central concern, partly because it is assumed that rural areas were less affected. The assumption is called into question by the fact that, throughout the last long boom, the main source of non-urban household income was the remittances from the daily wages of people working in the urban sector; for example in the construction industry (Kelkar and Osawa, 1999; Parnwell, 2002; Rigg, 2002). Furthermore, a number of scholars observed that the livelihoods of the majority of peri-urban households adjacent to the large city of Chiangmai derived mainly from wage income from non-farm employment such as working in construction and services industries (Sucheela, 1998, Anchalee and Nitaya, 1992; Rigg and Sakunee, 2001). The finding in this research presented a similar trend (see Chapter Five, Section 5.3). Additionally, data from the two peri-urban villages where my research was situated highlighted the dense articulation of local and urban economies. In fact, the prolonged recession went further to erode farming and other small self-employed enterprises due to the drastic decline in demand from the urban market (this point will be further discussed in Chapter Five). Therefore, I would suggest that there is a need to reexamine the strength of the self-sufficient rural economy that was supposed to help cushion the devastating impact of the 1997 recession (Changnoi, 1997; World Bank Office, Bangkok, 1999a; Parnwell, 2002; Rigg, 2002).

1.4.2 The Economic Crisis Responses are Gendered

Women, as individuals as well as a social group, are given particular attention in this thesis. During recession in other regions, women have been widely acknowledged to be not only among the most vulnerable people, but also among those able to resist the

shocks caused by the recession (Beneria, 1992; Elson, 1992; Safa and Antrobus, 1992; Moser, 1996, Geldstein, 1997; Pearson, 1998; De la Rocha, 2001). The empirical work conducted by these feminist scholars has investigated the strategies of poor households in both urban and non-urban areas adopted in an attempt to mitigate the devastating impact of adjustment programmes and prolonged stagnation, and has pointed to the intensification of women's labour in both productive and reproductive work. Setting aside the serious effects of the recession per se, the responses of governments in third world countries, to demands from international financial and development organisations such as the World Bank and the IMF, have substantially transformed various aspects of the social life and social relations of a large number of women. Drawing on the experience of a specific country succumbing to such demands, Geldstein's study (1997) showed that the decade-long recession in Argentina had vast negative impacts and led to various forms of vulnerabilities of semi-urban households, especially among low-income households and single mothers. The author reported a rising trend of households in which women became primary earners, as jobs for men were in short supply, but as elsewhere, the shift of domestic chore responsibility from women to their male partners was not significant. Similar consequences of economic liberalisation policy have been noted in many other studies (Beneria, 1992; Safa and Antrobus, 1992; Moser, 1996; Geldstein, 1997; Pearson, 1998).

Pearson's study (1998:243), on Cuba, indicated that women had to adopt triple roles: productive activities, reproductive (domestic) work and community work in response to falling household income and public welfare. She argues that the last form of work, which takes place outside the domestic sphere, called by Moser (1981 cited in Pearson 1998:243) the "community management" role, should be constructed as "part of generational and social reproduction taking place at the community and neighbourhood level". So, there seems to be a significant gender dimension to the impact of the crisis. To deepen the understanding in this respect, this present study deploys a triangulation approach and a gender lens as a tool for data collection and analysis.

These sorts of negative impact on women have also occurred in the Southeast Asian countries of Indonesia, the Philippines and Thailand (Robb, 1998; Lim, 2000;

Chavez, 2001). In the Philippines, the current crisis has led to more women than men becoming unemployed (Lim, 2000; Chavez, 2001).

In Thailand, a gendered livelihood analysis is difficult as this point is rarely addressed in available studies. However, drawing on one or two recent studies which focus on laid off workers in general, the non-aggregated figures suggest that the female unemployment rate is roughly equal to that of men (Nukul, 1998; Kelkar and Osawa, 1999). However, the World Bank's study suggests that economic crisis affects men more than women because the proportion of men among the unemployed seems substantially larger (World Bank Office, Bangkok, 2001). The findings in my research suggest that it is not easy to make generalisation as conditions depend on local livelihood systems. For instance, in Pa Sang village, one of the case study villages the informal sector of cotton production, ranging from hand-woven cotton fabric to the production of garments and to home products made from hand-woven cotton, did well during the recession, so fewer women were unemployed, although women had to work long hours at minimal piece-work rates which men would not accept. In contrast in Rim Ping, the other village studied where sources of income mainly derived from urban employment and farming enterprises, the levels of unemployment seemed almost equal for men and women (these points will be discussed in Chapter Six).

The response of Thai women's collectives, to hardship and devastating impacts of the crisis, is another concern which has also been left out from much the existing analysis and discourses. However, the roles and contributions of local women's groups as a collective response to this recession become central to the present study. The findings revealed that a number of women adopted the triple roles noted above. Their collective activities in the community were largely aimed at substituting for the decline in public welfare and for accessing funds from both state and civil organisations to lower food expenditures and to improve employment options and social welfare of children (their strengths and weaknesses will be illustrated in Chapter Seven).

1.4.3 Household Differentiation and Their Vulnerabilities

In fact, for households in villages such as Rim Ping and Pa Sang or elsewhere in Thailand, the impacts of the crisis were not limited to the effects on livelihood as illustrated above. It also included a loss of income and other resource accumulation. Consequently, the social repercussions of this crisis inevitably led to the generation of a wide range of overt and unseen factors causing long-term economic instability and social despair. It has also been noted that this crisis curtailed the prospects of human capital development (children's education) and reversed improvement trends in the areas of child labour and child prostitution (Muanpong, 1998; Robb, 1999; Jurando, retrieved 15 February 2002; Parnwell, 2002). Robb (1998) suggests that the data from NGOs working on the issues of child labour and child rights indicate that the crisis did reverse the trend. Other official data suggest a rise in the number of abandoned children and in the rates of divorce, suicide, depression and anxiety (World Bank Office, Bangkok, 2000a). These accounts showed that the institution of the families, which was expected to act as a safeguard, has in fact been weakened, particularly in case of the poor.

Thus, an investigation and analysis of how institutions of family and their members confronted the crisis are essential. It is particularly valuable to investigate their responses through gender perspective and class analysis.

1.5 Organisation of the Thesis: an outline of the arguments

This chapter started by presenting a brief historical account of the nature of the 1997 recession and its impacts, which soon escalated into a crisis of survival of the poor. This account provided a context for the discussion of a new set of household survival strategies, adjustment mechanisms and innovations that took place during the recession, particularly in Thailand. It was argued that the 1997 crisis has effects beyond the finance sector; it has primarily become a crisis of survival of the poor and women.

In Chapter Two, I begin by exploring a range of responses as a counter reaction to hardships, and the devastating implications of adjustment policies for households

located in developing countries which have experienced deep recession and SAPs. This area is reviewed with the aim of situating my research and arguments into the broader debate and experiences. It is generally acknowledged that ranges of innovative coping strategies have been developed as a self-defence mechanism in order to resist day-to-day hardships and improve long-term livelihood security. In reviewing the experiences of households, I argue that although households, the poor and women should not be constructed as simply passive victims of the global crisis, the potential and limitations of these innovative actors should be subjected to a critical analysis.

I then examine the theories and concepts which have been deployed to understand more fully the day-to-day responses of poor households. In this study I have deployed the "Livelihood Systems" approach developed by Grown and Sebstad (1989) as an umbrella concept; this is complemented with Moser's "Asset Vulnerability Framework" (1998). The main concern underlining this discussion is to address the advantages of this combined conceptual framework in achieving a comprehensive understanding of the coping mechanisms of household units, and in providing insights into changes, conflicts and collaboration both inside and beyond the domestic unit (Sen, 1990).

The final task of Chapter Two is to introduce the research methods utilised to collect data. Triangulation is the research approach adopted in this study. The discussion, I consider the debates on the nature of feminist research, explore the strengths and weaknesses of this research method, and explain how the triangulation was used and modified in the actual fieldwork undertaken in 2000. In this part, the rationale and motivation for the selection of the study sites and the 51 sample households are described.

As noted briefly, the recession prompted a wide range of responses from international institutions like the IMF and from local nation states, both state and non-state sectors. Thailand is not an exception here. In order to appreciate the micro-level responses, at the village and household level, it is important to set them within the broader contexts of the IMF adjustment policies, Thai government strategies and programmes and also the counter movements and resistance of the civil society organisations. In

Chapter Three, therefore, I review the adjustment policies initiated by the Thai government (under conditioned set by the IMF) which have received strong criticism from a wide range of viewpoints as a policy to protect and enhance investment and accumulation strategies of international lending institutions and local capitalists (Amara, 1999; Bello, 1999; Hewison, 2002; Pasuk and Chris, retrieved 16 February 2002; Rigg, 2002). This chapter is organized into four main sections. It begins with an overview of the Thai government's responses to the current recession, following the prescriptions of the structural adjustment programme implemented in Thailand. Secondly, the government's 'social rescue package' is examined. Sections three and four, discuss the existing and newly social safety net and the social security schemes implemented in Thailand in the pre-and during crisis periods. The main argument underpinning the discussion is that before the crisis, the benefits of growth rarely trickled down to the poor, and the safety net schemes and social security did not assist much. Furthermore, attempts to supplement existing provisions in the post-crisis era, I argue, were not sufficient.

Chapter Four considers the whole spectrum of reactions on the part of non-state institutions such as civil society and poor households, in the Thai context. In this regard, a number of scholars have indicated that the 1997 crisis provoked a mild nationalist and localist reaction in Thai civil society in the context of a broad movement for political reform (Amara, 1999; Connors, 2001; 2002; Hewison, 2002; McCargo, 2002). Important issues in the sphere of civic politics in this period included that of 'Promoting Good Governance' and that of the social and development reform known as 'Strengthening Self-Sufficient Economy' (Connors, 2001; Thirayut, 2002). These responses need to be explored, particularly in terms of the extent to which civic organizations succeeded in shifting government policy. Similarly, it is important to understand that the government's response to the crisis did not take place in isolation, but was inevitably partly shaped by the internal politics of Thailand. The strengths and limitations of civic politics in transforming demands and discourses into political pressure are critically discussed in this chapter. Previous studies of households' coping mechanisms, largely conducted during the onset of the recession, though few in number, have been useful for constructing a platform for my research, which is based on case studies of two carefully selected

villages. The fieldwork was carried out in 2000, the year that the Thai government claimed that Thailand had recovered from the crisis.

In Chapters Five, Six and Seven, the discussion moves from macro analysis to micro-level and case studies analysis.

In Chapter Five, the main task is to locate the two research sites in the local context of political and economic development. The chapter begins with a historical account of the political economy in Thailand's northern region, focusing on the two provinces where the sites are situated (Chiangmai and Lamphun) (see Map1, page 31), and showing how this is interrelated with and reshaped by the development strategies of the centre (Bangkok). The second part contains an introduction to the physical setting and historical development of the two villages in which my research is situated: Rim Ping village in Chiangmai and Pa Sang village in Lamphun. In this part, the differentiation of villages and households in the peri-urban context are described. The last part illustrates the dynamics of the livelihood systems of these two villages in both prosperity and adversity, and the economic and social repercussion of the crisis on poor and non-poor households. (for the terms used in household classification, see Chapter Two).

In Chapters Six and Seven, I present the findings with regard to two questions addressed in this research. These findings were drawn from the experiences and practices of 51 (sample) households.

In Chapter Six, the findings regarding the modes of accumulation and survival employed by peri-urban households as households' coping strategies are presented. The first part discussed *thriving* households and their modes of accumulation in the recession period. The second part (Sections 6.2 and 6.4) present the findings regarding the modes of labour adjustment of poor households (*surviving* and *struggling* households). These included (1) diversification of labour by adopting a degradation of labour skills, (2) intensification of labour by intensifying and expanding working hours, and (3) deployment of labour to generate work in the informal economy.

In Chapter Seven, the findings regarding to the constructing of social capital as a collective coping mechanism used by households are presented. In this research local women's groups and their networks have been constructed as a social capital asset. The findings discussed in this chapter concern two important ways in which these local women's groups were utilised by women and poor households: to access funds from both state and non-state sectors and to provide cheap childcare for children of a pre-school age.

The final chapter (Chapter Eight: conclusion) summarises the scope of the study, concludes its arguments and discusses their implications of coping mechanisms deployed by peri-urban households considering the strengths and constraints of households' survival strategies regarding the labour adjustment and the utilising of the social capital of local women's groups. Further research and public policies in favour of poor households and their livelihoods are suggested.

Chapter Two

Survival Strategies of Poor Households in the Prolonged 1997 Recession: gender perspectives on livelihood systems

Introduction

In the Introduction (Chapter One), I argued that the 1997 crisis was more than a financial crisis; it was a crisis of survival of the poor and women. Then, I outlined a historical account of the 1997 recession and the nature of this crisis. The discussion focused on how the crisis aggravated livelihood vulnerabilities of the marginalised class of people in Thailand.

This chapter has two main tasks: firstly, to introduce this study's theoretical framework of gender analysis, which is employed to structure the analysis coping mechanisms of peri-urban households, in particular those of the poor; secondly, to outline the feminist research methodology which has been adopted for the research on households, and to describe the tools used to collect and compile data from researched households and their members.

This chapter is organised into four sections and a conclusion. In Sections 2.1 and 2.2, I review the discourses and theoretical debates surrounding the day-to-day responses of ordinary people in developing countries as a coping mechanism and resistance to hardships and consider the devastating implications of adjustment policies. I then present how such experiences have developed the framework of this study. The research methodology deployed in the study is introduced and then the experience of the fieldwork is discussed (in Sections 2.3 and 2.4). In the last section I draw conclusions from arguments considered in the chapter.

2.1 Survival Strategies in Times of Hardship: experiences of ordinary people

What is a survival strategy? It can be defined very broadly, but for the purposes of this study it can be said to be a way of seeking and obtaining a living employed by any poor household in the third-world context. Also more narrowly, particular ways of coping with external changes, recession and adjustment policies may be interpreted as part of the household strategies often known as household survival strategies (Schmink, 1984; Pahl and Wallace, 1985; Redclift and Whatmore, 1990; Wolf, 1992; Ellis, 2000).

It has been increasingly argued in studies focusing on the responses of the subordinated class of people worldwide to economic crisis and the SAPs that economic crisis and the subsequently imposed SAPs have often provoked a range of economic and political pressures and movements from the non-state sector, for example civil society organisations (Cornia, 1987; Daines and Seddon, 1994; Moser, 1996). Similarly, poor people cannot be seen simply as passive and powerless victims of overwhelming and uncontrolled events. In many cases increasing economic deterioration has the potential to prompt those affected to engage in radical struggle which potentially underlies a greater pressure for political reform and democratic accountability (Daines and Seddon, 1994). The political uprising which took place in Indonesia when the country's economy was facing a deep recession may be seen as exemplifying this type of mass struggle. Such cases are rare, however; usually economic crisis gives rise to a wide range of innovative coping mechanisms, known as survival strategies, which are aimed at aiding family survival and sometimes entail a moderate form of political mobilisation (Daines and Seddon, 1994; Schild, 1997).

The forms of households' primary response to economic crisis observed in the recent literature are extremely diverse. Migration, labour participation, household restructuring activities within the informal sector and diversification to illicit activities such as smuggling, prostitution and drug cultivation and selling are common (Cornia, 1987; Beneria, 1992; Moser, 1996; Geldstein, 1997; Boulton, 2000, Lawson, McGregor and Saltmarshe, 2000; De la Rocha, 2001). As Cornia argues '... for the majority of low income households, adjustment entails a variety of adaptations known as survival strategies, involving labour force participation,

migration, reorganizing consumption patterns' (1987:90). According to the studies noted above, the central force of this resistance is normally the family and household which take immediate actions to mobilise and utilise whatever resources are available to ensure the survival of their members. Their degree of resistance and ability to overcome their vulnerabilities and the negative effects of the economic are, however, largely linked with the level of assets ownership and entitlements that individual households can mobilize and utilize in the face of hardship (Grown and Sebstad, 1989; Moser, 1996, 1998; Ellis, 2000; De la Rocha, 2001; De la Rocha and Grinspun, 2001). As Moser (1998:3) observes, the more assets people have the less vulnerable they are. Scholars like Moser (1996,1998) and De la Rocha and Grinspun, (2001) point out that in 'urban' low-income households labour, among a wide range of other assets such as land and capital, plays a critical role.

2.2 Discourse and Theoretical Orientation on Responses to the Recession of the Poor and Women

2.2.1 Household Survival Strategy and Gender and Livelihood systems

Research focused on household livelihood strategies, as noted in the preceding section, has employed diverse theoretical approaches: modernisation theory; dependency theory, marxist- feminist and political economy (Schmink, 1984; Pahl and Wallace, 1985; Crow, 1989; Pearson, 1998; Wolf, 1992; Ellis, 2000). However, in this study I have been inspired by the gender analysis approach developed by Grown and Sebstad (1989) who have developed the Livelihood Systems Approach. This approach is used in this study as an umbrella concept, complemented by Moser 's Asset and Vulnerability Framework (1996, 1998). The gender lens, suggests Wolf (1992), offers an analytical tool for capturing livelihood strategies at household level and the dynamics of intra-household relationships. Additionally, this perspective permits an understanding of household reproduction, so central to the feminist view (Pearson, 1998:241-242). In times of transition and crisis the responsibilities for household reproduction are renegotiated between the state, the wage labour market and the households. This position is most precisely advanced in the work of Pearson (1998) on Cuba, and the work of Geldstein (1997) on Argentina. This feminist political economy approach thus offers a new set of perspectives

beyond the conventional development approaches (modernisation theory and marxist theory) which is widely used for comprehending the survival strategies of the poor in the third-world context (Wolf, 1992; Pearson, 1998).

According to Schmink (1984), the concept of household survival strategy, under the framework of dependency theory, which was later found to be a useful tool for understanding how poor families living in peripheral areas make a living, was first used by Duque and Pastrans (1973, cited in Schmink, 1984:88) in a study of poor families in peripheral areas of Santiago, Chile and was later widely used to study how poor households adjusted to economic crisis and adjustment policies in Latin America in the 1980s. Wolf (1992:12) argues that the noted approach of household survival strategies contributes to an understanding of intersections 'between micro and macro levels of the analysis', and when it has been used to study the poor it privileges them as it attributes to individual poor people 'the possibility of agency'. Thus, this approach views the poor as rational actors or knowledgeable persons rather than as passive victims as assumed in modernization theory (Wolf, 1992:12-13). However, Wolf (1992) points out that the concept of household survival strategies, while it is seen as a useful tool, has also been strongly criticized by both feminist and non-feminist scholars (see Crow, 1989; Redclift and Whatmore 1990; and Wolf, 1992 in particular). Feminists question the adequacy of the definition of the household embedded in the noted conceptual approaches (the modernisation theory and marxist approaches) (Redclift and Whatmore, 1990; Hart, 1996; Wolf, 1992; Pearson, 1998). This concept of household survival strategies incorporates the assumption underlying Becker's New Household Economics approach, that households are to be constructed as a single utility function, and by this definition economic relations within this "domestic group are based on pooling, sharing or fairly distributing households' resources" (Redclift and Whatmore 1990:189).

The notion of survival strategy that assumes households have "a single utility function"(Wolf, 1992:11) or in other words have a common set of interests to pursue, is contested because it completely ignores persuasive evidence of unequal power relations, particularly, in gender relations, and of unequal resources acquisition and distribution and redistribution inside the household setting (Redclift and Whatmore, 1990; Wolf, 1992). In contrast, in feminist literature, households are constructed

around various inequalities in terms of division of labour and property rights (Redclift and Whatmore, 1990). Multiple voices, gendered interests and unequal distribution of household resources exist (Harris, 1984; Redclift and Whatmore 1990; Sen, 1990; Wolf, 1992).

Some further findings in feminist research which have challenged the image of the income-pooling household have supported a dynamic view of how men and women manage their budgets in different domestic situations, and for different reasons (Harris, 1984; Elson, 1992). Carney and Watts (1991: 662 cited in Wolf, 1992:22) examined the fluid interactions between internal household processes and external changes and found evidence of intense conflict in this domestic unit; they argue that in "a process of structural change, the household has been converted into a terrain of intense struggle and negotiation which have challenged dominant representations of gender and patriarchal power". Similar evidence was cited in the work of Pearson (1998) and of Geldstein (1997). In this study, therefore, the notion of 'household' has been constructed as a site of 'cooperative conflict', a concept elaborated by Sen (1990). Intra-household relations, according to this view are marked by gender cooperation, gender oppression, bargaining and negotiation. In short, while feminists recognise that the concept of household survival strategy is useful for illuminating particular aspects noted above, it is, however, inadequate for an understanding of intra-household conflict and gender contestation (Harris, 1984; Sen, 1990; Wolf, 1992; Pearson, 2000). For example, it does not take account of the fact that in the household gender relations are subject to change, both positive and negative, as noted above, and that household adjustment mechanisms largely operate at the expense of women's labour, time and health.

2.2.2 Gender and Livelihood Systems Approach to Survival Strategies

The conceptualisation of livelihood systems introduced by Grown and Sebstad (1989:941) refers to "the mix of individual and household survival strategies developed over a given period of time that seeks to mobilise available resources and opportunities". This concept was originally developed in order to "fully capture a whole range of women's participation in the economy and their contributions to household, community, and national incomes" (Grown and Sebstad, 1989:939). The

authors argue that the conventional approach, which narrows women's sources of livelihood into three main categories: enterprise, employment and income, is not adequate to understand a variety of sources of women's survival that involved a wide range of activities. This is especially clear in times of transition and crisis. The level of acceptable living, as noted in preceding section, has to be sustained by the rearrangement of a wide range of activities by both women and other family members (Cornia, 1987; Moser, 1996, Geldstein, 1997, Pearson, 1998; Ellis, 2000; Lawson, McGregor and Saltmarshe, 2000).

In addition, the Grown and Sebstad (1989) argue that 'resources' and 'opportunities' include a wide range of possible choices and options. For instance, resources comprise a wide range of assets: physical assets such as property, human assets such as time and skills, social assets, and collective assets like common property, while opportunities involve a variety of forms of social relations and institutions such as kin and friendship networks, institutional mechanisms, organisational and group membership, and partnership relations. In considering the wide range of assets suggested roughly by Grown and Sebstad (1989), the study adopts the 'Assets Vulnerability Framework' developed in Moser's work (1996, 1998). Moser (1996:30) uses this framework to study urban poverty and poverty reduction, in which five types of important assets are extensively discussed: labour, human capital, housing as a productive asset, household relations, and social capital. As noted previously Moser (1996, 1998) argues that different levels of assets differentiate the options and choices of households and determine households' resilience to negative change. In the present study, emphasis is given to two types of assets identified in Moser's works: labour and social capital. These assets, especially female labour and local women's groups, are seen as central to households, partly because poor Thai (peri-urban) households have no control of land (see Chapter Five, Section 5.2.4).

2.2.3 Women's Groups as Social Capital: a source of resources beyond the household institution

Coleman (1997) and Putnam (1994) argue that social capital is embedded in a range of social relations which constitute obligation, norms of reciprocity and trustworthiness, and illustrate that these relations fuel mutual cooperation for the

the better development of human capital (Coleman, 1997), democracy and good governance (Putnam, 1994). Moser (1996:60), also considers social capital as one type of asset, arguing that "the extent to which a community can be considered as an asset that reduces vulnerability or increases opportunities depends on its stock of social capital". In her comparative study of four communities' confronting the crisis, community-based organisations such as grassroots people's organisations, the Church and NGOs are considered to be a type of stock of social capital (1996:60). In this study I extend the category of community-based organisations discussed Moser's works (1996,1998) to incorporate local women's groups, which are the focus of both horizontal and vertical networks.

In Thailand, the notion of social capital became widely accepted during the recession, being used by both state and non-state sectors (Changnoi, 1997; World Bank Office, Bangkok, 1999a, 1999b, 2000a). In the state sector, the government and international institutions like the World Bank have had great expectations of social capital (at rural community level) as a shock absorber of the effect of the crisis. In the meantime, interestingly, social capital is included in the reform agenda proposed by the localist movement led by the LDI and its allies.² According to this view, 'social capital', together with 'self-sufficient economy' is constructed as a crucial mechanism which, it is anticipated will lead the country and the rural poor out of persistent poverty (*TDN*, No. 35, July-December, 1998: 62; World Bank Office, Bangkok, 1999a:17, 2000a; Connors, 2001; Hewison, 2000, 2002).

While social capital has been considered as both a short-term shock absorber and a long-term way out of crisis, very little attention has been given to the analysis of its capacities and limitations, indeed, the true extent of these remain debatable.

Discourse on localism in Thailand suggest that the decay of social capital is caused by rapid economic growth, which has resulted in the destruction of traditional values

² Local Development Institution (LDI) is a major non-governmental organisation which has plays a significant role in the formation of national NGO networks concerning development policy, and in promoting the politics of localism. The LDI emerged in the 1980s, funded by CIDA. Among others, Anek Nakhabutr, who became the director of SIF (Social Investment Fund was founded in the 1997 crisis era) in the crisis period, took a lead in the formation of LDI and since 1994 the institution has been formally led by Dr. Prawase Wasri (Connors, 2001).

like sharing, fraternity and so on (*TDN*, no. 35, July-December, 1998; *Bangkok Post*, 9 September 1998; Connors, 2001).

This view seems to be challenged by international institutions like the World Bank (World Bank Office, Bangkok, 1999b), which argues that social capital has prevented the decline of human capital in Thailand. According to the World Bank (World Bank Office, Bangkok, 1999b), the crisis has not produced a huge increase in the numbers of children dropping out of school at all levels, as had been anticipated at the onset of the crisis, mainly because of the commitment of the family institution (the World Bank (1999b) cites the family institution as part of a whole range of social capital).

As noted in the previous chapter, much of the research focusing on private (household) adjustment in the face of recession and SAP has highlighted women's groups and their networks as the crucial institution among community-based organisations in assisting poor women and their households to cope with the crisis of reproduction smoothly (Cornia, 1987; Aleman, 1992; Elson, 1992, Daines and Seddon, 1994; Schild, 1997).

Additionally, feminist research on households' coping strategies with the emphasis on gender relations and the position of women within the households has addressed important contradictions which have long been ignored by the mainstream (Elson, 1992, 1995a, 1995b; Geldstein, 1997; Pearson, 1997, 1998; Schild, 1997). On the one hand, the difficult process of creating survival strategies may possibly lead to a deterioration in the position of women, especially poor women (Elson, 1992; Geldstein, 1997), since, as noted previously, women are often constrained from acting as the central force of this private institution by adopting multiple roles, both within and beyond the household setting. On the other hand, this process may offer women a basis for a transformation strategy (Daines and Seddon, 1994; Schild, 1997). In this study, both sides of this phenomenon are investigated equally (see Chapters Six, Seven and Eight). Additionally, in Thailand women's community-based organisations have been invisible, and so to make local grassroots women's groups the centre of the analysis is challenging.

2.2.4 Implications of Survival Strategies

De la Rocha (2001:72-73) argues that the critical issue in studying the coping strategies of households in the face of prolonged recession on the global scale is to give an insightful analysis of the constraints of households' coping mechanisms. She argues that the diminution of resources, labour and social capital in particular, aggravates the state of poverty of the disadvantaged. She pinpoints that both labour and social capital, which have long been considered a crucial resource of poor households, have been eroding as a result of persisting economic and social hardship faced by poor households across Latin America for the past two decades. For instance, labour which has been suggested as central to poor households' survival, has not been able to make a great contribution, largely because the majority of workers have been already excluded from the existing labour market. For instance, the new labour market tends to employ only young educated women. The others have, thus, become unemployed even though they need employment and have the ability to work. In the study by Selby, Murphy and Lorenzen (1990:90 cited in Daines and Seddon, 1994:65), the authors point out that households' defensive strategies do not guarantee the survival of very poor people. Similar conclusions can be found in other studies (De la Rocha, 2001; Boulton, 2000:66). In Boulton's work on the poor in nineteenth-century Britain, he states that:

The household survival strategies are something of a misnomer. Many pauper households, actually, did not survive at all. In extremis, poor households deliberately fragmented. Single mothers, poor widows and hard-pressed couples were perfectly capable of sending their children to live with relatives, sometimes many miles away, as well as leaving them on the parish. Reduced levels of family sentiment was, itself, a survival strategy.

This argument reminds us of the dangers of the negative outcome of over-emphasising the 'agency' of the poor and of overlooking the structural constraints in which the coping strategies take place. In fact, there is evidence that the survival actions of poor households have rarely reflected the choices and options in hand (Crow, 1989; Elson 1992; Boulton, 2000; Fontaine and Schumbolhnm, 2000; De la Rocha, 2001). In many circumstances "instability promotes speculative and illegal practices" (Fontaine and Schumbolhnm, 2000:12). Elson shares this view. She observes that a male migration strategy always creates a situation of great risk for the women and children left behind at home. Insufficient and unstable remittances are

one reason. On the one hand, in a society where resources, whether in terms of material or social positions are largely derived through the men, male migration has entailed a reduction of possibilities for households to gain local assistance. On the other hand, the vast incidence of male migration has contributed to a growing number of female-headed households which have had to rely on insufficient and unstable remittances from their husbands or other male kin (1992).

The fragmentation of the family unit, the growing gender inequality and the increase in women's oppression within the household are, however, rarely reflected in available studies using conventional approaches to analyse household's coping strategies in Thailand (Parnwell, 2002; Rigg, 2002). However, in the present study, as noted earlier, the household has been constructed as a site of cooperative conflict, and through this framework multiple forms of relations such as collaboration and conflict have been captured and investigated.

2.3 Feminist Research Methodologies

In my attempt to achieve a full understanding of livelihood issues in the face of hardships addressed in the preceding chapter, I have become interested in 'ways of doing feminist research' (Roberts, 1992). Feminist research has been identified as research by women for women (Cook and Fonow, 1990; Deere, 1996), and as "research by women with women" (Wolf, 1996:4). The goal of feminist research is to penetrate 'official' explanations of women's position and to highlight women's invisibility. This has obviously been absent in decades of mainstream research (Cook and Fonow, 1990; Deere, 1996). Moreover, for a feminist like Maria Mies, feminist research must involve some kind of change, its aim being for a better life for the women whose lives are the subject of research (Mies, 1983, cited in Wolf, 1996:5). It is hoped that the contribution of this work will reveal to the relevant government agencies, non-governmental organizations and development institutions the hidden aspects of women's role in responding to socio-economic crisis. Its core findings may be used for advocacy and as a basis for a more gender-aware policy. This research, therefore, adopts a feminist methodology in a sense that both genders, women and men, are placed at the centre of the research inquiry. In doing so, gender is seen as a

fundamental category for understanding the responses of social institutions, particularly, family and households, to external changes during recessions.

There is no clear consensus on feminist research methodology (Stanley and Wise, 1990; Wolf, 1996). However, as many feminist scholars suggest, it operates in clear contrast to mainstream research which assumes researchers can objectively capture and interpret the lives and 'meanings' of research subjects and encourages distance and noninvolvement between the two actors-the researcher and the researched (Nielsen, 1990; Reinharz, 1992; Wolf, 1996).

In contrast to this conventional view, feminist research characteristics are described in feminist literature, (e.g. Nielsen, 1990 and Reinharz, 1992). Nielsen's work (1990:6) describes feminist research methods as..."contextual, inclusive, experiential, involved, socially relevant, multi-methodological...and inclusive of emotions and events as experienced". The author (1990:6) also suggests that "Feminist inquiry is much more than this list of characteristics". Regarding the method or a strategy of inquiry, while there is no consensus on a standard of feminist methods (Harding, 1987), a qualitative approach and a variety of qualitative techniques have been widely used in this type of research. These tools of inquiry include the semi-structured interview, participant observation, case studies and oral histories, as well as triangulation, which involves more than one research technique in the study of the same phenomena (Denzin, 1989). Normally, the qualitative approach is seen as the most appropriate for research, promising to allow women to express themselves fully to reveal unsaid experiences and to describe every day practice, as well as allowing the individuals researched to reflect the world as they see it (Cook and Fonow, 1990).

Recently, however, feminist scholars like Harding (1987), and Stanley and Wise (1990), have warned against dichotomizing quantitative and qualitative methods. Rather, they can both be politically useful in highlighting the existence of inequalities. For instance, Harding (1987) suggests that any method of research can be considered feminist, but adjustment must be made in order to reflect feminist values and goals. What is important is to ensure that the appropriate method is used for a given research question and purpose.

2.3.1 A Triangulation Research Approach

My research has been influenced by feminist research, and has a strong intention to make women's voices heard and their experiences in times of crisis known.

Triangulation therefore seems as important method as it substantially deepens the experience of fieldwork to captures multiple aspects of life which involved changes in this transition period. As Reinharz (1992) suggests, triangulation is compatible with feminist research which involve changes, unspoken experiences and the emotions of the powerless, among whom are numbered millions of women.

The advantages of triangulation derives from employing at least one quantitative and one qualitative technique, and combining these methods so that the findings from each may inform and complement the other (Reinharz, 1992). This multiple-method approach has in fact been long used not only by feminists, but also by sociologists and others (Denzin, 1989; Reinharz,1992). Denzin (1989:234-235) observes that "the use of multiple measures and methods studying a single phenomenon to overcome the inherent weakness of single measurement instruments has a long history in the physical sciences". He notes that the researcher committed to this method will necessarily hold the view that research involves observing sequential changes. Therefore, different methods will have different relevance for each phase of the research (Denzin, 1989). Some recent studies of livelihood strategies have acknowledged that the multiple methods of inquiry are useful (see, Wolf, 1992; Moser, 1996; Ellis, 2000; De la Rocha 2001). An example of feminist research that utilises such a complementary approach can be found in studies by Wolf (1992), Moser (1996) and De la Rocha (2001).

In the present study the main research tools comprised a survey and semi-structured interviews (in-depth interviews) of purposive sample. Key informant interview, case studies and participant and non-participant observations were supplementary to these. These diverse methods were utilised to approach and address various issues and involved gathering both qualitative and quantitative data and information as well as to addressing overt social events and unspoken experiences. How each tool was actually utilised is fully discussed in Section 2.4 in which the fieldwork activities are described.

2.3.2 Rim Ping and Pa Sang Villages: criteria of selection of the study sites

Since a full account of the study sites will be given in Chapter Five, this section contains only a brief explanation about the set of criteria used for selecting these villages (see map 2 page 33). Two villages were selected as case studies for the sake of useful comparison. But why locate this research in peri-urban communities and why choose in Rim Ping and Pa Sang? There were important reasons for these decisions, both academic and practical.

The Peri-urban location is important to this research, as have seen in the preceding chapter because available studies and surveys have rarely been located in these areas, where, it can be argued the negative effects of the crisis are likely to particularly deep and pervasive. The livelihood systems of most people living adjacent to a large city like Chiangmai have long relied on the urban economy (Anchalee and Nitaya, 1992; Sucheela, 1998; Anchalee, 1999; Rigg, and Sakunee, 2001). The findings of my study as we shall see, support those of these four studies: that a few households continued to grow rice both as a source of subsistence and for trading (see Chapters Five and Six). The collapse of the villages' self-reliant economy has called into question their ability to act as 'shock absorbers', is an important issue worthy of careful analysis. As authors like Parnwell (2002) and Rigg (2002) suggest, the strength of rural households in absorbing the effects of the economic crisis is linked with the ability of the farming sector to provide both food and employment.

Besides these advantages, the location was considered in terms of access to key informants and the capturing of in-depth data and information in a relatively short fieldwork period of four months each. Given these criteria, these two villages, Rim Ping and Pa Sang seemed close to ideal. Firstly, I had visited these villages long before and had come to know the women leaders (and their women's groups) who reside there. These women leaders welcomed my study and offered a range of assistance in order that the fieldwork activities could be carried out with a minimum of difficulty. I spent ten months - from 3 January to 31 October 2000 - revisiting and living in these two villages, which are located in the suburbs of the cities of Chiangmai and Lamphun. Hereafter these two villages (*muban*) shall be called Rim

Ping and Pa Sang. Rim Ping is located in Sarapee district, Chiangmai province: Pa Sang is situated

Map2 Peri-Urban Villages: Rim Ping, Chiangmai and Pa Sang, Lamphun, Northern Thailand



2.4 Fieldwork

2.4.1 The Fieldwork Activities

In both villages, the fieldwork activities were divided into seven related tasks (see Figure 2.1 the fieldwork schedule, page 34). In the next section, the fieldwork activities outlined above are discussed in terms of how the issues and questions addressed in the research were to be investigated during the fieldwork by means of seven activities.

2.4.1.1 Approaching the Villages

In Pa Sang, where the fieldwork began, substantial help was provided by a woman's leader whom I shall call '*mae* Srinual'. '*Mae*', in Thai usually means 'mother', but in this context she was called *mae* by a wide range of both GO and NGO staff including my self in order to express our respect for her as a senior woman leader. *Mae* Srinual celebrated her sixty-third birthday. I had the opportunity to introduce the research project and its activities, which required wide cooperation from both the leaders and the villagers, to a village headman and other village leaders such as the members of the Tambon Administration Organisation (Or Bor Tor), its head officer (*palad* Or Bor Tor), and the leaders local women's groups. Many of these people were later among my key respondents. The introduction was carried out in the second week of January, one week after the fieldwork started.

With the assistance of *mae* Srinual by the first week of February, 2000, I was able to employ Karn, an educated 29-year-old local man, who had become unemployed a year after the onset of the recession. Karn had been born and raised in this village, and was a relative of the village headman (56 years old) who has been elected because villagers considered him to be a honest and knowledgeable person.

Figure 2.1 The Fieldwork Schedule (3 January 2000 - 31 October 2000)

Fieldwork activities*	Timetable in Pa Sang 3 January – October 200	Timetable in Rim Ping January to October 2000
1 Approaching the villages	3-16 January	17-31 January
2 Quick capturing of crisis impact at the village level (from Key informants)	1-14 February	16-28 February
3 Conducting a household survey of household population in the two villages and selecting a sampling	1-31 March and 1-10 April	1-30 July
4 Conducting in-depth interviews of sample households	1-30 May and 1-10 June	1-30 August
5 Conducting in-depth interviews of local women's groups	11-31 June	1-31 September
6 Compiling data and relevant documents from other sources	1-15 October	16- 31 October
7 Participating households' and communities' activities and social events in parallel to the above activities	3 January-31 October	3 January-31 October

* see the references of the fieldwork activities in Appendix 1

As compared to other villagers, the village headman earned a higher level of education (grade 12) and had a better command of English language as he had worked in a US military camp in Sathaheep, 150 kilometres east of Bangkok. His family belonged to the *surviving* class as defined in this study (for the terms adopted to classify sample households into three categories see Section 2.4.1.4). By employing Karn, I was able to show the villagers that I would not be unduly influenced by *mae* Srinual whom the villagers respected as person of importance; she was also thought to be a wealthy women. *Mae* Srinual is considered by her neighbours to be an influential person, meaning in the village context that she belongs to the well-to-do class in the village society. In addition her social position has been consolidated by her having a range of connections with local government agencies working on development projects. Also, she is a well respected grassroots woman leader in the province of Lamphun and in Thailand. She is, therefore, perceived as a controller of resources and the villagers more or less have to rely on her networks, and to listen to her or at least not attempt to confront her, even if they dislike her and her views.

I was later offered the use of a small house belonging to her daughter, who had gone to live in Chiangmai city centre. Accepting this house as my base in the village proved advantageous to my fieldwork. A large workshop used by the Pa Sang Women Weaving Group no.1, (which later was selected as the case studied) was situated within the courtyard of *mae* Srinual's house, near this small house. The group came every day to weave cotton fabric. During the fieldwork period I got to know these women and they became an important source of information, providing insights into matters which can rarely be captured through a shallow acquaintance.

In Rim Ping, similar assistance was provided by *mae* Thongdee, who was also a leader of a wide range of grassroots women's networks based in Chiangmai. In this village, *mae* Thongdee did not enjoy the status given to *mae* Srinual in Pa Sang; she was less influential, mainly because she was a poor woman, according to the classification adopted in this study her family belonged to the *surviving* group). So my long and close relationship with her was not a disadvantage, in contrast to the situation in Pa Sang. In Rim Ping *mae* Thongdee's niece, Nok, became my field

assistant. She proved an essential to the research, providing access to the households I wished to study.

Nok had lived in the village since she was a child, even when studying for her first degree at the University of Chiangmai, so she was a familiar figure in Rim Ping and knew her neighbours well; she also understand the dynamics of the village's daily life. The fact that she was unemployed despite having gained a degree from the university interested me and I wanted to learn more about her and Karn in Pa Sang, who was also unemployed. Both of my fieldwork assistants, therefore, were glad to take part in the research work as it would be a source of income.

2.4.1.2 A Rapid Capturing of the Impact of the 1997 Recession on the Villages' Livelihood Systems

The very first step was to use key informants in order to, both introduce my research topic and its fieldwork activities described above, and gain an adequate understanding of the impact of the economic crisis on the village livelihood systems in general. This process also served in helping the researcher established relationships between her and the villagers, leaders and concerned local civil officials' staff. The understanding of the impacts of the recession on the village settings broadened my knowledge in terms of how the urban economic crisis was felt on the ground. Additionally, this would help to reshape the issues of inquiry anticipated to be of importance for further investigation in this research regarding the crisis responses of the (sample) households.

The chosen set of key informants comprised a certain group of local leaders and a group of ordinary villagers. The former group comprised the village headman, local government representatives, a religious representative, and women leaders. The latter group comprised individuals from a wide range of layers (see details of the key informants' lists in both Rim Ping and Pa Sang in Appendix 1).

I and my assistant spent around two weeks arranging meetings with these local leaders and conducting interviews with them. We were usually given about an hour to introduce the research project, answer their questions about the researcher's

personal backgrounds, the reasons of the selection their village to be studied and to conduct the interviews. Any time remaining was spent listening to our hosts, who felt moved to complain about the uselessness of research (in general and presumably the present one) which they were convinced would do nothing to improve conditions in their village. Some issues of the great importance to the village, such as the kinds of assistance being provided by the government agencies and NGOs were not discussed until the last few minutes. Therefore, in most cases we came to visit them twice or more particularly when I wanted to deepen my knowledge related to their work and check data and information which I also gained from other sources.

We balanced the local leaders' views by exploring the same issues from perspectives of six ordinary people, who included women and schoolchildren. We held informal meetings with these villagers at which informal conversations and discussions were conducted and casual discussion took place mostly in their own houses and in work places.

2.4.1.3 Conducting the Survey of the Total Household Population

The study's survey, one of the research instruments used in this research, was designed to determine some basic characteristics of the household populations in both villages and capture changes in certain aspects (such as household's compositions before and during the crisis). This survey involved the total household population, it, therefore, can be termed a small census-survey (Babbie, 1990).³ The findings were utilised to structure the sample households and to quantify certain aspects of the sample households in the two villages. The set of data which was gathered by this method included (1) the number of the total household population, members of the households and the compositions of the households (2) the stock of the households' assets (land holding, labour and levels of education of the households' members), and (3) the livelihood activities of households' members.

³ According to Babbie, the census and the survey are very similar: the primary difference is that a survey is used to examine a sample from the population, while, a census is used to enumerate entire populations. A survey research "refers to a particular type of empirical social research, many kinds of surveys exist...and under this term censuses of population...public opinion..." are included (1990:37).

The data compiled by the surveys in both villages, in particular the account of assets - complemented by the perspectives of the key informants-were used to frame the structured sample households into three categories: *thriving*, *surviving* and *struggling* households. The total household populations in each village (120 in Rim Ping and 207 in Pa Sang) were separated into these three economic groups noted above. Then 51 out of the 327 households were selected as sample households (19 households from Rim Ping and 32 households from Pa Sang). As can be seen from the schedule in Pa Sang, the survey and the selecting sample households was undertaken almost six weeks (between 1-31 March to 1-10 April), while in Rim Ping it was carried out from 1-30 July. Then (see details of activities in Pa Sang in Box 2.1 and in Rim Ping in Box 2.2 page 40).

2.4.1.4 Classifying Household Population into Three Categories

Scholars who have studied class stratification among the peasantry in rural villages in Thailand (Potter, 1976; Turton, 1976, 1989; Anan, 1987; Arghiros and Watana, 1996; Williamson and Hirsch, 1996) have long considered that class structure informs the structure of resources and livelihood strategies. In Moser's work (1996), as noted earlier, the author suggests that a close link existed between a household's asset portfolio and the degree of its resilience to hardship and households with assets were less affected by hardship and were able to grow economically, while poor households became poorer. It can, therefore, be argued that in order to understand fully how households confront and overcome the hardship in the face of recession, it is necessary to differentiate them in terms of economic classification.

In the study of Grown and Sebstad (1989), the authors suggest that the understanding of livelihood strategies of women requires a classification of households, and in their study (1989:941) the introduced categorisation is in terms of different economic goals: survival, stabilisation and growth. However, the framework of class stratification which is deployed to rank households in this study has been adopted, with modifications from that developed in Lawson, McGregor and Saltmarshe's (2000:1501) 'Surviving and Thriving: Differentiation in a Peri-urban Community in Northern Albania'. In their study the peri-urban village households were

differentiated into three categories *thriving*, *surviving* and *struggling*. They explain their categorisation as follows. "*Thriving* households were those that had

Box 2.1 Details of Research Activities in Pa Sang

In Pa Sang, the survey, which took four weeks (1-31 March 2000), was conducted by myself and two research assistants. It took me another two weeks in early April 2000 to analyse data.

The data analysis in this stage was basically required to frame a sample household structure and to quantify data in some aspects of the sample households as noted earlier.

However, as Pa Sang's population consisted of 207 households and I was hampered by a lack of skill in computing and SPSS technique data analysis, I was unable to complete the work until early April, because by the time we approached 'the Thai New Year holiday' when everyone in Pa Sang was so involved in social activities that all further research, such as the in-depth interviews with sample households, had to be set aside.

For example, an in-depth interview with sample household units in Pa Sang which was scheduled for April had to be postponed until May. Our team (I with my assistants), made use of this long holiday for participating in social activities arranged by both individual households and communities.

Box 2.2 Details of Research Activities in Rim Ping

In Rim Ping, Nok and I carried out the survey and selected the sample households between 1-30 July 2000. The number of households in this village is quite small, i.e. around 120 households, not much more than half of Pa Sang's 207 units. Even so, the survey took a month, partly because we had to occasionally to participate in activities which took place in both villages. Apart from this, collecting data in Rim Ping presented difficulties which had not occurred to the same degree in Pa Sang. The villagers were too busy making a living during the day and many of them worked outside the village, and so the research could not proceed smoothly during the day.

Usually, our intention was to interview more than one household member such as a wife and a husband separately. To arrange to meet both the husband and the wife was rarely possible, especially during the day, and so, it was often necessary to pay more than two visits to a household. Therefore, regularly, I had to use Nok's house as my base because the interviews usually took place as early morning and in the late evening.

accumulated capital since the Albanian revolution of 1990, and had in place strategies which would provide a good chance of continuing to do so".... "*Surviving* households were classified as composed of those which were generating enough income to sustain themselves significantly above subsistence level, but were not accumulating resources, or were not accumulating them significantly rapidly to enable them to enhance their position in future". "*Struggling* households were those which subsisted on very low incomes, many of them running down their assets, and sometimes requiring unilateral income transfers from other households to survive". Then the local key informants were asked to check and affirm the categorisation. The main reason in adopting this terminology is because the approach used to differentiate households is dynamics and easily adapted to the social differentiation in my studied villages. In my study, the local key informants were also asked to affirm the categorisation.

In my study, I firstly placed households into three categories corresponding to their land assets. A household with a land holding above four rai (1 rai is equivalent to 0.6 acres) was classified as a *thriving* household. *Surviving* households were considered to be those who owned land assets between two and four rai. Landless and small land-holding households (less than two rai of land holding) were considered to be *struggling*.

Secondly, the group of key informants composed of four members in each village: the village head, two women's leaders and a member of a women's group, was asked to advise on the allocation of each household to one of the three categories relating to the holding of land assets described above.⁴ On this basis of this dual framework,

⁴ In fact, according to the key informants' point of view, the framework of classification was constructed by taking into account in many factors including tangible and intangible assets. Land, enterprise, types of employment, education, and ownership cars were considered important. Additionally, labour market employment was differentiated into four categories as follows: 1) salaried employment with a certain degree of security and social protection (civil offices, large private firms and state enterprises), 2) monthly waged employment, (working in the hotel, in the NRIE (Northern Regional Industrial Estate), 3) daily wage employment (working in a construction industry), and 4) casual daily wage employment (agricultural labour, local enterprises located in the informal sector). The first category was considered to denote *thriving* households, 2 denoted *surviving* households, and *struggling* households felt into categories 3 and 4.

framework, households in Rim Ping and Pa Sang were placed into three main clusters as shown in Table 2.1 below.

Table 2.1 Household Stratification in Rim Ping and Pa Sang 2000

<u>Stratification</u>	<u>Rim Ping</u> (%)	SHH* in Rim Ping	<u>Pa Sang</u> (%)	SHH* in Pa Sang
<i>Thriving</i>	36 (29.99%)	4	32 (15.46%)	5
<i>Surviving</i>	58 (48.35%)	9	138 (66.67%)	21
<i>Struggling</i>	26 (21.66%)	6	37 (17.87%)	6
Total	120 (100%)	19	207 (100%)	32

*Sample households

The *thriving* households in Rim Ping were roughly composed of civil service members or landlords. These households in most cases owned a large plot of land and used neighbours' labour to farm for them. In Pa Sang village, households engaged in capitalist enterprise were dominant. Some of the *thriving* households in Pa Sang had no land.

The *surviving* households in both villages consisted of waged employees and peasants, as well as traders and the self-employed. These clusters comprised both land-holding households and the landless households.

The *struggling* households were mainly the landless and small land-holding households whose living mainly relied on daily and casual waged employment. Moreover, some of them owned no assets: no land, no enterprise, and no labour owing to illness or infirmity (more details of characteristics of sample households see Chapter Five Section, 5.2.2.1).

2.4.1.5 Selecting Sample Households: a purposive sampling

In this study, I adopted a purposive sampling technique to select a sample

comprising 51 households utilising the threefold classifications noted above. With this method, as suggested by Frankfort-Nachmias and Nachmias (1996) the research can select sampling units subjectively in an attempt to obtain a sample that appears to be representative of the population.

The 51 households represented approximately 16.5 per cent of the total population of both villages. More precisely, in Rim Ping, out of a population of 120 households, sample of 19 households was selected, as representing 15.83 per cent of the total; in Pa Sang, from a total of 207 households, 32 households or 15.54 per cent were selected.

2.4.1.6 Conducting the In-depth Interviews of Sample Households

An in-depth interview technique was adopted to investigate the coping mechanism of the 51 sample households. This was supplemented by the technique of participant and non-participant observations. Close observation was mainly focused on certain important issues, such as how the households' resources were arranged to provide a basic living. Daily resistance, conflict, collaborations and co-operation between households and other bodies such as civil society organisations, and government agencies were also central to our discussions and observations. The forms and sources of conflict, tensions and collaborations at intra household level were also observed. Issues of who did what and how they did it and why as well as the constraints and capabilities of these strategies were intensively discussed in the interview sessions which each researched household was visited more than three times and also examined through observations and participation.

2.4.1.7 Conducting In-depth Interviews with Members of Women's Groups

Besides the 51 households, in-depth interviews were utilised to collect data and experiences from four of eight established local women's groups based in each village (four groups in each village; see details of these groups in Box 2.3 below). The compilation of data in this stage was carried out at various times during this fieldwork period, however, the intensive in-depth interviews were in June and September (see schedule, Section 2.4.1).

The location of the interviews was diverse. These were included in working sites such as in cash crop fields, in houses and in weaving workshops as well as noodle shops and grocery shops and so on. We sometimes helped the interviewed carry out their tasks such as rooting up shallots, garlics and collecting market vegetables. More often, I went to talk with the women and closely observed their weaving and sewing (in Pa Sang), and their planting and harvesting vegetables and selling them both from home and in a local market.

Approaching village life in this way (sharing views and observing, as well as participating in the villagers' working activities and other daily conduct) gradually permitted me to gain the trust of the villagers and touch on deeper realities, views and perceptions.

Box 2.3 Rim Ping's and Pa Sang's Local Women's Groups 2000

In Rim Ping, the four local women's groups interviewed were the Community Child Care Centre (CCCC), the Chiangmai Women and Youth Project (CWYP), the Village Housewife Group (Rim Ping VHG) and the (Network of Occupational Development and Micro Credit for Northern Women (NODMCNW).

In Pa Sang in addition to the Pa Sang Community Child Care Centre (CCCC) and the Pa Sang Village Household Group (VHG) we interviewed the Pa Sang Women's Weaving Group no.1(WWG no.1) and the Lamphun Women and Youth Project (LWYP).

2.4.2 Advantages and Disadvantages of Triangulation

The survey was valuable in proving quantifiable data, and was able to capture the dynamics of the changes of livelihood activities occurring before and during the recession. The in-depth interviews, observations and participation were useful in addressing unsaid events: the dynamics and constraints of livelihood systems; the coping mechanisms of individuals, households, and collectives as well as their success and failure. Phenomena such as these are generally considered too elusive to be understood through the use of a single method, as especially by a quantitative

method such as the survey (Moser, 1996; Ellis, 2000; De La Rocha, 2001). A similar conclusion is suggested by my fieldwork.

Particular participant and non-participant observation methods were found to be very useful in capturing precarious economic activities and phenomena of conflict, tension and competition, both inside and beyond the household setting, as these are not usually revealed to an outsiders, including myself as a researcher. These tools also helped in building up the reciprocal relationship between researched and researchers, and in gaining cooperation and support during the course of the research.

This combined research method, though difficult to implement was advantageous in many respects, particularly with regard to assuring accuracy of information, assessing conflicting information and balancing emotional involvement in conflict and tensions between households in different economic class. However, it is often expensive and time consuming to the researcher. Additionally, it appears permissible to create conflict in terms of the expectations associated with the researcher's role; the participation technique used in this study entailed a rising demand that the researcher should spend more time than was originally planned in assisting the villagers, communities and local women's groups, although the involvement in a range of these activities are important in making the fieldwork to a more reciprocal activity between two involved partners, researched and researcher. Such activities involved bringing the women's group members to a meeting place located outside the village, or taking sick persons to hospital, writing a report of activities of the women's groups, and making financial donations were among the additional duties of the researcher. Indeed, these are ways through which I was able to contribute to the researched communities, although this was time consuming.

2.5 Conclusions

This chapter has firstly attempted to set out the framework of the analysis by reviewing the theoretical framework widely used in recent studies of the daily responses of poor households in developing countries. The main aim was to locate the framework of this study in a broader debate. This study's framework was developed from Grown and Sebstad's (1989) 'Livelihood Systems Approach'. Moser's

'Asset and Vulnerability Framework' was adopted as complementary to Grown and Sebstad's approach, and in the present study the emphasis is given to explore how peri-urban poor households mobilises and utilised two types of assets, labour and social capital of local women's groups, to confront and overcome hardships

The argument presented in this part described advantages of this conceptual tool and its ability to avoid the weaknesses of the conventional approach. In this mainstream approach, the household unit has long been constructed as a single utility function or a site of sharing and caring (Harris, 1984; Redclift and Whatmore, 1990; Sen, 1990; Wolf, 1992). In the present research, households are approached as sites of gender oppression, bargaining, conflict and negotiation (Sen, 1990). Additionally, although the households of the poor and women are seen as social actors possessing their own agency, it was argued that the emphasis on the agency of these actors does not implying negligence of the existence of political economy of the localities in questions. The patterns of local political economy can be considered as a structure of resource availability, and a site of stock of social capital. Additionally, it was argued that to advance the understanding of the survival model, the constraints of these coping mechanisms should be brought to the centre of the analysis.

The second important task of this chapter was to outline the strategies of approaching and gathering data and information required to address the issue considered in this research. These matters were discussed in the Chapter introduction (One). It was point out that feminist research methodology and triangulation, as means of compiling data and exploring the experiences of households and their members were adopted to deepen and refine the analysis. Then, each step of the data collection was presented. The aim of the discussion in the penultimate section was to specify how data and information were approached and to draw out the advantages and disadvantages of this method.

The next chapter's main task is to depict the macro response to the recession on the part of the state sector and of the international lending institutions like the IMF.

Chapter Three

Mapping the Responses of the Government to the 1997 Recession in Thailand

Introduction

In Chapter Two, the conceptual framework and the research method employed in this study were presented. The main aim underlying the discussion was to situate the inquiry and arguments of the study within contemporary discourses and debates on the poor and their daily responses to the recession. Both the limitation of the conventional approach and the advantages of the gender political economy approach deployed in this study were illustrated and specified.

In this chapter, the central task is to depict Thailand's state policies and Structural Adjustment Programme (SAP) as a macro response to the recession emerging in the context of the local nation state, Thailand. Indeed, as noted in Chapter Two, the crisis provoked not only household responses but also mild nationalist and localist reactions in Thai civil society amid a broad movement for political reform (Amara, 1999; Connors, 2001; Hewison, 2000, 2002; McCargo, 2002). Many civic issues were raised, including those of 'Promoting Good Governance' and 'Building Strong Communities' and 'Self-Sufficient Economy' as development platforms (Amara, 1999; Connors, 2001; Hewison, 2000, 2002; McCargo, 2002; Thirayuth, 2002). These issues need to be investigated, not only in terms of the responses they created, but also in terms of the extent to which civic organisations succeeded in shifting government policy (I will discuss these issues in Chapter Four). Similarly, it is important to note that the government response to the crisis did not take place in isolation, but was partly shaped by the internal politics of Thailand.

Indeed, the policies and the SAP introduced by the government and international institutions such as the IMF, were heavily criticized by various organisations as strategies that would deprive the poor households of their wellbeing, as discussed in Chapter One. The reluctance of the Thai government in initiating and deploying constructive strategies to prevent both short-and long-term impacts of the crisis on the poor and women was subject to much criticism. In order to gain an adequate understanding of the whole spectrum of responses to the 1997 crisis, in this and the next chapter (Chapter Four), we take a critical look at the responses of three crucial institutions: the government, civil society organisations and the household institution. In this chapter, I analyse the responses of the Thai government to the recession, evaluate the extent to which they mitigated the hardship of poor households, and highlight the shortcomings of the government's strategy. Then, in Chapter Four, the reactions to the crisis by civil society organisations and households (based on available evidence and existing research work) are presented.

This chapter is organised into four sections. It begins, in the first two sections, with an overview of the government's responses to the current recession, illustrating the nature of the SAP implemented in Thailand, and looking at the government's social rescue package. Section three examines the existing social safety net and the social security schemes related to the improvement of the quality of life which were implemented in Thailand, both before and during the crisis. In section four, the new state social safety nets, operated in the recession, are discussed. In doing this, I argue that the safety net schemes and social security provision implemented in the boom were insufficient, and that the attempts to supplement them with new provisions in the crisis era were inadequate.

3.1 The Nature of the IMF Economic Rescue Programme in Thailand

As noted in Chapter One, following the disaster and turmoil in the domestic currency market, the Chavalit government approached the IMF for assistance (Bello, 1999).⁵

⁵Between mid-1997 and the end of 2000, the country had two governments with several cabinet reshuffles. The second government was led by Prime Minister Chuan Leekpai of the Democrat Party or *Pak Prachatipat*. This party came into office on November 8, 1997, when the previous government led by Prime Minister Chavalit Yongchaiyuth of the New Aspiration Party or '*Pakk Kaum Wung Mai*' had been forced to step down in October 1997

The IMF rescue package, Thailand was offered stand-by loans totalling US\$ 17.2 billion. These could be used over a 34-month period until the year 2000 (Bank of Thailand, retrieved 28 June 1999:1; IMF, retrieved 3 October 2002). Both the Thai authorities and the IMF were highly confident that the SAP, implemented under the IMF's guidance, would allow the country to meet its short-term debt payment, to restore its credit rating, and to stabilise both the currency and the economy within a short period. Moreover, there was also the high expectation that, after 34 months, this rescue package would turn around the recession and lead the country back to its pre-crisis economic growth level, set at around 7 per cent (Bank of Thailand, retrieved 28 June 1999: 4-5).

The real story, however, as indicated in Chapter One, does not accord with these expectations. The IMF loans were conditional on the government agreeing to implement stabilisation and the SAP measures that included the introduction of fiscal constraints, together with the raising of Value-Added Tax (VAT). By mid-1998, for instance, VAT had been increased to ten per cent and in 1999 fiscal expenditure was cut by 18 per cent.⁶ Consequently, the budget allocations to education, public health, and social welfare and services were reduced by 9, 15.2, and 23 per cent respectively (World Bank Office, Bangkok, 1999a:10).

In response to a sharp decline in living standards and possible social instability, in 1998 the government secured US\$ 2.7 billion of funds known as the 'social loan package' (see details in Box 3.1, page 49). The use of this loan, so claimed the government, would protect the poor and other disadvantaged groups from negative impacts of the crisis (World Bank Office Bangkok, 1999a).

after one year in office, by mounting public pressure and the coalition partners' threat to pull out The Chuan Government was replaced in 2001 by the new government led by Thaksin Shinawatra of the Thai Rak Thai Party which has been in power ever since (as of December 2003) (Warr, 1999).

⁶The fiscal budget of 1999 was implemented from 1 October 1998 to 30 September 1999.

3.2 The Government's Social Rescue Policies in the Recession

3.2.1 The Sources of the Social Loan Funds

The main funding agencies of the social loan sector were the Asian Development Bank (ADB), the World Bank, and the Miyazawa Initiative Plan of Japan (see details in Box 3.1). The use of these funds was contingent on maintaining the broad economic restructuring programme of the IMF. Most of these funds (95 per cent) were utilised for replacing the public expenditure budget, and these loan funds were

Box 3.1 Sources of Social Loan Funds (US\$ 2.7 billion)

The first package of the loan was known as the 'ADB loan' and amounted to US\$ 500 million with a 15-year repayment period.

The second package was known as the 'Social Investment Programme' or SIP loan and amounted to US\$ 482 million. This fund was mainly lent by the World Bank (US\$300 million) and the OECF of Japan (US\$93 million), with the balance of US\$ 89 million coming from the United Nations Development Programme, and Australia Aid.

The third package was a loan from the Japanese government known as the 'Miyazawa Plan', and amounted to US\$ 1.85 billion. This package was approved in March 1999, while the first two packages were approved in mid 1998.

Sources: World Bank Office, Bangkok, 1999a:17; Bandith, 2000: 34-43; ADB, retrieved, 14 February 2002; Somchai, retrieved 14 February 2002: 99-100; and see Appendices 2,3 and 4 in this thesis.

Box 3.2 The Distribution of the SIF Fund

The SIF programme was allocated a budget of US\$150 million (6000 million *baht*) of which 4800 million *baht* were to be spent for rural communities and the rest for urban communities.

In this study the term SIF (US\$ 120 million) will be used to refer to the SIF programme implemented in rural areas.

Sources: World Bank, Office, Bangkok, 1999a:18, retrieved 15 February 2002 and see Appendices 2,3 and 4 in this thesis.

appropriated by state mechanisms such as ministries and departments. These agencies were affected by the public budget cut (Somchai, retrieved 14 February 2002). A significant portion of about 6.5 per cent of the Social Loan Funds or 6000 million *bah*t, was allocated to the Social Investment Fund (SIF) (see details in Box 3.2) and was to be disbursed to non-state or civil society organisations for implementation. This allocation was in response to the local reform agenda known as 'Strengthening Society' and 'Self-Sufficient Economy' which were put forward by civil society organisations (Amara, 1999, Hewison, 2000, 2001, Connors, 2001). In the following sections, the objectives and activities of the social sector loan funds are presented, except those of the SIF which will be discussed in Chapter Four in relation to the civic movement.

3.2.2 Social Loan Programme: objectives and activities

The Social Loan Funds were distributed broadly into three main areas: 'employment generation', 'income generation', and 'improvement of quality of life'.⁷ The first two were new schemes initiated to absorb the unemployment caused by the collapse in some sectors of the labour market in this period. These two schemes used up around 40 per cent of the total social loan fund (see details in Box 3.3 page 51). The creation of temporary public work employment was the central aim of the 'Employment Generation Scheme' (EGS). The 'Income Generation Scheme' (IGS) was an initiative aimed at assisting the unemployed to acquire new technology and marketable skills that would assist them to become employed later. Within this scheme, women in particular were identified as one of the major beneficiaries. The last area 'Improvement of Quality of Life Scheme (IQLS)' was largely related to the existing government development schemes providing social safety nets and social protection already in operation in the pre-crisis period. These ranged from the provision of

⁷ A certain amount of the Social Loan Funds was used for conducting activities supplementary to the three main areas. However, these supplementary projects have not been brought into our discussion. For instance, a portion of the ADB loan package (6 million *bah*t) was given to the National Statistical Office to conduct a study on unemployment and employment data during the crisis, and another 5.3 million *bah*t was channeled to the Ministry of the Interior to develop a data system regarding the unemployed. It should be noted that, in the course of utilising these 'Social Loan Funds', problems such as corruption, lack of transparency and unclear targets have occurred widely (*Krungthep Thurakit*, 7 February 2000: 20).

provision of school lunches which targeted 2 million pupils and another 2.1 million pre-school children, the provision of living allowances to the elderly, the provision of educational funds in terms of school grants and scholarships, and the provision of health care. Those laid off workers who had been registered under the Social Security Acts of 1990 and 1994 also received certain benefits from this scheme.

Box 3.3 Total Budget on Three Social Loan Packages/ and the Budget on EGS, IGS and IQIS (million baht)	EGS	IGS	IQLS
ADB (20,000 million <i>baht</i>) (US\$500 million*)	852	35.8	2,227.5
SIP (19,280 million <i>baht</i>) (US\$482 million)	588	1668	1,372
Miyazawa (53,000 million <i>baht</i>) (US\$1,850 million)	24,800	7000	9.5
The total budget 92,280 million <i>baht</i> (100%) (US\$ 2,832 million**)	26,240 (29 %)	8,703.8(9.5%)	3,609 (3.9 %)
Sources: Calculated from the three sources of the Social Loan Funds' projects in (see more details of these projects' activities in Appendices 2, 3 and 4). *Only US\$ 300 out of 500 million was utilised to implement projects in the social rescue policies			

The responses of the governments introduced briefly above are considered below in terms of resources portfolios, period of implementation, types of programme and schemes, and targeted beneficiaries. In doing this, a comparison is made between the two periods (before and during the crisis). The argument underlying this discussion is that the capacity of the formal social safety net and social protection scheme in the face of recession was not sufficient, considering the rising number of the needy. Additionally, the late start of the activities (none of these schemes were in place before early 1999) further limited their capability to mitigate the impact of the crisis.

3.2.3 The Nature of the State Social Safety Net and Social Protection Schemes: before and during the 1997 recession

In the pre-crisis period, Thailand had a poorly developed provision of welfare (Medhi, 1999; World Bank Office, Bangkok, 1999c; Sheehan, 2002). The amount of

public expenditure related to such schemes is not easy to evaluate, partly because the scheme activities were implemented through various ministries and departments and their objectives were either non-explicit or multiple (Somchai, retrieved 14 February 2002). According to Narong (1998) (cited in Somchai, retrieved 14 February 2002:107), in the pre-crisis period, each poor Thai person possibly enjoyed a welfare provision of 2000 *baht*.⁸ This estimation is based on the public budget spending through the poverty alleviation policy.⁹ The Social Loan Funds of US\$ 2.7 billion, in fact, caused the budget for the formal social safety net and social provision to rise drastically. According to Somchai (retrieved 14 February 2002: 107) 7.7 million poor people in 1998 were able to enjoy the welfare provision of 6,000 *baht* each.

The budget under the poverty alleviation policy has usually been utilised in four major programmes administered by three ministries (see details in Box 3.4 below). The first three small schemes (see Box 3.4 below) are considered to be operational under the third area 'IQLS' of the social loan fund schemes. The fourth small scheme is regarded as part of the second area (IGS) while the EGS is considered to be a newly initiated scheme.

Box 3.4 Programmes for Poverty Alleviation	
Type of Programme	Administration Unit
1. Education tuition fee waiver, and student loan schemes	The Ministry of Education
2. Medical health care provision for low-income households	The Ministry of Public Health
3. Social welfare scheme	Department of Social Work, Ministry of Labour and Social Welfare
4. Small grants to start small businesses in rural area, skill training etc.	Department of Community Development, Ministry of Interior
Source: Modified from Somchai, retrieved 14 February 2002:78-82	

⁸ For instance, in 1996, the government budget was around 900 billion *baht*, and the amount for the welfare of the poor was estimated to be around 14 billion. In 1996, the head count of the poor was 6.8 million, therefore, about 2000 *baht* were spent for each of them.

⁹ This policy was initially launched in the Fifth Economic and Social Development Plan (1982-1986) (Somchai, retrieved 14 February 2002).

3.3 The IQLS: before and during the 1997 recession

3.3.1. Educational Funds: grants, scholarships, and student loans

The pre-crisis educational funds had three types of provision: school grants, scholarships, and student loans. School children at primary and lower secondary school levels were entitled to the educational funds in terms of school grants (such as lunch and uniforms) and scholarships (fee waiver). While the student loan schemes were available to students from grade 10 onwards. The recipients were children of poor families. In the following section, the change in the resource portfolio of these schemes is detailed.

3.3.1.1 Educational Grant Scheme

The educational grant scheme provided subsidies to poor children as follows: school milk, lunches, school uniforms, text books, and note papers (for grades 1 to 6). Mehrontra's small-scale study (1998:13), which focused on some schools in Bangkok, indicated that the grants covered around 30 per cent of children in the schools studied.

To illustrate how this worked in practice, I would like to give the example of the village school located in one of my study sites (Pa Sang) in the pre-crisis period. In 1996, the school received a budget for approximately 30 per cent of the grade 1-6 school children or around 70 per cent of the children considered 'poor'. These children were usually given the totality or part of the granted items such as school lunches, uniforms and text books. The grants became more limited during the crisis. From May 1997 to October 1998, the proportion of beneficiaries in Pa Sang village school was less than 20 per cent. To avoid the complaints from the parents, the school adopted a new strategy¹⁰ of welfare distribution so that the grants could be spread out to cover a larger number of the needy, but in doing so, each child received

¹⁰ In fact, the risk spread-out strategy has been applied widely in primary schools in rural areas since the onset of the recession, although the budget was cut considerably despite the drastic increase of the number of the needy (World Bank Office, Bangkok, 1999b; *Voices of the Disadvantaged*, Vol.1, 1998a).

less in terms of quantity. Under the new approach, children were not given more than one item. The school lunch was usually considered more important than other items, since without this grant parents would have had to spend 30 *baht* a week. Therefore, the school lunch was subjected to careful redistribution amongst poor children. Children who had been provided with free school lunches in the first semester would be omitted in the subsequent semester (Pa Sang key informants: open conversations with school teachers, February 2000). Furthermore in 1999, a large proportion of the 'Social Loan Funds' was utilised to replace the reduction of the grant budget. Similar reductions were reported in other village schools in the Northeast (*Voices of the Disadvantaged*, Vol. 1, 1998a: 49).

In the 1997 fiscal year, the budget for grants and scholarships was 1.54 billion *baht*. In the next fiscal year, the amount was reduced to 1.33 billion *baht* (Somchai, retrieved 14 February 2002: 42). It was claimed that this budget was protected by using the 'Social Loan Funds', but in practice an adequate budget for school lunches, uniforms and so on became available only in 1999 (Bandith, 2000). In that year a large amount of the Miyazawa Plan loan (9.5 billion *baht*) was approved to protect the school lunch scheme, which was even expanded to cover 2 million pre-school children in the crisis period. However, although the budget was approved in March 1999, the funds did not arrive at the school until many months later (Rim Ping key informants: open conversations with the village school teachers, February 2000; Pa Sang key informants: open conversations with the village school teachers, February 2000).

3.3.1.2 Scholarship Scheme

According to the Ministry of Education, in the fiscal year 1998 approximately 200,000 poor children countrywide were granted scholarships (World Bank Office, Bangkok, 1999a: 11). In June 1998, the government decided to use 1 billion *baht* of the 'social sector loan' from the ADB to protect the scholarship scheme. The government announced that this budget would be utilised to prevent children from dropping out of school early. The children of laid-off families were the prime targets of this scheme. It was widely anticipated that the drastic fall in households' income might lead to an increase in the school children's drop-out rate. With this level of

budget, the scheme was able to at least maintain the scholarships of the 200,000 children previously covered (World Bank Office, Bangkok, 1999b:7).

The *Bangkok Post* (10 July 1999) reported that due to high demand this fund was allocated to 328,000 students. However, almost 100,000 children still failed to access the grant, and surprisingly, although the scholarships were intended to assist the children of the unemployed, only 1000 students whose parents had been laid off were given the scholarships (World Bank Office, Bangkok, 1999b:7). Furthermore, by the time the disbursement took place in mid-1999, an estimated 400,000 children had dropped out of school (Pasuk and Baker, retrieved 16 February 2002: 42). This evidence suggests that children's educational welfare provisions were significantly affected in the crisis period, initially by the cut in the 1997 fiscal budget and later by the delay in the implementation of the 'Social sector loan'. Furthermore, even when the loan was fully implemented, experiences in village schools in Rim Ping and Pa Sang showed that there was little improvement in the scholarship grants. The inadequacy of the budget was in fact confirmed by Miss Kanchana Silpa-archa, Deputy Minister of Education, who said in an interview in early 2000 that "due to the persistent economic stagnation, two million school children had to forgo their lunch" (*Krungthep Thurakit*, 21 January 2000:11).

3.3.1.3 Student Loan Scheme

In contrast to the first two items of the educational scheme, the budget of the Student Loan Scheme,¹¹ which was established in 1996, increased sharply. These funds increased from 6000 million *baht* in 1996 to 24,300 million *baht* in 1999, and in the same period, the number of recipients rose from 148,444 to 675,614 (Ziderman, 1999, cited in World Bank Office, Bangkok, 1999b:7). The drastic rise in the number of recipients possibly suggests that households' investment in children's education increasingly relied on outside institutions. This suggestion is strongly supported by the findings in this study (see discussions in Chapters Six and Seven).

¹¹ This scheme aimed to expand the educational opportunities of students in low-income families whose income is less than 150,000 *baht* a year. Eligible beneficiaries comprised high school (grade 10-12) and university students in both state and private institutions (Somchai, retrieved 14 February 2002).

3.3.2 Voluntary Health Cards for Low-income Households

In the pre-crisis period, the state implemented the 'Voluntary Health Card for Low-income Persons' scheme (*Bad sukkapap phu mi raidai noi*). The poor or '*khon chon*', in other words those whose family had a combined monthly income of less than 2000 *baht*, were the scheme's beneficiaries. However, not all them actually benefited from free health provisions. In 1996, approximately 16 million people were eligible according to the income criteria noted (Somchai, retrieved 14 February 2002), but there were only 1.2 million cardholders. To have a health card, one had to pay a fee of 500 *baht* a year. However, the very poor (called *phuyakrai*) would receive the card without payment on a one-year term basis (Pa Sang key informants: open conversations with the head of the Community Healthcare Centre, February 2000). In order to protect the health care provision for the poor in the crisis period, the government decided to waive the 500 *baht* fee for one year for all of the existing 1.2 million cardholders. In so doing, the government used the ADB loan of 1.2 billion *baht*. The budget was approved on 29 September 1998 (World Bank Office, Bangkok, 1999a:11), but the measure did not take effect until several months later in 1999 (Vanee, 2000:55). The government was able to maintain the coverage of the existing beneficiaries but failed to expand it.

3.3.3 Social Welfare Scheme for *Phuyakrai* (the Disadvantaged)

This scheme was administered by the Department of Social Work of the Ministry of Labour and Social Welfare, to provide various forms of relief to the extremely disadvantaged groups and to homeless people. Basic service provisions included the offering of shelter, food, and care for orphans, abandoned children, abandoned elders, disabled persons and sex workers.

In 1997, the budget for this scheme amounted to around 2.8 billion *baht* and was not affected by the tightening of the budget. However, the traditional approach of providing mainly 'in-house services' was an obstacle for many disadvantaged people wishing to access this welfare provision (Somchai, retrieved 14 February 2002). These services were normally provided for those who were admitted to 'social welfare houses' such as children's orphanages (*banpak dek kampra*), houses of elders

(*banpak konchara*), and houses for disabled children (*ban pak dekpikarn*). Only recently has the Department begun to allocate a small amount of welfare payment for elders - aged over 60 - who do not have a care provider or whose care providers have little or no income. This new scheme offered an allowance of 200 *baht* per month for disadvantaged elders living in their own residence. In 1996, according to the National Statistical Office, there were around 300,000 elders whose living was extremely vulnerable; however, only 20,000 elders across the country were given such an allowance (*Krungthep Thurakit*, 17 February 2000: Economy and Quality of Life). During the recession, the government used the Miyazawa loan to increase the monthly allowance for the elders from 200 to 300 *baht* and the number of beneficiaries increased to 40,000 persons. But the new provision was only valid for one year (*Krungthep Thurakit*, 9 February 2000:21).

Moreover, under this scheme, many poor families and the unemployed were not eligible (either not poor enough, or not willing to reside in welfare houses). Therefore, certain services that should be considered urgent for laid-off workers, such as food coupons, cash, shelters and rental subsidy, were not provided either before or during the crisis. In fact, provision of these urgent services was urged upon the government by trade unions, the Network of Women Workers and Occupational Health Protection and NGOs working on labour and women's issues, like the Friends of Women Foundation. None of their demands received a positive response, however (*The Nation*, 7 January 1998; Bandith, 1999a). This point will be further discussed in Chapter Four.

Given this fact, one would not be surprised by the criticism of the government's limitations in terms of types of provision, period of operation, or budget allocation. For instance, none of the existing schemes covered more than half of the needy in the targeted categories. Among the 16 million official poor, only 4.8 million were able to access the free healthcare provision and then only on one-year term basis. Only 40,000 out of 300,000 disadvantaged elders benefited from the living allowance scheme. Educational funds, except for the student loan scheme, have not really been protected since the onset of the recession and their distribution has seemed very ineffective.

3.3.4 Social Security Provision for The Unemployed

In this section, the focus is on investigating the social security provision for unemployed persons and their family members. The question is 'how can they secure their livelihood if they lose their job?' This question is relevant to millions of unemployed people who were forced to search for a living during this recession.

3.3.4.1 Existing Social Security Provisions for the Unemployed

In Thailand, in the boom period social security provisions to ensure income security for unemployed persons was almost non-existent (Sheehan, 2002). A basic pension scheme for retired persons was established, but its coverage was limited to only permanent civil servants. In the private sector, the retirement pension was likely to be implemented by international and large firms, but no such scheme was available for the majority of employees (APEC, retrieved 14 February, 2002; Jurado, retrieved 15 February, 2002; Sheehan, 2002), even for those working in the formal sector. In fact, under the Social Security Act, 1990,1994 the unemployment insurance section was supposed to have be initiated in 1996 but it was not enforced during the crisis period despite the fact that millions of people became unemployed. Demands were made to the government several times at the onset of the crisis, especially by a number of grassroots NGOs, people's organisations, trade unions and women workers' groups (TDN, 1997; 1998; Kanchana, 1999; Naruemon, 1999), but they received no response. This point will be further explored in Chapter Four, Section 4.1.3).

Given the lack of unemployment insurance, the basic livelihood of the unemployed and their family members substantially relied on a small severance payment known as '*Nguen ka chod cheuy*', and a benefit provision under the Social Security Act, 1990, 1994 as detailed in the subsection below. In the hardship period, a huge number of retrenched workers did not have access to any real social security, even though the government claimed that the social security for the unemployed had improved.

3.3.4.2 The New Initiative Social Security Provisions for the Unemployed

By the end of 1998, the Chuan government moved to launch three main activities to sustain an income level sufficient for the survival of the unemployed. The first two activities aimed at retaining the benefits and compensation entitled under the Severance Payment Scheme and the Social Security Act, 1990, 1994. The third activity involved the provision of a micro credit assistance to help the employed to start up a new career or a 'small enterprise' in order to sustain their basic survival. This initiative spent 1 billion *baht* of the loans from the ADB and the World Bank. It began after the unemployment rate rose to almost 3 million during that period, and following pressure by the trade unions and by NGOs working on labour issues. Thus, in the Letter of Intent No. 5 (September 1998) the government had to assure the IMF that the social security framework designed to assist the unemployed would not hamper the flexibility of the labour market (Pasuk and Baker, retrieved 16 February 2002). So the three activities indicated would be likely to be affected by a compromise. In fact, the increase of the minimum wage rate, which was supposed to be approved twice a year, was suspended from early 1999 until mid 2000, and according to the trade unions, this suspension contravened the IMF loan conditions (NGO Networks on Labour Issues, 2000).

Firstly, the government began by increasing the severance payment, for laid-off workers with 10 years or more of service from 6 months to 10 months' salary, although actually, the unions had asked for 12 months (*Prachard Thurakit*, 1-3 May:1, 4; NGO Networks on Labour Issues, 2000). In Thailand, severance payments were based on the length of working service. For instance, employees with 10 years or more of service were qualified to receive a payment equivalent to 6 times the last month's salary. Employees with 3-6 years of service qualified for a payment equal to 3 months' salary (the *Nation*, 26 August 1998: section politics). Based on the new grant, unskilled laid-off workers in Bangkok with 10 years or more of service would receive approximately 42,120 *baht*.¹² At best these unemployed would be able to feed their family for six months. According to Bandith's Survey 1998, the laid-off families with one child or two children required around 5000-7000 *baht* a month

¹² This was calculated as follows: the daily minimum wage rate in 1998 and 1999 of 162 *baht* x 26 working days x 10 months.

But if a new job was not obtained during this period, no one knew how these workers would survive. Indeed, there was evidence that some young retrenched female workers sought a living from precarious jobs, like working in *arb ob nuad* (massage and sauna parlours) after failing to find a new job (Nukul, 1998).

The second move of the government related to the severance payment involved paying workers whose employers had failed to do so. This assistance fund was established when there was widespread evidence that at the beginning of the crisis a number of employers either could not pay or avoided paying the severance payment (Nukul, 1998; Parnwell, 2002; Somchai, retrieved 14 February 2002). Laid-off female workers (from the manufacturing sector in Bangkok) protested in front of Government House (*Sumnak nayok*), for almost a year, because their employers had refused to grant them the severance payment (Nukul, 1998).

Thirdly, the government allocated a certain amount of the budget to expand benefits to workers registered under the Social Security Act, 1990, 1994. Under this scheme, the validity period for claiming compensation, in the cases of accident, illness and maternity leave of the unemployed, used to be limited to 6 months after the last contribution to the Fund Office; in other words, after 6 months of being unemployed. In the recession, there was evidence that after losing employment, a large number of those laid off were unable to maintain their contribution to the Fund Office.¹³ According to the Social Security Fund Office, at the end of 1998 around 1 million workers had failed to maintain their payment (*Matichon*, 2 September 1998; Sheehan, 2002). To extend the unemployment benefits, the government expanded the validity period from 6 to 12 months after being made unemployed or after the last contribution to the Fund Office (Somchai, retrieved 14 February 2002).

The implementation of these two schemes was initially intended to begin on 1 October 1998, but they actually became effective around mid-1999 (Somchai, retrieved 14 February 2002). Moreover, because of the poor dissemination of information, laid off workers who had already returned to their home villages did not

¹³ In Thailand the contribution to the Social Security Fund Office was shared between three parties: government, employers and workers (Bandith, 2000).

get much in the way of benefits (Parnwell, 2002; Somchai, retrieved 14 February 2002). The findings from my research sites confirm this. The extension of severance payment benefits appeared not to be significant for displaced workers who decided to return to their home village.¹⁴

Apart from the three moves discussed above, there were several other small budgets from which the government could allocate funds to improve the ability of the unemployed to start up self employed businesses. These assistance funds consisted of around 10,000 grants worth 10,000 *baht* each. In addition, there was a loan programme for workers who wanted to work abroad (NGO Networks on Labour Issues, 2000). However, judging by the experiences of the unemployed in Pa Sang and Rim Ping, few laid off workers knew of or had access to these funds, possibly due to the lack of adequate dissemination of information.

In short, the facts discussed above suggest that the government's attempts to improve the income security of the unemployed were not very different from the previously existing schemes, especially in terms of head count.¹⁵ The limited capacity of the social safety net and social provisions illustrates my argument that the social provisions, established both before and during the crisis, were not sufficient to provide basic services and to meet the basic needs of the unemployed, the poor and other disadvantaged groups. Despite the fact that during the last long boom, the workers had contributed substantially to economic growth, they were hit hardest when the growth came to an end.

3.4 The EGS and IGS Initiated in the 1997 Recession period

As noted in the preceding section, only a small portion of retrenched and unemployed persons were able to benefit from the available social safety net and social security schemes discussed in Section 3.3. In fact, the government tacitly admitted the

¹⁴ In theory, the main drawback was the condition that the benefit and health care had to be sought from the place of work only (Bandith, 2000; Somchai, retrieved 14 February 2002).

¹⁵ The employees who benefited from the Social Security Act, 1990,1994 were mostly employed in large and middle sized firms, and therefore the majority of the labour force such as the millions of workers in the construction industry, were excluded. In 1996, the labour force comprised around 32 million, but only 6.2 million benefited from the Act (Bandith, 2000).

limitation of such schemes as they claimed that the new EGS and IGS were the prime policy responses to the growing number of the unemployed, especially those who were not eligible to benefit from the Social Security Acts of 1990 and 1994. The capability of these new schemes is explored below, and we shall see that the argument raised earlier, that the Thai state social sector rescue policies were not sufficient in assisting the poor and the unemployed to overcome their livelihood vulnerabilities, still stands.

3.4.1 The EGS

The importance of the Employment Generation Scheme (EGS) may be appreciated from the large size of the budget pool which, as indicated previously, accounted for 30 per cent of the total Social Sector Loan Funds. Three sources of loan funds were involved in the EGS, the largest proportion being from the Miyazawa Plan. The objectives were twofold: firstly to remedy the collapse of the entrant labour markets, and secondly to stimulate economic growth through state expenditure. Beneficiaries included entrant labour and the existing unemployed. Anticipating that the city unemployed had already returned to their villages, large portions of the funds were therefore allocated to rural areas to create a variety of jobs. However, none of the schemes became operational before mid-1999.

3.4.1.1 Employment for Entrant Labour

In 1996 'entrant labour', in other words new workers aged over 13, accounted for around 200,000 persons a year. This rate had slightly increased by early 1999. Expectedly, this was a result of a growing number of students in high school or vocational education compelled to discontinue their education (World Bank Office, Bangkok, 2000a:15; 2000c:9). However, none of the government policy responses reflected this growing trend until early 1999.

The first initiative was drawn from the ADB loan. With a budget of 852 million *baht*, approved by the cabinet in January 2000, the Ministry of Labour and Social Welfare planned to hire 10,543 graduates for 12 months. At the end of January 2000 (the same month in which the budget was approved), the government sent a working report to

the ADB stating that the budget had been wholly disbursed and that 12,975 graduates were employed (Bandith, 2000:37-39). The findings from Pa Sang however, revealed that the employment under this scheme was offered for six months only (Pa Sang, sample households in-depth interview, May-June 2000). This scheme was not available in Rim Ping sub-district.

Apart from the issue of transparency and the delayed implementation, the project offered few employment opportunities to the new entrant labour in each year noted above. Those who got such jobs viewed themselves as lucky. The offered salary for graduates without experience (5000 *baht*) was quite high when compared to other emolument available in this period such as the minimum wage offered by the NRIE (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

The second effort came from the Miyazawa Plan. This scheme involved a huge amount of money (1,157 million *baht*). The Ministry of University Affairs was in charge of creating jobs for 8,800 new workers with a diploma or degree. The target was expanded to include the unemployed with university degree, partly because there was strong criticism that the first scheme under the ADB loan had not included this group, since it was thought that only wealthy families could afford to support their children in obtaining a degree (Bandith, 2000).

Under the Miyazawa Plan, almost half of the fund was later allocated to the Election Commission of Thailand (ECT). This office utilised the budget to offer short-term employment mostly to new graduates, in the form of a temporary job, dubbed a 'voluntary job' by the ECT. The assignment was to encourage political participation and to disseminate information related to the new election system at village/community level.¹⁶ In early 2000 the Ministry of University Affairs reported

¹⁶ The job requirement was to study village politics and promote democracy, especially the political rights of people under the new Constitution of 1997. The contract duration was 12 months and the salary was around 5800 *baht* (*Krungthep Thurakit*, 23 December 1999: Section *chudprakai parithat*). It was thought that this initiative might reduce the pressure created by the increase in the number of the unemployed, which had been partly caused by the reduction of public expenditure on permanent employment.

that the project had achieved its objective, as more than 100,000 persons, mostly newly graduated, had been hired (*Krungthep Thurakit*, 7 February 2000:21).

3.4.1.2 Public Employment Scheme for the Unemployed

The first initiative, which targeted the unemployed, contained a very small-scale budget (52 million *baht*) drawn from the SIP package. The estimated target of the one-year scheme covered approximately 250,000 persons (World Bank Office, Bangkok, 1999a:16).¹⁷ As indicated in Chapter One, the number of the unemployed in mid-1999 accounted for almost 3 millions (not including the seasonal unemployed). It can be argued that the 'first aid programme' not only came late, but also with very little resources. In fact, by this time a new trend of reverse migration had begun from rural to urban areas or in fact to any other places where employment seemed more available (Jacques Chai, 1998; Parnwell 2002). According to some observers, the reverse migration of retrenched workers, who had initially made a journey to their home villages at the onset of the crisis, reflects the constraints of the labour market in the agricultural sector (World Bank Office, Bangkok, 2000a), as well as the limited ability of home village resources to absorb the urban unemployed (Parnwell, 2002; Rigg, 2002).

Indeed, the limitation of the EGS undertaken with the SIP loan package noted above put great pressure on the Chuan government, which came under strong criticism, in particular from NGOs and trade unions (Pasuk and Baker, retrieved 16 February 2002). From early 1998, a number of NGOs formed new alliances and started pressuring the government (details of this point will be discussed in Chapter Four in relation to the responses of civic organisations). For instance, the People's Liberation Alliance urged the government to impose a moratorium on foreign debt, and not to comply with the IMF conditions in relation to adopting a tight fiscal budget (Bello,

¹⁷ In the SIP package proposal, the indicated activities included a variety of public works in two main areas: a) construction of small-scale weirs and foreground dredging in 66 provinces, b) construction of small village roads in 75 provinces. The programme objectives were to create rapid employment opportunities in rural areas where city unemployed were expected to search for a living after losing their job in urban areas, and to improve the deficient infrastructure in rural areas (World Bank, retrieved 15 February 2002:25).

1999; Amara, 1999). This compelled the government to seek an alternative source of funding. The result was the adoption of the Miyazawa Plan.

The Miyazawa Plan was a rescue package provided by the Japanese government. It was an alternative to the responses of the IMF and the World Bank. In taking this initiative, Japan grasped the opportunity of the regional economic crisis to expand its role politically and economically in Southeast Asia (Bullard, retrieved 7 March 2004; Gill, retrieved 7 March 2004). The Plan represented a compromise with the American and IMF economic rescue policies, as its conditions were not destructive of IMF structural adjustment programmes already implemented in Asian countries (Gill, retrieved 7 March 2004, Hua Sing, retrieved 7 March 2004). It nevertheless reflected a distinctively Japanese approach to economic rescue strategies in Asian countries. Compared with IMF packages, there was more focus on macroeconomic stimulation, increasing public sector employment to boost domestic demand. Importantly, it also aimed to assist small and medium enterprises to play a key role in absorbing unemployed persons and restoring economic growth. Furthermore, the Miyazawa funds stipulated that the borrowing countries could not to use these funds for the debt service payment. The IMF, as noted previously, prefers that governments receiving its assistance achieve a fiscal surplus in their budgets rather than allowing deficits. For the IMF, the export-led industry sector, which is generally large scale, is the focus of economic development strategy and a large proportion of loans are directed to restoring the financial sector's ability to service foreign debt.

The creation of the Miyazawa Plan with the budget of US\$ 30 billion in 1998 followed the failure of the Japanese government's first initiative in proposing the creation of a new finance institution, namely the Asian Monetary Fund (AMF), at the height of the Asian financial crisis in mid-1997, to perform the IMF's role in this region. But the proposal was withdrawn later that year in the face of American opposition. The government of the United States may have feared that the AMF would weaken US influence over the regional economies (Bullard, retrieved 7 March 2004; Gill, retrieved 7 March 2004; Hua Sing, retrieved 7 March 2004).

However, as detailed below although the Miyazawa package implemented in Thailand involved a huge amount of money (dispersed on job creation schemes, local

infrastructure and other schemes that clearly channelled the fund as directly as possible into local economies), its effectiveness presents a problematic as the funds were utilised in the outmode manner, lack of transparency and postponement (Pasuk and Baker, retrived 16 February 2002)

The Miyazawa loan was the second and the largest that provided funds for the EGS offering public work for the unemployed. This scheme was expected to hasten economic recovery and generate temporary employment. By October 1999, reports from the relevant ministries indicated that 95 per cent of the total funds (around 24.8 billion *baht*) had been disbursed to create 473 projects in which 3.5 million persons were employed nationwide (Somchai, retrieved 14 February 2002:100-102).

However, the official report is challenged by the data from the Thai Rating and Information Service (TRIS), a private firm hired to undertake the assessment of the EGS's use of the Miyazawa Plan funds. TRIS indicated that by June 2000 only 21 per cent of the funds had been disbursed. Apart from this postponement, substantive evidences indicated that many Miyazawa projects had been prone to failures, ranging from the lack of a transparency to a lack of justification (Somchai, retrieved 14 February 2002; *Krungthep Thurakit*, 3 February 1999).

To deflect such criticism and to improve the efficiency of the Miyazawa Plan, the government undertook a new move, to decentralise some of the funds to local governments (Somchai, retrieved 14 February 2002). The Ministry of the Interior distributed around 35 per cent of the total budget (100,000 *baht* to every village nationwide) to the Tambon Administrative Organisation¹⁸ (Or Bor Tor). Indeed, the funding, through both channels, was to be used in a similar way: hiring the unemployed to do public works. To assure that both channels utilised the funds to generate employment, 70 per cent of each project fund had to be used for labour costs (Mekong Update, June-September 1999: 2-3, retrieved 15 February 2002). In other words, 70,000 *baht* of the village fund budget of 100,000 *baht* had to be used to hire labour. The rest could be used to purchase materials and so on. This framework also applied to the EGS, which also used other sources of loans. In the evaluation report of the Miyazawa –funded public works, the activities undertaken by the Ministry of

¹⁸ The local administration unit operated at the sub-district level under the Ministry of Interior (see details in Chapter Five, Section 5.1.2, Figure 5.1).

the Interior and the Or Bor Tor were compared. It was found that the latter tended to have a greater ability to stimulate the employment markets, even though allegations of the misuse of funds were also reported (Somchai, retrieved 14 February 2002). My research has produced similar findings.

3.4.2 The EGS and Its Impacts on the Poor and Women

The EGS spent almost 27 billion *baht*, of which the ADB and SIP loan packages represented only a small portion. The contribution came mainly from the Miyazawa Plan. The project implementation was slower than initially planned. Over the implementation period, approximately 3.5 million workers, each being hired for an average of 18 days, received benefits from the Miyazawa Plan (World Bank Office, Bangkok, 2000c: 4). The decline of the unemployment rate in the third quarter of 1999 mainly resulted from the large public spending of the EGS (World Bank Office, Bangkok, 2000c: 4). However, it seems to me that the analyses of the real impact of the Miyazawa projects on the well-being of the poor and the unemployed may require the consideration of indices other than the employment figure given above.

First of all, given the project's objectives, a large number of the unemployed (3.5 million) was targeted. However, utilising 70 per cent of the total budget, under the terms of the national disbursement framework, these 3.5 million people would receive approximately 5,300 *baht* over 18 days of employment. This payment was far in excess of the 134 *baht* minimum wage in large provincial areas in early 1998-April 2000, and would have met the food budget of poor households for more than a month. According to the Households' Socio-Economic Survey 1998, households in Lamphun spent around 8,037 *baht* a month, of which 40 per cent (3,200 *baht*) was in the category of food and beverages. In my research the households' food budget was kept at 2,000-3,000 *baht* a month for households with 3-4 members including school children (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

There is no reliable evidence that the unemployed involved under the Miyazawa scheme (including the other two loan schemes indicated in section 3.4) received the payments at the above estimated level. On the contrary, evidence came to light

showing that each hired worker received far less. In one sub-district, in Khon Kaen province, Northeast Thailand, where 90 people describing themselves as unemployed were interviewed in April 1999, only 1 in 6 of them were hired and these received less than 1,000 *baht* each. This means that only 20 per cent of the 100,000 *baht* fund was spent on labour costs (Mekong Update, June-September 1999, retrieved 15 February 2002:2-3). Furthermore, according to the same source, only one among the 14 villages in that sub-district had an employment budget in excess of 30 per cent of the 100,000 *baht*.

In my study sites, no one received a payment exceeding 1,000 *baht*, because of the combined effect of the misallocation of the fund and the large number of the unemployed being hired. In Pa Sang village, the project offered two days of work for a payment of 860 *baht*. However, there was no indication the fund had been misused, as 90 per cent of the budget was utilised for hiring labour (Pa Sang sample households in-depth interviews, May-June 2000). The smaller payment was due to the fact that the village had a large population. In Rim Ping, owing to the possible misuse of funds, only 30 per cent of the project budget was spent on labour costs, and villagers from around 50 households received a payment of 400 *baht* each (Rim Ping sample households in-depth interviews, August 2000). The field data thus contradict those of the government agencies. Moreover a number of articles and editorials in newspapers detailed the misappropriation and misallocation of the funds. Politicians and political parties, rather than the villagers, were alleged to be the real beneficiaries of the scheme as a large proportion of the fund for hiring labour was used for other purposes (*Krungthep Thurakit*, 13 January, 2 February 2000; Somchai, retrieved 14 February 2002). The findings in Rim Ping confirm this.

There is evidence that the EGS tended to marginalise unemployed women and elders. The exclusion partly developed from the nature of public work, which consisted mainly of digging, repairing small irrigation drains, and so on and from the duration of the work. In 1999, in the village of Pa Sang, the clearing of the village irrigation drain was selected using the 100,000 *baht* fund operated by the Or Bor Tor. The workforce consisted of 110 unemployed persons, and each worker was responsible for clearing 8 metres of the irrigation drain to make it 2 metres deep and 4 metres wide. It was estimated that this work, according to the (male) supervisors' experience,

could be completed in two days without the use of machinery. Some elders, aged between 60-65, and the female urban unemployed, who had little experience of digging, decided not to join the scheme since they were afraid of being unable to complete the work on time (Pa Sang sample households in-depth interviews, May-June 2000).

3.4.3 The IGS: through occupational development and training

In the pre-crisis period, the Department of Community Development (DCD) of the Ministry of the Interior was in charge of the administration of the Occupational Development and Training Scheme. Rural women and the Village Housewife Groups (VHG) were among the project fund's recipients. In fact, this scheme was one of the main implementations of the policy on women in development (Nongyao, 1993; Darunee, 1997). The budget used to be much larger. For example, in 1996, it was 1,345 million *baht*; however, in 2000, the DCD budget for this scheme was sharply reduced to only 113 million *baht* (Somchai, retrieved 14 February 2002:99) (how the budget reduction negatively affected women at village level will be presented in Chapter Seven). During the crisis, as noted earlier, the government allocated a large amount (10 per cent) of the budget from the Social Sector Loan package to implement the Income Generating Scheme (IGS). But the new budget was mainly allocated to the new ministry, i.e. the Ministry of Labour and Social Welfare. The following discussion focuses on the activities implemented by the new ministry using the budget from the social loan fund.

Both the ADB and the Miyazawa loan funds mainly prioritised the unemployed in rural areas. The SIP distributed a small portion of its fund to urban dwellers, especially for the young educated unemployed, while the major funding went to the rural unemployed, and under this scheme women were explicitly identified as beneficiaries. The central objective of this scheme was to develop the marketable skills of the unemployed in order to improve their future job prospects, including starting up self-employed businesses.

3.4.3.1 ADB Loan Scheme: the first IGS

As with other schemes, the implementation was delayed. In June 1998 the cabinet approved the ADB loan budget for the Ministry of Labour and Social Welfare, giving 20.8 out of 35.8 million *baht* for undertaking the skill training courses for the returnees. At the end of 1999, the relevant departments in the Ministry of Labour and Social Welfare reported that two courses of training had been arranged and 5,205 ethnic (hill tribes) unemployed were involved. The remaining budget was spent on other training programmes including management skills training for sub-contractors. This project set its target at 7,500 trainees, and by the end of 1999, according to a report of the Ministry, the project had exceeded its target. However, the success of the training courses noted above was challenged by the NGOs (see in Bandith, 2000:42).

3.4.3.2 SIP Loan Scheme

The SIP geared its large budget to supporting this scheme. The two ministries concerned were the Ministry of Labour and Social Welfare, and the Ministry of Industry. According to the SIP background report (World Bank, retrieved 15 February 2002: 3), the former was supposed to provide the Skills Development Training Programme with ten-month training courses for the unemployed, focusing on the use of new technologies that were expected to improve their future job prospects; while the responsibility of the latter was to facilitate the setting up of private industrial estates, to train the rural labour force, and to promote the relationship between the investors and community leaders (see details in Box 3.5).

The Ministry of Labour and Social Welfare had an SIP budget of 1 billion *baht* and targeted 533,000 persons, for one month's training. The Promotion of Rural Industrial Development (PRID) Department of the Ministry of Industry had an SIP budget of 221.6 million *baht* and aimed to create durable jobs for 3000 people in rural areas over a period of three years starting in mid-1998 (World Bank, retrieved 15 February 2002). The IGS focused on the use of new technologies to enhance the future livelihood of the unemployed. However, according to available data from the

SIP, it seems that the skills offered were unlikely to advance their future job prospects. Based on the

Box 3.5 SIP Training Activities*

There were four major IGS programmes:

- 1) Training for the Unemployed
- 2) Training for the Disadvantaged
- 3) Training for Women and Youth
- 4) Training for the Poor and Unemployed.

*The Ministry of Labour and Social Welfare administered the first three training programmes; while the Ministry of Industry administered the fourth.

Source:

training programme for women and youth as well as the disadvantaged, five categories of skills were provided: cooking, dressmaking, beautician's skills, industrial sewing, and traditional weaving. The training of the unemployed added two other skills to be provided through courses for those wishing to become computer operators and electricians. Other skills offered included cabinet making, tiling, and motorcycle repair (World Bank, retrieved 15 February 2002). In Chapter Seven the implementations of the EGS and the IGS in the two villages studied will be critically examined.

3.4.3.3 Miyazawa Plan and Training Activities

The largest portion of the fund channeled into the IGS (around 7 billion *baht*) was from the Miyazawa Plan. The IGS was implemented under the project title 'Economic Development', and was designed to create various forms of income generation through various occupational training courses similar to those provided by the SIP. In addition, a new set of courses in useful skills relevant to animal husbandry, especially raising chickens, pigs, ducks and so on was provided. The disbursement for these activities was due in June 1999 to January 2000. No activity was planned in Rim Ping, but in Pa Sang by mid-2000, 40 households had received 20 chickens and 10 kilos of chicken feed (Pa Sang key informants: open conversations with Pa Sang village head, May-June 2000; Observations, 2000).

3.4.3.4 The IGS and Its Impacts on the Poor and Women

Like other schemes, the obvious weakness of the IGS was due to the delay in the implementation, which started in mid 1999. Thus, urban unemployed people had to face financial difficulty for almost two years without receiving significant assistance from the government. During this period, some households began to incur debt, while some had to sell their productive assets to meet their daily needs (this point will be elaborated when looking at the coping strategies invented by the poor households either from my research in Chapters Six and Seven or from other available sources in Chapter Four section 4.3). The inefficiency of the scheme was due not only to the delay in implementation but also to the widespread misuse of funds and the lack of transparency.

The benefit of this scheme to women was only significant with respect to the SIP training activities, where women were identified as a target group, and the imparted skills were traditionally exclusive to women. Moreover, the training that aimed to improve sub-contractor skills was normally more suitable for women than men. These factors contributed to make women dominant in the list of trainees. Regarding financial aid to the needy under this scheme, it could be suggested that the only benefits were from the SIP training projects. The women in the two villages appreciated the benefits in terms of cash transfer. Because the trainees were supposed to be 'unemployed', they received small amounts of cash for participating in the training courses: for example 50 *baht* a day for the trainees participating in the three-month sewing course in Rim Ping. In Pa Sang, there was a budget of around 2,800 *baht* for women participating in the 4-week duvet-making course. The industrial sewing training organised by the Ministry of Industry disappointed poor women in Pa Sang because they had to use their own money for transportation, in addition to losing two working days. One trainee complained that government officials should not have arranged the training in a large hotel with expensive food, but instead should have allocated a portion of that budget to the participants. When asked about the usefulness of the skills provided, she said 'I knew it was useless, because the training was about industrial sewing, and I am a weaver' (Pa Sang sample households in-depth interviews, May-June 2000). However, when asked why she continued to participate in the second day of training, she explained that to stop attending might

village.¹⁹ Interestingly, I found that the poorest group of women whose livelihood security was critical hesitated to join the training projects (this point will be elaborated in Chapter Seven).

3.5 Conclusion

As noted earlier, both the government and the IMF tried to convince the public that the SAP would not have any serious effects on the livelihood of the poor and the unemployed, because sufficient funds were provided to protect them and to maintain and even increase their social welfare (World Bank Office, Bangkok, 1999a, 1999b; Somchai, retrieved 14 February 2002:99). However, the evidence presented throughout this chapter suggests otherwise. The contribution of the 'Social Sector Loan' programmes, aiming at improving the quality of life of the poor and the unemployed, only enabled the government to maintain the level of welfare and social security that had existed in the pre-crisis period. Moreover, as for the newly launched programmes, namely the EGS and IGS, which had very large budgets, their effectiveness was reduced as they became operational at a late stage and also because of a lack of transparency and the misuse of funds. The way in which government assistance programmes were actually implemented in the two villages studied has not been considered in detail in this chapter and will be fully discussed in Chapters Six and Seven. The analysis in these chapters will illustrate the ways in which political and other links of patronage and kinship affected the allocation of the funds and determined which groups actually benefited. This view from below contributes to a more realistic understanding of the efficacy and impacts of the government funding in response to the crisis in Thailand. As noted in the introduction of this chapter, to gain an adequate understanding of the whole spectrum of responses to the recession in 1997 has required a critical look at the responses of the three main institutions: the government, civil society and the private institution of households.

In the next chapter, the actions of civil society organisations and the survival strategies of households will be critically explored.

¹⁹ Meaning that if villagers withdrew their participation in government activities, government officials might refuse to further allocate budgets to their village in the future.

Chapter Four

Mapping the Responses of Civil Society and Households to the 1997 Recession in Thailand

Introduction

In Chapter Three, the responses of the Thai government to the economic crisis together with the reactions of international institutions like the IMF and the World Bank in relation to the Structural Adjustment Policies (SAP) in general and the Social Loan Funds rescue package in particular were critically investigated. In this chapter, there are two main tasks. The first is to analyse the responses of civil society organisations in their attempt to shift government policies in favour of the poor (these policies were partly discussed in Chapter Three) in order to show that the responses of the Thai government to the crisis did not take place in isolation but were partly shaped by internal politics of Thailand. The second task is to review the coping mechanisms employed by poor Thai households to confront the hardship, especially during the onset of the current recession, and discuss their potentials and constraints. In doing so, the inadequacy of the formal social safety net schemes implemented in this period as well as the capacity of rural and peri-urban economies to help the urban unemployed maintain the subsistence are the two issues revisited.

The chapter is organised into two main parts and a concluding note: first, the investigation concentrates on the responses of civil society organisations and the SIF programme (Sections 4.1 and 4.2); secondly, the survival strategy of poor households is examined (Section 4.3).

4.1 Mapping the Responses of Civil Society to the 1997 Recession: attention to urgent needs and reform agendas

4.1.1 An Overview of Civil Society Organisations and Civic Politics in the Thai Context: before and during the recession period

The notion of civil society is debatable, however, according to Amara (1999: 325), it generally refers to "various organisations and institutions that are independent of government and the state, but able to exert influence on them". The major components of civil society, thus, include a variety of popular organisations, networks and institutions, ranging from professional groups, labour and student organisations and business federations to non-government organisations (NGOs), and academic institutions. Among these groups, NGOs can possibly be seen as the crucial elements of Thai civil society (Amara, 1999; Naruemon, 1999; Hewison, 2000, 2002; Jurado, retrieved 15 February 2002:16). There is evidence that during the crisis, the number of NGOs across the country amounted to around 10,000 organisations (Jurado, retrieved 15 February 2002:6).

The category of civil society organisations, in this study, has been enlarged to include women's NGOs and grassroots women's groups operating at village level, whose interests and responses to the crisis, up until now, are excluded from the discourse of Thai civil society. Siriporn's work (2000) shows that only a very small amount of the resources disbursed under the Social Loan Funds benefited women and women's groups. The data from the first year report on the SIF activities indicate that grassroots women's groups were not the prime target of the SIF programmes and very little of the SIF funding was channelled to support the activities of grassroots women's groups (www.thaisip.org, retrieved 12 February 2002). In the following discussion, their involvement as part of the responses of civil society organisations to the crisis at macro level will be analysed.

Since 1990s, civic politics has gained momentum in Thai public debates. The substantial density of the civic sphere in this period could be seen from the arrival of many new public formations seeking to broaden the legitimate scope of engagement. They included anti-corruption campaigns, election monitoring, consumer protection,

public health advocaces and environmental awareness (Amara, 1999; Kanchana, 1999; Naruemon, 1999; Connors, 2001, 2002; McCargo, 2001, 2002; Chantana, forthcoming).

The importance of civil society organisations was even more evident in the crisis period, especially after the promulgation of the 1997 Constitution. The new Constitution became the essential force that gave strength and legitimacy to civic politics, partly because it offered legal space for civic rights and politics to operate outside the perimeter of parliamentary activities (Amara, 1999; Connors, 2001, 2002; Pasuk and Baker, retrieved 16 February 2002). The second factor was the crisis itself, as the collapse of the Thai economy reflected its link with money politics. Power aggregation in the hands of a small elite (politicians, bureaucrats and technocrats) has caused, as Pasuk and Baker (retrieved 16 February 2002) suggest, a decline in public tolerance of their corruption, a corruption that contributed the emergence of the 1997 crisis.

The collapse of the economy and the neo-liberal approach of the Thai government towards recovery, which was imposed by the IMF, had significant political consequences . In brief NGOs, progressive scholars, and business leaders were discontent about the shortcomings of neo-liberal development policy and IMF economic rescue programmes. Their attack on neo-liberal agenda has subsequently created a mild nationalistic reaction (Kanchana, 1999; Naruemon, 1999; Hewison, 2000, 2002; McCargo, 2001, 2002; Pasuk and Baker, retrieved, 16 February 2002:1).

The nationalist response, which emerged as a desire to save the country from foreign domination, involved a wide range of social actors. A highly respected Buddhist monk initiated *phapa* for national salvation whereby a huge amount of gold and dollars were collected as a contribution to foreign currency reserve of the country. Business leaders openly criticized the IMF policies and opposed rushed liberalization. In late 1997, the King devoted his customary birthday speech to his 'new theory' of the self-sufficient economy as an alternative economic approach to safeguard the nation (*Bangkok Post*, 30 October 1997; *Voices of the Disadvantaged*, Vol. 1 1998a; Vol. 2, 1998b; Ganchana, 1999; Naruemon, 1999; Hewison, 2000, 2002; McCargo, 2001; Connors, 2001).

In parallel a domestic reaction, from significant elements of NGOs and social movements and was more vigorous in its rejection of industrialism, proposed local reform agendas as an alternative. For instances, some scholars, business persons and activists came to promote ideas 'good governance', while other segments of civil society formed alliances and networks to promote ruralism, based on slogan such as 'Building a Strong Society' and 'Self- Sufficient Economy'. Many NGOs, including those working on human rights, labour, women and children, and a number of grassroots organisations such as the Assembly of the Poor and trade unions, pressed demands to the government on ' Strengthening Permanent Social Protection Systems'. Additionally, various trade unions and workers came to oppose privatisation policy and exerted pressure on the government to implement social safety net schemes. The movements and discourses of the NGOs led -segment were likely active throughout the recession period, especially the discourse of 'ruralism' (Hewison, 2000:280). In late 1997, the government led by Gen. Chavalit Yongchaiyuth resigned due to its ineptitude to respond to the crisis and to political pressures from civil society noted above, and it was succeeded by a new coalition government, led by Chuan Leekpai (Hewison, 2000).

To release these domestic pressures, the Chuan government sought to obtain Social Sector Loan Funds from the World Bank, ADB (Asian Development Bank) and the Japanese Government that subsequently agreed to initiate the so-called Miyazawa Plan (Pasuk and Baker, 16 February 2002). It also sought to align its rescue policies with the idea of 'good governance' and the localism reforms concerning the 'Self - Sufficient Economy' when the Chuan government moved to establish the SIF programme. Some scholars including Amara (1999) suggest that this marked a new episode in Thai political history as state development large scale-resources had never before been channelled to the non-state sectors to perform development activities as needed by the localities. The implementation of the SIF programme seemed to suggest that the reform agenda of localism, which promotes the self-reliant economy of rural sector, the empowerment of local communities, the rejection of consumerism and industrialism, and so on, was able to reshape the rescue policy of the Thai government. This rescue policy was heavily influenced by the IMF which imposed measures directed towards exported growth oriented (Amara, 1999; Hewison, 2000, 2002; Pasuk and Baker, retrieved 16 February 2002).

The SIF, which was allocated 4800 million *baht* of the Social Loan Funds, started its operation at the end of 1998 and by August 2001, when it was reported that a vast number of local people's organisations were participating in the SIF projects, the number of beneficiaries was almost 12 million people across the country (Salim, retrieved 18 February 2002:1-2). In Section 4.2 I will investigate how the SIF programme worked for the poor. However, I would argue that the SIF programme in particular and the movements of the civil society organisations in general had very little impact on the improvement of the livelihood vulnerability of the poor, the unemployed and other disadvantaged groups including women. This argument takes into account the fact that the SIF funding constituted only 5 per cent of the total Social Loan Funds (the total of social sector loan was 92,280 million *baht*, see details Box 3.3, in Chapter Three). Moreover, the Chuan government ignored the demands concerning the 'Permanent Social Protection Systems'. Additionally, the formal social safety net schemes operated in the crisis period were insufficient, as noted in Chapter Three. In Section 4.2 I will investigate how the SIF programme worked for the poor. Prior to that, it deems appropriate to briefly present the discourses and movements of civil society organisations in relation to three crucial issues noted above, namely 'promoting good governance', 'strengthening permanent social protection', and 'self-sufficient economy'.

4.1.2 The Civic Politics of Good Governance

'Promoting good governance' was one of the crucial elements of political reform addressed in the IMF rescue policy. This policy received wide attention in the context of Thailand, partly because the economic crisis shows clearly that the lack of transparency, corruption and mismanagement could have disastrous economic and social consequences (Amara, 1999; Pasuk and Baker, retrieved 16 February 2002; Chantana, forthcoming). However, when the policy came to be implemented in the Thai context, it became known as '*thammarat*' (Amara, 1999; Naruemon, 1999; Thirayuth, 2002; Chantana, forthcoming). The notion of '*thammarat*' was introduced by a sociologist, Thirayuth Boonmi, the former leader of the 1973 students uprising. Thirayuth explained:

I have proposed the concept of *thammarat* (good governance) as a solution to this problem (the crisis and the country's burden derived from the loan used to restore the economy). It refers to collaboration between the public, social

and private sectors to create governance and administration that is transparent, legitimate, accountable, and effective (Thirayuth, 2002: 29-30).

Although *thammarat* did not gain a universal acceptance, it was widely promoted and received substantial support from a broad segment of the urban middle class and the mass media. The Chuan government also accepted good governance as its political reform policy. The former prime Minister, Anand Panyarachun, and Prawase Wasi, the president of LDI, became strong advocates of good governance (Amara, 1999; Naruemon, 1999; Chantana, forthcoming).

To centre the notion of '*thammarat*' in the civic sphere, Thirayuth Boonmi, with the support of government agencies, organised more than ten workshops, both in Bangkok and in some important provinces, including Chiangmai, in order to publicize this policy to the middle class, local scholars and activists, and to civil society organisations (Amara, 1999: 332). The National Economic and Social Development Board (NESDB) lent its support to popularize the neo-liberal good governance reform agenda.²⁰

However, the idea of '*thammarat*' was criticized widely by both grassroots civil society organisations and progressive scholars. Briefly, their criticism was that the concept does not address the problem of structural economic, political and social inequities. For instance, a number of grassroots people organisations including trade unions, the Network of Women Workers and Occupational Health Protection, and the Assembly of the Poor argued that the concept seemed to neither guarantee nor promote the rights and essential opportunities of the marginalized to participate in social and political decision-making processes and their opportunities were few in comparison to those of other sectors. Importantly, '*thammarat*' does not offer the immediate benefits and livelihood security to the poor and the unemployed (*Voices of the Disadvantaged*, Vol. 2, 1998b; Nukul, 1998; Chantana, forthcoming).

²⁰ Observation of the speech of Thirayuth Boonmi at the Opening of one of the 10 workshops held at the Faculty of Social Sciences, Chiangmai University, 22 July 2000).

Opponents suggested that the main components of good governance as enumerated by Thirayuth would not enable Thailand to recover from the current crisis, or protect the country from a future disaster (Amara, 1999; Naruemon, 1999; Chantana, forthcoming; Pasuk and Baker, retrieved 16 February 2002). In short, they argue that the neo-liberal approach of good governance, emphasizing proper process of ruling the country and running the economy through participation, efficiency and transparency, may protect and advance the interests of capitalism and the Thai wealthy class, but seems unlikely to privilege the poor.

4.1.3 The Civic Politics of Civil Society Organisations: urgent needs and strengthening permanent social protection systems

The inadequacy of the State's formal social safety nets and social protection systems operated before the crisis period became the critical issue during the recession. The civil society organisations involved in the mobilization on this issue included progressive NGOs such as the NGO-Coordination Committee on Development (NGO-COD) and the Campaign for Popular Democracy. NGOs working on human rights, labour, and women and children, like the Friend of Women Foundation, the Union for Civil Liberty, the Arom Pongpha-ngan Foundation, were also involved. Grassroots organisations, including the Assembly of the Poor, various trade unions, State Enterprise Workers' Confederation, were also part of this movement (*Voices of the disadvantaged*, Vol. 1, 1998a; Amara, 1999; Ganchana, 1999; Naruemon, 1999: 315).

The crisis and the SAP policy regarding the privatization of state enterprises resulted in the lay off and cut down of workers' benefits and social security provision, severely affected members of these grassroots organisations (Bundith, 1998, 1999a, 1999b; Nukul, 1998). As noted in Chapter One the crisis brought about the contraction of urban labour in the marginalised sector of Thai economy including manufacturing and industrial sectors. The government social policies, as noted in Chapter Three, came late and were not in place until mid-1999. These factors compelled the civil society organisations to address the urgent needs of the poor and to publicize these issues as requiring both immediate policies as well as long-term reform agendas.

By the end of 1997, the initial collective responses of the civil society organisations regarding the issue of social welfare to children, the poor and the unemployed in particular have taken shape. Eight NGOs, mainly based in Bangkok, formed a network called 'Voices of the Disadvantaged'. The network included NGOs working on human rights, women's and children's issues, such as the Foundation for Child Development, the Thai Development Support Committee, the Duang Prateep Foundation and the Friends of Women Foundation (*Voices of the Disadvantaged*, Vol.1, 1998a:1).

Several months later, a new network known as 'Naewrum Prachakom Kuchat', NPK (People's Liberation Alliance) was formed. The NPK was made up of a wide range of leading NGOs. It included the NGO-Coordination Committee on Development (NGO-COD), the Campaign for Popular Democracy and NGOs working on human rights, labour, women and children such as the Friend of Women Foundation, the Union for Civil Liberty, the Arom Pongpha-ngan Foundation. The Grassroots organisations such as the Assembly of the Poor, trade unions, and State Enterprise Workers' Confederation also participated in this network (Amara, 1999; Ganchana, 1999; Naruemon, 1999:315).

From the beginning, these two networks were concerned with a number of issues in relation to improving the social protection system to ensure the livelihood security of the poor and unemployed. They advocated the enforcement of unemployment insurance, which, as noted in Chapter Three, according to the Social Security Act (1990,1994) should have been enforced since 1996 (*the Nation*, 7 January, 1998; Bandith,1999b, 2000). Additionally, the movement pressed various demands and urgent issues on the Chuan government. These, as mentioned in Chapter Three, included school fee subsidy for children whose parents were being laid off, transportation subsidy for laid-off workers looking for work, and an increase in the minimum wage rate. As noted previously, from early 1998 to mid-2000, the minimum wage was frozen. The Network of Women Workers and Occupational Health Protection, together with trade unions, asked the government to assist the urban unemployed by offering subsidies for housing rental and food, to improve the provision of childcare in terms of facilities and proximity to industrial estates (*the Nation*, 26 September, 1998). Only a few of these proposals, however, received

positive responses from the government: among these was school fee subsidy for children whose parents were laid off (see Chapter Three, Section 3.3.4.2)

The Assembly of the Poor, whose members comprised poor farmers living in rural areas, presented a petition calling on the government and the international institutions to pay attention to problems such as the rise in the prices of basic commodities and the diminution of public services. The group put forward a set of 10 demands to the government and the international institutions such as the IMF and the World Bank. These included the reduction of Value Added Tax (VAT); the imposition of price controls on social services and basic commodities, especially fertilizer and seeds; the imposition of higher tax on luxury goods; and a progressive form of inheritance and income taxes (*Bangkok Post*, 1 December 1998:10). This set of demands was ignored by the government throughout the crisis period (see figures 4.1 and 4.4 pages 84 and 85).

The Voices of the Disadvantaged network, the NPK and their alliance organised various activities to address and publicize the social repercussions of the crisis on the vulnerable. They also offer an alternative explanation regarding the cause of the crisis, linking it to both domestic and international issues (*Voices of the Disadvantaged*, Vol.1, 1998a, Vol. 2, 1998b; Nukul, 1998). The movement argued that although domestic factors like the incompetence of the government and money politics played a part, they did not constitute the single fundamental cause of the recession (Amara, 1999; Kanchana, 1999; Naruemon, 1999). Indeed, the movements of civil society organisations including the NPK alliance also sought to blame industrialisation and globalisation as the root of Thailand's 1997 recession McCargo (2001).

From 1998 to 2000, these networks challenged the IMF Structural Adjustment Policies (SAP) and the Social Loan Funds by organising a number of seminars and protests. In June 1998, the group arranged a seminar on the Social Investment Fund (SIF) and its Impact on the Poor, demanding that the World Bank should give "funds

Figure 4.1 Assembly of the Poor March to Government House in Protest Against the Chuan Government



Source: Krungthep Thurakit, 12 January 2000

Figure 4.2 News headline reads: ‘the Government leads the dogs to restrain the mob of the poor’



Source: Krungthep Thurakit, 12 January 2000

Figure 4.3 Women and Poor People Confront Policemen in front of the Chiangmai University Hall where ADB Representatives and the Prime Minister, Chuan Leekpai, are Having Lunch



Author's Photograph, 3-5 June 2000

Figure 4.4 A Pause in Action: Members of Grassroots Women's Groups across the Country Participating in the ADB protest in Chiangmai



Author's Photograph, 3-5 June 2000

instead of loans in order to acknowledge its responsibility for the economic collapse" (*TDN*, No. 33, July-December, 1997; Ganchana, 1999; Naruemon, 1999:315). The NPK criticized the IMF rescue programme as being a pro-rich policy benefiting only a few wealthy and powerful organisations (the financial sector, banks, and financial institutions), while loading the adjustment costs on to the poor (*TDN*, No. 33, July-December, 1997:32-34; Amara, 1999; Naruemon, 1999). The transfer of foreign debt, originally incurred by the private sector, into the public sphere was one of the clearest examples of this pro-rich policy.

Further, the groups asked the government to disclose all the IMF conditions and to impose a foreign debt moratorium (Naruemon, 1999). In June 2000, a similar challenge was mounted against the ADB loan fund package, and involving a large number of people's organisations (Observations, Chiangmai, 3-5 June 2000). Like other demands noted above, the networks' proposals did not receive any recognition from the government. This appears to confirm the observations of some scholars including Naruemon (1999) who argue that, throughout the last long boom and even during the crisis, the civic politics of the 'rural-popular civil society organisations' including the NPK have been continuously ignored by the state and the public at large. By contrast those of the elite-urban civil society organisations, including the ones that promoted 'good governance' noted previously, have been strengthened.

The NPK and the Voices of the Disadvantaged on the one hand, and the rural localism movement, especially the LDI²¹ - localism alliance which came to promote 'ruralism', on the other hand concurred on the essential causes of the crisis, especially foreigners money politics and the pro-urban (industrial) economy (Naruemon, 1999; McCargo, 2001; Pasuk and Baker, retrieved 16 February 2002). Moreover, they had in common the idea that the government rescue package should not depend on or comply with the IMF package (Kanchana, 1999; Naruemon, 1999). As noted earlier, the LDI is a major NGO which has played a significant role in the formation of national NGO networks on development policy, and in promoting the politics of localism (Connors, 2001).

²¹ As noted earlier, the LDI is a major NGO which has played a significant role in the formation of national NGO networks on development policy, and in promoting the politics of localism (Connors, 2001).

The distinction between these two movements was partly based on their proposed reform agendas concerning the way out of the crisis and the persistent poverty of the rural sector. The Voices of the Disadvantaged, especially the NPK, and their networks did not consider the policies of 'Self-sufficient Economy' and 'Building Social Capital' as viable solutions to the crisis (McCargo, 2001), and consistently refused to get involved with the SIF programme. Instead, they put demands and pressure on the Thai state, asking it to strengthen or set up permanent social protection systems. Therefore, the NPK's mandates were clearly opposed to the IMF rescue policy, which prevented the establishment of the formal social security and protection systems, claiming that they might hamper the openness and flexibility of the labour market (Pasuk and Baker, retrieved, 16 February, 2002). In addition and importantly, the LDI-led movements were not involved with any urgent issues raised by the Voices of the Disadvantaged and the NPK as discussed above. In the following subsection the movement of localism is presented in brief.

4.1.4 The Civic Politics of the LDI-led Localism: strengthening self-sufficient economy and social capital

Seththakit po piang (self-sufficient economy) as a reform agenda has been proposed by the LDI-led alliance as a nationalist-localism response to confront the neo-liberal approach during the crisis (Kanchana, 1999; Hewison, 2000, 2002; Connors, 2001; McCargo, 2001). The Localism was not, however, a new approach to development and democracy in Thai context. It had been visible since the late 1970s, when it was adopted as a viable development approach alternative to the mainstream of industrialization. Since then, this approach has been adopted as a prominent alternative by a large number of NGOs working in rural areas including the LDI partners (Hewison, 2000, 2002; Connors, 2001; McCargo, 2001).

Thai localism contains several key notions, such as locality, community, self-reliance and self-sufficiency (Hewison, 2000, 2002; Connors, 2001). Since 1990s, the LDI, especially when it was led by Prawase Wasi, has steadily promoted this idea. The term 'localism' according to in Prawes's conception became the LDI's motto for it

development paradigm. Conceived broadly, Prawes's idea of localism comprises "strong society, self-reliant economy, local wisdom, and social capital". In short, in opposition to the mainstream development approach, the LDI localists have sought to stimulate local market and collective businesses and cooperative, and to strengthen community organisations in rural areas. They could be developed through the progressive and collective learning processes of concerned sectors, namely state, market, and civil society (Connors, 2001:15). On the basis of this idea, the SIF programme was supposed to provide collective learning to local communities through inter-class partnership aiming to overcome materialism, westernization, and corruption (Naruemon, 1999; Hewison, 2000, 2002; Connors, 2001).

In the crisis period LDI played an important role to form a coalition known as 'Prachakom Kobban Kumeuang', or PKK (Community for National Restoration) (Ganchana, 1999; Naruemon, 1999; Connors, 2001). Its aim was to unify communities and civic groups to save the nation from the crisis. The PKK comprised 16 leading NGOs, including the LDI and the Children Foundations, and people organizations (more than 70 groups) (PKK, 1998a, 1998b). It also comprised individuals from three main categories: (1) academics and thinkers led by Prawase Wasi, (2) businessmen, and (3) activists involved in rural activities, in particular the members of Rural Practitioners Network (Naruemon, 1999; Connors, 2001).

The central objective of the PKK and the LDI, in addition to providing an alternative explanation of the 1997 crisis, particularly its causes and the defects of the rescue package, was to further ask the Thai people to unite and transform the crisis into an opportunity for social reform. They moved to offer the strategies of 'Strong Society', 'Self-Sufficient Economy', and 'Social Capital' as a viable alternative solution to the current crisis and the persistent poverty of rural Thai society (PKK, 1998a, 1998b; Naruemon, 1999; Hewison, 2000; 2002; Connors, 2001).

Although the PKK had a short life, lasting only till 1998, a number of activities came out of the group. In May 1998, the PKK organised several meetings, especially in Bangkok. It produced a variety of documents in relation to the crisis, foreign debt, and the IMF rescue package in order to inform the public, both in Bangkok and in rural areas, about the social consequences of the crisis and the IMF package. One

among these was a series of booklet, known as 'learning a lessons from the IMF' (the PKK, 1998a, 1998b). Prawase, and the PKK used the Rural Practitioners Network and local NGOs based in rural areas to communicate with grassroots people organisations, local scholars and activists. The group opposed the IMF restructuring policy on selling out state enterprises to foreign investors, especially an important state enterprise called 'Bang Chak Petroleum'. The group took the lead by setting up a scheme called 'Thai People Owning Shares for Democracy' to encourage Thais to purchase shares in Bang Chak Petroleum in order to increase their bargaining power with respect to the IMF. Following the NPK's demand, the group requested the government to provide full disclosure of all government agreements with the IMF (Naruemon, 1999, Amara, 1999; McCargo, 2001).

The LDI's localist approach to reform became coincidentally linked with the King's proposal on (agriculturally) self-sufficient economy. The King presented his 'new theory' to the Thai people on the occasion of his birthday, soon after the economic collapse, in December 1997 (Amara, 1999; Connors, 2001, 2002; McCargo, 2001).

By mid-1998 the government used 4800 million *baht* of the SIP loan fund (almost 5 per cent of the total Social Loan Funds) to implement the policy of self-sufficiency known the SIF programme. This development budget shows that the civil society organisations advocacy of the localism had gained a certain currency in the government rescue policy. However, many scholars, including Hewison (2000:291) suggests that the Thai localism could best offer "a moral critique of capitalist industrialization, liberalisation and globalisation". Connors (2001) argue that the LDI reform agenda does not work against the financial institutions of globalisation. This opens up a view that the SIF programme, which allowed the LDI-led localist movement to weave together a wide range of NGOs and local civic groups across the country to implement the SIF projects in their locality as an alternative reform policy, was simply tolerated by the mainstream.

4.2 Thai Localism and Its Ability to Assist the Poor through the SIF Programme

The SIF, which saw the coming together of different networks of localist movements that challenged the IMF's neo-liberal policy, was administered by the Social Fund Office (SOFO). As noted previously, by August 2001, the SIF scheme has benefited

almost 12 million people across the country (Salim, retrieved 18 February 2002: 1-2). In the following sub-sections an account of the SIF programme is presented. The main concern of the discussion is to investigate to what extent could the SIF programme benefit the poor and I would like to argue that women and women's groups were unlikely to benefit from the SIF funds.

4.2.1 The SIF and the Social Fund Office

Indeed, the SIF gave cause for hope that the fruition of its programme would be that poor Thais could be more financially independent from the State and more able to oppose westernization and materialism. Ammar Siamwala, the Chairperson of the SIF Executive Committee, clarified and specified the real aim of the SIF programme as follows:

The programme is not created exclusively to handle the jobless problem The past 'get-rich-quick' economic growth has resulted in self-interested individualism. It destroyed traditional values such as sharing, fraternity and mutual aid, which once held a community together....The project (the SIF) aims to revive the intermediary web of relations, which we believe is a basis for stronger communities, and thus it will not only ensure the well-being of the poor or those affected by the economic downturn, but also reduce their dependence on government money (*Bangkok Post*, 9 September 1998).

The Social Fund Office (SOFO), a newly set up organisation under the Government Savings Bank, was established in September 1998. The SIF Steering Committee, chaired by the Minister of Finance with high-ranking government officials as members, was appointed to guide this body. The independent status of the SOFO was indicated by the position of the Chair of the Executive Committee held by Ammar Siamwala, a prominent economist scholar, and by the position of the director, held by Anek Nakhabutr, an LDI founder. Apart from these two crucial positions, the SOFO Executive Committee comprised three main components: representatives of relevant Ministries, representatives of the Government Savings Bank, and representatives of academia and civil society . According to Anek, this structure characterized the SOFO as a non-state mechanism (*Bangkok Post*, 9 September 1998).

4.2.2 The SIF Projects and Recipients

The SOFO was required to implement the SIF programme within 40 months, from mid-September 1998 to June 2001. The SIF funding was then to be divided to support small projects proposed by local organisations nationwide and each project was given one year for implementation. Local civic groups were expected to utilise the money to revive social capital and to strengthen the self-reliance of the economy.

To achieve the objectives set, the SIF programme was divided into five agendas: 'Community Economy', 'Community Welfare and Safety', 'Natural Resources Management and Cultural Preservation', 'Community Capacity Building and Networking', and 'Emergency Community Welfare for the Needy' (see details in Box 4.1). Among these five agendas, only the last directly involved the urgent needs of vulnerable groups, while the objective of building a strong society was pursued through the first four agendas.

4.2.2.1 Building a Strong Society

The figures in Box 4.1 show that more than half of the total SIF funds were allocated to the first four agendas, which aimed to strengthen rural communities through the building of a self-sufficient economy and social capital. The details of these agendas indicate that most of the budget was concentrated on building the capacity of communities in relation to supporting local groups' economic activities, and enhancing the networks of local civic groups. The social welfare of the vulnerable groups, identified as women and children, received relatively little attention.

According to its first year report (SOFO, 2000, retrieved 12 February 2002), the SIF projects mostly involved the assistance given to local communities to start up or to enlarge a variety of local group businesses, to improve occupational and management skills, and to build the infrastructure of such businesses. For instance, a local group used the SIF fund for the construction of a Community Exhibition Hall as a food products and food processing centre. Among the recipient organisations of agenda 1, 2, 3, and 4, very few were connected with local women's networks. For instance, regarding agenda 4, whose activities mainly concerned supporting local groups to build up or strengthen their networks through meetings, dialogue, study and

visits, only a few women's networks were able to access the budget in the first year

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Box 4.1 The Thai SIF and Total Lending Portfolio (as of 7 August 2001)		
Sub-Project Category	Number of Sub-Projects	Total Budget Approved (million <i>baht</i>)
1: Community Economy	3,093	720
2: Community Welfare and Safety	1,177	330
3: Natural Resources Management and Cultural Preservation	763	174
4: Community Capacity Building and Networking	1,126	628.8
5: Emergency Community Welfare for the Needy	457	1945.2
Total	6616	3798 (79.12 per cent of the total funds)
Number of Beneficiaries	12,121,191	
Number of Completed sub-projects	2,351	

Source: Salim, retrieved 18 February 2002:2.

4.2.2.2 Meeting Urgent Needs of the Disadvantaged

The SIF's initial objective of building a strong society by means of the strategies illustrated above was modified after a year of implementation. As a result, agenda 5 was initiated in September 1999. This was a unique agenda aiming at providing funding or cash transfers to the needy who did not receive regular assistance from state or other sources (Salim, retrieved 18 February 2002). The director of the SIF programme, Anek, explained that this agenda was conceived in response to the drastic rise in the urgent needs of the disadvantaged across the country. Activities like income transfers, income generating activities, micro credit and revolving SIF fund were not allowed in the first four agendas, but in agenda 5. The agenda 5 activities were largely proposed by local civic organisations working with

²² Data on the SIF activities were available only for the first year of activities.

disadvantaged people nationwide (Salim, retrieved 18 February 2002; Somchai, retrieved 14 February 2002).

In principle, agenda 5 financed two activities. The first related to the provision of scholarships, food and milk subsidies, and living allowances under the so-called 'Emergency Assistance Fund'. The target groups were the needy in various categories including children infected with and affected by HIV/AIDS, poor children whose parents/guardian did not have any income or whose parents were incapable of working, and orphans. Additionally, the Emergency Assistance Fund was designed to mitigate the difficulties of older persons without care providers, older people who had to provide care for orphaned grandchildren, and low- or no-income HIV patients. The second type of grant offered 'Occupational Funds' for the poor, '*konchon*' and the destitute '*phuyakrai*' (Salim, retrieved 18 February 2002).

It was reported that the SIF was very successful in operating agenda 5, partly because of the fund was used to fulfill immediate needs and to strengthen local social safety nets and a large number of localities were involved in the utilisation of the fund. Moreover, the stock of social capital was indirectly generated since most of the local community organisations arranged such grants into a form of revolving fund (Salim, retrieved 18 February 2002). The accumulated interest later on would contribute to prolong the Emergency Assistance Fund²³ which otherwise would have lasted only one year.

4.2.3 The potentials and limitations of the SIF

Even though the operation of the SIF programme is impressive in many respects especially in terms of transparency, involvement of local groups, and the number of recipients, the programme contained a number of shortcomings. The contribution of the SIF funds was limited as its funds amounted to 5 per cent of the total Social Loan Funds package. Furthermore, only half of the SIF funds were directed to fulfill urgent

²³ Women's group in Rim Ping who accessed agenda 5 fund revolved both the Emergency Assistance Fund and the Occupational Fund (Rim Ping local women's groups: in-depth interviews with NOPMCNW committee, August 2000).

needs of the disadvantaged including women and children, and the disbursement of the funding in this respect (agenda 5) was not until early 2000.

The short implementation period of each granted projects (12 months) was criticized as another crucial shortcoming. A number of observers, including the NPK and other civil society organisations who had not taken part in the SIF programme, argued that the projects would have little impact on enhancing a community's social capital²⁴ as this could not be revived or strengthened in such a short period of time (*Bangkok Post*, 9 September 1998). Further, the negative impact of the SIF was allegedly to legitimize the Thai government rescue policy by glossing over the non-response of the government to the demands of the Voices of the Disadvantaged, the NPK and their alliance, concerning both urgent needs and the implementation of permanent social provision schemes.

The delay in the project implementation was also noted. Eligible local civic groups had been set up and were running for at least one year before the fund disbursement. In practice, however, the approved proposals had to meet two sets of criteria. Firstly, an assurance was required that some aspects of social capital would be strengthened by the projects. Secondly, the project activities should firmly uphold civic principles, such as decentralization, collective participation, transparency, accountability and collective benefits. Such requirements were framed to meet both the SIF mission and the procurement criteria of the World Bank and the Ministry of Finance, which had very little confidence in the ability of the local groups to handle the fund properly (Pasuk and Baker, retrieved 16 February 2002). The complexity of the application form led to tremendous difficulties among people's organizations to produce a proposal qualified to meet such requirements. In the onset period, the original application form contained around 16 pages. As a result, while 7, 807 project proposals reached the SIF, only 1,369 were approved. Therefore, in the first year only around 23 per cent of the total SIF fund was disbursed to 376 local communities. Moreover, as a result of the above criteria, even in August 2001, only a few communities, estimated at 20 per cent of the total number of villages, were involved,

²⁴ The term social capital has been used by NGOs to partly mean forming new local groups and strengthening their networks. Therefore, this task is likely to require a long term commitment.

and only 80 per cent of the SIF funds could be disbursed (see details in Box 4.1). This raised the question of which types of local organisations had been able to access the SIF package.

Furthermore, as discussed previously, women's groups were not a prime concern of the SIF programme. In the North, including Chiangmai and Lamphun, where this research fieldwork was undertaken, the SIF funds seemed to privilege those local communities where NGOs or NGO networks had been working prior to the start of the SIF programme. However, many poor communities or disadvantaged groups, such as farmer's groups and local women's groups, seemed to be excluded from the SIF funding, partly because they did not have the ability to formulate a proposal that met the required standard. This concern will be revisited when I discuss the crisis response of local women's groups in Rim Ping and Pa Sang in Chapter Seven.

Secondly, poor communities, having busy time schedules, usually failed to fulfill the SIF requirements. As noted earlier, the LDI-localist ideology holds that intensive dialogue and sharing contribute to the generation and increase of the stock of social capital. So in the course of implementing the SIF programme, local civic groups were expected to increase the level of participation and sharing of time and labour. This requirement added an extra burden to a number of already busy civic groups and potentially excluded poor households from the SIF programme. For instance, one farmer group (vegetable-growers) leader in Rim Ping decided to withdraw the group's application for the SIF. He foresaw that the members in most cases would fail to participate, because in times of hardship these households had to increasingly concentrate on improving their own household income portfolio (Rim Ping key informants: open conversations with the leader of Rim Ping mu 5 farmer group, February 2000).

In short, the Voices of the Disadvantaged, the NPK and their alliance were unable to shift the government rescue policies on to the caring for immediate needs and on permanent social protection systems, and the SIF programmes had their own shortcomings as presented above. This might have a combined effect of forcing poor households to become the sole agents of crisis confrontation. This question is

revisited in Section 4.3, when I review the coping mechanisms of households and also in Chapters, Five, Six and Seven.

4.3 Households and Their Multiple Coping Mechanisms

4.3.1 Home Village and Modes of Labour Adjustment

4.3.1.1 Re-Reverse Migration: indication of the constraint of non-urban economy

Some scholars, including Potts and Mutambirwa (1990) and Potts (1995, 1998), suggest that home villages become a social safety net institution for both the urban unemployed and those considered too old to work. This indicates that the global economy has been established in the absence of comprehensive programmes of social welfare and social protection. In the case of Thailand, as already explored in the preceding chapter, a comprehensive social welfare and social protection system hardly existed both during the period of economic growth and in the recession. Therefore, a reverse migration from urban to rural areas, as a quick response by many of the destitute urban unemployed, took place at the onset of the crisis (Jacques chai, 1998; Ranee, 1998; Parnwell, 2002; Rigg, 2002).

However, the ability of the rural economy to absorb the returnees proved limited. This limitation was shown by the occurrence of re-reverse migration away from rural areas, starting in mid-1998 (Ranee, 1998; Muanpong, 1998; World Bank Office, Bangkok, 2001; Parnwell, 2002). The findings from small-scale studies indicate that re-reverse migration usually occurred among poor families, both small landholders and landless families. These families had insufficient resources, having neither food nor savings to support the jobless, and were experiencing an increasing debt burden and a growing household income deficit (Muanpong, 1998; Ranee, 1998; Parnwell, 2002). These constraints forced members of poor households again to leave their home in search of new employment.

These households' ability to sustain the livelihood of their members was also constrained by the competitiveness of the labour market in rural areas, the

unemployment rate was double that of the pre-crisis period (World Bank Office, Bangkok, 2000c; Parnwell, 2002). These combined factors were likely to discourage retrenched urban workers from remaining in rural areas. This evidence challenges the government discourse which claimed that the crisis affected rural areas least and that local informal safety nets including households were well able to compensate for the inadequacy of formal social safety nets and social protection provisions (Kelkar and Osawa, 1999; World Bank Office, Bangkok, 1999a, 1999b). This claim is contested by the findings of the small-scale studies noted above and of my research's. The data from such studies underlines the fact that prolonged hardship and the imbalance between resources and needs compelled rural households to compromise their long-term economic security in favour of their immediate needs.

4.3.1.2 Labour Arrangement: to increase active workers or to decrease dependent members

As shown in Beneria's study (1992), and in parallel with the re-reverse migration discussed above, rural households invented another set of practices aimed at increasing the ratio of productive labour. In the context of Thailand, households attempted to increase both the quantity and the flexibility of the productive workers by bringing non-primary labour force members into productive economic activity. They increasingly needed all able-bodied members to engage in any kind of work for both cash and non-cash incomes. However, this practice presented a negative result partly because additional workers included schoolchildren, especially those at high school age and the elders which constituted the second most important group (Muangpong, 1998; Robb, 1998). Although some rural families managed to keep their children in school, many discontinued their children's education and asked them to seek cash employment. If a job in the labour market in nearby villages was not available, these young workers might be encouraged to migrate (Maunpong, 1998; Rane, 1998). The long-term effects of the crisis on children was noted in Robb's study (1998), in which the NGOs working on children's issues reported an increase in the number of child prostitutes and child beggars which was confirmed by the official data. According to the Labour Force Survey of the National Statistical Office, in the third quarter of 1998 and the first quarter of 1999 the number of children aged 13-17 looking for employment increased sharply (World Bank Office, Bangkok, 2000a:14-

15, 2001). This was a setback to the improving trend regarding child labour²⁵ that from 1992 onwards had steadily declined, and to the educational opportunities of children in poor families. This evidence contests the view of leading institutions like the World Bank and some scholars like Rigg and Sakunee (2001), who stress that the crisis did not really present any adverse effects on rural households, especially in relation to children's education.

Additionally, the livelihood of the elder members of these families, who had relied, to the great extent during the period of the economic boom, on remittances from their children working in Bangkok, was seriously affected. Some recent small-scale studies indicate that without remittances, these older people and their dependants had to sustain their living by selling their labour in their neighbours' farms in order to earn money for daily expenses including the grandchildren's school pocket money. Migrating to large cities to beg and working in plantation areas, were other survival strategies adopted by older people (Maungpong, 1998; *Voices of the Disadvantaged*, Vol. 2, 1998b). This suggests that rural villages lacked the ability to provide economic security for the urban city unemployed in the middle and long-term. In fact, there is evidence that a large number of laid-off workers and young unemployed were engaged in more precarious activities such as becoming sex workers or drug dealers (Nukul, 1998; *Voices of the Disadvantaged*, Vol. 2, 1998b). This is confirmed by official data: the Chiangmai provincial office reported that the number of Thai female prostitutes in Japan significantly rose in the year 2000 (*Krungthep Thurakit*, 28 July 2000: 4).

4.3.2 Drawing upon Local Social Networks: the reinforcement or the decline of the informal social safety nets

In contemporary studies focused on households' coping mechanisms, the range of traditional social networks is noted as an important source of resources needed by poor households, and in times of hardship, its importance seems to increase (Cornai, 1987; Daines and Seddon, 1994; Moser, 1996; Schild, 1997). In Thailand, as elsewhere, the use of this type of social network, whether based on kinship or wider

²⁵ Child labour is defined as those aged 13-17 who are not attending school and are in labour force or working at home (World Bank Office, Bangkok, 2000a: 14).

social relations has been seen as a coping mechanism crucial for rural dwellers. In the boom, relations based on kinship were extensively utilised for accessing jobs and other resources from urban areas (Parnwell, 2002). Indeed, to pursue daily needs in rural areas, cooperation and assistance among local kin or within the neighbourhood always played an important role (Nongyao, 1993; Utong, 1993; Shigetomi, 1998). As noted earlier in this chapter, the LDI-localism movement has claimed that Thailand's rapid economic growth resulted in the decay of this institution (*Bangkok Post*, 9 September 1998). Thus, in the present period of economic instability these resources are being called into question. On the one hand, some studies including those of Moser (1996) and De la Rocha (2001) anticipated that these resources would become more constrained as households were forced to concentrate on their own needs, while on the other hand, there was an increasing expectation that households would offer assistance. Lacking sufficient subsistence income transferred from formal safety nets, the disadvantaged used the family institution to ensure their livelihood security. They indeed required substantial assistance, in terms of cash, food, basic services or employment, either from their extended families or beyond their immediate kin. Some small-scale studies, undertaken at the onset of the recession, indicate that such networks were used on some occasions as supplementary resources to meet crucial basic needs, especially food (Maunpong, 1998; Rane, 1998; Robb, 1998; Parnwell, 2002).

Poor households required cash for a variety of purposes including purchasing food, searching for work, and repaying family debts incurred during the period of economic boom.²⁶ One of the safety net schemes, requested by the NPK networks discussed earlier, was intended to provide fund for the traveling costs of the unemployed searching for work. This scheme was to be officially implemented in 1999, after the publication of the studies. However, in this study, which was conducted in 2000, the villagers in the two villages under study were not aware that this provision was available. This pushed the needy to rely more on resources of the informal social safety nets and kin networks. The data of the present study reveal that, as far as cash transfers between siblings and kin networks were concerned, the interest on the loan was zero or very low (Rim Ping sample households in-depth interviews, August

²⁶ A larger amount of debts accounted for investment in agriculture activities, for example for growing rice, or planting a variety of cash crops (Maunpong, 1998; Rane, 1998).

2000; Pa Sang sample households in-depth interviews, May-June 2000). However, this sort of assistance could neither be offered very often, nor in large amounts, especially if the cash transfers took place among households with little or no surplus. Moreover, cash transfers were not practicable among the kin groups of *phuyakrai* (poor people in the *struggling* class as classified in this study). As mae Ngeon, a landless widow aged 51 from Rim Ping, remarked '*Mukonthuk yamyaklumbaak chuay dai tae raeng, ngeon mai mee*', (We are very poor, and in hard times relatives can help each other best by doing some work for each other, not by lending money) (Rim Ping sample households in-depth interviews, August 2000).

The limitations of cash transfers within extended families encouraged poor households to ask for further assistance from local money-lenders. But, as Muangpong (1998) points out, by incurring a large amount of debt these families were at risk of land seizure (or seizure of other kinds of property, such as houses or motorcycles) by the money-lenders, because the interest rate was as high as 10 to 20 per cent per month. This evidence suggests that the loan, as a source of financial aid, incurred prohibitively high repayment costs. The longer the poor families relied on such aid, the more vulnerable they became in the long run. It was a very high-risk strategy. Assistance in terms of accessing employment amongst kin and local networks was less in evidence in the noted studies (Robb, 1998; Rane, 1999; Maungpong, 1998). However, this kind of assistance was pervasive in the villages studied by Parnwell (2002) and in my research sites.

My research findings in both villages show beyond question that the relocation strategy employed by laid-off workers would have been impracticable without the great generosity of their local kin and a rich network of local groups. They helped each other especially in terms of obtaining employment in the locality, as the labour market in rural areas was highly competitive. Kin, best friends, and close neighbours assisted each other to access this employment. Those hiring labour would offer the jobs to kin, best friends and group members first. For instance, several households in Rim Ping village sought to make a living by trading a variety of vegetables in nearby urban markets. During the boom, each household business employed two or three additional women. In the economic downturn, the volume of sale of vegetables was reduced so that usually only one worker was still required for 3 or 4 hours and that

worker was normally the business owner's relative or close neighbour. Similarly, the cotton enterprises in Pa Sang reserved employment for kin, and the women's weaving groups allocated employment to group members first. Indeed, the present research findings show that the local women's groups made substantial contributions in providing employment and other welfare provision including childcare and student loans, as will be discussed in Chapter Six.

The depletion of private resource transfers is also discussed in Parnwell's study (2002), and this trend is also recognised by some macro studies. According to the findings of the Socio-Economic Survey in Thailand, transfers between and within households, in terms of gifts and remittances from household members in Bangkok and large urban areas, showed a clear decline in 1998 (World Bank Office, Bangkok, 2000a:18). However, the comparative findings in my research revealed a degree of complexity in this matter; in other words, they show trends of both depletion and increase in the stock of social capital and I will discuss this in Chapter Seven.

4.3.3 The Strategy of Minimising Expenditure: to what extent could children's education be secured?

In parallel with the strategies designed to retain a minimum income level, the rearrangement of households' daily expenditure was noted as another significant strategy for ensuring short-term survival and long-term security (Cornia, 1987; Beneria, 1992; De la Rocha, 2001, De la Rocha and Grinspun, 2001).

In Thailand, the strategy of reducing household expenditure was of primary importance, and reflected the great sacrifices of family members in many ways. Of course, it also signaled the long-term vulnerability and pain deriving from this harsh adjustment, partly because, while income portfolios sharply declined, the prices of basic needs and services rose drastically as noted in Chapter One. A common practice that was part of this drastic expenditure adjustment, was to cut or reduce expenditure on non-essential items in order to maintain a budget sufficient for essential items such as children's education (Chiangmai Statistics Office, 1998; Lamphun Statistics Office, 1998; World Bank Office, Bangkok, 1999b; 2000a). Non-essential items included buying household appliances, visiting kin, and spending on

social ceremonies and on personal leisure such as buying new and stylish clothes, cosmetics, alcohol and soft drinks. However, the budget on children's education was noted as a protected item (World Bank Office, Bangkok, 1999b; 2000a). Even so, as discussed in the preceding chapters and in the following sub-sections, many poor households seemed unable to manage this protection.

4.3.3.1 Crisis and Dropout

One of the critical issues, regarding the long-term effects of the crisis on households, concerns the setback to the previously upward trend of children's education at all levels from elementary upward (*Bangkok Post*, 3 July 1998; Jacques chai, 1998:10; Mehrontra, 1998:1; World Bank Office, Bangkok, 1999a:11; APEC, retrieved 14 February, 2002; Jurado, retrieved 15 February 2002). This point has received substantial attention because the enrollment ratio at secondary level was already considerably lower than that of neighbouring countries. For instance, in 1992, Thailand's lower secondary gross enrollment ratio was 39 per cent, while Malaysia was 60, the Philippines was 77 per cent, and Korea was 91 (Mehrontra, 1998:11). This trend had shown significant improvement in the couple of years before the recession, and in 1996 the enrollment ratio rose to 48 per cent (Mehrontra, 1998:11). For low-income households, this issue is extremely important because the quality of labour is significantly linked with their future wellbeing (World Bank Office, Bangkok, 2001).

The official record, however, indicates that the number of student dropouts from the school system in 1998, compared to the number of students attending schools in 1997, was quite low. The Ministry of Finance (cited in Mehrontra, 1998:11) noted that, comparing the number of students in 1998 with the number in 1997, there was a drop of 3.2 per cent. The data from the Ministry of Education confirmed this figure, and additionally indicated that approximately 60 per cent of the dropouts were studying at elementary and secondary levels, the remainder being mostly at the vocational level (World Bank Bangkok Office, 1999a, 1999b, 2000a:15). This small proportion (3.2 per cent) of students leaving schools led official agencies to say that children's education was not being disrupted as had been anticipated. In the official view, the crisis only slowed down the previous upward trend of the secondary level

enrollment ratio (World Bank Office, Bangkok, 1999a:10, 1999b). Moreover, this view seems to ignore the fact that the enrollment of Thai children at secondary level, despite the upward trend, remained quite low.

However, the official report is challenged by data from civil society organisations. According to NGOs working on children's and women's issues, at the end of 1997 there were 28,695 school children and university students whose parents had been laid off, and more than 60 per cent of these children had already discontinued their education (cited in Jacques chai, 1998:10). A study focused at village level and conducted in five villages in two Northeastern provinces, Khon Kaen and Nongkai, revealed a high setback rate. According to this study, in five studied villages, the dropout rate at secondary level could be as high as 8 to 10 per cent, or between three and five students out of 40 to 50 secondary students in each village. This occurred because these poor parents were in debt and unemployed (Maungpong, 1998:15). The finding suggests that the crisis created large inequalities in educational opportunity between rich and poor households. This is confirmed by the report of the World Bank Office, Bangkok (1999b), which indicates that the dropout rate of children in poor families was higher than that of rich families. A similar trend is noted in other studies conducted by the members of the Voices of the Disadvantaged, and by scholars (Nukul, 1998; *Voices of the Disadvantaged*, Vol. 1, 1998a, Vol. 2 1998b; Parnwell, 2002). The findings of the present study, which I will discuss in Chapters Six and Seven, also confirm this. This finding appears very convincing when the data on the poor households' budget adjustments on education are taken into account.

4.3.3.2 How Households Coped with Children's Education

The commitment of families to protect their children's educational opportunities in times of hardship is in no doubt. Indeed, reducing expenditure on children's education was done very unwillingly and children were taken out of school only under extreme circumstances (World Bank Office, Bangkok, 1999b; *Voices of the Disadvantaged*, Vol. 1, 1998a: 46-50). However, their commitment tended to encounter great difficulties. The practices adopted ranged from reducing daily expenses on food, using savings, and borrowing money to selling property assets such as gold and land (Maungpong, 1998; Nukul, 1998; *Voices of the Disadvantaged*,

Vol.1, 1998a). The findings of my research, which show some similarity with those of the above studies, indicate that selling or mortgaging productive assets like land became common practices, especially when the children were studying at a higher level, and their studies would be finished within a short period. In a survey study conducted by the Foundation for Child Development, a team of researchers sent questionnaires to 143 primary schoolchildren supported by the Foundation in five provinces, one in the North and four in the Northeast. They found that two related important issues. First, the school lunch budget for children was reduced from late 1997 resulting from the reduction of government public expenditure implemented in this period. Second, they found that 103 out of the 143 children had had their daily lunch money reduced from 5 *baht* to 3 *baht* or even 2 *baht*. With only 2 or 3 *baht*, the children could not afford to have any noodle or rice with curry as such meals normally cost 5 *baht*. So some decided to spend their money on a soft drink instead, while others invented survival strategies such as pooling their money and then sharing a lunch. The poorest children could afford only cold water because their families were not able to provide either a small amount of cash for lunch, or food from home. In addition to this distressing strategy, some children dedicated their time after school to doing extra paid work in order to earn some cash towards school fees (*Voices of the Disadvantaged*, Vol. 1, 1998a: 46-51).

As a last resort, some families had to discontinue one child's study in order to allow another child or children to continue. For instance, in the case of Sritong's family, who asked his son, who loves to study, to quit school so that his elder sister could finish her studies. Sritong said "it was painful but I had no choice, otherwise neither of them would have had the chance to go to school at all" (*TDN*, No. 33, 1997: 34).

The data from the households discussed above show that keeping children in school was achieved with great difficulty. In the prolonged recession, in which households were unable to find employment, it was astonishing to find how families were able to sustain the commitment to their children's education. The attempts of the poor households to secure their children's education in order to stabilize their long-term wellbeing reflect the vulnerability of their adopted strategies, whose results remain far from promising. Therefore, it seems to me that one must question some scholars like Rigg and Sakunee (2001), who have been supportive of the World Bank's

views (1999b), and claimed that the crisis did not disrupt the children's education, since their evidence was only based on official data.

4.4 Conclusions

The main task of this chapter has been to present a broad spectrum of the responses to the crisis of the two crucial institutions, civil society and households, taking place in Thailand between mid-1997 and 2000. As noted in the introduction, the central task of the study's exploration of the civic movements in this transition period is to discover whether their dialogues and efforts succeeded in shifting policies towards advancing the cause of the marginalized or not.

It seems clear that the Thai government identified their response policy with the issue of good governance and also gave support to the advocates of 'Promoting Good Governance'. However, the success of this policy in establishing mechanisms to ensure the competence and honesty of the cabinet and government agencies is unlikely to advance the interests of the marginalized.

In contrast, the wide range of reactions and demands of the Voices of the Disadvantaged, the NPK, and their alliance received attention least from the Thai government although they were central to the livelihood security of a large number of the poor. This argument is supported by the fact that the actions of this alliance in the attempt to pressure the government to establish the permanent social protection system achieved no progress. Similarly, their demands on urgent needs obtained little positive response from the Government. The positive contribution of civic movements to enhance the basis of survival of poor households and their communities largely stemmed from the efforts of LDI-localists and their allies which came into practice through the SIF programme. However, the relatively small amount of the SIF funding and other shortcomings presented throughout Section 4.2.3 show the limitation of these policies. Moreover, the SIF programme rarely advanced women and local women's networks even though they have been widely identified in contemporary research on households' coping strategies as the central force of resistance. This raises the question of the effectiveness of the SIF that will be discussed in Chapter Seven.

Furthermore, the SIF programme, which aimed at reviving and strengthening informal social safety net institutions, assumed poor households and their communities to be the central mechanism taking care of the costs of reproduction. This assumption reflected and supported the view of the capitalist class and the Thai state, that in the transition period, the state and market tended to increase the burden of reproduction onto households.

The review of the responses of poor Thai households to the crisis in Section 4.3 shows that they were directing all their resources to survival. Although their attempt involved adopting multiple forms of coping strategies, households in many cases seemed to be unable to resist immediate hardship and prevent a crisis of reproduction. This can be seen in tendencies such as the re-reverse migration away from the villages in search of new employment, the discontinuity in children's education which caused the increased incidence of child labour and child prostitution, the borrow and enlargement of loans, and the reduction of welfare of older members etc. The potentials and constraints of poor households' coping strategies are critically explored in my research and will be discussed in Chapters Six, Seven and Eight.

In the next chapter, the central task is to contextualise the studied village sites and to illuminate the effect of Thailand's 1997 crisis on the village livelihood systems. This analysis, in addition to presenting the way in which the crisis took effect at micro level, will describe the context in which the households' coping mechanisms were implemented.

Chapter Five

Village Lives and Livelihood Systems: from growth to recession in the twenty century

Introduction

The main purpose of this chapter is to contextualise the two village economies within the political and economic development of Northern Thailand, and to illustrate how these economies were affected by the recent recession. In doing so, the crucial questions of who, in these peri-urban villages, were affected more or less by the crisis, and how, are brought to centre stage. As Moser (1996) points out, in the hardship period some households were not only less affected, but were even able to increase their accumulation.

In the context of Thailand, as has been discussed in the preceding chapters, non-urban communities and home villages have been regarded, albeit problematically, as places on which the urban unemployed could rely as a safety net. This assertion implies that the impact of the crisis in the rural areas was small and that the rural economy is fairly stable. This view, according to some scholars including Kelkar and Osawa (1999), is not realistic and needs to be reexamined. I agree with them and would suggest that such political discourse has often been used to justify and ratify the weak policies of the Thai royal government agencies, who offered almost no strategy to assist the poor and the unemployed, as discussed in Chapter Three. This argument is reexamined again in the village context (where this study was located), in which the local economy has long been interwoven with urban industrialisation. In Utong's study (1993:55), the author suggests that a traditional Southeast Asian village is largely conceived as 'an isolated, autonomous and self-contained community where

everybody knows one another and helps each other out in production as well as in times of crisis'. This view, argues Utong (1993:55), "has so far and for a long time enjoyed the status of an axiom". However, many observers challenge this view and, in contrast, suggest that the peasant village has to be seen in the context of its articulation with the wider society (Anan, 1989; Turton, 1989; Akin, 1993, Chayan, 1993; Nithi, 1993; Utong, 1993). I tend to agree with the latter perspective and would argue that the villages of Rim Ping and Pa Sang do not fit the former view, as the village livelihood appeared to be highly interrelated to or dependent on the urban economy. Given the low degree of self-reliance of the economy of these two villages, like many other villages (see studies of Parnwell, 2002 and Rigg, 2002), they may not be able to absorb the urban shock as anticipated.

In fact, many scholars who have observed changes in agrarian society in the Thai context argue that the marginalisation of village livelihood systems has developed concurrently with their integration into both urban and global economies. This has been largely due to Thailand's economic development strategy, adopted since the 1960s, in favour of industrialisation at the expense of agriculture, the rural and peri-urban (Anan, 1989; Turton, 1989; Akin, 1993, Nithi, 1993; Connors, 2001). These scholars, in particular Anan (1989), argue that the dense integration of rural and urban economies has largely privileged the rich class of villagers, namely the 'capitalist farmers'. The urban expansion that entails livelihood diversification, therefore, has tended to enlarge the options and the sources of social and economic accumulation of rich households. As he points out, the daughters of poor households in *ban* (village) San Pong (a suburb village of Chiangmai city) were sent to work in the sex industry as part of the household's livelihood diversification, whilst the rich sent their daughters to colleges in Chiangmai (1989). This suggests that the poor, whether in urban or peri-urban contexts, gained little benefit from the previous long boom. Given their low level of accumulation and their vulnerability, it is critically important to explore their coping ability in times of recession.

This chapter is organised into three parts. In the first section, I sketch the physical and historical contexts of the northern region and its two provinces, Chiangmai and Lamphun, where this research is situated, and give a brief depiction of the administrative structure in Thailand. This account sets the scene for the description of

political relations between the centre and the periphery or in other words Bangkok and the northern region, and cities and villages. The discussion is continued with an analysis of the ways in which the periphery has been excluded and marginalised from wider political and economic development, as the result of both resource portfolios and state power being retained by the centre. The second section moves to contextualise the studied villages, Rim Ping and Pa Sang. The third discusses the village livelihood systems and how the local economies were affected by the recession.

5.1 The North: a brief account of its exclusion from the centralised decision-making process

5.1.1 Physical Setting of the Northern Region: Chiangmai and Lamphun

The northern region, which consists of 17 provinces (*changwat*), is subdivided into two sub- regions. The lower sub-region comprises eight *changwat*, and the upper sub- region consists of nine *changwat* including Mae Hong Son, Chiangrai, Chiangmai, Lamphun, Lampang and Phayao (see Map 1). The region constitutes one-third of the entire area of Thailand: approximately 106 million rai (1 rai = 1600 square metres), with a total population of around 18.8 per cent (11,367,826 inhabitants) of the total population of the Thai Kingdom (National Statistical Office, 2000). The two provinces of Chiangmai and Lamphun are located on the north side of the Ping River valley, in the upper part of the northern region.

5.1.2 The Political Exclusion of the North

Historically, northern Thailand corresponds, approximately, to the old Lanna kingdom, of which Chiangmai served as the capital. This kingdom was established sometime in the thirteenth century, and in the late nineteenth century, began to be politically incorporated into the kingdom of Siam, located 800 kilometres to the south. Progressively, up to the 1930s, political power was completely transferred to Bangkok (Turton, 1976).

Chiangmai is the most important province of the North, ranking as the second city in Thailand. It consists of 24 districts (*amphoe*) with around 1862 villages and 1,500,000 inhabitants. Compared to Chiangmai, Lamphun is much smaller, with only 450,000 inhabitants. Nevertheless it apparently ranks as the richest province in this region, as a result of the location in Lamphun of the NRIE (Northern Regional Industrial Estate), the site of operations of a large number of multinational corporations. The province lies 27 kilometres south of the city of Chiangmai and contains seven districts and 504 villages (Centre of Socio-Economic Development, 1997:3-7). Despite being a major centre, Chiangmai has limited authority to initiate any significant development policy based on its own local agendas, partly because, until recently, the central government retains total political power. Public financial resources and development policies at both national and local levels have, therefore, been entirely controlled and administered from the centre.

Under the current administrative structure, the territorial administrative bodies (see details in Figure 5.1), from provincial to village levels are mainly constructed as a mechanism of the central administrative authority, from which they receive directives and to which they are accountable (Flaherty and Filipchuk, 1994:42).²⁷ Thus the state affairs and development policies have been centralised by the government in Bangkok. In fact, a handful of ministers and high-ranking officers in Bangkok supervise provincial officers who then supervise district officers who in turn supervise *tambon* (sub-district) chiefs and village heads who represent the lowest echelons of the hierarchy (Flaherty and Filipchuk, 1994).

In the inner cities and towns, Municipalities (*tessaban*) have been established as self-governing local bodies. The *tambon* and *muban* (village), which are more rural in character, were governed by the territorial administration until 1995, when self-governing local bodies, called *tambon* Administrative Organisations (Or Bor Tor), were formed. Their establishment was a result of several decades of advocacy on the part of NGOs and local groups who had demanded a structure more conducive to democratisation and distribution of wealth (Nongyao, 1994b,1996). However, only

²⁷ Under this structure each province is sub-divided into districts (*amphoe*); a district is a cluster of sub-districts (*tambon*) and the sub-district is divided into villages (*muban*).

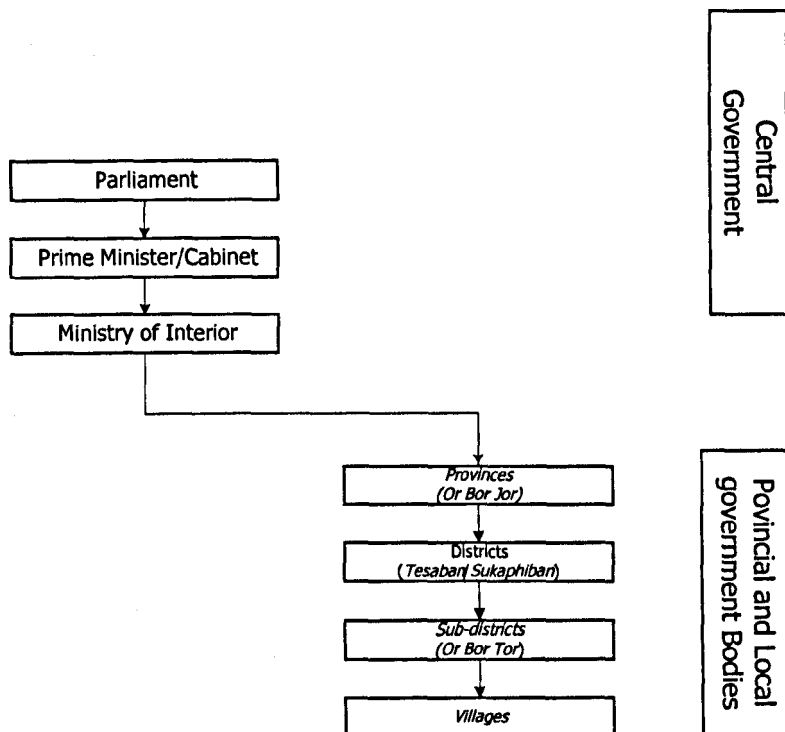
village development tasks have been decentralised to the Or Bor Tor, while many administrative tasks still remain with the provincial administration through the institutions of the *kamnan* (*tambon* chief) and the *phuyai-ban* (village head). Therefore, in 1995, around 90 per cent of public expenditures were still controlled by the central government (Nongyao, 1994b, 1996): the rest of the budget being shared by local governments. The Or Bor Tor, in most cases,²⁸ has tax revenue sufficient to cover the running costs of its office. As a subsidy to the Or Bor Tor development projects, the central government has been granting an extra budget of around 1.3 million *baht* a year to every Or Bor Tor, large or small (Nongyao, 1996). Although village localities have been granted a certain level of decision making to initiate local development agendas, the actual development budget available for each village is minimal or too little to implement sizable development tasks.

Development projects beyond the capacity of these local governments: Or Bor Tor and Municipalities have been allocated to the Provincial Administrative Organisations (Or Bor Jor), which have been established as local self-governing bodies at provincial level. Elected representatives hold political offices in all these local governments and supervise the work of permanent officials. Still, centrally appointed provincial governors and district chief officers have supervisory roles including the endorsement of the budget and its disbursement, and the sacking of local executives found guilty of malfeasance (Flaherty and Filipchuk, 1994).

Again, as indicated in Chapter Three, most of the budget drawn from the social sector loan was utilised by the central government via its usual mechanisms (from ministry to district level). However, each Or Bor Tor was allocated a small budget of 100,000

²⁸ The Or Bor Tors across the country are ranked into 3 levels according to their level of tax revenue. Almost 90 percent of these bodies are in level 3, including the two Or Bor Tors formed in Rim Ping and Pa Sang. The third rank Or Bor Tor falls in the lowest tax bracket. The Or Bor Tors in level 3 normally have their own tax revenues of around 1 million *baht* a year. The government has a much larger tax base and collects most of the tax revenues and redistributes part of them, in the form of subsidies, to local governments. In principle, the development budget is divided equally among the villages of the sub-district unit. Rim Ping is a small sub-district with 7 villages, and was able to allocate almost 200,000 *baht* to each village in 2000. But in Pa Sang sub-district, the village development budget was less than 100,000 *baht* in 2000 because it has 11 villages including *ban* Pa Sang. The in third ranked Or BOr TOr employed 7 staff (Rim Ping key informants: open conversations with the Or Bor Tor's members and staff February, 2000; Pa Sag key informants: open conversations with the Or Bor Tor's members and staff February 2000).

Figure 1: Central and Local government Administrative Structure



Source: Modified from Flaherty, Mark and Filipchuk, Vesta (1994:42)

baht from the Miyazawa loan to set up schemes to absorb urban unemployed workers.

The 1997 Constitution set a new framework of central-local government relations by defining the tasks, financial resources and scope of authority of local governments. This was the result of one of the political reform agendas put forward by a number of NGOs who were advocates of civil and women's rights. This reform movement, especially in the North, perceived the lack of political power of the periphery as one of the fundamental sources of income and wealth disparity between the centre and the periphery (Nongyao, 1997). This argument was supported by the fact that Bangkok and its metropolitan area have been the largest sites of industrial, manufacturing, and service sectors. In 1989, with 16 per cent of the total population, Bangkok enjoyed 48.2 per cent of GDP. In 1993, with the same share of population, the per centage of GDP rose to 55.4 per cent. The North in 1989 had a population share of 19.4 per cent and only 11.4 per cent of GDP. Moreover, the ongoing decline of GDP in the North was noticeable during the last economic boom, as its share of GDP dwindled to merely 9.1 per cent (Medhi, 1999:112).

5.1.3 The Economic Exclusion of the North

Capturing the socio-economic dynamics of this region, a number of observers have noted the profound change that occurred sometime after the 1920s (Turton, 1976; Chatthip, 1984; Rigg and Sakunee, 2001), in other words when the Lanna Kingdom's political power was totally transferred to the Bangkok government. The substantial influence of the market economy and the expansion of the Bangkok government followed the arrival of the railroad system from Bangkok to Chiangmai via Lamphun in 1921, which brought Chiangmai within 12 hours of the centre of Bangkok, compared to a month by boat previously (Potter, 1976:17).

From the 1950s onwards, under the rule of the modern Thai state, a series of changes has taken place gradually in the North and in Chiangmai in particular. This was marked by a continuity of infrastructure development directed by the Bangkok government. The significance of Chiangmai was activated when the first and the second motorways (no.1 and no.11) from Bangkok to the North reached Chiangmai.

As a regional capital, this city is the site of a number of universities; the establishment of the first regional state university, Chiangmai University, took place in 1960 (Sucheela, 1998). In 1975, the city became the site of a new airport which now serves as both an international and a domestic hub. The new era of economic development was accelerated in this region, particularly during the Fifth Five-year Economic and Social Development Plan (1982-1986). Under the Fifth Plan, regional economic development policy was initially designed to reduce the strain on Bangkok and to alleviate poverty. The North, in particular Chiangmai, has been developed as a centre of construction, manufacturing and service (including education and tourism) industries (Akin, 1993; Nithi, 1993; Sucheela, 1998; Anchalee, 1999).

Later, as a result of the rising inequality of incomes and wealth between Bangkok and the peripheral regions, the Seventh Plan (1992-1996) was formulated to set new guidelines for income distribution in favour of the poor sector, especially through industrialization of the local economy (Akin, 1993; Nithi, 1993). Following this policy, a number of light the service industries were promoted in Chiangmai and as a result numerous hotels, restaurants and golf courses were constructed in the city and its vicinity (Sucheela, 1998; Anchalee, 1999). The NRIE, which was established in Lamphun in 1985, was a part of this policy (Theobald, 1997, 1999) and was expected to offer around 40,000 jobs to young workers, mostly women. Rigg and Sakunee (2001) suggest that the huge number of workers in the NRIE marked the increasing influence of the global economy in this region, because the majority of firms located in the Industrial Zone were owned and run by foreign investors.

However, it can be argued that these attempts were limited in terms of real achievement, partly because the intense efforts of integration discussed above took place under a socio-economic development framework that was biased in favour of the political economy of the urban or centre over the rural or periphery. It can be further argued that the continuation of this development strategy has in fact widened income and wealth inequality (Akin, 1993; Sucheela, 1998; Medhi, 1999; Hewison, 2000; Connors, 2001). While the policy slightly reduced the incidence of absolute poverty, it created and intensified the state of relative poverty between the centre and the periphery. Consequently, the North continues to lag behind. The North is the second poorest region in Thailand after the Northeast. Northerners were, by and

large, more disadvantaged as compared to those living in other regions, particularly the central region and Bangkok. In the middle of the boom period (1995), the annual average household income in the North amounted to 22,203 *baht*, while that in Bangkok and its metropolitan area was almost three times higher, amounting to 76,840 *baht* (Medhi, 1999:4). The incidence of poverty in the North remained high, even in the growth period, and according to the Socio-Economic Survey of the National Statistical Office, during that period 12 per cent of the total population lived in poverty, as compared to only 1 per cent in Bangkok (Medhi, 1999:4). This figure indicates the state of vulnerability of the northern region which is also visible in other aspects including the opportunity to access health care provision and higher education (Akin, 1993; Nithi, 1993).

The livelihood vulnerability of the North was exacerbated by the fact that a huge quantity of resources was drastically extracted and transferred to fuel the urban economy. For instance, in the boom, a large area of irrigated farmland in the Ping valley, especially in Chiangmai province, was converted to serve the expansion of the service sector including the construction of tourist resorts, golf courses and light industrial estates, as well as a variety of holiday houses for urbanites (Centre of Socio-Economic Development, Chiangmai, 1997; Suchela, 1998; Anchalee, 1999). This also occurred in Rim Ping village (this point is discussed in Section 5.3). Such development inevitably exacerbated the shortage of farmland, resulting in the growth of the landless households in this area. Thus, it can be argued that, while an intense intersection with the urban economy widened the villagers' opportunities to engage in non-farm employment (Anchalee, 1999; Rigg and Sakunee, 2001), it also made the local livelihood systems vulnerable by eroding the traditional means of production (land, agriculture, water and other resources including reciprocal networks).

5.2 The Peri-Urban Villages of Rim Ping and Pa Sang

5.2.1 The Geographical and Historical Context of the Research Sites

Rim Ping is located around 15 kilometres south of Chiangmai city. By traveling a similar distance, the Rim Ping villagers can also reach the city of Lamphun and the NRIE, as well as large towns like Hang Dong, and San Kam Paeng where a number

of golf courses, tourist destinations and housing construction sites are located (Sucheela, 1998; Anchalee, 1999; Rigg and Sakunee, 2001). Manufacturing production for both Bangkok and the global markets is also based in these two towns (Rigg and Sakunee, 2001) (see details in Map 2, page 33). Administratively, Rim Ping is one of seven villages (*muban*) within the territory of the sub-district of the same name, Rim Ping, which falls within the administrative district of Sarapee, Chiangmai province. According to the author's surveys in 2000, it contained 120 households, and 401 villagers, 210 females, and 191 males (see Table 5.1, Appendix 5).

In contrast, the village of Pa Sang, which is situated around 30 kilometres south of the city of Lamphun and approximately 60 kilometres from the city of Chiangmai, is a larger community. According to the author's survey, in 2000 it comprised 207 households with 719 people, of whom 351 were males and 368 females (see Table 5.1, Appendix 5). At present, despite being located at quite a distance from the large city of Chiangmai and the industrial town of Lamphun, good road networks bring the villages very much closer to the cities and towns. In less than an hour by car, and in around one hour and a half in mini-buses (*rod daeng*), school children in the villages can reach the schools in the city centre of Lamphun or Chiangmai, and workers from the villages can travel to the factories in the city of Lamphun and the NRIE (see Map 2, page 33).

Administratively, Pa Sang village corresponds to *mu*7 located in Pa Sang sub-district which falls within the district of Pa Sang. This sub-district consists of 11 *mu*. The village is one of the localities in Pa Sang district where cotton production enterprises have gradually been developed. Recently (2000), these localities were selected as tourism development areas. This new policy was formulated by the central government agencies based locally (the Department of Community Development, DCD). Thus, Pa Sang village has recently been designated as a traditional hand woven cotton community (*muban hadthakam*) (Pa Sang key informants: open conversations with local civil office of the DCD February and July 2000).

The community infrastructures (especially village road networks) of these two villages were generally in a good condition, especially in Pa Sang. In 2000, both the

large and small lanes of this village were cemented. In Rim Ping, the small lanes were not. Therefore, during the crisis era, in 1999-2000, the Rim Ping Or Bor Tor decided to use most of the annual development budget for each village (around 100,00 *baht*) for the renovation of the village pathways.²⁹

Other infrastructures such as electricity, clean running water, and telephones were available to most of the households. This good infrastructure provision allowed the households to use their residence as a production site for daily trading in the urban markets. In Pa Sang, most of the households had home telephones, partly because of their intense engagement in subcontract transactions involving the production of cotton and other kinds of craft for local or global markets. However, most the households in the *struggling* class in Rim Ping did not have a home telephone.

In these two localities, most of the residences were located along the village main roads. In Rim Ping, along the two sides of the village main roads, were a number of houses, especially the large and stylish modern ones belonging to villagers in the *thriving* class, such as the *kamnan* and civil servants. Groceries, beauty salons and repair shops, as well as a range of food stalls, like noodle and other kinds of ready fast food shops, have sprung up along these main roads. Along both sides of the village main roads, which connect the village of Pa Sang to motorway no.1, two large handicraft shops, a petrol station, a repair shop and new modern houses have been built.

The village temples, which represent a crucial institution, are located at preeminent places in the localities. In Pa Sang, the small temple is located at the entry point of the village, and nearby there is a tiny afternoon market where women come to buy

²⁹During the recession (1999-2000), the Or Bor Tor allocated its annual development budget of around 100,000 *baht* to Rim Ping village for improving the condition of two small pathways. This project used the normal budget of the Or Bor Tor earmarked for public work, whereas previously, such construction budget used to come from the revenue generated by giving concessions to private companies (Rim Ping key informants: open conversations with the Or Bor Tor officers February and June 2000; Pa Sang key informants; open conversations with the Or Bor Tor officers February and June 2000).

vegetables, eggs and meats for evening meals. The Pa Sang Community Child Care Centre (Pa Sang CCCC), and the new Pa Sang Handicraft Community Centre (Pa Sang HCC) are situated at the centre of the village (in Chapter Seven I will discuss these two Centres).

In Rim Ping, the Rim Ping CCCC is located near the village temple, and off the village main road there is a village primary school. Apart from these local institutions, villagers in these two villages can access *sun anamai muban* (Community Health Care Centre, CHCC) and the Or Bor Tor Office which are located in nearby villages. The heads of both two villages use their own residence as an easily accessible office. In fact, despite being in peri-urban locations, these two villages, like many others in Thailand (see Nongyao, 1993, 1994b; Utong, 1993; Shigetomi, 1998), still somehow contain a mixture of traditional self-help and informal reciprocity groups such as *pok* (a neighbourhood collective) and farmers' groups. Through these collectives, villagers are able to seek external assistance to some extent. Among these collectives are a number of women's cultural, self-help and development groups. These women's groups, such as the VHG and CCCC, have been existed in these localities for decades. In Chapter Seven, I will illustrate the responses to the crisis of these women's groups.

5.2.2 Households, Class Differentiation and Land Distribution in the Context of Peri-urban Villages

5.2.2.1 Family and Household Institution

As noted in Chapter Two, household institution is conceptualised as a unit of cooperation and conflict (Sen, 1990). In terms of cooperation, household's members usually share resources, particularly kitchen and food. In White's (1976, cited in Wolf 1992: 88) study of Javanese Villages, the author illustrated that cooking and eating together signify more than a simple practical event such as cooking and eating together, and rather connote a certain degree of budget sharing for food and other items of household expenditure. In the two villages, around 7 per cent of the households' members were living apart (not sharing food and residence) but still considerably sharing the financial resources of the parental home. For example,

Box 5.1 Characteristics of Sample Households

Thriving households

In Rim Ping, members of *thriving* households were mainly civil servants, landlords, and capitalist farmers, while the households of petty capitalists/entrepreneurs were dominant in Pa Sang. The landlords owned a large portion of the land, but their family members, particularly the parents were usually civil servants or state enterprise employees. The petty capitalist households' enterprises were a crucial source of economic security and accumulation. However, the wealthy households in both villages had in common the capability of controlling a variety of means of production available in these localities. These included land (*lamyai* orchards), financial capital, cars, enterprises and elaborate kinship and political networks. Regarding human capital, the majority of the members of this class group acquired a very high level of education, especially in Rim Ping where most of the parental generation had a degree.

Surviving Households

The Data in Tables 5.2 and 5.10 in appendix 5 reveal that the researched households in the *surviving* category (9 in Rim Ping and 21 in Pa Sang) were largely factory workers farmers and traders. Only two households were classified as households of civil servants, and each of these included a member holding a low ranking civil position: a village head and a retired village school teacher. Unlike the *thriving* class group, the livelihoods of these households were severely affected by the recession in one way or another, particularly in relation to the erosion of the main sources of their livelihood such as jobs and enterprises. In fact, one returnee family and other four households experienced losing a job, or having no chance of getting a job after graduation. In one of these four families, both husband and wife were laid off from a car business in late 1998 and failed to get another job until late 2000. Similarly, for the enterprise households, their economic security declined due to the slowdown of their business.

Struggling Households

These 12 researched households, six in each village, tended to be the real losers. Even in the decades of economic growth, their lack of inclusion in the labour market and low level of human capital impeded their attempts to pull themselves up from poverty. In the recession, this class was even more vulnerable and susceptible to the urban crisis, not only because of the lack of household labour but also because most of them were not fully employed. The small size of household labour in this group was mainly the result of family breakdown and the illness of family members (see details in Tables 5.3 and 5.10 in Appendix 5). In Rim Ping, during the survey period, two households were composed of a mother and son, and one household consisted of a single member. Two out of six households had a member who had a severe illness: one was HIV positive, the other had cancer. In Pa Sang, two widows and two widowers headed four of the six families. Two families had a member who had a serious illness: one had cancer, and the other suffered a severe work accident and became disabled.

students, who were living in the city centre, returned home for weekly pocket money, and their parents mostly paid their education cost. Such members were counted as households' members in this study's surveys, partly because they substantially depended on household livelihood security.

In the context of these villages, households basically meant family units, as few households had non-kin members, therefore hereafter, the terms 'household' and 'family' may be used interchangeably. The total number and the researched households, as noted in Chapter Two, Section 2.4.1.4) were put into three main clusters: *thriving*, *surviving*, and *struggling*. The 51 researched households were grouped into, 9 *thriving*, 30 *surviving* and 12 *struggling* households (see details in Box 5.1, and Table 5.2, Appendix 5).

5.2.2.2 Family Structure and Labour

As noted, Rim Ping had 120 households, comprising 401 members including those studying in nearby cities and towns. The average household size, of around 3.3 members was quite small, and would have decreased to around 3.1 if non-residents had not been counted. The total household population in Pa Sang was 207 households with 719 members, and the average household size was around 3.5 persons, larger than that in Rim Ping, but this would have decreased to 3.4 if non-resident members had not been taken into account.

According to the Population and Housing Census in 2000, the average household size in the non-municipal areas of the whole kingdom was 4 persons, and the North had the smallest average size of 3.6 persons (National Statistical Office, 2000, Population and Housing Census 2000:36). This shows that even in the context of North, the size of households in these two villages was relatively small, particularly in Rim Ping. The data of the present study's sample households, which show the dynamics of household size both before the pre recession (before June 1997) and during the recession (see details in the Fieldwork schedule, Section 2.4.1) indicate that the sizes of sample households in the three class groups varied in both periods, the *thriving* households were larger than those of the families in the other two categories in both Rim Ping and Pa Sang (see Table 5.3, Appendix 5). The average size of *thriving*

households was around four members, while both *surviving* and *struggling* households consisted of around three members. Further, as noted earlier, *struggling* households' members largely consisted of children, the old, the sick and the unemployed. The average size of household of these two categories slightly increased during the recession as around 30 per cent of households incorporated urban returnees and destitute kin.

Poor households were smaller, and included a smaller number of economically active persons as compared to *thriving* households (see Table 5.3, Appendix 5). This implies that if one or two of these households' members lost a job or became underemployed, the livelihood of the poor households would be substantially eroded. In fact, during the recession, almost 50 per cent of the members of poor households, particularly in the *struggling* class, described themselves as unemployed or underemployed (see Table 5.4, Appendix 5). Therefore, the increase of household labour would not necessarily mean an improvement in the wellbeing of the household.

Another concern in regard to labour was that the ability to earn varied in accordance with the level of education. The findings in this account show that labour in the two non-rich class groups had only a basic education such as grade 4 or 6, while, especially in Rim Ping, most members of the *thriving* households had a higher level of education such as a first degree (see Table 5.5, Appendix 5). Additionally, regarding family structure, households in the *struggling* class group in both villages were mostly young families with small children and older members, and some members were not able to work due to sickness. This factor contributed to their living in poverty or in a vulnerable situation (this point is further illustrated in Section 5.3).

5.2.3 Class Differentiation and Livelihood Strategies

The issue of class differentiation and livelihood options has been widely discussed in studies focused on rural livelihood in Thailand, particularly in the North (Turton, 1976, 1989; Potter, 1976; Anan, 1989; Rigg and Sakunee, 2001). These studies address the emergence of class stratification among the peasantry in rural villages and highlight the interrelation between class stratification and the structure of resources

and livelihood activities adopted. The bottom class group, households with no land assets, was the most vulnerable stratum, although this vulnerable class adopted multiple strategies to achieve a subsistence, including being a tenant farmer, hiring out their labour to rich peasants and landlords, petty trading and migration. In these studies, land ownership is treated as a foundation for the class stratification of peasant households. However, in Anan's study (1989:103) located in *ban* San Pong, in the suburb of Chiangmai city where hybrid livelihood systems were in place, the author suggests that the village's class differentiation was somehow related to off-farm and non-farm economic activities, particularly in the case of the capitalist farmer class (the top class). The 160 households in San Pong village were categorized into five strata: landless labourers (11.9 per cent); poor peasants (30.6 per cent); middle peasants (32.5 per cent); rich peasants (20.6 per cent); and capitalist farmers (4.4 per cent). As noted earlier, this shows that the interdependence between rural and urban economies offers more options in economic accumulation to rich households. Anan states that 'the capitalist farmers' are those who not only occupy a larger portion of irrigated land, but also are able to invest heavily in both farm and off-farm enterprises by taking advantage of the expansion of larger cities and towns nearby. In addition, the wealthy families benefited most from the intensive commercial production of rice beginning in the early 1970s and substantially expanding in the 1970s and 1980s, and from the government's agricultural development scheme implemented during these two decades. Economic stability and accumulation, therefore, can be accrued through certain forms of social relations between villagers and outsiders, especially government agencies and politicians. Turton suggests that state development resources tend to privilege only those belonging to what he terms a 'power block group' (1989:81). This rural elite group represents a small number of households described by Turton as follows:

At the 'village level' we find, in village after village, a small minority - perhaps some 5 per cent or less - of households which possess a degree of wealth, control of resources, prestige, and power which sets them apart from the majority.

Similarly to the studies noted above, this research found that *thriving* households in both Rim Ping and Pa Sang controlled a range of valuable resources in addition to land. These included a high level of education, high positions in employment (see Tables 5.5 and 5.6, Appendix 5), and assets in off-farm enterprises, as pointed out in

Anan's study (1989). This suggests that the integration of urban and sub-urban economies widens the livelihood options of rich households, enabling them to benefit from this dual economy. But this may not be the case for poor households, is point to be discussed in Section 5.3 in this chapter and in Chapter Six.

5.2.4 Land Distribution in Rim Ping and Pa Sang

As noted earlier in the North, the number of landless and small land holding households has been increasing, as observed and acknowledged by a number of studies located in Chiangmai (Potter, 1976; Turton, 1976, 1989; Anan, 1989). In Anan's study (1989:100), which considers land as the central component of household productive assets, the author argues that "an increase of land concentration among the rich forced a large number of poor households to face a crisis of subsistence".

In 2000, according to the author's village survey, the 120 households in Rim Ping owned around 331.8 rai of cultivated land (*lamyai* orchards and market vegetable plots, see details in Box 5.2). The census findings were not able to provide much

Box 5.2 Households Population and Land Distribution in Rim Ping, and Pa Sang in 2000	Rim Ping	Rim Ping
Number of total household population with no cultivated land	40 out of 120 households (33.33%)	99 out of 207 households (47.82%)
Total cultivated land owned by the total household population	331.8 rai (100%)	336 rai (100%)
% of the total land owned by the <i>thriving</i> households	65 %	42.3%
% of the total land owned by the <i>surviving</i> households	28.4 %	54.4.7%
% of the total land owned by the <i>struggling</i> household	6.6%	3.3%

Sources: Authors' Rim Ping survey, 2000. Authors' Pa Sang survey, 2000.

detail concerning the dynamics of land distribution between the class strata in the village. However, the findings of the in-depth interviews and observations show that at some time during the 1980s and 1990s, a large portion of farmland was

transformed and used in other sectors. In this period, many villagers in Rim Ping and nearby villages in Rim Ping sub-district lost farmland, either owned or under their utilisation, to rich city families. The lost farmland amounted to 275 rai, and could be divided into three large plots. The first plot, of 78 rai now belongs to the ex-Chiangmai MP (Dr. Supin Pinkayan) and has recently been transformed to the growing *lamyai*. Villagers in Rim Ping (10 families) were allowed to use empty plots for growing market vegetables if they assisted the landlord by growing and caring for *lamyai* in return. The second plot, of around 27 rai, was sold to a city trader's family who, in the boom, made a career as a *nai na* (buyer and seller of land) and bought this piece of land from several families. In mid-1997, the landowner, whose business had collapsed decided, to move in and was still staying in Rim Ping when I did the fieldwork. Given this study's framework, this family was considered a *thriving* household.

The last plot, with 178 rai, was, for centuries up to 1991, actually owned by Chiangmai royal families (*chow Chiangmai*), but had subsequently been leased out to around 17 landless families in *mu* 5 and *mu* 6 including *khon* Rim Ping in *mu* 5. The whole plot was then sold to a Bangkok land development company which subdivided this large paddy field, called 'suan dogkaew', and some of the resulting small plots were sold to provide for second home for city people. The older woman, aged 73, whose ancestors had rented this plot of land for many generations, described how all the tenants were evicted when the plot changed ownership and explained that this event marked the disappearance of tenant households from this locality since this was the last plot still leased out to the landless in this area (Rim Ping sample households in-depth interviews, August 2000). The crisis, which entailed a collapse of the land commodity market and an end to land speculation, rendered a large part of this plot unoccupied and brought the housing project to a standstill. At the time of the study, around seven farm households in Rim Ping began to squat on the land and used it for growing market vegetables (two rai each) (Rim Ping sample households in-depth interviews, August 2000).

This evidence indicates that, in the boom era, large plots of land in Rim Ping village were either lost to other sectors or less land remained available to villagers for them to make a livelihood. As a result, the landless and small land-holding families had no

option, and were forced out of the agricultural sector to search for living in other sectors such as daily wage employment in most cases.

In Pa Sang, a large portion of the land was owned by non-farm better-off families living in the neighbouring localities (some based in nearby villages along the motorway no.1, some based in the town of Pa Sang, as well as in the very small town of *ban Sam*). According to official data, there were 714 rai of cultivated land in Pa Sang village. The Pa Sang village head could not calculate the amount of farmland owned by outsiders. However, according to the author's survey (in Pa Sang, 2000), the total farmland owned by 107 households was only 336 rai,³⁰ indicating that almost half of the land was owned by non-local households. This finding was confirmed by further findings of the in-depth interviews and observations indicating that a certain amount of farmland was owned by Pa Sang outsiders and some portions were rented to Pa Sang villagers for planting shallots and garlic. Some were rented to villagers living in other villages.

In terms of land distribution in these localities, the findings from the census show that a large portion of land in both villages was occupied by the small number of households in the top strata of each village (see details Box 5.2). In Rim Ping, there were 40 landless households (33.3 per cent) out of the total 120 households. The percentage of landless households was even higher in the second village: 99 households (48 per cent) out of the total 207 households. According to the data gathered in these two villages, sample households who owned paddy fields and *lamyai* orchards whether in Rim Ping or Pa Sang mostly belonged to the *thriving* class, although a few belonged to the *surviving* group, while the *struggling* class, particularly in Rim Ping, owed none of land asset (see Table 5.7, Appendix 5). The asset analysis above suggests that none of the valuable assets, whether land, labour or human capital (years in school), were controlled by the poor households, especially the *struggling* households. The state of land distribution depicted above supports my argument that the farm sector has little ability to absorb the city unemployed, partly because there is no land left to the poor to engage in farming (rice or other basic subsistence crops). It

³⁰ In a 1996, 107 households in Pa Sang village owned farm plots, sized between 1-5 rai, another three families possessed less than 1 rai each. Assuming an average size of land of 3 rai, the total area of farm would be around 330 rai (village profile, Pa Sang, 1996).

The state of land distribution depicted above supports my argument that the farm sector has little ability to absorb the city unemployed, partly because there is no land left to the poor to engage in farming (rice or other basic subsistence crops). It also shows that daily wage unemployed labour in most cases had no asset control.

Moreover, non-farm employment was the single source of subsistence of the poor class. The contraction of these labour markets, therefore, eroded the single source of subsistence of poor households, which had been generated in period of the economic growth.

5.3 Transformation of the Livelihood Systems in the Peri-Urban Villages of Rim Ping and Pa Sang

The livelihood systems engaged in by the inhabitants of these two villages, although appearing distinctive in their characteristics, contain a similarity in terms of the hybrid pattern of occupations. Although a number of scholars have suggested a diversity of household survival activities (Rigg and Sakunee 2001), this is rarely presented in official profiles. Neither does it appear in the village profiles of these two studied villages produced by the DCDs located in Rim Ping and Pa Sang districts.

In fact the households in the two villages studied can be broken down into six categories, according to the nature of the predominant source of income which sustained different families. Households in the *thriving* and *surviving* class groups secured their livelihoods from one of the following activities - waged work, farming activities, enterprise and trading and government employment, although it should be recognized that many of these households was also derived some income from other sources. Households of unemployed workers or those dependent on informal income transfers, such as the elderly and sick, had little access to the sources of listed above. These households which fall in to the *struggling* class group sought their living from a range of poorly remunerated casual work and petty trading. A fuller account of these categories is given in Box 5.3, Appendix Six.

In Rim Ping, the villagers' livelihood systems, according to the village profile in 1996 comprised twofold activities: farming and wage labour. Farming, as the major source

of livelihood, consisted of the cultivation of rice, and a variety of fruits including mango and *lamyai*. According the author's survey (2000), however, Rim Ping's economy was more mixed. One household could engage in multiple sources of livelihood, and occupations of the people could be roughly classified into farming, wage labour (and civil service), and enterprise. Additionally, the differentiation within each of these occupations was remarkable; for example, labour markets included a variety of farm and non-farm employment See Box 5.3. However, this occupational heterogeneity significantly narrowed in the prolonged recession.

In contradiction to the official and generally accepted village profile, the author's survey records revealed that farming was not the main source of income for the majority of households in Rim Ping. Only a few households made a living from farming and production for home consumption, such as growing rice, was in fact disappearing. Some scholars, observing the changes in the livelihood of villages in the suburbs of Chiangmai city (Anan, 1989; Sucheela, 1998; Anchalee, 1999; Rigg and Sakunee, 2001) suggest that the market economy, which linked the village economies to the cities and towns, created a profound change in livelihood systems, particularly with regards to the importance of city employment and the nature of the farming sector. In this connection the present study's findings, reveal a similar trend; however, in addition to the enlargement of the labour market, the findings show the significance of the enterprise and service sectors as crucial sources for livelihood of the majority of households (see details Box 5.3).

As in Rim Ping, households' livelihood systems in Pa Sang, according to the author's survey, were more complex than the simple twofold activities indicated in the village profile (1996) in Pa Sang where daily wage labour was recorded as the dominant occupation, and farming was mainly for home consumption. The findings from the author's survey reconfirmed the domination of wage employment as indicated in the official profiles, but differed on farming. In the present study's survey's record, in 2000, 52 households out of 207 households were engaged in farm activities and of these around half, or 27 households, grew rice for domestic consumption. Five households reported that they restarted rice farming in the 1999 harvest season, June to December, after having avoided doing so for many years, because of accessible urban waged employment. The rest used their farmland for planting solely cash crops

(shallots and garlic). Vegetable farming rarely occurred in the second village. Additionally, in Rim Ping, Pa Sang's village economy contained a wide range of enterprises and trading. Interestingly, the author's surveys' findings showed that quite a few households in both villages lacked a means to survival (see details Box 5.3, page 131). These households included those whose members became unemployed after losing a previous job during the crisis or those whose none of member held a full time job during the survey undertaken. These households were most affected by the contraction of urban labour employment market. This type of households did not figure out in the official data noted previously. Alike the families of unemployed person, the official figure did not shed much light on the growing number of households of old and sickness people. This type of households mainly comprised only single member. These people either were likely to old to work or to be given to work or could not work because of unwell and sickness. In most cases their subsistence was not smoothly met. Their struggle to make daily subsistence was even harder in this time of hardship caused by the growing constraint of informal income transfers among kin, relatives or neighbour of these two villages particularly in Rim Ping.

5.3.1 Peri-Urban Farming: its characteristics and how it was affected by the recession

Historically, most large farm households in Rim Ping combined growing glutinous rice for home use, and growing rice for the market in the main harvest season, June to December. In the winter season, other cash crops such as peanuts, garlic, tobacco, shallots and soyabeans were planted. In 2000, as noted, none of the households in this village grew rice either for domestic consumption or for market. The last paddy field in this village had been transformed into *lamyai* orchards six years before (Rim Ping, the author's survey, 2000). Apparently, farming in Rim Ping consisted of two main activities: growing *lamyai* and planting various kinds of market vegetables. The former type of farming exclusively involved households who owned cultivated land and who in most cases sought a living mainly from non-farm sectors, whereas the latter type was adopted among landless and small land-holders. This type of farming utilised the land intensively because it continued throughout the year. The market

vegetables included Chinese cabbage, Chinese kale, Chinese convolvulus, cabbage, cauliflower, eggplant, celery and cucumber.

The farm households in Rim Ping, in most cases, owned their own land. According to the author's survey, 23 out of 25 farm households in this village had small sized (less than 2 rai) and middle sized (2.1-4 rai) plots. Only two farm households owned no land, and their farming solely involved growing market vegetables. In contrast, generally, farm households who had their own plots of land used them for growing *lamyai*. They would also cultivate market vegetables³¹ on a neighbouring plot in exchange for tending *lamyai* trees on that land. These combined farming activities increased their livelihood security by diversifying the risks. Growing vegetables had the advantage of providing daily and monthly cash incomes but also entailed many risks such as price collapse and harvest failure and importantly was labour intensive, while *lamyai* would secure an annual income. According from the farmers' point of view, economic security was not to be obtained by growing vegetables. For them, income of this type was similar to that gained from working on a construction site, but its main advantage came from the fact that the farmers were freer to engage in other activities, especially social activities. Farm households in this village basically took charge of carrying out collective activities. However, while this type of farming offered some advantages, its disadvantage was that it required intensive labour and involved the use of chemicals and pesticides, which often led to serious health problems. The *lamyai* orchard seemed to offer more livelihood security as the price of *lamyai* was more stable, and tending the orchard occasionally required labour so that it was more manageable by households in this village which included only one or two working members.

³¹ In this village, around half of the farm households (mostly those who owned less than 4 rai of land) used neighbouring plots of land in an exchange of labour. This kind of arrangement was adopted in a situation where there was no land to be leased. Landlord households might lack family labour, but because they did not want to lease land to the poor, they instead used the land to grow *lamyai* and hired the labour of poor farming families to help them care for the orchard in exchange for allowing them to use part of the land for growing market vegetables. This kind of exchange could be advantageous, especially in the first three years after planting when the fruit trees remained small and left some spaces available for other forms of cultivation. By doing this, the landlords gained numerous advantages such as no labour costs and savings on fertilisers, chemicals and watering as the fruit trees could absorb these from the vegetable plots.

However, for poor farmer households (landless and small landholding families), the diversification that ensured economic security could not be adopted. So, the landless had no chance to take advantage of the market for this fruit, while many of the small landholding households lacked the capital to invest in this type of orchard (the start up investment is around 50,000 *baht* per rai. The only diversification that these poor farmers could apply was to plant a variety of vegetables to counteract the risks of price and production failure, and to spread out the earning pattern to cover daily and seasonal incomes.³² Thus, during the boom they mainly relied on vegetable growing as the main source of income, while hiring out their labour on neighbouring farms provided supplementary income. A few households had a member engaged in non-farm employment as a result of labour force limitation. These farm households rarely engaged in petty trading, as two rai of vegetable farmland would require the whole volume of household labour.

In the recession, the market vegetable farms faced a severe difficulty, partly because the urban market declined drastically so vegetable prices dropped, whereas farming costs rose steadily. Poor and middle land- holding farmers adopted numerous strategies, mostly involving working harder and longer hours. Some households used the urban unemployed to help on the farm (this point will be discussed in Chapter Six). However, the price failure of farm products had less effect on *lamyai* cultivation, partly because in 1999 and 2000 the government began to subsidise farmers in the form of price guarantee against the falling price of this cash crop.

In short, to be linked to the global food market, mostly privileged the wealthy class. Although their family labour was engaged in the non-farm sector, which offered high wages and salaries they were still able to invest in farm activity by growing *lamyai*, which required less labour than growing rice or vegetables. The farmland, thus, was not left empty or leased out to the needy in the village. This suggests that the implementation of the self- sufficient economy as the reform agenda to overcome the persistent poverty of rural villagers which has been proposed by the localism

advantages such as no labour costs and savings on fertilisers, chemicals and watering as the fruit trees could absorb these from the vegetable plots.

³² From the farmers' point of view, livelihood security was mostly likely to be obtainable when the household had three sources of income: daily or monthly income for daily

(discussed in Chapter Four) is not realistic, particularly regards the peri-urban context.

In Pa Sang at the time of the study, 52 (28 per cent) out of the 207 (see details in Box 5.3) households retained a livelihood on the farm, and in most cases growing cash crops such as garlic and shallots. As in Rim Ping, Pa Sang's richhouseholds, which

Box 5.3 Types of Households Classified by nature of income earning and Livelihood Strategy³³	Household Population in Rim Ping	Household Population in Pa Sang
1 Wage Labour Households	35	95
2 Farming Households	25	52
3 Enterprise Households	25	26
4 Households of Civil Servants	12	20
5 Households of unemployed, and retrenched workers: Mixed Livelihood Strategies	8	4
6 Households Reliant on informal income transfers: (support for elderly and sick from family members)	15	10
Total	120	207

Sources: Author's Rim Ping survey, 2000, Author's Pa Sang survey, 2000.

occupied a large land-holding, used the plot for growing *lamyai*. Some households that could arrange for a member to work on the farm tended to combine cash crops with *lamyai*. In contrast to Rim Ping, almost half (21 households) of Pa Sang's farm households were involved in growing rice for domestic consumption. Normally, rich and middle peasants made up these households, which had large resources of farmland and labour.

expenses, seasonal income for ensuring subsistence, and yearly income for saving and risk prevention. The last source of income would come from the Lamyai orchard.

³³ For explanations of the term used to classify households into 6 categories, see Appendix 6.

The poor peasants, who were tenants in full or in part, preferred cash crops, especially shallots and garlic. They argued that growing rice was not economically viable.³⁴ The amount of income would significantly increase when the crop of shallots or garlic could start early, for instance in the first week of December. This would be impossible had the plot been used for growing rice in the main season because the harvest season sometimes started in December as well. The farmers who used the plot for planting market vegetables and flowers, usually three rounds a year, had neither the time nor the space for growing rice.

However, the practice of agriculture, whether growing rice or other cash crops, had never presented a secure prospect.³⁵ The disadvantages of this sector were further aggravated in the crisis when the price of shallots dropped below 3 *baht* per kilo in 2000 from around 5 *baht* in 1999 due to falling demand. In 1996 and 1997, prior to the crisis, the price had remained above 7 *baht* and relatively stable. The collapse of cash crop prices affected both rich and poor farmers. However, because every poor farmer in Pa Sang borrowed money from the Bank for Agriculture and Agricultural Cooperatives (BAAC) at an interest of 14 per cent yearly, the price collapse forced these households to borrow money from local moneylenders to repay the debt, and the interest was as high as 5 per cent per month. However, as in Rim Ping, the rich and middle farmers normally had *lamyai* orchards that could provide a stable income during the crisis period.

Unlike in Rim Ping, farm households in Pa Sang were regularly involved in waged labour in other sectors: non-farm and off-farm sectors, partly because the household size was relatively large and farming activities required labour intensively on a seasonal basis. Nevertheless, in contrast to Rim Ping, the informal sector economy (cotton production) of this village was quite large so that, in the boom era, while adult male labour went to work on construction sites, women were involved in weaving and in piece-work available in the village. The collapse of the construction industry, therefore, forced these poor households to fall back on cash crop farming

³⁴ For shallot and garlic crops, given a good harvest and normal market price of 7 *baht* per kilo, 1 rai of land could provide an income of 15,000 *baht*, whereas rice cultivation would produce only 3,250 *baht*.

³⁵ Resulting from a limitation of a farm size, a low return, and a harvest failure were among a crucial explanation of disadvantaged farming.

and income earned from weaving, even though the piece-work payment fell by 20 per cent from 1998 to mid-2000.

5.3.2 Waged Employment: its characteristics and how it was affected by the recession

As noted previously, the diversification of the villages' economy also took the form of a continued expansion of the labour markets in both state and non state sectors, such as the industrial, service and construction sectors located in the cities and towns close to these localities. This type of labour market seems more diverse than indicated in Burawoy's study of the South African Labour Market'. In Burawoy's terms (1975, cited in Carter and May, 1999: 5), the labour market is segmented into two main sectors: the 'primary sector', in which jobs are well paid and secure, and workers have prospects of career advancement; and the 'secondary sector', in which jobs are low paid and offer little security and opportunities for upward mobility.

Within my research context, the 'primary sector' included the state employment sector such as local civil offices and local state enterprises, and the advanced private sector including finance/insurance firms, motor companies, and wholesale suppliers. As described by Burawoy (1975, cited in Carter and May, 1999:5), 'primary sector' labour is offered well-paid and secure employment with good social provision including health care provision, insurance (retirement pensions) and bonuses. I shall call this sector 'high-ranking' labour market. The 'secondary sector', which I classify as the 'middle-ranking' labour market, offers a monthly or daily wage with a basic level of social security including health care provision, and bonuses (as specified by the labour law). This type of employment, in the boom, became the main source of livelihood for the majority of waged families in Rim Ping. This sort of work included working in hotels, retail shops, supermarkets and local government offices (in low-ranking positions). In Pa Sang, this type of labour market included employment in local factories such as in the weaving factory named 'Nanthakwang' and the NRIE. The NRIE, which appeared to be a crucial labour market for the young educated women in Pa Sang both before and during the recession, was relatively little affected by the recession, as pointed out in the study of Rigg and Sakunee (2001), whose findings are supported by those of this study.

Moreover, the existing pattern of the labour market in these researched locations included a third area of the labour market, classified as 'low-ranking'. The workers in the low-ranking market could gain only daily waged income with no security and no social provision. This labour market, in the boom period, was prevalent in the construction industry, in the service sector (in low-ranking positions) and in local industries. The globalisation of production systems which took the form of subcontracted or piece-work employment, expanded the low-ranking labour market. In addition, the labour market as offered by the traditional village economy could also be considered low-ranking.

Entering the existing employment pattern, noted above, was found to be largely contingent on class (level of education), gender, and age. In 2000, according to the author's survey in both villages, 47 out of 120 households in Rim Ping earned a living from waged employment and the number of waged households was even higher in Pa Sang for example, 115 out of 207. In these two villages, in fact, only the members of *thriving* households could take advantage of the expansion of the labour market to gain high-ranking employment due to their educational qualifications.

The data from the sample households supports this account. As seen in Table 5.6, Appendix 5 members of the *thriving* households, especially in Rim Ping and in most cases both husband and wife, held secure jobs (in civil offices, as school teachers, nurses etc. and in state enterprises). This group of households was less affected by the crisis, partly because they retained well-paid jobs and their fringe benefits were not reduced. The data from one sample households shows that as its members were largely employed in the state sector, only one person lost his job. The wife in this family was a nurse and the husband worked in a finance firm in Chiangmai that collapsed in 1999. His firm provided the employees with a retirement pension and social security compensation, and so he left the firm with a large amount of severance pay (200,000 *baht*).

Another household, which possessed a plot of land of almost 11 rai, suffered slightly from the contraction of the 'high-ranking' labour market. The daughter, who had completed a degree at Chiangmai University in March 1999, could not get a suitable job until the end of 2000. However, she was hired occasionally by a hotel in

Chiangmai and then came to work with the research project as a research assistant. The head of this family was a widowed mother, Suparat, who, in 1999, had to incorporate her sister-in-law and two children in her house which had so far been shared by four members: herself, her two children and a friend of her daughter. The new family moved from Bangkok after the business which was related to the tourist industry, collapsed in 1998. The incorporation of the three new members was arranged in such a way that they did not pay any rent, but shared the utilities bills, and had separate food budgets (Rim Ping sample households in-depth interviews, August 2000).

Apart from Suparat's family, none of the households in the *thriving* class group acted as an urban shock absorber. The impact on them mostly resulted from a drastic rise in consumption expenditure. In contrast, the livelihood of the majority of waged families deteriorated due to the collapse of 'middle and low-ranking' labour markets, as members of most families became unemployed during the recession. Additionally, these households had to absorb either returnees or destitute kin, and so the size of households in the *surviving and struggling* class groups increased.

In the long boom, some of the *surviving* households, whose young members had achieved certain levels of education, were able to enter the middle-ranking labour market. In Rim Ping, young workers of both sexes who had a certificate from vocational colleges and colleges of commerce obtained employment in the service sector. A young woman in Pa Sang whose educational opportunities had been limited was able to use her grade 9 education to get a job in the NREI, while older members, with the compulsory (grade 4 or 6) level of education, tried to get cash income from the 'low-ranking' labour market, such as construction work for men and piece-work in the local cotton enterprises for women.

The recession, on the one hand, caused a drastic fall in household income, thus constraining the educational opportunities of young members, and on the other hand, caused the collapse of the 'middle-ranking' labour market, thus restricting the job opportunities of educated young workers. At the same time, as part of the IMF conditions, the Thai government reduced public expenditure on employment, thus closing the door to a large number of young educated workers. In fact, compared to

other labour markets, employment on production lines in the NRIE tended to be secure. This circumstance weakened the livelihood security of these *surviving* households, whose children's education had been expected to become a crucial source of family well-being. This was particularly pertinent for those working-class households that had no other valuable assets, like land and enterprises. In Chapters Six and Seven, I will discuss how these households, particularly their educated members, confronted the crisis. For the *struggling* households, due to the lack of assets to invest in the children's education, the best available option was to enter the third low-ranking labour market, either in the construction industry or in the local labour market (see details in Table 5.6, Appendix 5).

In the boom, many of adult villagers took advantage of the good infrastructure to commute to the city daily to work on a variety of construction sites located in the city of Chiangmai, in Lamphun and in other surrounding towns. In 1992, there were around 51 construction sites located in the city of Chiangmai with over 18,000 workers employed (Anchalee, 1999:81). However, this sort of labour market collapsed in the crisis period, and a number of villagers became unemployed. The service sector, which produced 55.2 per cent of the GDP of the upper north region with Chiangmai as the largest site of service sector, also drastically declined during the recession (Centre of Socio-Economic Development, 1997:55).

According to the data from the sample households in Pa Sang more men than women became unemployed, owing to the collapse of the construction industry. In contrast, the number of unemployed men in Rim Ping was roughly equal to the number of unemployed women (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). To make a new living, these laid-off workers, especially women in Rim Ping, made a real effort to generate income by starting up petty trades or services. In Pa Sang, women sought to secure the daily meal budget by hiring out their labour in the informal sector, offering skills such as weaving, spinning, sewing, decorating, knitting, ruffling and packaging, while laid-off men preferred to wait for a more exciting job. Therefore, the data from the sample households shows that more women than men were described as underemployed (see details in Table 5.4, Appendix 5), whereas more men were considered unemployed than women. Thus in the crisis period it can be

argued that women had to take charge as the main providers. I would argue that the increased gender oppression firstly derived from the gender division of labour in the global production process, which preferred employing young women to men. This represents one of the crucial factors that put an undue burden on women, as has been observed by many scholars (see Elson and Pearson, 1981; Elson, 1995a; Pearson, 2000; De la Rocha, 2001). Moreover, as observed by many scholars (Mill, 1992; Varunee and Benja, 1994; Whittaker, 1999; Van Esterisk 1995; Parnwell, 2002), Thai culture, which has intensively socialized girls to be dutiful daughters, wives and mothers, represents another fundamental factor that produces gender inequity and places Thai women at the forefront of adaptation and resistance to the crisis. This point will be fully discussed in Chapters Six and Seven.

The analysis of labour markets above confirms the findings of other studies that the urban and rural linkages widened the sources of income in peri-urban areas substantively. However, the evidence suggests that, while non-farm employment can be an asset an 'accumulation strategy' for rich households, this may not be the case for the poor. Moreover, the crisis, which entailed the collapse of daily waged employment in the construction industry and in the farm sector, significantly increased the state of livelihood vulnerability of the poor households, because it closed down the major option of their 'survival strategy'. Thus, poor women in both villages had to seek the survival of their families by starting up self-employed enterprises or hiring out their labour in the localities.

5.3.3 Enterprises: their characteristics and how they were affected by the recession

According to the census, 25 out of 120 households in Rim Ping and 27 out of 207 in Pa Sang (see details in Box 5.3) relied on various sorts of self-employed, enterprises and trading both large and small. Moreover, especially in Rim Ping, the families of retrenched workers mainly relied on this sector for their daily subsistence.

In Rim Ping, small and middle-size home-based businesses and self-employment enterprises were started. These activities included selling vegetables, producing cooked food, and making rice noodles (*sen ka nom jeen*). These products were sold

both to local people and in urban markets, however, the demand of the urban market for these kinds of products drastically declined during the recession, and so these enterprise households had to maintain their income by reducing labour costs and expanding the working hours of family members.

The data from the sample households (see Table 5.8, Appendix 5) shows that seven enterprises in Rim Ping and nine in Pa Sang belonged to the sample households, and one large business was owned by a family in the top class stratum. In Rim Ping, some large-scale businesses, such as a house construction company, a garden decoration and related service company and a flower and plant business, which were operated by *thriving* households and mainly based in the city of Chiangmai, collapsed in the early stage of the recession. Trading in agricultural products, particularly *lamyai*, continued to do well in the recession, partly because most of these capitalist agricultural enterprises used their political connections to sustain their businesses. For instance, trading in *lamyai* was run by an Or Bor Tor member who was the *kamnan's* son; he used his close links with local civil servants and politicians to access the quota to trade *lamyai* at the subsidised price (Rim Ping observations, 2000).

In contrast the informal enterprise sector in Pa Sang provided villagers with subsistence, particularly during the crisis. These enterprises were mostly related to producing and trading in cotton products. This business was run by five women's collectives (called Women's Weaving Group 1, 2, 3 4 and 5) as well as by around ten separate households. These enterprises produced a variety of cotton and woven products. Of the five WWGs, only WWG no.1 worked on a group-oriented basis where members shared the operating costs and profits equally. Other groups acted as a group with respect to outsiders, such as funding agencies and local civil servants, but basically they were home-based enterprises operating on a piece-work basis. The weavers formed a group in order to be able to access a variety of tangible and intangible development benefits including loan funds with or without low interest rates, provision of equipment (free looms), training in marketing and product improvements (dyeing and packaging).

The enterprises which were run by the capitalist families had been affected by both reduced demand in 1997 and 1998, and by a dramatic increase in production costs

throughout the recession period. However, from mid-1999 to 2000, these businesses was in good shape. During the recession period the variety of strategies that these capitalist households adopted to stabilize their business included the lowering of labour costs by reducing the rate of piece-work compensation by 20 per cent. The consequences of these strategies on the poor will be discussed in Chapters Six and Seven.

Additionally, there were providers of a wide range of services needed in the locality and in the city. In Rim Ping, for instance, there were three beauty salons, a motor cycle repair shop, a small supermarket, three groceries offering different kinds of goods, noodle shops and food stalls. The crisis caused two of the beauty salons to close down, and other has barely managed to survive. Two of the groceries closed down in the early period of the recession as a result of the sharp decline in household consumption. The survivor adopted various market strategies in order to keep the business running. However, in 1999, another grocery was opened by a retrenched worker's family. Enterprises in the informal sector tended to expand because of the increased involvement of laid-off members of families. In Pa Sang as in Rim Ping, a number of families ran various businesses: operating school buses and buses for workers, selling ready-made food, running beauty salons and groceries. These businesses were mostly run by rich households and were considerably affected by the drastic decline in household expenditure on consumption. But selling underground lottery tickets, which also ran by some thriving households, was a booming business during the crisis.

In short, the account of livelihood transformation and strategies adopted across class groups illustrated throughout this section indicates clearly that the village economy is extremely diverse. The urban and rural linkages have differentiated the villages as the sites of the production of cheap food for both urban and global markets and as the sites of all sorts of urban cheap labour. This transformation, of course, offered the poor households a wide range of non-farm daily waged employment and of enterprises. Additionally, given the proximity of the city, the education of the children of the poor class could have improved significantly, but the urban crisis had destroyed this opportunity.

For the *thriving* households, the rural and urban linkages gave them access to secure employment. In addition to investing in their children's education to a high level, they invested in the start up of large enterprises and the conversion of farmland into *lamyai* orchards. The economic stability of this class group still enabled them to sustain their income in the crisis period, partly because they relied on a variety of assets such as land, enterprises and secure employment.

5.4 Conclusion: the impact of the 1997 economic crisis

The analysis of the local livelihood systems of these two peri-urban villages confirms that these communities are not isolated, but have become articulated with urban industrialisation and the global economy, and this has resulted in a substantive transformation of the village economy to the extent that the self-sufficient economy has almost disappeared, particularly in Rim Ping. This account supports my earlier argument that the views from 'above', those of the Thai government and international financial institutions like the IMF and the World Bank, that the rural economy has been little affected by the prolonged recession and has remained stable, are unrealistic. So, its ability to provide social safety nets for the urban unemployed requires critical reexamination, and this point will be further investigated in Chapters Six and Seven.

In fact, the finding discussed in Section 5.3 reveals that in this 'peri-urban' context, the impact of the crisis has been wider than the erosion of the labour market, as the crisis has also caused the stagnation and erosion of peri-urban farming and enterprises. This shows that the whole range of livelihood systems of these peri-urban economies have been deteriorated in the crisis period. In this circumstance, the inadequate social safety nets and social protection schemes provided by the Thai government resulted in the intensification of the crisis of reproduction of poor households. This finding emphasizes the necessity of an improvement in the official social safety nets and social protection systems along the line advocated in the reform agenda of civic organisations discussed in Chapter Four, Section 4.1.3.

Furthermore, the discussion though out Sections 5.3 suggests that, to understand the positive and negative effects of the crisis on the livelihood of households in peri-

urban communities as Rim Ping and Pa Sang where social and economic differentiation had been established, requires a class sectional analysis and a gender lens. These permit us to capture the varied phenomena of the effects. Drawing on the experiences of these two villages, we see that the prolonged recession had little impact on the rich class group. It might bring about inconveniences in life style to some of the better-off households. The petty enterprise of cotton production stagnated somewhat but the difficulties were manageable. In contrast, the urban economic downturn had a profound economic and social effect on the majority of households, which possessed few or no productive assets, particularly the *struggling* class group, who had made a living from waged employment in the manufacturing, service and construction sectors and their related industries.

Additionally, in terms of gender analysis, it is clear that the prolonged crisis, which led to an erosion of labour markets such as construction and farming, which had been occupied by male labour, compelled women to be the sole shock absorbers of the urban crisis. In Chapters Six and Seven I will highlight how household responses to the hardship were gendered and consider the implications that follow from this.

Chapter Six

Diversification and Intensification of Labour: complementary survival strategies of peri-urban poor households

Introduction

The main task of this chapter is to investigate labour adjustment as a coping mechanism deployed by peri-urban poor households in Rim Ping and Pa Sang in the face of the recession. The aims of this analysis are twofold: first, to demonstrate how the poor households in the *surviving* and *struggling* groups mobilised and utilised their labour assets to confront hardship, and secondly to illustrate the extent to which this strategy assisted the households to minimise their crisis of survival.

In Chapter Five, the analysis of the village economy and the household livelihood systems located in Rim Ping and Pa Sang revealed that the majority of households in the *surviving* and *struggling* groups were particularly exposed to the urban economic crisis, which had many negative effects on the localities. These included the pervasive unemployment and underemployment caused by the prolonged contraction of the urban labour markets and the slowdown or the collapse of farming and local enterprises (as discussed in Chapter Five, Section 5.3). Similarly to what happened in other villages as indicated in other studies conducted in Thailand (discussed in Chapter One, and Chapter Four, Section 4.3), the instability of the livelihood of non-urban poor households was also caused by the drastic fall in social welfare due to the reduction of public expenditures, as well as the inadequacy of the formal social safety net and social security provisions for the urban unemployed and their dependants.

Regarding the coping mechanisms of the poor households, I would argue that

labour adjustment was the central mechanism, in addition to which a wide range of interrelated activities were practiced by households. Deploying their labour assets as a defence strategy became the primary strategy of the poor households, partly because they lacked other valuable assets, whether tangible or intangible. As noted in Chapter Five, Sections 5.2.4 and 5.3, poor households, in particular those in the *struggling* group, did not possess land. Moreover, their savings and other valuable assets accumulated throughout the boom period had already been utilised to cover immediate needs during the early period of the economic depression.

Additionally, external resources such as assistance from both state and non-state sectors, as discussed in Chapters Three and Four, appeared to be very limited. Moreover, the resources provided by local social safety institutions such as local women's groups (this point will be addressed in Chapter Seven), were not so plentiful that every household could fall back upon them whenever needed, and certainly could not meet all these households' requirements. Similarly, kin and extended family might provide assistance to poor relatives in the form of shelter, but were much less able provide to daily food and cash, partly because the majority of households had to face a similar drastic fall in their income. As noted in the preceding chapter, no household in Rim Ping still grew rice and very few did so in Pa Sang and so, therefore, food had to be acquired through market transactions. Thus, any failure in the poor households' labour adjustment would have devastating effects on their immediate subsistence and create long-term social and economic vulnerabilities.

Moreover, in parallel to these strategies, the majority of households, in both poor and better-off classes, tightened their budget. The findings of the present study in this regard show a similar trend to that described in Beneria's study (1992), in which the author stresses that the degree of tightening significantly varied between poor and better-off households, although the reduction of household expenditure was widely adopted among all classes of Mexican urban households. The present study found that while the *thriving* households tightened their budget by cutting their spending on luxuries such as buying expensive clothes, buying goods in modern supermarkets in Chiangmai, or eating out in expensive restaurants, the *surviving* and *struggling* households adopted this practice in a harsher manner, often postponing their regular visit to parents living apart and re-registration with the Voluntary Health Cardholder

scheme. These complementary strategies are taken into account in the analysis when necessary.

The chapter is organised into four related sections and a conclusion. It begins with a discussion of the *thriving* households' responses to the crisis. Sections 6.2 and 6.4 present and analyse three forms of the labour adjustment adopted by the *surviving* and *struggling* a household's, and analyse the capacities and constraints of these adjustments. These three related modes of labour adjustment are (1) diversification of labour by adopting a degradation of labour skills, (2) intensification of labour by intensifying and expanding working hours, (3) allocation of labour to generate work in the informal sector.

The analysis of the deployment of labour will take into account critical factors such as level of education, gender, and age. As noted in Chapter Five, Section 5.3.2 quality of labour (years in school), gender and age grouping are essential factors that determined households options in accessing the labour market and thus shaped the degree of the success or failure of its labour adjustment mechanism. Additionally, I would argue that female labour was the central means on which households could rely in order to absorb the economic shock. Further, I suggest that despite the harshness of these households' attempts to diversify and intensify their labour, their ability to overcome the immediate hardship and minimise long-term vulnerabilities was limited. This was partly due to the fact that their striving took place within the structure of the marginalised local economy, such as in the NRIE and in the piece-work systems in the informal sector as both sectors offered only a small margin of benefits.

6.1 *Thriving* Households and Modes of Accumulation during the Recession

As noted in Chapter Five, Section 5.3, this recession had relatively little effect on the *thriving* households. By 2000, the majority of households in this class group appeared to be able to sustain their economic stability and even to manage to the grow by mobilising and utilising a variety of productive means. Therefore, the aims of the following discussion of their responses to the crisis are to illuminate their mode of stabilisation and accumulation in the era of hardship and to pinpoint how

these accumulation strategies affected, positively or negatively, the livelihood security of poor households in both the *surviving* and *struggling* categories. This discussion will highlight the important issue of who gained and who lost in the face of the recession in these local contexts. Scholars such as Grown and Sebstad (1989) and Moser (1996) have suggested that the asset class households are able to sustain economic growth in a prolonged period of recession and hardship.

6.1.1 Using Capital to Enlarge Capital

As noted in Chapter Five, in addition to the adoption of expenditure reductions to offset the rise in the consumer index and the slowdown of business, *thriving* households assured their economic security by rearranging their tangible and intangible assets. They were able to take the opportunity to access widened networks and relevant information to sustain their growth. For instance, they borrowed money from a low-interest fund and then sub-loaned it to local people at a higher rate of interest. Some used their political connections to support their business, for example by obtaining a quota from the state agency to buy *lamyai* from farmers and sell them back to the state at the higher subsidized price (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

Here as elsewhere, as noted in Chapter Four Section 4.3.2, the prolonged recession forced poor people to engage in an urgent struggle to acquire cash, either to assure the repayment of other previous loans, or to sustain the costs of children's education and of their farming activities. In these two villages, most of the households were tied to some forms of debt, loan or mortgage repayment. During the boom, they borrowed money from whatever sources were available, but larger amounts were usually drawn from the BAAC (Bank for Agriculture and Agricultural Cooperation). The BAAC allocated loans to villagers to a maximum of around 50,000 *baht* on the ground of a collective collateral. Households with land could access additional loans on an individual basis by using land as collateral (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). The interest rate was extremely high (14 per cent yearly) but these households had no other choice, as even this rate was lower than those of all other accessible

sources. A few alternative sources of micro credit, such as the new NOPMCNW micro-credit in Rim Ping that used SIF funds, were not able to operate until 2000 and due to the limitation of funds only a small number of women were able to access this low-interest loan. Moreover, the SIF conditions, which were designed to increase the participation of beneficiaries, in fact had the effect of discouraging women in the poorest class group from accessing this loan as they did not have time to participate in NOPMCNW activities and they were afraid of being unable to repay. The BAAC loan, therefore, became a necessary form of capital, which these households used in order to sustain their children's education and their investment in cash-crop farming. The collapse of prices for the cash crops of shallots (*homdaeng*) and garlic (*kratiam*) in Pa Sang and for vegetable farming produce in Rim Ping during the recession, together with having more dependent family members to feed, forced a number of poor households to seek further loans from private sources at higher interest rates. Then, they used the new loan to repay their original BAAC loan. This miserable cycle presented bleak prospects if these households failed to increase their income sufficiently to absorb the high interest rates within a short time span. While the demand for loans rose, the ability of these poor households to access loans with low interest rates was limited. This, as noted above, gave rich people the chance to enlarge this business by accessing loans with low interest rates and to sub-loan to local poor at high interest rates.³⁶

Furthermore, during the recession, a new loan scheme was initiated by both local and non-local money-lenders called '*nguan ku rai wan*' (daily loan) (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). This type of loan was considered highly exploitative because its interest was calculated on a daily basis and its rate could be as high as 20 per cent daily. Two of the *surviving* households in Rim Ping often ensured their day-to-day living expenses by resorting to this type of daily loan. In one case, Nim, a mother of two schoolchildren, was in a dire condition as her business, based in Chiangmai, had collapsed, leaving a huge debt from as far back as mid-1997. In the early morning, Nim would borrow a daily loan of 100 *baht*; in fact she was only

³⁶ Some school teachers, who had children in school, obtained a loan from the Student Loan Scheme, then sub-lent it to local people (Rim Ping Sample households in-depth interviews, August 2000).

given 80 *baht*. This was used as pocket money for her children and to buy the daily food for the four members of the household. Then, at 6.00 pm, Nim had to return 100 *baht* of the loan back and if she failed, the next day the loan increased to 120 *baht* (Rim Ping sample households in-depth interviews, August 2000).

In addition to loans, there were a number of underground businesses including running illegal gambling and operating underground lotteries. This sort of business, like daily loans, was run by the *thriving* households and certainly thrived in this period. These illegal businesses required not only a high volume of cash flow but also, as indicated in the study of Pasuk, Sungsidh and Nuannoi (1998), a close connection with local politicians and local policemen. This shows how power relationships played an active part in assuring economic stability. Similar points have been addressed in many studies such as those of Anan (1989) and Turton (1989), discussed in Chapter Five.

6.1.2 Using Enterprises and Land Assets to Stabilise Growth

Apart from engaging in underground businesses, the better-off households sought to secure their economic growth by using labour adjustment and land arrangement strategies. These were considered crucial, because such practices, while ensuring the livelihood security of these households, deteriorated the subsistence of the subordinated households.

As noted in Chapter Five, Section 5.2.2.1, the *thriving* groups in both villages were dominated by landlords, civil servants, and owners of enterprises. Amongst the business households, only one in Rim Ping had seen its construction business collapse. However, owing to his strong foundation of asset portfolios and connections, the owner, who happened to be the Rim Ping *kaman's* son, was able to start another business trading in agricultural products, especially *lamyai* and this seemed to be successful.³⁷ Other businesses in Rim Ping and Pa Sang also prospered

³⁷ During the recession, the price of *lamyai* as well as other agricultural crops fell and the government stepped in, by allocating a certain amount of the budget to intervene in the market. According to this policy the price of grade A *lamyai* was fixed at 20 *baht*, but the government did not buy *lamyai* from farmers directly. Instead, it bought from traders who

fairly well, although they faced stagnation in the early period of the recession (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). The decline of household incomes across the country provided an opportunity for certain cheap local products to flourish.³⁸ This helped sustain a number of local businesses, especially those involved in hand-woven cotton products. The falling price of agricultural products also strengthened some businesses located in Rim Ping. For instance, the dried fruit business prospered as the cost of raw material like mangos, bananas and pineapples to fell to an extreme low during this period. Additionally, labour costs were also lower due to the number of unemployed seeking work.

In Pa Sang, from mid-1999 to 2000, three large enterprises were able to increase their volume in wholesale by around 20 per cent compared to the volume prior to the recession. In the last six months of 1997 and throughout 1998, the liquidity problem and the increase in raw material costs had shaken the cotton home products business. One of the central strategies employed to resist the stagnation was the reduction of labour costs. These enterprises, which had been operating in the informal sector like many others as noted in a study by Narumol (1997), offered none of the social welfare and fringe benefits as prescribed and regulated by (Thai) labour law.

Narumol's study (1997:168) indicates that the payment of home-based workers (more than 60 per cent of whom were female workers) was sometimes 30 to 40 per cent less than that of workers engaged in the same type of work in the formal sector. This is similar to the situation in Pa Sang, where the wage rate for piece-work had been set very low and was lowered still further during the recession. The findings from the sample households indicate that before the recession, women weavers, who wove from 7.30 or 8.00 am to 5.00 pm, earned around 100 to 120 *baht* a day, whereas working similar hours, Nanthakwang's women workers (Nanthakwang was a cotton weaving factory which operated under the framework of labour law) earned 140-160 *baht* daily. These workers also received other fringe benefits such as lunch (17 *baht* a

were granted a contract to buy *lamyai* from farmers. Traders who accessed the contract, according to my observations and casual discussions, have been involved in local politics.

³⁸ In the Thai context, nationalist loyalty was stimulated by the recession, involved the desire to feel oneself to be 'more Thai' and this in one respect, entailed giving priority to the

day), petrol coupons (20 *baht* a day), paid sick leave (30 days a year), a uniform and health insurance (as the law stipulated) (Pa Sang sample households in-depth interviews, May-June 2000).

To offset rising production costs (electricity, water, cotton thread, colours and petrol) from mid-1997 to mid-1999, the piece pay rate was reduced so that, for the same number of working hours, women weavers received 20 per cent less in income. Moreover, due to the reduction in sales, the enterprises reduced the scale of production, resulting in the weavers sharing a smaller quantity of work. Pi Bunmeuang, who owned a cotton production workshop (WWG no.2), informed me that in 2000 her business employed 11 weavers who worked in her house and another six who worked in their own houses. Additionally, her business involved the casual labour of around 50-60 households based in Pa Sang and neighbouring villages. The work of this business included weaving, spinning, sewing and ruffling. During the period of stagnation, from mid-1997 to mid-1998, Pi Bunmeuang reduced the scale of production to a level where she could keep only the 17 main weavers. The casuals had to be laid off. She explained that "...I had to use a lot of capital borrowed from the bank to buy material so that these women could have some cash to buy food, and I kept the surplus products in the house because of the rarity of orders coming in at that time" (Pa Sang sample households in-depth interviews, May-June 2000). The reason for her decision was partly to show responsibility (she was the leader of WWG no.2 and a generous entrepreneur), and also partly because the enterprise would have collapsed had these women been employed by other enterprises or given up weaving and started practising other occupations. However, other sorts of workers - those who were considered unskilled workers - lost their employment. These casual workers were informed that '*mai mi order kaow ma*' (there are no orders). These workers had been abandoned to struggle for their own subsistence. A similar circumstance took place in Rim Ping when the housing construction business owned by the Rim Ping *kamnan*'s son was hit by the recession and the workers were dismissed without receiving any compensation (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

The combination of the reduction in the piece wage rate and the decline of the wholesale volume caused these weavers' earnings to fall by 30 per cent. By 2000, although the business had significantly recovered, the piece-work rate had not reached its former level.

In addition to the reduction in the piece-work rate, these cotton enterprises shifted their production costs on to their workers. Both weavers and other workers who worked at home had to bear operating costs such as those for electricity, water, and cotton thread. These operating costs used to be shouldered by the enterprise owners, but they stopped doing so during the crisis (from mid-1997). Thus, it could be observed that the petty capitalist households safeguarded their businesses by partly shifting the risks to the poor by reducing the scale of employment and wage rates and by passing part of the production costs on to the workers. Regarding land assets, as noted in Chapter Five, Section 5.2.4, the *thriving* households in these two localities occupied a large portion of the land (see Table 5.7 Appendix 5), particularly in Rim Ping. During the recession, the households of landlords made an arguably essential move in order to make their orchards more profitable. They rearranged the labour engaged in working on their plot. The new strategy included the dismissal of poor farming households who had allegedly maintained their fruit-tree plot badly. Then they recruited new poor farming households, who were able to offer more time tending the trees. This practice triggered economic uncertainty among the poor farming households who were making a living by planting market vegetables and this uncertainty forced some landless farmers to squat on the unused plots of land at 'suan dokkaew' to make a subsistence living.

In Pa Sang, the richest landlord families began to convert the acreage rented for growing shallots (*homdaeng*) and garlic (*kratiam*) into orchards that would yield more profit in the future. This decision narrowed the options of the landless farming households who were making a livelihood by planting and raising cash crops of shallots and garlic. Wichai, a landless farmer, expressed his apprehension that '*sip pi kangna kong mai mi na hai chow tumkin*' (In the next 10 years there may not be any land to rent for making a living). In Parnwell's study (2002), which was based in the Northeast, the author expresses the view that the current crisis seemed to be imposing only relatively minor inconveniences on the villagers. Indeed, on the basis of the

experiences of these two localities and using class analysis, it can be suggested that for a minority of households the 1997 recession was not too bitter an event. But this was not the case for the poor, especially the *struggling* households. This point is discussed in following sections.

6.2 *Surviving* Households and Diversification of Labour: adopting the degradation of skilled labour as a coping strategy

Parnwell's study (2002:277), noted above, argues that "...over the last 10-15 years, more and more households in the Northeast have been both aspiring and have possessed the means to keep their children on at school, whereas in the past it was quite uncommon". This tendency seems to be evident in households in both villages under this study. The rich and the poor alike generally saw the investment in their children's education as the best way to ensure the household's future livelihood security. Indeed, the level of education of the young generations for most households registered an improvement on that of the parent cohort (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

The investment in children's education presented a promising prospect during the long period of economic growth, when the urban labour market, in both state and private sectors significantly expanded. The fact that most of the members of the *thriving* families could access employment in the 'high-ranking' labour market, and some of the members of the *surviving* families could obtain employment in the 'middle-ranking' labour market, considerably encouraged poor parents to attempt to increase the educational level of their children. Indeed, education has been seen as an essential means enabling the poor households to increase their share of economic growth though accessing the better-paid jobs in the advanced sector of the labour market.

As in Parnwell's study locations (2002) this aspiration, however, became too difficult to achieve in the recession because of the drastic fall in the households' income and the increasing demand on additional wage earners (Rim Ping sample households in-

depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

6.2.1 New Labour Market of Educated Young Labour in the Recession: the NRIE and low positions in local government offices

With diminishing resources for survival, members of the poor households in these two villages as elsewhere (see Potts, 1995; Potts and Mutambirwa, 1998; De la Rocha, 2001; and De la Rocha and Grinspun, 2001) could not afford to wait for secure and well-paid employment. In an attempt to overcome this difficulty, the young educated members searched for employment in positions that required an educational level lower than their attainment. They opted (or were forced to opt) for this solution in order to increase their chance of getting a job. The NRIE appeared to be an important labour market for these young educated workers. Others included the government's public work scheme for the newly unemployed (as noted in Chapter Three, Section 3.4.1.1), and the lower ranking positions in local government offices.

For instance, Nidnoi, Intha's daughter, a young member of one of the farming households in the *surviving* group in Rim Ping, who had obtained a degree from a city college, finally accepted work as a clerk at the Or Bor Tor office in Rim Ping sub-district. Joy, in Pa Sang, had also been educated in a city college but finally had to use her grade 12 certificate to apply for a job on a factory production line in the NRIE in mid -2000, after having finished a six-month stint in the government public work scheme. Two educated young men, one from Rim Ping and the other from Pa Sang, who had each obtained a certificate from a vocational college, and had been laid off from the service sector after failing to get 'a proper job' in government offices, state enterprises or the service sector, also had to accept work on a factory production line in the NRIE in early 2000.

The normal educational requirement of for production line employees in the NRIE's factories was grade 9 to 12 (Theobald, 1997, 1999). Employment in the NRIE, which was classified in Chapter 5 as 'middle-ranking' labour, was considered undesirable in the boom among young educated workers in Rim Ping. Before the recession (before June 1997), none of the young educated workers from the sample households in Rim

Ping and Pa Sang with vocational and degree certificates worked in the NRIE, preferring instead to find employment in the government and service sectors, which offered a higher salary and better working conditions. The use of lower grades to enter the labour market in the NRIE in this context thus entailed lower payment, fewer social security and fringe benefit provisions, and no prospect of upward mobility. Additionally, working conditions in the NRIE provided few safeguards against health hazards, particularly those involving dangerous chemicals (Theobald, 1997, 1999).

Failing to find employment in the labour markets noted above, the educated young in Rim Ping became underemployed and helped out their parents by working on the farms, or by taking occasional or seasonal employment in the agricultural sector and the surrounding towns. Some finally decided on migration, and this form of labour deployment entailed fragmentation of the family unit, as can be seen in the cases of Kaek in Rim Ping and Moddaeng in Pa Sang.

Kaek and her husband, a young couple with an 18-month old son, were living with Keak's aunt in Rim Ping. Having worked together at the Sriracha Industrial Zone, located around 60 kilometres east of Bangkok, in Chonburi province, Kaek and her husband were forced to return to their home village and reside with their aunt due to a redundancy in 1997. Kaek, who had been educated to grade 9, looked after her son, who had recently been sent to Rim Ping CCCC because Kaek had started looking for work in Chiangmai. Her husband, who had a vocational study certificate, finally got a new contract of employment with an oil company, but in Songkla province (in the south of Thailand) in mid-1999. From then on the couple began living apart.

Her husband's new workplace was offshore, although he was allowed shore leave once every three months. The young couple (especially Kaek's husband) felt that it was unsafe to bring a family to unfamiliar surroundings in the South, especially as Kaek would be alone for long periods. Additionally, the cost of living would be lower if Kaek and the boy stayed in the village: for instance, child care provision in Rim Ping CCCC was ten times cheaper than the fee charged by a private nursery in Sriracha. This decision was made with a heavy heart, but with only one salary to rely on the couple admitted that they had no other option. Moreover, they did not want to

lose their car, which they were still paying for (Rim Ping Sample households in-depth interview, August, 2000).

In Pa Sang, a single mother, Moddaeng, decided to leave two of her children, aged 7 and 10 years, with their great-grand-mother when Moddaeng went to search for a new job in Phuket province (the tourist area in the south of Thailand). This exemplifies one aspect of the social repercussions of the prolonged recession and of the adjustment policies, as noted by several scholars including Elson (1995a, 1995b) and De la Rocha (2001). Other young educated workers in Pa Sang, who failed to obtain better paid jobs, sought to make a subsistence living from piece-work in home-based enterprises.

6.2.2 Costs of the SAP: impact on educated workers

In the circumstances when so few jobs were available, working in the NRIE was likely to be the best option available for the young unemployed in this period. In fact a number of educated workers were excluded from employment with these global firms. Several prominent factors impeded the efforts of young educated workers to obtain employment in the NRIE. As noted in Chapter Five, Section 5.3.2, the NRIE's recruitment policy privileged young, educated (not below grade 12, during the crisis period) single women aged below 25.

The laid-off women workers from the manufacturing sector who opted to migrate to their home villages had in all cases an education below grade 12. Moreover, they were at least 30 years old. Most men workers in these two localities who had been laid off from work in the construction industry held grades 4 and 6. Some of the educated members of the *surviving* households in Pa Sang had obtained a vocational certificate, but proved too old to be employed by the NRIE. So employment in the NRIE, as in other industrial export zones located in other developing countries worldwide (Elson, 1995b; De la Rocha, 2001), could not be relied on to provide a sustainable source of coping mechanism for all households in need of a job. This finding supports Elson's argument (1995b:169) about the costs of adjustment policies, which were designed to transfer labour originally employed in a public and non-tradable sector (such as the construction industry) to a tradable sector (such as

employment in the export sector), which had the effect of increasing the burden on women.

The unwanted workers, especially in Pa Sang, were compelled to become casual workers in piece-work production in the informal sector or to become unemployed. The available piece-work in the village industries (which included woodcarving, ruffling, sewing, knitting and packaging) had long been established in Pa Sang and now became available for a number of workers. However, the work at best offered only 50 to 60 *baht* for 7 to 10 working hours, and might not be available regularly. Among this sort of work woodcarving, which normally involved men only offered the highest wage rate. Women workers were dominant in other kinds of work, such as cotton production. Data from two of the sample households on the young laid-off workers in Pa Sang showed that a young woman whose work was sewing earned around 80 *baht* a day while a young man engaged in woodcarving earned 100 to 120 *baht* a day. These two crafts were considered to require a higher level of skill than other work like ruffling, knitting and packaging, which were less well paid. Working 8 to 10 hours a day, these laid-off workers earned around 1500 to 2000 *baht* a month. A comparison of the income from employment provided at the NRIE with income earned from piece-work in Pa Sang village showed that the former was significantly better.

As noted in Chapter Five, Section 5.3.2 and the preceding section, a worker's employment position represents social status and privilege and helps to construct self-esteem and identity. Therefore, even though the practice of labour diversification adopted by these young educated workers considerably assisted them and their households in ensuring the material means of survival, it also presented a dark side in regard to the issues of self-depreciation and social deprivation. It has been well argued that livelihood is not just a matter of assuring sufficient food and other material necessities but also involves assuring group and individual identities as well as the issues of self esteem and the regeneration of social relations (see Wallman and Associates, 1982, cited in Long, 2000:197; De la Rocha, 2001).

These latter aspects were important to all, particularly those who had obtained a degree and expected to secure employment in the 'high-ranking' labour market, such

as a teaching job in the village school, but were compelled to earn a living working on a production line in the NRIE or from piece-work employment. The economic crisis weakened their self-esteem. Joy was a case in point. She avoided participating in social and religious affairs in Pa Sang, feeling that her sense of self-worth had been eroded. She spoke of her plight with emotion: "I feel ashamed and don't want anybody to know that I'm working in the NRIE. The job I do now isn't the one I had hoped to do. I wanted to get a teaching job in the school but new recruitment isn't likely to start until next year. I don't dare to go to the temple since I will be asked where I'm working. But really I shouldn't not worry so much. My parents got a loan of 60,000 *baht* from the BAAC for my studies that had to be repaid every year, otherwise we would have lost our credit source". In 2000, Joy and other young workers in the NRIE received a daily wage of around 132 *baht*. With 26 working days, monthly earnings were less than 3500 *baht*, and so they normally worked extra hours to earn a wage adequate for the whole family's expenditure (Pa Sang sample households in-depth interviews, May-June 2000).

Similar feelings were expressed by Nidnoi and other young educated NREI workers. For instance, Nidnoi was concerned about her family's debt: " My father borrowed 50,000 *baht* from the BAAC in 1998 when I was in the last year of my studies because the vegetable plot didn't make any money, and the *lamyai* harvest in our orchard was bad that year. So I need to take any job so I can earn some more money to repay the loan. I feel that my studying at the college hasn't been much help because now they're asking me to do typing. I hope I'll be able to get a better job but I don't know when". Being at home, Nidnoi was able not only to save, but to help her mother with a variety of domestic work, freeing her to fully participate in farming activities that would otherwise require hiring non-family labour (Rim Ping sample households in-depth interviews, August 2000).

This sense of failure and social despair was not confined to the young educated workers: the older unemployed persons and the owners of failed businesses were also struggling under the weight of self-deprivation. The returnees lost the reciprocal relations previously established among friends and colleagues in the workplace, to whom they had been used to look for assistance. Additionally, they became aliens in their old home and hoped not to stay long in the village (see details in Box 6.1).

6.3 *Surviving and Struggling* Households and Intensification of (Women's)

Labour as a Coping Strategy

Contemporary feminist research on households' coping mechanisms in developing countries, as noted in Chapter One, Section 1.4.2, emphasises that the recessions and SAPs imposed unequal hardships on the male and female members of the household (Beneria, 1992; Elson, 1992, 1995b; Safa and Antrobus, 1992; Geldstein, 1997; Pearson, 1998; De la Rocha, 2001). With regard to the resistance to hardship, particular studies based in the Caribbean countries (Safa and Antrobus, 1992) and in Mexico (Beneria, 1992; Geldstein, 1997) indicate that there is a significant increase in the rate of women's participation in paid work during recession and the period of SAP implementation. Also the working hours of female members tend to expand as a result of combining paid and unpaid work.

Box 6.1 Home Villages and Their Ability to Absorb the Urban Crisis

Some young respondents elucidated their reasons for returning to stay in the parental home; for example, one said that "Living in the village involved no rent and food for a family of three would cost 50-60 *baht* a day; this amount of cash is equivalent to the food budget of one person living in the city of Chiangmai". Living in the parental-home, however, had its advantages"...but the income we can earn here doesn't offer us a prosperous future. We had hoped that we would be able to get a better- paid job like it before: I used to earn 5000-7000 *baht* but my savings ran out because I couldn't find a new job, although I was unemployed for several months" (Pa Sang sample households in-depth interviews, May-June 2000).

Indeed, a number of young workers who returned to these two villages had been employed in a firm located in the formal sector, but none had received severance pay, because, I was told, the firm was collapsing and their employer had no money to spare for severance payments. They did not know about the government scheme to pay a supplement to workers whose employers had failed to meet their severance obligation (as discussed in Chapter Three, Section 3.3.4.2 (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000).

This finding supports the argument advanced by scholars, NGOs, trade unionists and some scholars that this policy failed when it came to implementation because the relevant information had not been well disseminated (Bandith, 2000; Parnwell, 2002).

As noted in the above-mentioned studies, here more women than men increased their participation to safeguard their families. They considerably expanded their working hours, particularly with respect to paid work, despite the fact that they had already been working long hours in the boom period. However, the increased rate of female labour mainly resulted from the intensive participation of older women from poor households (see Table 5.9, Appendix 5). In contrast, the studies cited above indicate that the increase in female labour participation stemmed from the movement of adult women from unpaid to paid jobs.

Thailand has a long tradition of women's participation in economic activities, especially in paid work (Suvanee, 1977 cited in Theobald, 1997:198; Supawadee, 1987; Varunee and Benja, 1994; Benja, 1999). In Supawadee's study (1987), the author notes that the proportion of female labour in Thailand was the highest in Asia and one of the highest in the world. In Benja's study (1999: 6), which focused on the agricultural sector, the author points out that, according to the Thailand labour force survey (National Statistical Office, 1990), the participation of the female labour force (64.9 per cent) in the agricultural sector was slightly higher than that of male labour (63.3 per cent). The data from the sample households in the two villages indicate that, in Rim Ping, only two women described themselves as 'temporary housewives', meaning that they spent only a few hours engaging in economic activities; the rest were spent in caring for small children. One young mother and her husband had been laid off from work in Bangkok and had moved back to Rim Ping in late 1997. They had a six-month-old son, and the mother could spare only one or two hours a day helping her husband with the farm work. The second case was also a laid-off young mother who was taking care of her 18-month-old son while looking for a job in Chiangmai city. The same trend was seen in Pa Sang, where two adult women had quit their weaving jobs and spent all their time doing domestic work (ranging from caring for grandchildren to cooking and cleaning in order to free the young mothers to work in the NRIE). These cases concerned women in the *surviving* households. Adult women in the *struggling* households were only involved in reproduction work, partly because they could not afford to do otherwise. This point was supported by the finding that these young families put their children, as young as one year old, in the CCCC, and also partly because they worked in the informal sector (where they were

likely to be underemployed) so that they could find a balance between their paid work and their domestic responsibilities.

The strategy pertaining to the intensification of women's labour was widely adopted among the members of poor households, of both classes, who were still able to hold a job and those who worked on the farm and in the family's enterprise. A combination of factors impelled Thai women to become central to this practice. As noted in Chapter Five, Section 5.3.2, this was partly due to the global gender division of labour that rendered female workers preferable to males, and also to Thai culture which gave girls the duty of taking care of the family's wellbeing (Mills, 1992; Varunee and Benja, 1994; Van Esterik, 1995; Whittaker, 1999; Parnwell, 2002).

6.3.1 Intensification of Labour in Waged Employment: forms of practice

The expansion of the working hours of waged workers took various forms such as the NRIE's double-shift system (18 hours), weekend work, and extra working hours between the day and night shifts. Some waged workers who could not get extra work at their own workplace sought work elsewhere. For example, adult women workers in Pa Sang, who worked in a local weaving factory (Nanthakwang) expanded their hours in piece-work cotton production in the village, while others spent more time tending the orchards.

Noina, who worked five days a week in Chiangmai, spent her Sunday working for a lottery company in a small town in Hang Dong, Chiangmai. Pavin, who worked in the beauty salon in the town of Sarapee, spent his weekends repairing electrical domestic appliances. Getting extra paid work was not easy, however, because more people were looking for a job, and the labour market had contracted. Those who could find extra work were considered lucky. For example, Noina had to wait for to find a Sunday job for almost a year after the normal working hours in her regular job had been reduced (Rim Ping sample households in-depth interviews, August 2000).

6.3.2 Intensification of Labour in Waged Employment: potentials and limitations

The labour intensification practised by waged workers had several purposes, including the maintenance of income at an acceptable level. The young educated workers who had had to take a job in the NRIE also adopted labour intensification because the pay they received from working normal hours was too low.

The households of extended families tended to be more resilient to hardship. In order to expand their working hours, young women like Joy and other young educated women workers (the NRIE workers), had to rely on substantial support from their extended family, in which other adult women members had to fulfill domestic responsibilities, particularly child care, and especially when a child was too young to be sent for care at the CCCC. Evidence from these two villages shows that the NRIE workers who became the main providers of the households were largely freed from any sort of domestic work. Joy's mother described her daughter's schedule as follows: "Joy comes back home for a meal and rushes off to sleep; if she has more time, she may come and play with her boy for a short while and then go to sleep, as she is working 12 hours a day, even at the weekend" (Pa Sang sample households in-depth interviews, May-June 2000). These NRIE workers, in some cases, worked double shifts, and in all cases worked at the weekend if a job was available because weekend pay was double the weekday rate. All reproduction responsibilities, either for their own personal matters (such as washing their clothes), or for the household's members like cooking and cleaning, and the task of caring for children, were left to another adult female member, in most cases the grandmother. The Nanthakwang weavers (Nanthakwang factory is located in Pa Sang town), whose children were generally of school age, tended to gain support from an older female member (a mother or a mother-in-law), who would carry out certain domestic responsibilities, especially cooking.

The intensification of labour in waged employment offered less potential when households were in need of cash, for example to repay a large debt. In such cases, the stress resulting from labour intensification, together with the pressure caused by debt, increased the tension and conflict between the members of the household, especially

when individual members had different priorities concerning the use of their own income. This case can be exemplified by Nidnoi's family dilemma in Rim Ping.

Noina, her husband and their 10-month-old son were part of an extended family of six. The other three members were Noina's mother and father-in-law, Somsri and Pan, and Noina's sister-in-law, Nid, a 15-year-old schoolgirl. Somsri took care of her grandchild and did other housework tasks. Noina worked in Chiangmai and her husband was working at the NRIE. Tensions arose when the family, which had incurred a large debt of 186,000 *baht* from the BAAC and the Sarapee Cooperative, defaulted on the service charged and the couple wanted to put some of their wages aside for their own savings instead of contributing a large portion of their income to service the family's debt as Somsri and Pan expected. The loan had been borrowed to build a house and to develop the family's land plot with a view to grow *lamyai*. Therefore, Pan decided to enlarge their vegetable plot from one to two rai by using 'suan dokkaew' land. The two rai vegetable plot required the intensive labour of two full-time workers (Pan and Somsri). Nid, therefore, was asked to spend her late afternoons (after school) taking care of the baby so that Somsri could assist her husband on the farm. This worried Somsri as she would have liked to support the girl to help her get a place at a university. Her domestic duties prevented Nid from doing her homework and reading enough. Negotiations between Somsri and Noina about the baby's welfare and Nid's educational opportunities took place on several occasions in 2000 since Noina wanted Somsri to take care of the boy until he was eighteen months old and then send him to the CCCC. Somsri wanted to send the boy within the next two months when he would be one year old. Noina felt that her child was too young and that the private nursery, which might provide a better service for the child, was too expensive. Noina suggested that the girl should go to study in a commercial college and get a job soon so that she would be able to contribute to the family's debt repayment.

This evidence contests the notion of the household's single utility function, which emphasises intra-relations based on the fair distribution of resources and division of labour. It also indicated that the potential of labour intensification of waged workers appeared to vary, and this strategy alone might not bring a positive outcome. The successful cases usually occurred in extended families and others where the

household's income derived from multiple sources. A small nuclear family tended to be disadvantaged. Additionally, the positive outcome might be a combination of labour diversification, intensification, and the ability to tighten the budget. As noted in Chapter Five, the *struggling* households lacked human capital to diversify and intensify their labour in the labour market, for example the NRIE. Additionally, this type of household, as can be seen in Table 5.4, Appendix 5, often contained a number of unemployed and underemployed members, who relied for their subsistence on the wage of single member who was able to get only poorly paid work with a local enterprise. Thus, the practice of intensification of female labour in the poorest households was not enough to secure even a basic level of subsistence. This suggests that the same practice might present diverse results conditioned by the location of the work (see details in Table 5.6). The *surviving* households, who were able to diversify the labour of their young educated members to work in the 'middle-ranking' labour market, appeared to achieve a positive outcome. Similarly, adult women weavers who had a job in the Nanthakwang factory and intensified their labour in the local piece-work market were likely to be more successful than women in the *struggling* class who intensified their labour through piece-work only (this point will be touched on again in Section 6.4.1 when I discuss the informal sector).

The strategy of labour adjustment was slightly less successful in families who accrued had incurred large debts and had to bear the costs of their children's education.

6.3.3 Intensification of Labour in Non-Waged Households: forms of practice

In these localities, the intensification of labour was also widely adopted by non-waged members of poor households in both classes. In farming households, the practice of intensification was deployed when they made efforts to spread the risks of cash crop price failure. These included enlarging the size of the farm and diversifying farm activities together with the attempt to reduce the labour cost of employing non-family members.³⁹ In enterprise households, similar practices were deployed to

³⁹ Diversification in this context refers to the practices of farm households who divide their farming activities into the planting of long-cycle vegetables with an expected high return and that of fast-growing vegetables with 30 to 45 days to harvest. The fast-growing vegetables could ensure the farming family a daily or weekly cash income while the long-

reduce their business costs by, firstly, withdrawing or limiting the hiring of non-family members. Furthermore, some of these families, such as those who traded market vegetables, also attempted to reduce business costs by growing certain kinds of vegetable instead of buying them. In some cases, where there was an opportunity, a family member would get a paid job to bring in a supplementary income.

6.3.4 Intensification of Labour in Non-Waged Households: potentials and limitations

In Rim Ping, poor farming households in both classes adopted labour intensification. However, the *struggling* class did not own *lamyai* orchards so their main income came from growing and selling vegetables. The labour intensification of these farming households, therefore, largely took place in terms of enlarging the farm size, diversifying the types of farming and reducing labour costs. These practices entailed their members working longer hours during the day, including weekends. However, as farming was not profitable, the intensification of labour failed to significantly help the families to cover the cost of reproduction, especially the cost of the children's education. This was the case particularly for the farming households in the *struggling* class who, as noted, had no supplementary source of income. Nipol's family, a landless farming household in the *struggling* class in Rim Ping might well exemplify how the poorest struggled to make a living when a family relied on a single source of income, in other words market vegetable farming, and that source was jeopardized by the drastic decline in the urban demand for farm products.

Nipol's family comprised three members: Nipol, his wife and his son, who had withdrawn from Chiangmai Art College in early 2000 and was still without a paid job in late 2000. This family had incurred a sizable debt, which had largely been used to sustain the boy's education from 1997 onwards. In early 1999, to spread their defences against the risk of price failure, the family enlarged the farm size from one to two rai by squatting to use an abandoned plot in 'suan dokkaew'. The son did not have much experience of farming, so the main responsibility fell to his parents. This

cycle crop would provide a larger amount of income to be used for loan repayments, educational costs or savings.

family reduced labour costs by using only family labour. Nipol and his wife, with the assistance of their son, worked seven days a week, from 7.00 am to 7.00 pm and occasionally longer, for example on harvest days. Like other families in the *struggling* group, Nipol and his wife withdrew themselves almost completely from social and cultural affairs and normal collective activities, which were considered less important or impossible to cope with when they were already overworked. However, despite the enlargement of the farm size and all their efforts, the family was still unable to prolong the son's education. Amporn, Nipol's wife, expressed her deep bitterness: "I aspire to see my boy obtaining a degree or at least a diploma but we have no choice as our farm offers us nothing" (Rim Ping sample households in-depth interviews, August 2000).⁴⁰

The employment market in Chiangmai had not yet recovered, so the family hoped that a relative who resided in Bangkok would be able to help the boy find a job there, but the good news did not come. Nipol's son, therefore, like some of his peers in these two villages, was considering migration as a debt-coping strategy. This shows that intensification of labour on the farm alone presented insufficient prospects if the households required cash beyond their daily subsistence.

In contrast, farming households in the *surviving* group, whose source of income was more diverse (since they had additional income from the orchard) tended to be able to keep their children in school, although this attempt enlarged the amount of debt of the households involved (see for example Nidnoi's case discussed earlier). The intensification of labour, in particular women's labour, even in the successful cases, tended to incur a number of costs. These included direct effects on the welfare of children (this point will be fully discussed in Chapter Seven), and on their own health. Chansom's family in Rim Ping was a case in point.

Chansom's family was a landless enterprise household in the *surviving* class, who had gained certain benefits during the boom. In the recession, the volume of the family's business (trading vegetables in Chiangmai market) dropped drastically by 30 to 50 per cent. In addition, the family had to absorb two dependent members: Chansom's

⁴⁰ In this case the boy failed to access the Student Loan Scheme and the fees were around 12,000 *baht* a year (Rim Ping sample households in-depth interviews, August 2000).

mother, who was almost 80, and her niece, aged 14 (grade 8). The incorporation enlarged the family from three to five, with only two, Chansom and her husband, being active economically. Chansom's son, aged 15, was in school. The new members had lived in another village. Chansom's brother and his wife had lost their jobs in the construction industry and had problems of alcoholism, so they could not ensure the basic needs of their dependent mother, or assure the girl's education after grade 9.

In the pre-recession period, the normal working hours of Chansom's family had begun at 2 am with the preparation of vegetables. The couple then left the house at 4 am. From 4 to 10 am, Chansom traded in the market in Chiangmai. Her husband helped out with the business until 6 am, then drove a pickup van to the morning market in the city of Lamphun where he bought vegetables for the next day. Then he came back to pick up Chansom and both came home around 11 am. Two neighbours were hired to help out with the preparation and so on. The couple had a rest period from 11 am to 4 pm. By 4 pm, the neighbours would finished their tasks and leave some work for the couple to carry on.

Chansom and her husband started trading in 1999 with a very small amount of savings accumulated when Chansom had worked as a housemaid for an urban middle-class family in Chiangmai and her husband had worked as a taxi driver (*roddaeng rab chang*) also in Chiangmai. The family started to finance the new pickup van five years ago when their business was running fairly well and the crisis was not envisaged. In 2000, the family still owed 160,000 *baht* to the car company at 16 per cent annual interest. Normally, the repayment was around 8000 *baht* a month. The family also borrowed money from the BAAC to buy a plot of land near the village's main road and build a moderately sized new house with two floors.

The drastic decline in the market demand for their products placed the family in severe difficulties. They would be hard pushed to meet the debt repayment. Chansom's husband started using a neighbour's plot to grow certain kinds of vegetables by skipping the afternoon rest hours. Chansom took charge of the

preparation of the product with the help of one relative who was employed to work half a day at wage of 30 *baht*.⁴¹

Later, in June 2000, Chansom got a job in the CCCC preparing lunch for 126 children and six CCCC staff. After getting this job, her fear of losing the van receded. She worked from 11 am to 2.30 pm at the Rim Ping CCCC. The rest time in the afternoon became unaffordable, and Chansom's mother had to prepare the family meals. The labour intensification of this couple forced them to forgo collective activities, wedding parties and so on if they were not arranged for the weekend or were not relatives' or close friends' affairs.

In September 2000 Chansom's health was extremely poor. A doctor suggested she should take more rest but Chansom refused to do so as the family could not afford to lose the pickup: without it their enterprise could not continue. In October 2000, the secondary school in Sarapee, where Chansom's son was studying, sent a letter to the family informing them that the boy's study record had deteriorated sharply. The boy also insisted that he wished to give up his studies after completing grade 9 in March 2001 or go on to study in a vocational school instead of aiming to get a degree as his parents hoped, which would take another eight years. The couple said that the boy's teachers suspected that the main reason for his poor record might have been that his parents were now spending less time with him (Rim Ping Sample households in-depth interviews, August and October 2000). Chansom's case was by no means an isolated one; similar issues were addressed by teachers in both Rim Ping's and Pa Sang's village schools. They noted that parents had reduced their participation in school activities and meetings, and seemed to have little time to advise their children on their studies and other matters (Rim Ping key informants: open conversations with schoolteachers, February 2000; Pa Sang key informants: open conversations with schoolteachers, February 2000).

⁴¹ Chansom explained that she and her husband hired a relative with the intention of guaranteeing the widow's daily food rather than needing help from the widow (Rim Ping sample households in-depth interviews, August, 2000).

6.4 *Surviving and Struggling* Households: working in the informal sector as a survival strategy

6.4.1 The Nature of the Informal Sector

Studies focused on households' survival strategies, as noted in Chapters One and Two, pinpoint the informal sectors the arena of the survival strategies of a large number of workers who had been excluded from advanced labour markets in the formal sector (Cornia, 1987; Safa and Antrobus, 1992; Schild, 1997). In Safa and Antrobus' study (1992), the informal sector is cited as a site where a large number of women had made efforts to survive despite its many disadvantages compared to other labour markets such as the export processing industries. The sector comprises three main groups of workers: "domestic servants, petty vendors, and other self-employed workers" (Safa and Antrobus, 1992:64). In this study, the term 'informal sector economy' also refers to three main sectors: petty vendors, the self-employed and home-workers.

In Thailand, the informal sector economy is large and comprises a huge labour force: in particular the 'work-at-home' or 'putting out system' is defined as one component of the informal sector (Narumol, 1997:163). In 1992, this sector absorbed almost 11 million workers of whom around 60 per cent were women (Narumol, 1997: 163). Benja's study (1999), which was based in Chiangmai and Lamphun, and that of Amara and Nitaya (1989:5), indicate that these women worked for around 8 to 10 hours a day. However, this type of work provided a very small amount of income and, as noted in Chapter One, the earnings of 45 per cent of the workers were below the poverty line. The findings of the studies noted above and of my own research present a similar picture. In fact, the findings of the present study reveal that the local informal sector enlarged during the crisis. However, I would argue that the local informal economies lacked the ability to offset the crisis of reproduction of poor households, particularly in Rim Ping.

As noted in Chapter Five, the nature of the informal sector in the two villages differed somewhat. The home-based work being offered to poor families in Pa Sang consisted of cotton piece-work, which that barely existed in Rim Ping. In the boom,

Figure 6.1 Laid-off Female Worker in Rim Ping: A New Source of Survival



Author's Photograph , 2000

Figure 6.2 Unemployed Man in Pa Sang Hired to Harvest Shallots



Author's Photograph, 2000

Figure 6.3 Mae Pim in Pa Sang at Her Daily Weaving



Author's Photograph, 2000

Figure 6.4 Schoolboy in Rim Ping Working for Extra Pocket Money



Author's Photograph, 2000

Rim Ping's farming sector represented a fundamental labour market, absorbing excess labour from the urban labour market. But, as noted in Chapter Five, the ability to absorb the labour of local farming households appeared to be totally lacking. So both retrenched workers and the owners of failed businesses had to create a new source of income by starting up small businesses as petty vendors and self-employed traders. The business activities included making curry paste, selling flowers and plants from home, and running a grocery shop or a noodle shop. Practically, even when both men and women were unemployed, women constituted the central labour force of these income-generating activities, partly because there was a long tradition in Thailand that women tended to generate income by engaging in small trades (Napas, 1997).

6.4.2 The Informal Sector: potentials and limitations of petty vending and self-employment

In Rim Ping, in 2000, three households in the *surviving* group attempted to make a subsistence living in the local informal sector, as did another from the *struggling* households who had made a reverse migration to the village after being laid off from work in the construction industry. Only one of these efforts succeeded: this was the case of Wanna's fast-food shop, '*raan kaow gaeng*'.

Wanna (a woman of a *struggling* household) had returned to Rim Ping to stay in her sister's house who had migrated to work in Phuket. After failing to get new waged employment, this laid-off worker borrowed money from her sister to open a fast-food shop. Wanna had to struggle for almost a year, working from 5 am to 10 pm daily with a little help from her son, who was in school. At last her noodle shop became very popular because the food was both tasty and cheap. Wanna's earnings in early 2000 enabled her to use her savings to repay the debts incurred during unemployment and the loan borrowed from her sister to start up the noodle shop. But the business was not profitable enough to support her single child, a son, who was 17 years old and had just finished his grade 9, particularly as he wished to study at a vocational school in Chiangmai whose fees were around 25, 000 *baht* a year. Luckily, her son finally got a place at the state college, which offered him a study loan (from the government study loan scheme discussed in Chapter Three) covering the fees and

some other costs. This relieved the stress on this single mother's family, but the economic crisis also precipitated the family's disintegration, as her husband left to live with another woman: he had become demoralised by losing his job and lacking any other means of subsistence (Rim Ping sample households in-depth interviews, August 2000).

This kind of success was hardly to be seen in other cases. For instance, Chaloy's grocery attracted few customers, and her capital was so small that she could not offer credit to customers whereas the shops of *thriving* households could do so. The business had used up all Chaloy's savings and her husband's severance pay of around 100,000 *baht*. After six months, the business suffered a cash flow crisis: no money was left to buy new products and many products still lay unsold on the shelves. The family had an 11-year-old boy who was studying in a private school in Sarapee town, but in 1999 and 2000 the family did not have money enough to pay the fees (5000 *baht* per semester). Although the boy loved his school and did not wish to move, Chaloy knew that if she could not revive the business, the removal of the boy to a state school (with cheaper fees of 2000 *baht* a year) would be unavoidable. However, as noted in Chapter Four and in this chapter, any setback in a child's education was highly undesirable and to be postponed by all possible means. In this case, Chaloy and her husband decided to keep the boy in this school until March 2001, or until he had completed his grade 6; then the couple would have to transfer him to a cheaper school (Rim Ping sample households in-depth interviews, August 2000).

Like Chaloy, Nim, a resident of Rim Ping village found that her daily income from a tiny business - selling flowers and plants in Chiangmai city - did not even cover the daily food and pocket money of two children. So, from time to time, Nim and Chaloy drew cash from a daily loan, '*guan ku rai wan*', to cover their children's pocket money. But the collapse of her business in 1997 exposed Nim's family to the high risk of losing their orchard, because the family had incurred a 400,000 *baht* debt, borrowed from a commercial bank to invest in the business in 1995. Because Nim's new source of livelihood, selling flowers and plants at her own house in Rim Ping, presented no prospects, and because her husband, who had lost his job on a construction site, had become underemployed, she feared that her two children

would have to be transferred from a private school in Chiangmai to a cheaper one; but her children loved their school so she decided to wait until 2001, when the older one would have completed his grade 9 and the second one her grade 6 (Rim Ping Sample households in-depth interviews, August 2000).

In Pa Sang, examples of laid-off workers and returnees who decided to risk making a living as vendors were very rare. Similarly to Rim Ping, for those involved tended to express their concern that this kind of business presented no prospects. This suggests that although the informal sector appeared to have become enlarge enough to absorb the urban unemployed and the failed businesses, it could not be a new and viable source of subsistence, partly because while many workers entered this sector, the purchasing power of potential customers had drastically declined. In fact, if there had been a viable alternative, the three households noted above, or many other households in these two villages, would have preferred hiring out their labour to using cash to start new sources of livelihood, since they were in short of cash and felt that any investment involved a risk of losing the invested capital as a result of the decline of market demand, both locally and beyond the locality.

6.4.3 The Informal Sector: potentials and limitations of home-based work

In Pa Sang, most (female) members of the waged households in the *surviving* class had a job in the 'middle-ranking' labour market (the NRIE and Nanthakwang). In contrast, all of (female) members of the waged households in the *struggling* class earned their subsistence in the informal sector of cotton piece work employment (see Table 5.6, Appendix 5). These women hired out their labour and intensified their work in the local cotton production enterprises, which appeared to be the best option for those who were excluded from better-paid employment.

In the recession, the unwanted young workers and other sorts of retrenched workers were forced to seek a daily living in the local home-based work employment. In particular, the families of retrenched workers, in most cases, had no other source of income to rely on. Additionally, as they did not have weaving skills, they derived all their earnings from casual employment in this industry, including packaging and ruffling, and knitting cushions, pillowcases and tablecloths. These jobs offered an

even lower income than the work of weaving and sewing. These laid-off women sometimes spent the whole day and night working when work was available, because no one could be sure when the next order would come. The best way was to expand working hours as long as one could, so that a given job could be completed rapidly in the expectation of extra orders arriving.

As for those who had worked for these local enterprises before the recession, as noted earlier, their piece-work rate and quantity of work were reduced, and even when these businesses recovered, the wage rate did not return to the pre-recession level. Additionally, as noted in Chapter Five, the average size of the *struggling* households was very small and they often included old or sick members as well as children. Having dependent members and given the decline in the quantity of work, these poor households were forced to draw on all able members even the old or sick, to work for cash and non-cash incomes. To ensure their basic food security, the *struggling* households in Pa Sang, as in Rim Ping, had to reduce their rest time, social activities and so on. The story of Mae Pim's family could well illustrate this point.

Mae Pim, aged 73, explained that, to maintain the family's subsistence, she helped her widowed daughter (Srireuan aged 56) by doing weaving at home seven days a week. She described her situation: "I haven't been to the temple for months. Before, I used to go almost every Buddhist day and if there were *phapa* and *kratin* in our neighbouring villages I wouldn't miss them but now I have to help" (Pa Sang sample households in-depth interviews, May-June 2000).

This family had three members: Mae Pim, her daughter (Srireuan) and her seven-year-old great-grand-daughter, Noi. The girl's mother had worked in the service sector. When she lost her job, she went down to the South. Until 2000, nobody in the family knew where she was or what she was doing. There was a rumour that she had become a sex worker in Phuket. Another of Srireuan's daughters also became unemployed and stayed with friends in the city of Lamphun. For almost two years, the family did not receive any remittance from these members and had to rely on weaving work from which they earned around 2500 to 3000 *baht* a month with two members working (Pa Sang sample households in-depth interviews, May-June 2000).

Given their limited ability to intensify their labour and having a large number of dependent members, the *struggling* households were most profoundly affected by the recession. Like the poorest group in Rim Ping, these households finally had no option but to discontinue their children's education. This can be seen in the story of Somdej's family in Pa Sang. Somdej, a widower, expanded his working days and hours to the maximum offered by the mill factory (seven days a week from 6 am to 7 pm). His earnings, however, were reduced from 140 to 100 *baht* a day. This income was used entirely to feed three dependants: his daughter, aged 17, who was studying in grade 12 in 2000; his daughter-in-law, who had lost her job in the service sector, and her child, a five-year-old girl.

Before the recession this family had incurred a large debt, which had been borrowed to build a house and to cover health care for Somdej's son, who had had an accident in the workplace but whose employer had offered to cover only half of the total expenses. The family's difficulties in repaying its debts began in 1998 when both his son and his wife moved back to stay with Somdej after losing their jobs. His son then migrated to search for a new job and told nobody in the family where he was. From 1998, the family defaulted on the debt repayments. Somdej attempted to prolong his daughter's education to March 2001 (by then the girl would have completed grade 12) because with that level of education the girl would have a chance of obtaining employment in the NRIE. She would have liked to study at the Chiangmai teacher-training college using the state student loan scheme, but there seemed to be no chance of this as her family needed to increase their earnings (Pa Sang sample households in-depth interviews, May-June 2000).

This shows that labour intensification in the local informal sector failed to sustain the subsistence of the *struggling* households, in particular their sustenance and the cost of the children's education. In fact the costs of reproduction regarding the children's education and the childcare provision of these poorest households were regularly subsidised by the extended family and the local safety net institution, which will be discussed in the next chapter. The findings discussed in the above sections contradict the romantic view evident in Thai government policy, discussed in the preceding chapters and particularly in Chapter Three, concerning the elasticity

of non-urban households' ability. According to this view these households were supposed to have the ability to offset both the immediate and the long-term crisis of reproduction despite the fact that they had long been neglected in terms of economic development.

6.5 Conclusions: strengths and constraints of labour adjustment

The findings discussed in the preceding sections show the distinctive and diverse forms of the coping mechanisms deployed by both rich and poor households. With regard to the question: to what extent did labour adjustment help households to face the vulnerability imposed on them, the findings show that the households' resilience in the face of adversity varied considerably across class sections. Generally speaking, the lowest-ranking households, lacking necessary resources, had to use every possible means to safeguard their immediate and future economic security: however, a depletion of resources and assets, especially in terms of the level of human capital (children's education and childcare provision) could hardly be avoided.

6.5.1 Thriving Households and Their Resilience to Hardship

The *thriving* households, as noted earlier, generally complained that the recession increased their cost of living and the costs of their enterprises because of the rise in the prices of food, certain services, electricity, petrol and other production costs. To confront these they tightened their budget and used various types of tangible and intangible assets to ensure their livelihood and eventually their economic prosperity. Their tactics included reducing the scale of employment, lowering wage rates and transferring some of the production costs on to the workers. Additionally, in the case of Rim Ping, they increased the profit from their land assets by intensifying the labour of poor households whose livelihood relied on growing market vegetables.

This combined strategy seemed adequate to protect their well-being as there was no sign of a severe depletion in their asset portfolios. The well-grown orchard received more tending, the children's education continued: among these nine households, three had children in universities, and children who were studying in private schools or attending the private nurseries continued to do so. The majority had sufficient assets

to resist hardship. This evidence confirms the finding in Moser's study (1996) that the degree of adaptation and resistance to hardship depends on the level of asset ownership and entitlement.

6.5.2 *Surviving* and *Struggling* Households and Their Resilience to Hardship

Three forms of labour adjustment were deployed by these two classes of households in confronting the hardships of the crisis: (1) diversification of labour by adopting a degradation of labour skills, (2) intensification of labour by intensifying working hours and expanding working hours, (3) allocation of labour to generate work in the informal sector.

Regarding the households in the *surviving* category, the findings tended to suggest that some households, in particular extended households whose labour assets were relatively large and whose members had attained a certain level of education, were able to resist hardship. This was particularly the case with those who had a member employed in the advanced sector such as in the NRIE and in the local government offices. However, these households' capability to adjust their labour appeared to be limited to servicing their debts. Additionally, the family cycle, which differentiated a family with school-age children from one with grown-up children, appeared to be another factor. In this regard, a family who had to bear the cost of the children's education seemed to be more vulnerable.

In Rim Ping, households who sought a living in the informal sector (petty vending) and lacked alternative sources of livelihood were more vulnerable than others, as exemplified by the cases of Nim's and Chaloy's families. In contrast, the lesser degree of risk of losing valuable assets and the greater ability to manage debt found in the cases of Intra's and Chansom's families seemed to stem from the fact that their livelihood sources were more diverse. This suggests that the more diversified the sources of a household's livelihood were, the less vulnerable the household was.

Regarding educational disadvantage, we found that schoolchildren in Rim Ping were affected in terms of the decline in the quality of their education and their educational

opportunities caused, for example, by their removal from expensive schools to cheaper ones. In Pa Sang, schoolchildren were affected by an increase in the time spent helping their parents at home. The difference in terms of investment in children's education in this class in the two villages was that in the boom period no household in Pa Sang could have afforded to send their children to an expensive private school; all the schoolchildren attended the state school so that their removal to a cheaper school was not necessary. Even so, it was essential for these households to obtain a loan from the Student Loan Scheme. Furthermore, the parents' aspiration to support their children through university or college was not as strong as in the past, as they foresaw that the long years of investment would be likely to be useless or unprofitable if they did not yield a better-paid job at the end.

The large amount of debt incurred in the boom was a key element of the risk of losing land or orchards. Another negative effect was poor health: the expansion of working hours caused varying degrees of physical deterioration. Moreover, this expansion brought about a loss of communication between parents and children leading to a lower quality of children's welfare and education. Teachers in both primary and secondary schools raised this concern, and their opinion is supported by the experience of Chansom's family in Rim Ping.

Like the households in the *surviving* group, the *struggling* households tended to erode their savings and other accumulation such as home appliances (stereo, television) and personal property (gold and jewelry) in this recession. This accumulation was used up during the first several months of unemployment. Then reverse migration was another step in the series of coping practices. The labour adjustment adopted by this class group could not fully assure food security, in particular in Rim Ping where elder people had to seek to obtain food from better off households and relatives.

Due to the lack of labour and human capital, the potential of labour intensification, which was largely located in the disadvantaged farming sector (growing vegetables) and in the informal sector, was limited by failure of cash crop price, poorly paid employment and job unavailability. Therefore, these households in both villages tended to compromise their long-term livelihood stability to secure their immediate

needs. The setback in the children's education and the erosion of the welfare of older members and children appeared unavoidable. Indeed, to secure their daily subsistence these households badly needed aid from external institutions such as the extended family, and kin and reciprocal networks. Even so, the recession hit the children's education. Nipol's family had already discontinued his son's education. Somdej's family intended to curtail his daughter's education to high school level, as with grade 12 she might be able to get a job in the NRIE. Among the *surviving* households, only Wanna's son was fortunate enough to be able to continue his education. For children of pre-school age, the deprivation of welfare took another form. They were sent to the CCCC at a very young age and for long hours. Further, both the leisure and recreation of family members, including children's activities, were no longer affordable. Elder people were also victimised: their leisure and social activities (attending a temple on a Buddhist day, and in the crucial events of *kratin* and *phapa*) were replaced by paid work. In Rim Ping, where piece-work was not available, some elder people had to work for food on an in-kind basis.

Additionally, the prolonged recession and the implementation of the SAP resulted in an increase in family fragmentation and separation, which were directly caused by the adoption of migration as a coping mechanism and by the inability to cope with tension and conflict which were intensified by the lack of needed resources. Furthermore, the deployment of gender analysis, which permits us to see the dynamics of coping mechanisms inside the households indicated that the responses to the crisis had a gendered dimension, in that women were forced to absorb the crisis of household reproduction.

In the next chapter, the responses to the crisis of the local women's groups will be explored.

Chapter Seven

Local Women's Groups Confronting the Crisis: using or constructing social capital

Introduction

In Chapters Five and Six, I argued that the prolonged recession had a severe negative impact on poor households in both the *surviving* and *struggling* categories. Although these households and their members could be seen as innovative actors, their efforts were circumscribed by structural constraints, particularly in terms of labour market availability. This hampered the use of labour adjustment as a coping mechanism. Consequently, despite the intensive use of their labour asset, poor households still failed to protect their valuable means of production such as the savings accumulated from the boom period and their children's education. In particular the *struggling* households had their subsistence sustained by additional help from kin and from local institutions such as temples and local women's groups. The findings describe a trend similar to that addressed in other contemporary studies which suggest that, when their households' assets are diminishing, the poor and women tend to try to secure their survival collectively, often having to rely on a wide range of reciprocity networks based in the locality and even outside it. The present study's findings indicate that Thai women and households were not isolated and unconnected, but rather were embedded in social networks and able to find links for support, as suggested in Schild's (1997) study conducted in Chile. So, I would argue that these social networks deserve further analysis of both in their potentials and limitations. It would be of particular interest to analyse the responses of local women's groups established in the two villages. In doing so, we should be able to discover and broaden the whole spectrum of how poor households in these two villages confronted hardship. This task is central to this chapter.

In the Thai context, local women's groups have constructed both horizontal and vertical relationships which have built up through women's lines across class boundaries within the villages and beyond (Nongyao, 1993), and in this study, these groups are conceptualised as 'social capital', one type of asset, as indicated in Moser's work (1996). In Thai discourse, the current economic crisis has brought the notion of social capital to the fore. Social capital is tentatively referred to as "those horizontal and hierarchical associations and macro-level institutions, the interpersonal relationships and networks they form, and the norms and values upon which they develop that can affect - either positively or negatively - the economic productivity of families, communities and civil society" (World Bank Office, Bangkok, 2000a: 8). As noted in Chapter Two, the communal associations and institutions, ranging from households to the various forms of self-help groups (World Bank Office, Bangkok, 1999a) that were identified as an integral component of the informal safety net institutions, were expected, by the government and international institutions like the World Bank, to act as the absorber of the urban crisis by helping the unemployed and the returnees to survive (Changnoi, 1997; World Bank Office, Bangkok, 1999a, 1999b, 2000a; Connors, 2001, Hewison, 2000, 2002; Jurado, retrieved 15 February 2002).

Importantly, social capital was also mentioned in the reform agenda proposed by the localists led by the LDI and its alliance (see Chapter Two, Section 2.2.3 and Chapter Four, Sections 4.1.3 and 4.2). However, I argued in Chapter Two that while many analysts placed social capital at the centre and saw it as acting as the essential safeguarding institution, very little attention has been given to the analysis of its capacities and limitations, particularly in the case of social capital represented by local women's groups. As noted in Chapter Two, Section 2.2.3, and above in this chapter, these groups are identified as the central force of civic associations in many third world countries facing a prolonged recession and the SAP, and their contribution is recognized as critical, especially in terms of assuring the immediate needs of women and poor households (Cornia, 1987; Aleman, 1992; Elson, 1992, 1995a, 1995 b; Daines and Seddon, 1994; Moser, 1996; Schild, 1997). According to these studies, women's collectives, which were involved in many monetary and non-monetary activities, existed in various forms, including community kitchens, child care centers, and vegetable-growing, weaving, and tailoring groups. Some of these

collectives were formed among neighbours and aiming at bringing together labour and scarce resources in order to produce basic needs like food, shelter and basic welfare provision for both members and non-members. Further, evidence exists that grassroots organisations were established or expanded to draw needed resources from state agencies and non-state organisations like churches and NGOs (Cornia, 1987; Moser, 1996; Schild, 1997). Moser's work (1996), in which grassroots organisations are conceptualised as social capital, showed that the groups which contained a rich network beyond the immediate locality were likely to be able to attract and mobilise more resources into the locality. This suggests that the contribution of the women's collectives in this research would be shaped by their links with established networks. Therefore, in this study, I would argue that the capacity of the local women's groups was directly linked with the density of both vertical and horizontal networks long established beyond their locality. In other words, their potentiality was a reflection of their actual capability to adapt to the policies initiated by both state and civil sectors, and the effectiveness of these policies must be analysed at the local level, where the coping actions took place. Thus, the impacts of the SAP on the Thai poor, as well as the potentials and limitations of the government's and civil organisations' policies, in relation to their protection of poor households, are revisited in this chapter.

The studies noted above indicate that women's collectives are critically important, especially for smoothing daily consumption and survival. Scholars like Daines and Seddon (1994) and Schild (1997) further suggest that women's collectives are a mechanism that can enable women to gain more than material benefits. Schild (1997) argues that women's collectives open up certain social spaces that are conducive to developing the consciousness of the oppressed and fostering the self-confidence and leadership of the women involved.

Interestingly, while the material contribution of the women's collectives has impressed many observers, a number of other feminist scholars, in particular Pearson (1998), highlight the price that women pay in order to follow this collective strategy. They argue that women's collectives, as part of survival strategies in crisis or adjustment, tend to exhaust poor women who become a central force in the efforts to achieve individual and collective survival. In this study I would like to suggest that we are considering two sides of the same coin. On the one hand, in the collective

survival strategy, two kinds of processes were involved: firstly, the increased exhaustion of women and secondly, the increased material inequity between men and women. On the other hand, the coping actions, in addition to fulfilling the immediate needs of women, especially in the *surviving* and *struggling* groups, enhanced women's position in the public domain which had hitherto been the preserve of male leaders. The actions also made local women's groups more visible to both women and men, both locally and beyond. Importantly, I would suggest that these two types of benefits possibly fulfilled the needs of individual women in different class groups.

This chapter is organised into three main parts. The first section introduces the local women's groups in the two villages under study. This section describes the key characteristics of the women's groups and of the established networks, whose dynamics are shaped by Thai state policies and the movements of civil society organisations (as discussed in Chapters Three and Four). The main aim underlying this discussion is to sketch the flow of resources through these women's groups. The whole spectrum response of these local women's groups to the crisis is also presented in brief. Whether the crisis weakened or strengthened their stock of social capital is a critical question, which is highlighted in the discussion.

In the second part, the discussion sets out to examine the women's groups' access to the state funds for income and employment generation, and to the SIF funds for the restoration of a self-sufficient economy, referred to in the discussions of Chapters Three and Four. The discussion largely drew out from two selective groups, CWYP in Rim Ping and WWG no.1 in Pa Sang. Then, in the third part, I investigate the actions and contributions of the women's groups in relation to the provision of social welfare, particularly for children. The description of the responses to the crisis with respect to these two aspects has largely been drawn from the case studies of local women's groups conducted in this research (see Chapter Two, Section 2.4.1.7).

The aims underlying the discussions of parts two and three, are firstly to advance the understanding of the potentials and limitations of the movements described in the first part, and secondly to uncover and pinpoint which class groups of women utilised the movements for their benefit, and what they gained. The potential conflicts of interest between women in different class groups are also examined. As noted in

Chapter Two, in time of hardship, inter-household collaboration among women across class boundaries was perhaps created and strengthened in order to obtain a greater share of the scarce resources. But I would argue that, at the same time, conflicts of interest and tensions might also be generated among these women, and this point should not be excluded from the analysis of local women's movements.

7.1 Mapping the Dynamics of Local Women's Groups: sources of resources beyond the household setting

In the two studied villages, as in many other Thai villages, a range of formal and informal community-based organisations have long been established (Hirsch, 1993; Utong 1993; Shigetomi, 1998). Among these groups, a variety of women's collectives have also been established (Nongyao, 1993, 1996). These women's groups, ranging from traditional self-help collectives to more development-oriented groups and their vertical and horizontal networks, have been increasingly considered as an integral component of the community-based organisations, especially in the crisis period. This was because these collectives could be used to draw on a variety of resources from outside institutions, both state and non-state agencies.

During the economic downturn, some of these women's groups, like other types of collectives based in these two localities, were weakened as a result of the decline of the women's usual activities. This was due to a multiplicity of factors ranging from the lack of financial resources to the decline of the commitment of the groups' leaders and members. Many people had to reduce their participation in the groups to increase their concentration on securing their household's livelihoods (Rim Ping local women's groups in-depth interviews, September 2000; Pa Sang, local women's groups in-depth interviews, June 2000). This finding confirmed those of some studies that indicated that, in time of hardship, households tend to reduce support for such groups (see Moser, 1996 and De la Rocha, 2001). In deciding whether to sustain the groups, which represented social capital assets, the members would have to consider both the costs and the benefits, as Woolcook (1998) and Francis (2002), among others, have pointed out. In times of hardship, the cost of involvement in the groups in terms of, for example, time and labour, tends to increase. The leader of the Village Housewife Group (VHG) in Pa Sang resigned from the leadership in mid-1999. She

wanted to avoid serious conflicts inside the household as her husband had asked her to spend more time working to secure the livelihood of the family (Pa Sang local women's groups: in-depth interviews with the VHG housewife leader, June 2000). In order to minimize the costs and maximize the benefits, a number of active women reduced certain forms of engagement in the groups they considered relatively unimportant. By doing so, they could increase their participation in other groups that, as they foresaw, offered possibilities of access to scarce resources, particularly from state agencies and NGOs. They learned that these institutions rarely distributed development resources among villages on an individual basis. In practice, as some scholars have suggested (see Hirsch, 1993; Nongyao, 1993, 1996; Utong, 1993), forming a group is a strategy adopted by villagers, including women, in the pursuit of possible resources. Therefore, while some groups were closing down, new ones were formed and others were strengthened. The question posed by both international and domestic scholars is whether the crisis diminished or strengthened local self-help groups (World Bank Office, Bangkok, 2000a). Based on the cases studied in these two localities, the evidence suggests both. However, taking an overall view, the study tends to confirm Putnam's suggestion that social capital can be consolidated when drawn upon in time of crisis (1994). This point is examined and illustrated in the following section.

The local women's groups based in the two localities in question were a mixture of social and cultural self-help groups and of other collectives whose mission and activities were relevant to gender and development agendas. In analysing the responses to the crisis of these local women's groups, I focus on the reactions and contribution of the second type of these collectives as these have played a vital role in the field of women in development at the local level for more than two decades (Nongyao, 1993, 1994b, 1996; Varunee, 1995) and whose counter-reactions were particularly intense in this period. These responses can be classified into two main categories: drawing funds into the locality and sustaining welfare provision for children, including childcare provision and school grants.

7.1.1 Women in Development Groups: a case of state sponsored groups

In this section, the development of these local women's groups and their horizontal and vertical networks are discussed. Additionally, the findings presented in Sections 7.1.1 and 7.1.2 will serve as a context for later discussions of the two crucial responsive activities of these local women's groups.

Regarding the formation of local women's groups related to the development and empowerment of women in Thailand, they could be classified as state-sponsored groups and civil society-initiated groups (Nongyao, 1993; 1994b; Varunee, 1995). Women's groups like the VHGs (*klum mae ban*) and the CCCCs (*sun dek chumchon*) are examples of the first type of women's groups. These groups are the outcome of Thai state initiatives concerning women and development affairs. The formation and development of the second type of group was linked to the rise of women's NGOs and other civil society organisations based in the North of Thailand, especially in Chiangmai and Lamphun provinces, as well as in Bangkok (Nongyao, 1993, 1994b, 1996; Varunee, 1995). These included the CWYP (Chiangmai Women and Youth Project) and the NOPMCNW (Network of Occupational Promotion and the Micro Credit for Northern Women) based in Rim Ping. In Pa Sang, this type of women's group included the LWYP (Lamphun Women and Youth Project) and the NNDC (Northern Network of Disadvantaged Children).

7.1.1.1 The VHGs and Their Resource Networks

By 2000, groups like the VHG and the CCCC had been established in both localities for more than two decades. As noted previously, these collectives are part of the Women in Development (WID) state initiatives. They are implemented by the Department of Community Development (DCD), and date from the Fourth Plan (the National Economic and Social Development Plan 1978-1981). The UN Decade for Women (1976-85) had a partial influence on these Plans (Nongyao, 1993; Varunee, 1995; Amara, 1997; Darunee, 1997), which, particularly the Fifth Plan (1982-1987), considered women - the poorest of the poor - a special target for economic development (Nongyao, 1995; Amara, 1997; Darunee, 1997). So, a number of development strategies to remedy the disadvantages of women in educational,

occupational and legal matters were identified and suggested. To start up women's groups at the village level was also suggested in the Fifth Plan and this development activity was emphasised in the Sixth Plan (Nongyao, 1993). These state-sponsored groups, especially the VHGs acted as an extension of the state development mechanism with regard to women's affairs.⁴² Rural women in general were viewed as a homogeneous group, implying that all of them were poor and disadvantaged, partly because of their economic exclusion.⁴³ The social structures, leading to social and economic differentiation among women as a social group were ignored (Nongyao, 1994). However, as illustrated in Chapter Five, contemporary (Thai) village studies, like the work of Anan (1989) and of Turton (1989) based in Chiangmai and the recent work of Arghiros and Wattana (1996) based in a suburban area of Ayutthaya, in the central part of Thailand, have challenged this outmoded view. These scholars indicated that the social and economic differentiation in Thai villages is of long standing, and has polarized local people into poor and non-poor class groups. This economic polarization also existed in my research villages located in peri-urban areas and made some groups of households in these two villages more vulnerable to the recession than others. As noted in Chapters Five and Six, some households in the *thriving* class group were still able to secure their economic stability. Women in these contexts, therefore, were not a homogeneous group. Regarding women's groups, and as observed by Elson (1995c), women in the better-off families (few from the *surviving* and none from *struggling* class groups) dominated both the women's state sponsored groups and the civic groups based in these two villages.

In terms of the resource portfolio, in the crisis period, as noted in Chapter Three, the DCD's budget, in relation to occupational training as part of the anti-poverty alleviation, was totally cut off (Somchai, retrieved 14 February 2002). This led the

⁴² The groups were named 'housewife groups' because, in the state's perception, rural women in that period were exclusively involved in non-paid economic activities in spite of historical evidence of a wide range of involvement on their part in economic activities (Varunee, 1995; Napas, 1997).

⁴³ In the WID's efficiency approach, these women were viewed as reserve human resources who were not being fully utilised to generate economic growth. Their economic exclusion was viewed as the essential root of the poverty of women (Nongyao, 1993; Amara, 1997).

activities related to women in development that they had usually undertaken through the VHGs.⁴⁴ This finding illustrates another negative impact of the SAP on women.

Comparative findings showed that the VHG in Pa Sang village was less vulnerable despite the withdrawal of resources from the DCD, partly because the group had a chance to establish a vertical link with an important political figure, the MP (Mr. Anusorn Wongwan) of constituency 2 in Lamphun province, who became a deputy minister of Labour and Social Welfare in this period. As noted in Chapter Three, this ministry was in charge of implementing the majority of the 'Social Loan Funds' under the IGS and IQLS.

Pa Sang and many villages in this district, which had become the political base of this MP for a couple of years prior to the recession, gained slight advantages from this connection. Pa Sang village was particularly advantaged because it was the residence daughter-in-law of this family.⁴⁵ Mr. Prawat, in addition to being employed as the of the MP's secretary, Mr. Prawat, who became a son-in-law of the *thriving* family; and the chairperson of the VHG (from 1995 to August 2000), Chan, was also a first secretary of this MP, was an Or Bor Tor elected member, and speaker of the Or Bor Tor Council. In the crisis period, Mr. Anusorn, the MP, utilised the 'Social Loan Funds' to strengthen the loyalty of the villagers by channeling various projects to be implemented in these localities. Mr. Prawat acted as the intermediary between the villagers and the MP (Pa Sang observations, 2000; Pa Sang local women's groups in-depth interviews, June 2000), and in doing this, Mr Prawat, with the cooperation of Chan, used the Pa Sang VHG as the agency to draw funding into the locality.⁴⁶ These multiple vertical relations, although the highly costly to sustain, delivered huge resources into this locality. This point will be discussed later.

⁴⁴ The DCD office is mainly in charge in implementing the WID programme in relation to supporting the women in development groups, like the VHG and the CCCC.

⁴⁵ Chan resigned from the position in mid-1999, but no one wished to replace her, so she was asked to keep the position until August 2000, when a new woman, Yupin, was elected. Yupin's husband was an Or Bor Tor elected member and this family was among the richest households in the *thriving* class group in Pa Sang.

⁴⁶ The development funds and also the 'Social Loan Funds' were presumably distributed in the villages at the request of local groups, and, regarding women's development affairs, the VHGs were supposed to be the local agencies authorised to submit written proposals to the DCD and other central government agencies at district level.

In the crisis period, the VHG in Pa Sang was used as the agent to draw the funding of the 'Social Loan Funds', especially the SIP loan fund package which targeted unemployed women, youth and the disadvantaged (mostly women). The budget for the three rounds of occupational training courses was allocated to Pa Sang and other nearby villages. Although these activities were intended to offer resources to women who were in need, as noted in Chapter Three, only a few could benefit as only eight women in Pa Sang were allowed to attend these three workshops. For two out of these three workshops, the trainees (women) were given some financial support. For instance, in the first round in mid-1999, the *plara plasom* training course (learning to make fermented fish) offered a two-year loan without interest of 7000 *baht* to each trainee (two women attended the workshop). This loan was supposed to be used as the start-up capital for the *plara plasom* project as an income-generating activity. However, these women foresaw that this would generate little profit to them and they risked losing the capital. They reasoned that *plara plasom* was a common food in the Northeast, but not in the North, so that it might not be marketable locally, and in the market the product would not be able to compete with the one produced in the Northeast because the main raw material (small fish living in rivers and rice fields) was not as abundant (Pa Sang local women's groups: in-depth interviews with VHG's members participating in the *plara plasom* training course, June 2000). So they put all the loan money into the Pa Sang VHG and started a micro credit project which gave loans to the members at two per cent interest (monthly). As for the second training course which was undertaken in the village, it was a 28-day course which trained disadvantaged women to make duvets (*yeb pa nuam*). In this round four women attended and each trainee was given an income of 128 *baht* a day as a subsidy. However, these training courses rarely benefited women in the *struggling* class group (Pa Sang local women's groups in-depth-interviews, June 2000). This point is discussed in the following section.

This evidence suggests that the funding schemes were not targeted at those most in need in the localities. The distribution of the usual development funds and in particular the 'Social Loan Funds', as discussed in Chapter Three, was widely criticised in the mass media. They accused politicians of utilising the 'Social Loan Funds' to sustain the political base of the coalition cabinet members and MP

(*Thungthep Thurakit*, 3 February 1999; Somchai, retrieved 14 February 2002). This criticism was confirmed in my research villages. Indeed, the VHG in Rim Ping was excluded from this fund, although this village had more women who were unemployed than Pa Sang village, as noted in Chapter Six.

7.1.1.2 The Community Child Care Centres and Their Resource Networks

The Community Child Care Centre (CCCC) was another form of benefit generated by the WID scheme in these two villages. Initially, the local DCD office supported the VHG in every village in setting up a CCCC. This initiative, started more than two decades before, aimed at integrating women fully in paid work by placing the burden of childcare in the hands of women's collectives (Nongyao, 1993). In 1996, it was reported that around 60 per cent of villages had CCCC's (the Center of Socio-Economic Development, 1997:7). These CCCC's not only received income from service fees, but also received a sizable subsidy for running costs from the state via the DCD. The budget constraints imposed on the DCD throughout the crisis period had a serious negative effect on these CCCC's as the demand for their services rose sharply throughout the crisis period partly because the alternative services provided by the market (private nurseries) became too expensive for poor households whose income was diminishing. The increased demand also resulted from the intensification of women's labour in paid work, as noted in Chapter Six, women expressed the need to utilise the CCCC's service for children from the age of 2 months.

The DCD's subsidy included a budget for lunch and fresh milk and the monthly wages of the childcare workers. From 1997 to till 2000, the monthly wage, which was set at 4000 *baht*, was not cut but remained unchanged. Additionally, the CCCC's were informed that the subsidy had been recalculated on the ground that one staff member had to care for 25 children aged between 36 and 48 months (compared to the previous rate of 20). Rim Ping CCCC had 126 children but only 100 of them were in that age range, so the subsidy covered only four childcare workers. This led to the resignation of one of the childcare workers in Rim Ping. In Pa Sang, with 36 children of whom 22 were aged between three and four, only one wage was supplied. The new terms were formulated as part of the reform of the public sector following the implementation of the SAP.

The second set of subsidies was related to the lunch and fresh milk budget. In the pre-crisis period, this budget covered all children in the centres, but in 2000 the budget for these items was cut to cover only children aged three and four years old (Pa Sang key informants: open conversations with local staff of the DCD, February 2000). In fact, as indicated in Chapter Three, 2.1 million *baht* of the social loan fund under the Miyazawa Plan was allocated to provide lunch for children of pre-school age, but this budget was not available to the CCCCs operating in non-urban areas. Consequently, the quality of care considerably declined during the course of the CCCCs' struggle to expand the service to poor households in the face of diminishing resources; and the childcare workers, all of whom were female, were increasingly exploited.

The findings described above indicate that the state-sponsored women's groups were negatively affected by the depletion of public expenditure and the reform of the public sector. The most vulnerable were the state-sponsored women's groups who lacked alternative sources of resources. These resource constraints unavoidably weakened these women groups to absorb the hardship of poor households imposed by the crisis. In the following subsection this point will be considered.

7.1.2 Women in Development Groups: a case of civil society initiative

Besides the state-led development initiatives, these villages became the sites of grassroots women's groups whose development activities intersected more with non-state development organisations. These non-state organisations included women's NGOs, Women's Studies Centres based in universities, and other civil groups. These groups, such as the CWYP and the LWYP, were established in the late 1980s. Their development was linked to the growing numbers of women's NGOs and other types of women's organisations based in Bangkok and in the North of Thailand, particularly in Chiangmai, where two Women's Studies Centres had been established for more than a decade. These women's groups, particularly the YMCA and the Centre of Lanna Women based in Chiangmai, were the main intermediary in extending local women's issues beyond the locality, and shifted the priority of these local groups from a social welfare approach to a more political and empowerment-oriented approach (Nongyao, 1993, 1994a, 1998a, 1998b; Varunee, 1995; Amara, 1997). The

CWYP and the LWYP have been working closely with women's NGOs on the issues of prostitution, child labour and children's rights. The issue of prostitution, particularly child prostitution, became the prime concern of many women's NGOs across the country from 1980s onwards (Amara, 1997). This issue was directly associated with the provinces of Chiangmai and Lamphun as the places of origin of the most disadvantaged young women and girls, who were prone to become sex workers (Rim Ping local women's groups: in-depth interviews, September 2000; Pa Sang, local women's groups in-depth interviews, June 2000). The CWYP was formed in 1986 with *mae* Thongdee, aged 55, as a key founder. She was the leader of the VHG in its early stage, and left the group when she was approached by women's NGOs, such as the Chiangmai YMCA, which had become more interested in working with local women leaders. The CWYP committee members, apart from *mae* Thongdee, were educated urban middle-class people, such as teachers and female NGO staff workers (Rim Ping local women's groups: in-depth interviews with the CWYP's leader, September 2000).

In Pa Sang, the LWYP was formed in 1987. Its development was similar to that of the CWYP. Here, *mae* Srinual, aged 61, was and still is (as of December 2003) the key founder and chairperson of the group. Both Thongdee and Srinual have been the focus of a great deal of respect from women, women's NGOs, NGOs and funding organisations at both local and international levels. This acceptability can be seen from the sources of funding granted to support the groups' activities, which I detail in the next subsections (7.1.2.1 and 7.1.2.2). Their patterns of involvement in WID activities were similar: they began their activism with the DCD, became early leaders of the VHG, and were instrumental in the setting up of a CCCC in their village. In Pa Sang, *mae* Srinual has remained the leader of the CCCC (Pa Sang local women's groups: in-depth interviews with the LWYP's leader, September 2000).

7.1.2.1 Women's Civic Groups and Their Resource Networks in Rim Ping

As noted, the CWYP involved a number of development projects related to women and children in Chiangmai province. The group received development funding from both domestic and international donor institutions. For instance, in 1997, the group gained a two-year funding of almost one million *baht* from UNICEF Thailand. This

project's objective was the prevention of child labour in agriculture (Nongyao, 1998b). The group also gained funding from state agencies, in particular the DSD (Department of Skills Development), of the Ministry of Labour and Social Welfare. The funding was channeled through the project called "Creating New Life for Rural Women", which aimed at providing occupational training to disadvantaged women and reducing the level of women and youth prostitution (Rim Ping, local women's groups: in-depth interviews with the CWYP's leader, September 2000). This funding was suspended between 1997 and 1999, following the government budget deficit, as noted in Chapters One and Three, but was resumed in 2000 utilising the Social Loan Funds. In early 2000, 32 women and two girls of the Rim Ping sub-district attended the occupational skills development workshop. Trainees were given a lunch subsidy of 50 *baht*, which attracted a number of poor unemployed women.

When the SIF programme became operational, *mae* Thongdee tried to use the CWYP to attract funding from the SIF (see details in Chapter Four, Section 4.2.2.1), but failed to do so. Later on *mae* Thongdee and her alliance formed a new women's network called the Association of Occupational Development and Micro-credit for Women (NOPMCNW). The new network comprised 17 local women's groups based in 17 sub-districts (including Rim Ping sub-district) located in eight districts in Chiangmai. Each of these small groups, which had been formed some years before comprised women in both the *thriving* and *surviving* class groups, but again women in the *struggling* class group were excluded. The groups mainly produced local products and traded with nearby markets (Rim Ping local women's groups: in-depth interviews with NOPMCNW committee, September 2000).

In her work on women's economic groups and community kitchens in Chile, Schild (1997:135) argues that these types of groups were not the outcome of a spontaneous decision on the part of poor women who were desperate to find food for their family, but were formed when women knew in advance that the church and other NGOs would give them materials to get started or support the group's activities. This shows that women will not use their social capital and energy for building an organisation unless it is viable. In the two studied villages, two new groups were formed in 1999 to access the SIF funding. The NOPMCNW was set up as part of the effort to get funds from the SIF package. Moreover, to increase the possibility of accessing the

SIF fund's 'Menu 5', *mae* Thongdee and the NOPMCNW sought out a new umbrella based in the South.⁴⁷ Through this strategy, the NOPMCNW proposal was approved and granted around 7 million *baht* (one-year project). This grant was shared among its 17 subgroups, who received around 400,000 *baht* each, and the fund was allocated in two installments, the first being allocated in March 2000 (NOPMCNW report, 2000).

As noted in Chapter Four, Section, 4.2.2.2, the funding of the SIF 'menu 5' was composed of two main categories. The first, called the Emergency Assistance Fund, was intended to provide scholarships, and food and milk budgets for children, and living allowances to assist, and mitigate the difficulties of, older persons without care providers. The second type of fund was an Occupational Fund for the poor, '*konchon*' and the destitute, '*phuyakrai*'.

Box 7.1 Funds from SIF Menu 5	Total Number of beneficiaries (972 persons)	Number of beneficiaries in Rim Ping village (the research site)
Emergency Assistance Fund	348 persons (1,252,800 <i>baht</i>)	4 persons: one girl, one AIDS patient and two recipients of allowance
Occupational Fund	624 persons (5,747,200 <i>baht</i>) (591 of <i>konchon</i> and 33 of <i>phuyakrai</i> , the latter shared around 30 per cent of the fund)	7 poor and 2 destitute persons

Sources: NOPMCNW report (first six months' activities), 2000; Rim Ping local women's groups: in-depth interviews with NOPMCNW Committee members, September 2000.

In the NOPMCNW report (see details in Box 7.1 above), 972 needy people were identified as beneficiaries of these two types of funds. The beneficiaries in the first

⁴⁷ This network formed among local groups working with the MuBan Foundation (Rim Ping local women's groups in-depth interviews, September 2000).

category comprised around 348 persons, who shared almost 18 per cent of the total grant budget. The second group of recipients composed of 624 disadvantaged people, 591 of whom were classified as the poor or '*konchon*', and 33 as the destitute or '*phuyakrai*', referring to the landless and the unemployed (NOPMCNW report, 2000). In the Rim Ping sub-district, comprising 7 villages, there were 51 needy in the first category, who would be given the financial support of 3600 *baht* a year (13 received scholarships and 38 were granted living allowances). The second group of beneficiaries comprised 71 *khonchon* and 13 *phuyarai*.

The NOPMCNW project had beneficiaries in Rim Ping village. One girl and another three of the disadvantaged (HIV/AIDS related) were granted a scholarship, a food budget and a living allowance of 300 *baht* each month for a one-year period. All of them belonged to the *struggling* class group. However, this sort of assistance did not fully meet the needs evident in this period. According to the head teacher of the school, which served the children in Rim Ping and the neighbouring villages, the school required at least five scholarships in 2002, to ensure that children did not drop out.⁴⁸ Nevertheless, this grant would in theory be able to assist the poor on a one-year basis. However, without the NOPMCNW, all the villages in which the NOPMCNW operated, including Rim Ping, would totally lack any mediator to draw funds from the SIF.

The second type of grant, called the 'Occupational Fund', also offered benefits to this locality. However, women and households in the *struggling* class group gained the least from these benefits, partly because the NOPMCNW committee, like most of the SIF 'Menu 5' recipients, rearranged the fund into a kind of revolving fund which offered loans at almost 1 per cent monthly interest. This seemed very useful in the long term, especially since the accumulated interest was to be made available to be used as a local Emergency Assistance Fund to help the *struggling* class group in times of need in the future.⁴⁹ However, in the short term the *struggling* households tended to exclude themselves, partly because they did not want to borrow, fearing

⁴⁸ This school served 84 pupils from pre-school to grade 6.

⁴⁹ In doing this, the Emergency Assistance Fund was sustained and became another form of informal social safety net scheme based in 17 sub-districts in Chiangmai.

that they might be unable to repay the loan (Rim Ping sample households in-depth interviews, August 2000).

The above account, on the one hand, shows how the politics of patronage influenced the implementation of the 'Social loan funds' which resulted in the misuse of the fund, as it went to a particular village while others equally in need of the funding were neglected. Secondly, it indicates the inadequacy of the funds and the low efficiency of the responses, whether by the state sector via the usual state mechanisms or by the newly initiated civil institution (the SIF programme). On the other hand, the findings suggest that, without the local women's group, women and the households of the poor would not have gained any benefits from the Social Loan Funds. Additionally, it describes how the SAP deprived women of their development resources, especially in Rim Ping. As noted, the CWYP did not gain any funds in 1998 and 1999. Additionally, the loan fund, resumed in 2000, offered only one round of training, while before the recession the CWYP had been provided with two workshops a year. Furthermore, the Rim Ping VHG did not obtain any funds throughout this period.

7.1.2.2 Women's Civic Groups and Their Resource Networks in Pa Sang

As noted, the LWYP was formed in 1987, and the group's committee apart from *mae* Srinaul was composed of several grassroots women leaders based in Lamphun province. In addition, some village-school teachers and the DCD local staff who were active in the field of women in development and children's rights was involved in the group's committee. Between 1987 and 1994, the LWYP were involved in two main activities: an income-generating project and children's rights protection (preventing children from involvement in child labour and prostitution) (Nongyao, 1994a). Later on, the LWYP put priority on child rights protection activities, for which the funding was granted by both domestic and international donors. For instance, from 1998 to 2000, the group gained support amounting to almost a million *baht* a year from ECPAT International, which has a local office in Chiangmai, for a project called the 'New Path Project' (LWYP report, 1999). The project activities included the provision of scholarships' provision, and of occupational grants for the families of disadvantaged children, and the distribution of information and the raising of

awareness of the need for children's rights protection. The activities were mainly designed to keep children, mostly girls, in school. The eligible children included the vulnerable children in Pa Sang village (LWYP report, 1999; Pa Sang, sample households in-depth interviews, May-June 2000; Pa Sang, local women's groups: in-depth interviews with LWYP leader, June 2000).

In addition to this, in 1999, the LWYP became a member of a new network called the Northern Network of Disadvantaged Children (NNDC). This network, like the NOPMCNW, was established to obtain access to the SIF programme (menu 2). Through the NNDC, the LWYP was allocated 100 school grants for a one-year period (800 *baht* each) to be distributed to vulnerable schoolgirls and boys in Lamphun province. The group was also allocated another 18 school grants from the Children's Foundation, an NGO based in Bangkok. Unlike the SIF funds, the fund from civil organisations was contingent.⁵⁰ Then, in mid-2000, around 10 of the school grants from the SIF 'menu 2' together with another eight grants from the Children's Foundation were allocated to children in Pa Sang village school, which took care of children in several villages including the village of Pa Sang (Pa Sang, local women's groups: in-depth interviews with LWYP leader, September 2000). According to the head teacher of the village school, the two kinds of grants available to the school were sufficient and thus reduced the difficulties of both households and teachers in the year 2000. From 1997 and 1999, the teachers either in Pa Sang village school or in the village school in Rim Ping had had to pool their own money for the lunch budget for some of the disadvantaged children, since the state funding was insufficient (Rim Ping key informants: open conversations with the village school teachers, February 2000; Pa Sang, key informants: open conversations with the village school teachers, February 2000).

As noted in Chapter Three, in the crisis period, the government implemented two grant schemes one called *thun pawawikrit* and another called *thun Miyazawa*.⁵¹

⁵⁰ The recipient children would have been given the grant until the completion of grade 12, with the expectation that such educational acquisition would assist children to enter the urban labour market (Pa Sang, local women's groups: in-depth interviews with LWYP committee, June 2000).

⁵¹ This grant scheme was intended to provide scholarships to prevent children from dropping out of school, especially when parents lost their employment. As noted in Chapter Three, this grant used 1000 million *baht* of the social sector loan provided by the ADB. In 1999,

According to the head teacher of Rim Ping village school,⁵² in 1999 the school needed five grants (it contained 84 pupils) to assist orphan children and children without care providers or guardians. In most cases their parents had died of AIDS (Rim Ping, key informants: open conversations with school head teacher, January 2000). However, in Rim Ping only one grant of 2,000 *baht* of *thun pawawikrit* was allocated in 1999 and another one in 2000. In Pa Sang, in 1999, the school requested 10 grants from the *thun pawawikrit*,⁵³ but only one 3,000 *baht* grant was allocated in mid-1999, and two more in 2000. This evidence indicates that the grants accessed by these village schools were insufficient. Moreover, it signals the lack of transparency in distributing such grants, as the amounts of grant allocated to these two schools not only varied but were lower than the amount reported to the public of around 4000 *baht* each (*Bangkok Post*, 10 July, 1999). While women's economic groups were a recent innovation in Rim Ping (as part of the NOPMCNW), women's economic groups (like the weaving groups) had been long established in Pa Sang. They could be traced back to 1993, when the LWYP received funding from the Canada Fund in relation to the women and small entrepreneur project. This led to the formation of the Pa Sang Women's Weaving Group1 (Pa Sang WWG no.1) in Pa Sang alongside other Women's Weaving Groups (WWGs) in this district (Nongyao, 1994a).

At the beginning of the crisis period, WWG no.1 was in danger of collapse. The members, mainly from the *surviving* and *struggling* class groups, were badly in need of cash, so they preferred to be hired by home-based cotton enterprises than to work for the group. Additionally, the products of WWG no.1 were left in stock for few months because the member who was keen on marketing left the group when she found out that her husband was having an affair with another weaving woman working with Pa Sang WWG no.2. Nevertheless, similar to households in Rim Ping,

this grant was allocated to 328,000 children nationwide while another 100,000 applicants were turned down because of the limitations of the fund (Pasuk and Baker, retrieved 16 February 2002; *Bangkok Post*, 10 July, 1999). The second type of grant scheme, called *thun Miyazawa*, provided a free lunch scheme that had been available in the pre-crisis period but was affected by the budget cuts when the government faced budget deficits in 1997 and 1998.

⁵² This head teacher was transferred to this school in early 1999 (Rim Ping key informants: open conversations with the head teacher of the village school, February 2000).

⁵³ This school served children from a pre-school age to grade 6 with 114 pupils.

in the period of hardship no one wished to use financial capital for investments, especially when they foresaw that the products would not be sold easily.⁵⁴

Therefore, hiring out their labour to other women entrepreneurs was likely to be the best choice. However, in 2000, WWG no.1 was revived. In fact, like the other women's civic groups discussed, it was intensively used by many of the stakeholders in the village to draw down a huge grant of 300,000 *baht* from the government, under the Employment Generation Scheme (EGS). This state fund was geared to promote a new project related to the Community Handicraft Promotion Project and tourism. How the social capital of this WWG was used to access the fund, and how the fund affected the livelihood of the poor and women, is critically examined in 7.2 below. The comparative findings presented above suggest that local women's groups, especially the women's civic groups in Pa Sang, developed a thick network beyond the locality with both state and non-state sectors. These groups earned a high level of trust and credibility from outside agencies that could be used to attract sizable resources into the villages.

The LWYP and the NNDC had sufficient resources to smooth the financial difficulty of households, although some of this assistance (the SIF school grant) only lasted one year and was quite small (800 *baht* a year). Regarding the funding provided by the EGS and the IGS, Pa Sang was able to attract a significantly larger portion of resources than Rim Ping and, for that matter, many other villages in the two provinces. Without these local women's groups, the villages and women would not have been able to access any 'Social loan funds' either from the SIF or the state-funded EGS and IGS. The resources accessed might be limited, and this partly reflected the capability of the state and non-state sectors in formulating policies and allocating resources to assist poor households in this period.

Importantly, the accumulation of social capital constituted in the CWYP and the LWYP could even be used for setting up new women's groups: the NOPMCNW and the NNDC. Their effort replenished the stock of social capital, especially in the case of Rim Ping, which was weakened by the lack of resources, especially from the state agencies, to pursue usual activities. The wide acceptance of the CWYP and the

⁵⁴ Partly because of the lack in marketing skill of other members as noted earlier, the cotton products tended to be more marketable only from mid 1999 onwards.

LYWP was partly related to the hard work of the two women leaders, *mae* Thongdee and *mae* Srinaul, and their networks.

7.2 The Women's Groups and their Access to the Funds of the EGS and IGS

7.2.1 Social Loan Funds and the Benefits for Women

As indicated in Chapter Three, roughly 50 per cent of the total Social Loan Funds were channeled through two crucial schemes, the EGS and the IGS. In that chapter, I suggested that the EGS exclusively benefited men, partly because its activities were mostly related to public work involving heavy digging. Women, on the other hand, were more involved in the IGS. This scheme in fact constituted around only 10 per cent of the total Social Loan Funds (8,703.8 million *baht*). However, the experiences of the two studied villages indicate that only one of the three sources of loan funds allocated in the IGS, namely the SIP loan fund for which the main donor was the World Bank, was likely to benefit women most. This is partly because under the SIP policy framework women were singled out as one of the main beneficiary groups (World Bank Office, Bangkok, retrieved 15 February 2002), but were not the main recipient of the other two loan fund packages. The ADB loan fund's targets were identified as the 'unemployed' and the 'returnees' who sought a livelihood in the 'rural areas' (Somchai, retrieved 14 February 2002). The Miyazawa plan prioritised 'poor communities in rural areas' (Embassy of Japan, retrieved 15 February, 2002). These two loan packages contributed only token benefits to women in the two villages. As Sririporn (2000) has indicated in her study, only a small per centage of the ADB loan fund was directed to be implemented for the benefit of women. A similar finding is reported in Voravidh's study (2000, cited in Siriporn, 2000: 4) on the contribution of the Miyazawa plan to the welfare of urban poor women.

Under the SIP loan fund in relation to income-generating projects, a wide range of occupational development training activities were arranged, mainly through the Ministry of Labour and Social Welfare. Although it is prescribed in the policy framework that the occupational skills should be marketable ones (World Bank, retrieved 15 February 2002), in practice, the Ministry offered a range of activities similar to those undertaken in the pre-crisis period, like sewing, baking, garment and

Figure 7.1 Women on the Occupational Training Course in a Bamboo Crone



Author's Photograph, 2000

Figure 7.2 The Money Trees Procession organised by the Women's Groups in Pa Sang



Author's Photograph, 2000

duvet making, and preparing fermented fish. Training in these skills did not offer new development activities to women in the villages under study; it exemplified the traditional development strategies adopted by the state agencies, in particular the DCD, to assist rural women to move out of poverty and as such reflected the WID approach. Local women's groups, especially the VHGs in these villages, used to be given a small grant to conduct occupational skills training courses almost every year. In recent decades, many scholars including Darunee (1997), have suggested that training of these kinds of skills not only reproduced the typical gender role for women, but was also not useful because they could not be utilised to generate income; and the experiences of these two villages confirm these criticisms. However, local groups, including women's groups, have participated in state policies and projects for a variety of purposes (Hirsch, 1993; Nongyao, 1993; Utong, 1993). The present research's findings indicate that women were interested in training courses not so much because they wished to acquire occupational skills as because they wished to preserve a smooth relationship with the state agencies with a view to attracting further development resources.

7.2.2 The CWYP in Rim Ping and Access to the Occupational Training Fund

In this section, the ways local women's groups managed to draw funds under the EGS and IGS are illustrated. In doing so, the possibilities and limitations of this collective response, which was undertaken to meet the immediate needs and stabilize the long-term livelihood security of poor households, are discussed. In addition, questions posed earlier are considered, such as: which class groups of women benefited more or less, and to what extent is this sort of action favourable to women in making changes or renegotiating unsatisfactory gender relations. The work of Schild (1997) suggests that we should also look at non-material benefits for women, which include enhanced self-confidence, gender awareness and leadership skills, and can be seen as the 'strategic gender interests' introduced by Molyneux (1998). Our argument concerning these issues will be based on two case studies: the CWYP in Rim Ping and was the case studied whereas WWG no.1 in Pa Sang.

In Rim Ping, as noted above, two women's collectives, the VHG and the CWYP, had for some time been able to access the funds from two local state agencies. During the

crisis period, the VHG did not advance any projects; however, in 2000 women in Rim Ping and other villages were able to gain certain benefits from the Social Loan Funds through the other two women's groups: the CWYP and the recently established NOPMCNW, though not to the same level of funding as before the crisis.

7.2.3 The CWYP's Occupational Training: who gained what

As noted, in early 2000 (March), *mae* Thongdee, the founder of the CWYP and the NOPMCNW, was able to use her personal contact with the local staff of the DSO to access the available fund. A long list of signatures of unemployed women based in Rim Ping sub-district was attached to the new proposal prepared for the DSO. *Mae* Thongdee prepared the list because she was told by the local staff of the DSO that the local group's proposal would receive better consideration if the number of the needy presented was more than 40 at the sub-district level (Rim Ping, local women's groups: in-depth interviews with CWYP leader, September 2000).

The training, which started in February 2000, targeted the unemployed women in every class group, especially unemployed women in the *surviving* and *struggling* groups. It was attractive mainly because the trainees were granted a lunch budget of 50 *baht* a day.⁵⁵ This level of grant could usually cover the daily food budget of a family of four members in these two villages (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). Additionally, around one third of the trainees who had been laid off from garment factories were attracted because they wanted to be equipped with certain skills related to industrial sewing and garment production that could help them to start working with the 'work-at-home' system established in nearby villages. However, as noted earlier, the households of the *struggling* class group gained less benefit from this training.

This training, which lasted three months, only offered places for five trainees from each village of the sub-district of Rim Ping (the total number of trainees when the course started was 35). After a month, two women withdrew, the reason given being

⁵⁵ This daily rate of 50 *baht* was specified in the SIP budget framework (World Bank, retrieved 15 February 2002).

that they had found a job. Of the 33 remaining trainees 31 were women aged between 25 and 40 years old, and two were girls, aged 12 and 14, who resided in the Rim Ping sub-district. Four of the 33 trainees came from Rim Ping village, where my research was based, but none of these four women belonged to the *struggling* class group as classified in this study. Moreover, one of them was the daughter of a rich family who had a degree from Chiangmai University and was in fact *mae* Thongdee's niece. This young educated girl was certainly unemployed. Then she left the training to help me as a research assistant in this fieldwork project. Another trainee was the wife of the village head in a neighbouring village. On the whole, these trainees were a mixture of unemployed women from the *surviving* and the *thriving* classes. Some had lost jobs from garment factories in Chiangmai, some had been working in Bangkok, others had been hired as farm labour. According to some of the trainees, more unemployed women wished to join the workshop but they were having to wait for the next round. This activity made the CWYP more visible among women and also increased the credibility of the group's committee members, especially *mae* Thongdee.

The daily lunch budget of 50 *baht* was very attractive to women in *struggling* households, but this project privileged none of them because of the rigid regulation of the state sector. The CWYP was well aware that the training was not accessible by the *struggling* class group of women, but they could not resolve this weak point because it was linked to the budgetary administration of the DSO. The 50 *baht* a day of the lunch budget was only paid twice-over the three month period: the first installment was paid 45 days after the training course started and the second came some weeks after the course had been completed. Since the *struggling* class group needed daily cash to get food, this sort of budgetary arrangement blocked their participation in this and similar training courses offered in this period. The poorest women in Pa Sang were also excluded from the social loan fund activities for a similar reason.

The occupational skills provision, as noted above, included tailoring and sewing skills. This set of skills could be criticised as being outmoded and leading to the intensification of unwanted traditional gender roles (Darunee, 1997). However, this matter tended not to be the central concern of most of the trainees and the CWYP committee. Most women who attended the workshop were more interested in

obtaining the lunch budget. Only a minority of the trainees argued that this set of skills was useful, in particular the tailoring and industrial sewing skills (Rim Ping, local women's groups: in-depth interviews with the trainees of the CWYP workshop, March 2000). Unfortunately, these women felt disappointed because the workshop could not advance them to the level required to start working in home-based employment. The equipment used was obsolete; of the 20 sewing machines only two were of the industrial type. The seven trainees had to queue for practice on these two machines (Observation of the CWYP workshop, March 2000).

By the end of the training, this small group of trainees expressed the positive opinion that it was good to learn some basic knowledge. They said that this sort of skills training was usually expensive and that they would have had to pay around 5000 *baht* to gain skills similar to those they had learned during the three-month course (Rim Ping, local women's groups: in-depth interviews with the trainees of the CWYP workshop, March 2000).

Others who attended the workshop considered that the skills acquired might be useful for making school uniforms and simple dresses for their children and themselves. In fact, they might just do so, considering their household's declining income and the consequent reduction in personal expenditure including buying themselves new clothes (Rim Ping local women's groups: in-depth interviews with the trainees of the CWYP workshop, March 2000). However, as far as marketable skills, explicitly offered in the terms of reference of the workshop, were concerned, the training failed to deliver.

In both villages, these women's groups were aware that the IGS excluded the poorest women. In the case of Rim Ping, the CWYP committee was aware of this, but negotiating with the bureaucratic system of the state agency was beyond their ability. However, in some other aspects, the committee members, especially the group leader, were wise enough to manipulate the rules set by the DSO so that some benefits could reach the most vulnerable households. As noted, the trainees included two girls, one aged 12, who had just completed grade 6 and another, 14 years old, who had just completed grade 8. These sisters were able to attend the workshop and use the 50 *baht* lunch budget to help their survival despite the fact that recipients were officially

limited to women above 17 years old. These two girls came to the training under the name of their mother and their aunt. Their parents were unemployed and alcoholic and had gone to work for cash in a distant place, leaving the girls alone in the house under the guardianship of their aunt. The group considered that these two girls were living in an extremely insecure situation and were vulnerable to child labour or prostitution. Indeed, the benefits of this training to these two girls went beyond their immediate needs. At the end of the training course, the teacher who provided the training and supervision for the workshop was able to assist them to stay in the Chiangmai Hill Tribe Development Centre. Through the Centre, their immediate needs could be safeguarded. Additionally, they would be able to develop their tailoring skills and spend their spare time furthering their studies in an informal education school.

7.2.4 WWG no.1 in Pa Sang and Its Access to the Fund

7.2.4.1 The Fund and the Cost of Access to the Fund from Vertical Patronage Networks

As noted earlier, in Pa Sang village both the state-sponsored and civic women's groups were heavily used to draw possible resources into the village. The VHG accessed three rounds of funding; however, women and households in the *struggling* class group tended to benefit least in terms of securing their family's food budget. The fund accessed by the CWYP in Rim Ping also achieved similar results. In contrast, the fund accessed through the WWG no.1 tended to be more conducive to enhancing the long-term livelihoods of women, and the benefit seemingly moved beyond the immediately material. However, it was still obvious that women in the poorest class group gained less.

Under the Eighth Economic and Social Development Plan (1997-2001), the tourism industry was one of the prime industries constantly promoted as a means of generating economic growth and employment (DCD, June 2000). At the local level, the DCD local office was involved in the implementation of this policy. Pa Sang in particular and other villages in Pa Sang district attracted the attention of this office, which wished to transform the villages, where traditional weaving, woodcarving and

other kinds of crafts flourished, into tourist and cultural sites (DCD, June 2000). Luckily, the proposal of the DCD office in Pa Sang district to set up a Handicraft Community (*muban hadthakum*) was approved with an available budget of 300,000 *baht* in 1999 (this budget was part of the EGS).⁵⁶

The construction of the building would actually require a budget of 480,237 *baht* (DCD, June 2000). However, the district officer (*nai amphoe*) refused to reduce the size of the building to balance the budget.⁵⁷ The local DCD staff, who had long experience of working in this district, had faith that WWG no.1 in Pa Sang would be able to find the supplementary budget for the construction.⁵⁸

In mid-1999 this project was examined by the Or Bor Tor and the village head. The village of Pa Sang had two choices: either to seek to obtain the supplementary budget required to balance the construction cost or to withdraw from the project. If Pa Sang chose the second option, the budget would probably be returned to the office of the *nai amphoe* to be used for another public work scheme, or be reallocated to another village that could meet the supplementary cost. Mr. Suthan, the Or Bor Tor elected member, who took the lead in this affair, arranged several rounds of informal meetings among WWG no.1 and other women's and local groups. Finally, the village made a promise to construct the building. WWG no.1, with the support of the VHG and other local groups, drew on their savings to meet the construction cost. These women's groups and the village leaders were confident that they would be able to raise enough funds to compensate the loss in the savings. In fact, two rounds of fund-raising activities were arranged in 2000.

⁵⁶ The DCD head officer in Pa Sang district explained that, under the EGS, there was a policy to use the fund for long-term employment and income generation but the district officer preferred to use it for public work. In this district only the proposal of Handicraft Community (*muban hadthakum*) was proposed 480,237 *baht* by the DCD and was approved (Pa Sang, key informants: open conversations with the DCD head office in Pa Sang district, February and June 2000).

⁵⁷ There was a rumour that the *nai amphoe* wanted to reallocate the fund to a public work project of which his office was in charge (Pa Sang, observations, 2000).

⁵⁸ WWG no.1 had sizable savings, partly accumulated from its profits, of which around ten per cent was put into the group's savings. The savings were topped up by the grant from the Canada Fund.

In the first round, assistance was sought and 30,000 *baht* were received from the constituency 2 Lamphun MP. In return, the villagers were asked to elect two out of three members of Mr. Anusorn's team in the Or Bor Jor (Provincial Administrative Organisation) election in 2000. In this local election, villagers had the right to choose three candidates and in their judgment only one out of Mr. Anusorn's team was suitable. After an intensive negotiation it was decided that the villagers, especially the members of women's groups, could freely vote for one candidate but had to give their other votes to Mr. Anusorn's team. In September 2000 the village arranged the *phapa* (religious merit making), and each household gave a donation of around 50 *baht*. The money trees, supposed to be donated to the temple, were instead used towards the cost of the constructing building. More activities were being planned for 2001. The findings presented above and in the previous section suggest that although the vertical networks could facilitate a huge stream of funding into these localities, they in return created a high cost and might hamper the capability of local women's groups to challenge the structural political and economic constraints that had created and prolonged their livelihood vulnerability.

7.2.4.2 WWG no.1's Access to the Funds: who gained what

In mid-2000, the building of the newly constructed Handicraft Community Centre (HCC) was used by the new WWG no.1 and, with the support of the DCD's local staff in terms of marketing and production costs, around 10 of the weaving women from the *surviving* class group returned to work in WWG no.1.⁵⁹ Five of these women came to weave at the new building, while others wove in their own houses. Additionally, a number of women both in Pa Sang village and nearby came to place their products at the Centre, as from August to September the Centre welcomed guests and visitors (tourists) almost every day. Additionally, by September, the HCC, with the assistance of other WWGs who joined the Handicraft Community Promotion Project, could access a large order (in other words producing cotton fabrics for costumes made by, for 500 members of VHGs in Nan province,⁶⁰ one Nan

⁵⁹ The new group recruited new members to join the WWG no.1 (Pa Sang local women's groups interviews, June and September 2000).

⁶⁰ Nan is another province in the upper northern sub-region of Thailand.

MP arranged this order.⁶¹ As a result of the large order, the new group called on all its members to help produce the fabrics, as the ten weaving women who had already committed themselves to work for the Centre would not be able to deliver on time. It can be seen that the Centre could be a valuable productive resource for a number of poor women in this village and its environs.

However, the HCC was not yet attractive to the women in the *struggling* class group, who considered that hiring out their labour to the home-based enterprises seemed more secure. Some even thought that the new group might not last long as an extension of the old WWG no.1, which itself had not done well (Pa Sang local women's groups: in-depth interviews with women who refused to weave with the new WWG no.1, June and September 2000). In fact, the owners of the home-based enterprise groups 2 and 4 used to be leaders of WWG no.1, but left the group to start their own business, having gained valuable experience especially in marketing, networking, and product improvement, and useful information on, for example, low interest loans. These kinds of knowledge and networks, as Wallman's study (1982, cited in Long, 2000:107) suggests, seemed to be as important for making a livelihood as other conventional assets such as land and labour. Thus forming a group could enhance the economic status of women by providing them with intangible productive resources. However, by and large, poor women, in particular the *struggling* class group, were not able to benefit from such opportunities, partly because their destitution and their urgent need for cash income impeded their full participation in the long journey of acquiring such intangible resources, along with other tangible assets like land and capital, to start any business of their own. Despite their lack of involvement in the new WWG no.1, some *struggling* women said that they still indirectly benefited from the new project since it helped to make the home-based products more marketable which in turn would result in bringing more piece-work to them. Additionally, they could also place some products at the HCC (Pa Sang local

⁶¹ This was another example of the patronage relations between the VHGs and politicians. Usually these politicians used the development funding for women's affairs and possibly from other sources to sustain their political base, and recently the VHGs became their new target. Their long marginalisation from access to development resources and a small portion of partly forced the VHGs to establish patronage relations with both local and national politicians (Nongyao, 1993).

women's groups: in-depth interviews with women who refused to weave with the new WWG no.1, June and September 2000)

Collaboration with the newly revived WWG no.1, while not attractive to women in the *struggling* class group, seemed to bring immediately more opportunity to *thriving* women and men entrepreneurs, especially those whose houses were located at the entrance to the village. One of these families converted a *lamyai* orchard into a large car park. They anticipated that the cars, buses and coaches of group tours and visitors would stop there, as the HCC itself, located in the middle of the village, did not have any parking space. Their anticipation proved accurate, as many visitors from August to September stopped at the new car park (Pa Sang observations of the WWG no.1 activities, 2000).

Indeed, the new group brought about both conflict and collaboration among women across class groups. At least two women entrepreneurs expressed disagreement with the new project. They foresaw that the revived WWG no.1 would reduce the prices of cotton products as the group's running costs were partly subsidised by the state. Additionally, the growth of the new group was likely to contribute to a shortage of labour, particularly labour for weaving, because only women aged above 40 in the village had acquired this skill (Pa Sang local women's groups: in-depth interviews with leaders of WWG no.2 and WWG no.3, September 2000).

In fact, in the pre-crisis period, these home-based cotton enterprises had established a rule to control labour in the village, which meant that any women or their family members who worked with one group would not get any employment from other groups. They had to decide on which group they could rely on for a living. When the revived WWG no.1 received the large order from the Nan MP, only home-based enterprise groups 2 and 3 (or the leaders of WWG no.2 and WWG no.3) agreed that if necessary their weaving women could work in extra hours for the WWG no.1. Nevertheless, enterprise group 2 agreed to place the products at the Centre.⁶²

⁶² The products of WWG no. 2 were of better quality and design, so placing them at the HCC would help attract more visitors (Pa Sang observations, 2000).

7.2.5 The Social Loan Funds and their Benefits for Women

The foregoing account of the women's groups' access to the funds of the EGS and IGS suggests that these local groups had created dense horizontal and vertical networks, established beyond the localities and across both state and non-state sectors, through which they could draw considerable resources into the localities. Comparing the two villages, it appears that Pa Sang's networks were considerably more developed, allowing the VHG and WWG no.1 to draw larger resources into the village.

A number of women gained a variety of benefits from the 'Social loan funds', including a lunch budget, credit to start a small business, the acquisition of marketable skills such as industrial sewing, and a building and funds for the income-generating activities of the HCC in Pa Sang. Some of these benefits met the immediate needs of households while others met the longer-term ones. However, households in the *struggling* group tended to benefit least, partly because their daily cash needs and the state's rigid regulations excluded them from some of the development schemes.

Moreover, as some scholars (Daines and Seddon, 1994; Schild, 1997) have argued, the benefits of the women's collective actions went beyond the material aspect. In this context, the non-material benefits concerned the enhancement of the status of women leaders and the visibility and recognition of women's groups both locally and beyond the locality. However, the outcome was largely dependent on whether the women concerned, especially the committee members of these groups, were motivated or exhausted. Because of their ability to access funds, the CWYP and the NOPMCNW committees in Rim Ping and the core members of the VHG and WWG no.1 in Pa Sang enhanced their position in the public domain and enlarged the stock of social capital of the local women's groups. The leader of the VHG in Pa Sang pointed out that although the three rounds of training courses did not give the trainees much in the way of learning benefits, their members still attended the courses because they wanted to help the group maintain good relations with the state agencies. They hoped that, although they considered these particular training courses a waste of time, the next round of funding might be more useful. But if they refused

to attend the activities initiated by the local state agencies, these agencies were likely to withdraw their support from the groups and from the village as a whole.⁶³ This opinion seemed sensible, as WWG no.1 had gained support partly because of their members' long history of participation with both local state and non-state agencies.

7.3 Women's Groups' Responses to the Negative Change in Children's Wellbeing: childcare provision in the 1997 economic crisis period

In the following section, the main discussion is focused on women's collective responses to the crisis related to childcare provision and draws on the case studies of the two CCCCs located in the villages in question.

As discussed in previous chapters (in particular Chapters Three and Four), the depletion of social welfare provision, particularly in relation to school children and their education, was highlighted as the prime concern of many stakeholders including international institutions like the World Bank, UNICEF and ESCAP in particular (see APEC, retrieved 14 February 2002; Jurado, retrieved 15 February 2002; World Bank Office, Bangkok, 1999a, 1999b). The discontinuity of children's education was regarded as the main long-term social repercussion of the crisis on poor households, whose long-term livelihood security depended on the extent of the children's schooling. As discussed in Chapter Six, the labour and level of human capital (the years of schooling) of their members proved to be the most important, and often the only, asset of these poor households, especially those in the *struggling* group. As discussed in Chapter Four, Section 4.3.3.1, the official data for 1997 and 1998 have been used to claim that the current crisis did not really lead to the depletion of human capital in Thailand (World Bank Office, Bangkok, 1999b). However, both the findings of available small-scale studies discussed in Chapter Four, Section 4.3.3.1 and the present study's findings contradict this view. As noted in Chapter Six, the findings of this research show that the prolonged recession hampered the capacity of poor households to invest in the education of their children up to the level preferred by the local market, in particular the one required by the 'high-ranking' labour market discussed in Chapter Five, Section 5.3.2. Nevertheless, the cost of children's

⁶³ Interview with two women who went to attend the workshop about *Plara Plasom* (fermented fish).

education incurred high risks such as loans that required the mortgage of land, and the crisis also provoked inequality of educational opportunity between children of poor and rich households.

Children of the *surviving* class were likely to be removed from good quality schools to less competent ones, because the households were not able to afford the high fees. Households in Pa Sang prolonged their children's educational opportunities by using loans from the student loan scheme. Moreover, some of the children in the *struggling* group had to continue their education in the non-formal system, sometimes getting ordained in order to access the education offered in religious schools (Rim Ping key informants: open conversations with the abbot of the village temple, February 2000; Pa Sang key informants: open conversations with the abbot of the village temple, February 2000). This type of school was not well recognised, however, and only a few children from these schools were able to continue their education to a higher level.

I therefore argue that the crisis and the implementation of the SAP deprived children of their wellbeing from as early as the pre-school age level. This is another form of the long-term effects on poor households in both the *surviving* and the *struggling* class groups. In non-urban communities, including the two localities of my research sites, childcare was provided not only by the households and their extended families, but also by two institutions: the private nursery and the CCCC sponsored by the DCD. As noted previously, the DCD budget for this scheme was declining; in 1996 the DCD budget was 1345 million *baht*, but had declined by 50 per cent by 1998. (Somchai, retrieved 14 February 2002:81). This budget diminution had a heavy bearing on the CCCCs and, because of limited resources, they could not sustain the quality of care available before the crisis.

7.3.1. Responses of the CCCC: a matter of reproduction costs in the 1997 economic crisis period

Many scholars, including Cornia (1987) and Moser (1996), have indicated that in times of hardship poor households tend to seek needed service provision from outside the market. The households of the poor in these two villages were no

exception, as already discussed in Chapter Six, and one instance of this is childcare provision, which is the focus of this section.

As noted earlier, the CCCCs in these two localities had been established for decades. Their purpose has been to free women from total responsibility for childcare, thus allowing them to participate fully in paid work. In the crisis period, women increasingly felt the need to partly free themselves from domestic tasks including childcare, especially those in nuclear families, who lacked other options and looked for collective assistance. Throughout the crisis period, the CCCCs played an important role in helping poor households and women by caring for their children despite the decline in state financial subsidies. Their attempts took several forms including reducing service fees, extending working days and hours, and caring for children aged below the level set in the pre-crisis period. These responses reflected the concerns of these organisations about poor households hit by the loss of employment. This type of collective survival strategy was able to fulfill the immediate needs of households. Nevertheless, the lower quality of care due to resource limitations was likely to impair the emotional and social development of the children.

7.3.2 Expansion of Childcare Services with Lower Quality of Care

The CCCC arranged for the reduction of service fees from the onset of the crisis in Pa Sang, and from 1999 in Rim Ping.⁶⁴ The fees became almost three times lower than those of nearby private nurseries (see details in Box 7.2). But, despite this reduction, households in both villages as elsewhere (*Voices of the Disadvantaged* Pamphlet, 1998a) tended to defer the payment of fees. Pu, a childcare worker in Pa Sang commented that deferment had been extremely rare in the pre-crisis period (Pa Sang local women's groups: in-depth interviews with the CCCC childcare workers, May-June 2000). Deferment was also evident in Rim Ping (Rim Ping local women's groups: in-depth interviews with the CCCC childcare workers, September 2000).

In 2000, private nurseries would charge around 500 to 1000 *baht* per month and even more if better nursery services were required (Rim Ping sample households in-depth

⁶⁴ In Pa Sang, the reduction began in 1998 and this rate has been maintained until 2000.

interviews, August 2000). The rich households in Pa Sang who sent their children to the best nurseries in Lamphun, paid fees of 2000 *baht* a month (Pa Sang sample, households in-depth interviews, May-June 2000). The poor households in the *surviving* class, although willing to prioritise their children's education, found the nursery fees excessive and many returned their children to the CCCC. Most of the households in the *struggling* group had placed their children in the CCCC even in the boom period, and a few who had sent their children to private nurseries finally took them back to the CCCC. Thus, the number of children in the CCCC increased by almost 30 per cent.⁶⁵

From 1998 onwards, the two CCCCs were pressured to expand their service hours and to work at the weekends. In 2000 the CCCC in Pa Sang began to offer its service on Saturdays and Sundays to around 10 children. The high competition in the local labour market pressured more parents, in particular mothers and female members, to free themselves for available paid work at weekends. Some parents had to leave the house early and return home very late. Therefore, some children were left at the childcare workers' houses near the CCCC in each village from 7.00 am until 6.00 pm, although the CCCC's normal service hours were 8.30 am to 4.00 pm.

Box 7.2 Child Care Service's Fee	Fee rate in <i>baht</i> /month	
	Pa Sang	Rim Ping
12 to 24 months	250	260
24 to 30 months	200	220
30 to 36 months	160	180
over 36 months	140	160

Sources: Rim Ping CCCC in-depth interviews 2000, Pa Sang CCCC in-depth interviews.

Usually, in the pre-recession period, the CCCC took care of children aged 18 to 48 months. However, there was a rising demand by households for the CCCC to accept children aged below 18 months, partly because these children were cared for by single

⁶⁵ In Rim Ping, the number of children in CCCC rose from 99 in 1996 to 126 in 2000, in the same period, in Pa Sang, the number of children rose from 28 to 36.

Figure 7.3 Children's Afternoon Rest, Pa Sang Community Child Care Centre



Author's Photograph, 2000

Figure 7.4 Children's Afternoon Rest, Rim Ping Community Child Care Centre



Author's Photograph, 2000

parents or partly because the female members wished to increase the time they devoted to paid work. The expansion of the service worsened the quality of care, because the number of children increased whereas the number of staff remained the same or decreased due to the DCD budget cut. Moreover, the quality of care worsened when the CCCC began to offer to care for children aged below 18 months who required more intensive care. In Pa Sang, one woman, Pu, had to care for 36 children, while another, Keaw, prepared lunch, cleaned, washed dishes and so on. In Rim Ping, five exhausted women had to take care of 126 children. Of course, they could not give each child the proper amount of attention.

Space presented another problem. In Rim Ping, 126 children were kept together in one large room (6 m x 12 m) and there was no adequate space for children to play (see Figures 7.3 and 7.4, page 215) as the playground was not useable. From 8.00 am to 4.00 pm these children were mainly kept inside the room, which had barely enough space for them to lie down. Therefore, they rarely had any chance to develop their skills and creativity. In Pa Sang the space was less crowded, but because of the shortage of manpower, 36 children were also put in one large room, leaving another room in another building empty.⁶⁶ Pu and Keaw wished to put children aged above 3 years in one room for skills development activities and the younger ones in another for a longer rest time. This proved impossible, however, because while Keaw was involved in preparing lunch, Pu alone could not take care of 36 children in separate rooms. The playground was accessible in Pa Sang but the children were rarely allowed to play because one worker could not manage to watch over their activities.

The poor quality of the CCCC's care provision was well known to the richer households, who, unless prevented by economic difficulties, preferred to send their children to private nurseries. Some extended households in the *surviving* class, with the help of grandmothers, seemed to have more options than the nuclear families. As noted in Chapter Six, in Pa Sang, a young mother named Spang, who worked in the NRIE, had two children aged 2 and 4 who were cared for by their grandmother.

⁶⁶ The CCCC in Pa Sang has two buildings because from 1981 to 1990 there was only this CCCC offered services in this sub-district.

However, Spang had to work double shifts and at weekends so that her family could afford to leave one adult female doing the unpaid household work. In Rim Ping, some mothers who lacked employment opportunities and received sizable financial support from their husband tended to care for their children on their own. These findings suggest that the crisis eroded the employment opportunities of household members, and the SAP negatively affected the wellbeing of children as well as the level of the households' human capital assets.

As noted previously, the DCD cut down two crucial items of the subsidy to CCCC: the budget for lunch and fresh milk and the salary increase of the childcare workers. The CCCC committees met on this issue. In Rim Ping, the salary was not the prime concern because the childcare workers received a sufficient salary of around 5000 to 6000 *baht* a month, 4000 *baht* from the DCD and the remainder from the fees. But the salary issue was crucial in Pa Sang because although Pu received the same salary, 4000 *baht*, from 1998 to 2000, the committee did not want to use the savings from the fees accumulated in previous years to increase the worker's salary as in Rim Ping. A solution was found, however: Pu was allowed extra earnings for extra office hours service such as 20 *baht* per child for the weekend service. This sort of decision created a rumour in the village that *mae* Srinual acted unfairly to the staff.

As for the milk budget, there was a positive response from the committee in Pa Sang but not in Rim Ping. The latter asked parents to buy fresh milk for children aged below three years.⁶⁷ In Pa Sang, the committee decided to use savings to buy fresh milk for the eight children, 4 *baht* per day each. Pa Sang could absorb the milk budget cut partly because the CCCC had some savings accumulated from the monthly fees. In this village the fee collected was used to pay all the bills, and other running costs including improvement of the playground and toys for the children. The CCCC in Rim Ping was unable to give this extra support as 70 per cent of the fees were used to top up the salary of the staff and the rest went on paying bills. Therefore, there was no saving in Rim Ping CCCC.

⁶⁷ Before the cut, the DCD's budget for lunch and milk covered all children in the CCCC, but the reduced budget covered only children aged between 36 and 48 months (Pa Sang local women's groups in-depth interviews, June 2000).

The reduced lunch budget could not cover the normal lunch cost for all the children and the childcare workers. The solution adopted by the two CCCCs was to reduce the nutritive quality of the food. In 2000, two women, Chansom in Rim Ping and Keaw in Pa Sang took charge of preparing lunch with a budget of six *baht* per child aged between 36 and 48 months. Actually the lunch was prepared for all children and staff; for instance, in Rim Ping, the budget for 99 children was used to cook for 126 children and 6 staff. Moreover, Kaew's and Chansom's income came partially from the lunch budget, so the committee allowed them to offer smaller portions of meat, fruit and dessert. For instance, the serving of dessert and fruits was reduced from three days to two days a week. More vegetables were included in the lunch. A similar compromise was adopted in Pa Sang.

7.3.3 Quality of Childcare Provision in the Recession

By attempting to surmount the difficulties they faced in caring for the children of poor households, the CCCCs no doubt increased their credibility. The CCCC committee members in most cases were rich and while some belonged to the *surviving* class their livelihood was quite secure, and none of them belonged to the *struggling* group. All of the CCCC staff members were women from the *surviving* group and they tended to also gain more respect for their devotion. This indicates the existence of solidarity among women in different class groups in the face of hardship.

However, their defensive collective responses, partly due to the limitation of resources, failed to sustain the quality of care available to children before the crisis. The evidence discussed throughout Section 7.3 challenges the 'view from above', especially those of the Thai government and leading financial and development institutions like the World Bank in particular, who claimed that local social safety net institutions could offset the insufficiency of formal social safety net schemes and the diminution of social welfare provisions for the poor and the disadvantaged, and that children especially were protected despite the cuts in public expenditures.

7.4 Conclusion and Comments: potentials and limitations of collective survival strategies

The main task of this chapter has been to investigate the collective survival strategies of local women's groups based in the two studied villages. The findings discussed throughout the chapter suggest that these women's groups constituted a stock of social capital that was used to strengthen the capability of women and their households to meet their immediate needs in two main areas. These included access to the funds of both state and non-state agencies and the provision of childcare. In the first area, it is clear that without the great efforts of these groups, women, children and households in these two villages would be excluded from accessing the Social Loan Funds implemented by both state and non-state sectors. These collective strategies were successful in some areas, but failed in others, and this partly reflects the ways in which these resources were distributed and the level of resources of state agencies and civil networks in relation to assisting the poor, as well as the cost of SAP implementation in the Thai context. The present study's findings relating to state funds, as noted in Chapter Three, illuminate the inefficacy of the disbursement process and the influence of the politics of patronage resulting in the misuse of funds, since there were used for strengthening the political base of politicians rather than for alleviating the growing hardships experienced by poor households.

It can be concluded that the potential of women's collective strategies was evident in the creativity and resourcefulness of the local women's groups, which acted as social capital that played a crucial cushioning role during the crisis, and in the moderation of the effects on poor women and children of the reduction of the social funds derived from the state, such as the reduction of DCD budgets for WWGs and CCCCs. These sorts of benefits met the immediate needs of poor households. However, the findings noted above suggest that women in the *struggling* class gained the least benefit especially in the implementation of the two crucial schemes: the EGS and IGS.

Moreover, in the course of utilising their stock of social capital, these women's collectives tended to be able to enlarge it in certain areas. Additionally, these collective responses resulted in the enhancement of the status of women leaders, the

increase of the credibility and visibility of women and women's groups both locally and beyond the locality. However, similarly to the immediate material benefits, these intangible benefits tended to advantage women who were mainly in the *thriving* and *surviving* class groups. This indicates that women of the poorest class in these two villages as elsewhere (see Moser, 1996; De la Rocha, 2001) were particularly excluded from the reciprocity networks.

Although these local women's groups made great efforts to assist poor households, their collective strategies also had limitations. These included: the failure to adapt or modify the general schemes and regulations of the state to suit the needs of the localities, such as training needs or flexible lunch budget disbursement; the failure to prevent cuts in crucial budget items such as milk for children; and the failure to maintain the proper balance between long-term development, especially human capital development, and the response to immediate needs.

Chapter Eight

Conclusions: coping strategies and their implications

Introduction

The main task of this chapter is twofold. Firstly, it summarises the scope of this study. Secondly, it concludes the study's findings and reviews their implications. The chapter is organised into three interrelated sections. In the first part, I briefly outline the scope of this study, its analytical framework and methods of data collection. Then, in part two, I present a summary of the findings. In the last part, I discuss the implications of the studied households' coping strategies and try to situate them within the wider perspectives of household survival strategies and gender and social capital at village level, taking into account the long neglect (marginalisation) of women and the poor in mainstream economic development.

8.1 Summing up the Scope of the Study

8.1.1 The Scope of the Study and the Fieldwork Period

The main aim of this thesis is to examine the coping mechanisms of peri-urban households and the constraints and the implications of these mechanisms in the face of the 1997 economic recession and adjustment policies, in the context of northern Thailand. In doing so, this study has addressed three research questions (see Chapter One, Section 1.1) and the analysis has been based on field research involving sample households located in peri-urban villages and their opportunity networks (local women's groups). The total number of the sample households was 51, of which 19 were located in Rim Ping and 32 in Pa Sang.

The fieldwork for this study was conducted in 2000, which was the last year of the recession period according to official sources (it started in mid-1997 and ended in 2000). The period of this study is critical in allowing me to make a comparison and draw out the contradictory experiences of hardship taking place at macro and micro (household unit) levels in the period of recovery from the recession. As noted in Chapter One, the government declared recovery to be fact in June 2000 on the grounds that the Thai economy and the currency's depreciation had stabilized (Shivakumar, retrieved 14 February 2002; Stiglitz, retrieved 14 February 2002; IMF, retrieved 3 October 2002). However I argue that at the household level, the crisis is better understood in terms of the difficulty of sustaining daily reproduction at an acceptable level; and if the crisis is conceived in this manner, it remained deep and pervasive at the time of the fieldwork (3 January and 31 October 2000). This argument has been supported by related statistical data and evidence such as the incidence of poverty and the rates of unemployment and underemployment. These data were fully discussed in Chapter One. This argument has been consolidated at micro level by the experiences of households located in the two peri-urban villages, which are critically discussed in Chapters Five, Six and Seven, as well as in this concluding chapter.

8.1.2 Peri-urban Communities: sites for the reexamination of the impacts of the crisis on households

Rim Ping village is situated in Sarapee district, 15 kilometres south of Chiangmai city centre. Pa Sang is relatively remote (60 kilometres) from the large city of Chiangmai, and is located south of Pa Sang town, around 30 kilometres from Lamphun city centre. The main reason, as discussed in Chapter One, Section 1.4.1 and Chapter Two, Section 2.3.2 for selecting these two locations as case studies, is to make possible comparisons between sites located in, what I have called 'peri-urban areas'. Thus two peri-urban communities were selected as study sites with the intention of examining and analysing their economics' ability to absorb/survive the urban crisis, focusing on their constraints and strengths, both economically and culturally. As noted in the preceding chapters normative discourses in Thailand have placed high expectations on the agricultural sector and on rural communities to act as

a safeguarding institution in this periods of severe hardship (Kelkar and Osawa, 1999; Kewison, 2000, 2002; Connors, 2001; Parnwell, 2002; Rigg, 2002).

Rural villages and their agriculture sector have been expected to take charge of the provision of the means of basic survival for the urban poor and urban unemployed, whose livelihood base was eroded in this period. In these circumstances, the degree of self-reliance of non-urban communities is highly questionable, but strikingly this has rarely been investigated. Of particular interest is the extent of the self-subsistence economy of communities located in adjacent to large cities and towns. Decades of economic development have interlinked the economies of urban and peri-urban communities in particular, and so the nature and strength of the peri-urban locations have become an important issue and a challenge to explore.

The findings discussed in Chapters Five and Six challenge the view noted above, as they made clear that the livelihood systems of these localities are strongly interrelated to urban ones. Both land and labour have been used for fueling the non-agriculture sector. The scarcity of resources, especially land and labour meant that the majority of poor households were not able to take the best advantage of either the agricultural or industrial sector as was found in Parnwell's study (2002) conducted in the northeast region. In that case, the majority of households were able to remain in farming growing rice for their own consumption, while some young members sought employment in urban areas. This type of community, according to Parnwell (2002), was able to cope with economic uncertainty quite well.

In contrast, the economies of the peri-urban villages of my research tended to lack the ability to gain the best benefits of the two economies, in particular in Rim Ping where farming activities for the household' s own consumption did not exist, either in the last long boom (from 1970s to mid 1977) or in the recession. In Pa Sang, only a few wealthy families were still able to combine market farming with growing rice for their own consumption.

8.1.3 Gender and Class Analysis, and Triangulation

To approach the issues of households' survival strategies and their potentials and limitations, feminist research methodology has been deployed in this study as a guide to how best to approach communities, households and their members, and to build up a reciprocal relationship between researched and researcher. Then, triangulation was utilised as an approach to data collection and to compile a series of research data concerning the coping practices of the researched households (see Chapter Two, Sections 2.3 and 2.4). Various concepts drawn from gender analysis have informed the analytical method of this thesis. To develop this framework, I adopted the conceptualisation of the 'Livelihood Systems Approach' introduced by Grown and Sebstad (1989) as an umbrella concept. I then complemented this with Moser's 'Asset Vulnerability Approach' (1996, 1998) (see Chapter Two, Sections 2.2.).

This combined conceptual framework has provided certain advantages for this study such as allowing me to capture the range of impacts of the crisis and the responses to them taking place in both aspects of the household unit: production and reproduction. It also permits a deepening of the analysis to capture a series of adaptations and dynamics of coping mechanisms in both the intra-and inter-household settings. Moreover, this enabled me to draw out the insightful experiences of the households' individual members especially in terms of who were the most vulnerable and who played the central role in implementing the coping mechanisms as discussed in Chapters Six and Seven. This framework also permits a deepening of the analysis to highlight the dynamics of intra household relations. The findings discussed in Chapter Six in particular confirm those of feminist research noted in Chapters One and Two that both aspects of the realities (such as collaboration, negotiation and conflict within the household unit) taking place in the course of the households struggle to meet their survival needs. Additionally, this framework widened the conventional viewpoint of the resource base of households' livelihood systems by constructing social capital as one type of asset. This account was analysed in Chapters Two and Seven.

While this framework offered a number of advantages in investigating the issues noted above, it could have led to the neglect of conflicts taking place beyond the

household setting, especially along the female gender line across economic class positions. Many feminist studies of households' survival strategies have been concerned to depict and analyse only instances of collaboration amongst women and women's groups (as discussed in Chapter One, Section 1.4.2 and Chapter Two, Section 2.2.3) while failing to explore the other side of the coin. This study rectifies this gap in the available literature.

In this thesis, two types of important assets, labour and social capital, were central to the analysis, and the detailed findings were fully discussed in Chapter Six (the findings on labour adjustment) and Chapter Seven (the findings on the construction of social capital). However, as noted in previous chapters, the resources based on the arrangement and utilisation of these two assets were likely to be insufficient to sustain a basic level of household reproduction. Thus, in fact, many other types of practices were deployed in parallel, in particular the re-arrangement of the households' budget expenditure and the restructuring of the structure and the composition of the households. Kin networks and the state social safety net scheme (working on civil work schemes, using student loans for retaining children in education) were used intensively. These sorts of coping mechanisms, even though not central to our investigation, were touched upon and brought into the analysis when necessary.

The sample households of this study were divided into three classifications: *thriving*, *surviving* and *struggling* households (see Chapter Two, Section 2.4.1.4 and Table 2.1). This differentiation was made in the pursuit of a deeper understanding of the noted issues, and the present study's findings revealed that both the impact of the 1997 crisis and the modes of the households' responses and their implications varied across economic class stratification. The findings confirm those of Moser's study (1996).

8.2 Multiple Coping Strategies in Response to Economic 1997 Economic Crisis: utilising labour and social capital assets

8.2.1 Labour Adjustment as a Coping Strategy

In Chapter Six, modes of labour adjustment in the period of hardship were investigated. The findings discussed throughout that chapter indicated three essential types of labour adjustment, which were deployed widely among peri-urban households, in particular the *surviving* and *struggling* households in these two villages. These included (1) diversification of labour by adopting a degradation of labour skills, (2) intensification of labour by intensifying and expanding working hours, and (3) deployment of labour to generate work in the informal economy. The findings indicated that particularly the quality of labour (or the level of human capital in terms of years of education) and the gender and age grouping of labour played an essential role in determining the options concerning how the households' labour assets could be best utilised in each type of the labour adjustments noted above. The first form of labour adjustment was exclusively deployed among the *surviving* households, while the *struggling* household's members, lacking in education, gained subsistence living mainly by adopting the third form of practice. Similarly to the finding of other studies (see Beneria, 1992; Safa and Antrobus, 1992; Moser, 1996; De la Rocha, 2001; De la Rocha and Grinspun, 2001) those of the present study revealed that the intensification of labour, especially female labour, was the central means of adaptation which all types of poor households adopted to confront immediate hardships and to minimize the crisis of reproduction.

8.2.1.1 Diversification of Labour by Adopting a Degradation of Labour Skills

Diversifying labour by means of the degradation of labour skills was deployed in order to increase opportunities to access available waged employment in the formal labour market, such as in the NRIE and local government offices (see Chapter Six, Section 6.2). This type of labour market was considered to offer the best-paid employment in the crisis period, and so entry into this labour market was highly competitive.

Members of the *surviving* class group of households were able to opt for this strategy because a young generation of family members had a certain level of education, such as a first degree from a city college, a diploma or vocational studies certificates. However, not all educated members who wished and needed to work could access employment by this strategy. As noted earlier, the labour market in the NRIE tended to advantage young female labour. Educated female workers aged over 25 and young and adult educated men were less preferred in this type of labour market (Rim Ping sample households in-depth interviews, August 2000; Pa Sang sample households in-depth interviews, May-June 2000). This shows the rigidity of the formal labour market as it was operated in the Thai context. A similar rigidity is evident in other third-world countries (see Elson, 1995a, 1995b, De la Rocha 2001) where, although a source of daily survival the formal market has in fact excluded and marginalized the majority of potential workers.

In the boom period, this type of labour was expected to be a crucial source of household capital accumulation and a means of upward mobility either for individual educated members or for households as a whole. However, in the period of hardship, it was utilised as a means of meeting basic survival needs after the collapse or slowdown of sections of the better-paid labour market, for example the service sector and the government offices ('high-ranking' labour market, see details in Chapter Five, Section 5.3.2). Although this option was better than other available choices, the earnings level was very low (at the minimum wage rate). Thus, it was found that these workers had to supplement their earnings by intensifying their labour by expanding their working hours, such as putting in extra hours at the weekend and doing overtime. This was because the burden of households not only involved simple daily immediate needs like food, but included covering other costs of reproduction like children's education and repaying debt incurred with regard to education or other investments.

8.2.1.2 Intensification of Labour

This second form of practice refers to the situation when household members who already had employment or income-generating work decided to expand their working hours and/or intensify their labour. As noted in Chapter Six, Section 6.3, every single

household, especially the *struggling* households, had only one member who could hold a job or acted as a main provider, while the others were unemployed or underemployed. Additionally, throughout the recession there was a tendency for the wage rates of workers to be considerably reduced or remain unchanged in spite of inflation. This constituted another factor that impelled the main provider who was involved in waged employment to expand their working hours to obtain an adequate level of earned income.

In addition to the waged households, other households like farming and trading households widely adopted the strategy of intensifying their labour as a means of managing cash flow and reducing the cost of labour. Throughout the recession, both farming and enterprises became less profitable or unprofitable. This compelled households' members to expand their working hours in order to sustain their business. This suggests that the cost of households' reproduction in the face of recession and adjustment policy was (partly) covered by an increase in the degree of self-exploitation of household labour.

8.2.1.3 Allocation of Labour in the Informal Economy

8.2.1.3.1 The Informal Sector as a Site of Employment and Income Generating Activities

This strategy was adopted by marginalised workers who became less preferred by the formal labour market (see Chapter Six, Section 6.3). In fact, their exclusion had been common even in the *boom era*; however, the collapse of the labour market in the more advantaged sectors reinforced restrictions and divisions in the labour market. For instance, the preferred educational level of new workers in the NREI's factories was raised from grade 9 or 10 to grade 12, a diploma certificate or a first degree. However, the pay levels remained unchanged, so these new workers were paid the minimum wage for unskilled labour even though many had 12 to 16 years of formal education. This condition forced households to draw on any possible resource, including increasing their loans, in order to prolong their children's education until grade 12 at least, otherwise these young members would have no chance of getting a

job. This shows that in the recession households had to bear a higher cost with regard to labour.

The marginalisation of labour in the existing formal labour market caused a dramatic increase of informal sector activities in these two villages, because marginalized workers turned to search for subsistence within the local informal sector. As noted in Chapter Six (Section 6.4), the term 'informal sector' used in this study encompasses three main activities: waged employment, self-employment and various income-generating activities. In Rim Ping, where piece-work employment was not well established, unemployed persons like the laid-off workers and the owners of failed enterprises who were excluded from the formal labour market noted above took the risk of setting up businesses in the informal sector. Running small businesses like noodle shops, groceries, snack stalls and local clubs (which might sell alcohol and offer karaoke music) and raising puppies were among the various forms of income-generating activities of the poor households. Some were engaged in selling tickets for the underground lottery. These types of businesses could be considered as precarious sources of earnings because few became successful, since local demand was sharply reduced as more households attempted to gain a living in this sector. In fact, all households tended to avoid using savings or financial capital to create a new source of livelihood partly because of the scarcity of cash income and the high risk of losing it. Using labour to ensure a living was a preferable mode. Thus income-generating activities which involved cash were adopted only when there were no opportunities to hire out labour.

In contrast, in Pa Sang, where piece-work in cotton production was available, a smaller number of households started small businesses as compared to Rim Ping. Households instead tended to hire their labour to local cotton producers. This sector was able to act as a shock absorber for retrenched women workers in particular. They were able to earn enough from this type of employment to cover the household's food budget while in Rim Ping these workers remained totally unemployed if they could not get involved in income-generating projects as noted above. This indicates that the pattern of the informal economy of these communities and their ability to absorb the impacts of the crisis were rather diverse. The comparative finding indicated that the

informal sector in Pa Sang seemed more able to cushion the impact of the crisis of peri-urban households.

The second interesting point regarding the contribution of the informal sector of local cotton production in Pa Sang is that even though it provided employment to a number of female workers in particular, it rarely guaranteed the total level of households' reproduction beyond daily food requirements. The low level of earnings in conjunction with the irregularity of the piece-work was presented as a reason for the low and unstable income in this sector. Workers who engaged in this activity, therefore, tended to expand their working hours to the maximum level. The intensity of labour caused the female members' health to deteriorate and the welfare of the children and older members to diminish, as noted in Chapter Seven. Children as young as 12 months old were sent to the CCCCs, and these pre-school children were regularly left at the child-care workers' house until the evening.

This evidence highlights an interesting point concerning the informal sector: despite the informal sector's elasticity in terms of its ability to absorb new households which sought a new livelihood, its ability to alleviate hardships was in fact extremely limited.

Scholars such as Parnwell (2002) and Rigg and Skunee (2001) indicate that the ability of home village communities to resist hardship is largely linked with the strength of the self-sufficient economy of this sector. At the outset of this chapter, I noted that the self-provisioning economy, in this instance growing a main staple (rice) became unaffordable for poor households in these two villages, because of the lack of land. This indicates that the hope that households in non-urban communities would provide a safety net was unrealistic. This does not mean, however, that none of the households attempted to produce food for self-consumption in other forms, but the level of labour involvement in this sector was relatively very low. In fact, there was evidence that some members of the poorest class group (*struggling* households), in particular, allocated their less productive labour (like old members, sick or unhealthy members and unemployed who could not access any other employment) to produce food by using small courtyards (including using a neighbours' courtyard or an orchard) for planting vegetables and herbs, raising chickens and so on.

Additionally, some people went to work on an in-kind basis, in exchange for daily food or the promise of future paid employment. One of the poorest households in Pa Sang built a house using unemployed family labour.

This suggests that households made great efforts to utilise their stock of labour in all possible ways. However, even so, it was found that none of the households could totally prevent the economic instability and protect the level of reproduction by utilising their labour assets, because of the constraints of the labour market and the low rate of return. Households in every single case, therefore, had to adopt other kind of practices, including the contraction of household expenditure. In parallel, poor households were stretched to use all available resources including the services offered by local women's groups for child-care provision, and some poor households utilised this stock of social capital as a means of mobilising resources beyond the immediate localities from both state and non-state sectors.

8.2.2 Constructing the Social Capital of Local Women's Groups

In Chapter One I argued that the roles and contributions of Thai local women's groups in helping poor households confront the crisis of immediate needs and reproductions have neglected in the analyses of both scholars and leading financial development institutions like the World Bank. They became central to this study, however, and in this context, local women's groups and their vertical and horizontal networks were conceptualized as social capital asset, one type of the assets discussed in Moser's work (1996, 1998).

Chapter Seven presented the findings of the investigation in relation to the utilisation of the stock of social capital of local women's groups as a means of guaranteeing the basic level of household reproduction. The findings indicated that this type of asset was utilised in a range of ways, particularly to access funds from both state and non-state sectors and to provide childcare provision. Importantly, without these local women's groups, households in these two villages would never or rarely have been able to access the funds and other forms of benefits, tangible and intangible, from the state sector projects implemented in this period, and from the SIF funds. These resources, accessed through local women's groups, were quite limited, however,

especially in Rim Ping, since only two collectives, The CWYP and The NOPMCNW, were able to draw on the funds. Villagers in Pa Sang could access more resources, especially school grants and funds related to income-generating projects, mainly through the LWYP, the VHG and WWG no.1. The limited amount of accessed resources partly reflected the insufficient resource allocation of the state and non-state sectors at the local level and the inefficacy of the funds' distribution, in which the politics of patronage affected allocation and determined which groups (or villages) actually benefited, as noted in Chapters Three and Seven in particular. This resulted in a situation where the benefits of constructing the stock of social capital were likely to advantage communities and households unequally, with the needed communities and the poorest households being most likely to be excluded. Furthermore, the diminution of resources of these women's groups, especially the VHGs, the CCCCs and the CWYP, indicated that the SAP's policies in relation to the reduction of public expenditures had devastating impacts in the areas of women and development, and the provision of childcare to the children of poor families.

In contrast, the collective strategies to access the funds of the non-state sector, such as the SIF fund and the grants from non-governmental organisations such as Children's Foundation, benefited the poorest households, women and school children in various ways. This shows that the 'Social Loan funds' which were operated by civic organisations like the SIF, although women and poor households became exhausted in the course of the funds' implementation, were more effective in terms of allocation to the needy. However, even so the benefits of the SIF package in these two villages very limited since the SIF funds, which represented only 5 per cent of the total 'Social Loan Funds', were allocated to million of village communities (see Chapter Four, Section 4.2.2 and details in Box 4.1). In addition the local women's groups in these two villages were unable to access the SIF fund until 2000.

8.2.2.1 Contributions of Local Women's Groups to the Welfare of Poor Households

The collective strategies adopted to access the funds contributed a wide range of benefits to women and households including daily food budgets, low-interest loans, skills training provision, school grants, and the construction costs of the building

which was used as a centre for producing and trading the cotton production of local women's groups. These are examples of the tangible benefits of the accessed funds. However, as noted throughout Chapter Seven, Sections 7.2 and the foregoing discussions the findings, in terms of the distribution of funds, showed that households in the poorest class group (*struggling* households) tended to be excluded from accessing these kinds of resources, particularly in terms of access to the food budgets, low-interest loans and skill training provision, even though these poorest households cried out for this assistance. Their exclusion was mainly the result of decisions made by the external agencies that were in charge of the utilisation of 'Social loan funds' implemented throughout this period. The urgent need to meet the cost of their daily food is another reason why households and women in the poorest class group did not participate in local women's group activities, either to access other resources or to generate a future income resource collectively (for example the group to produce a cotton product in Pa Sang). This finding reflects similar results from other studies for example that of De la Rocha (2001). These studies suggest that the poorest households were largely cut off from the existing supportive social network, which has been widely cited as one of the essential survival resources of poor households. Households and women in the *surviving* households were therefore likely to be the real beneficiaries, especially in terms of access to tangible resources.

Comparative findings between the two villages indicate that the Rim Ping households in every class group were disadvantaged compared to households in Pa Sang in terms of access to both tangible and intangible resources. This was the result of the politics of patronage noted above.

The second form of local women's groups' contribution to households was related to childcare provision. In both villages, the CCCCs were able to provide flexible and cheap childcare sufficient, it seemed for all poor households' needs. The *thriving* households, even though they tightened their expenditure budget, could still afford to protect the cost of their children's education and care, so that there was no evidence that their children had had to move from private nurseries to the CCCCs (see Section 6.1, Chapter Six). The childcare provision benefited households in the other class groups whose income was falling to the extent that better childcare provision in the private sector became unaffordable. This suggests that a labour adjustment strategy,

widely adopted as described above, would not have greatly contributed in cushioning households enmeshed in a crisis of survival.

The CCCCs in these two villages assisted the households, and women in particular, in two ways. First, they freed adult members, especially women, to participate in paid work as necessary. Second, it reduced the burden of reproductive costs in relation to the care of the next generation of labour of poor households in both categories, since as noted in Chapter Seven, the fee charged by this local institution was less than fifty per cent of the fee charged by an ordinary (private) nursery. However, due to limited resources, the quality of childcare provision was far below the basic standard; lower, in fact, than the quality which had been provided in the pre-recession period by this institution. The limits on resources were mainly caused by the Department of Community Development's (DCD) cut of the level of subsidy to the CCCCs which indicates that the adjustment policies implemented in this period had a negative effect on children's welfare provision. Pearson (1998) has pointed out that in a period of economic adjustment costs of reproduction as regards both care for the unemployed and care for the next generation of labour are renegotiated between state, market and households. This also took place in Thailand, where this burden was added to those already being borne by households and local women's groups.

8.3 The Implications of Multiple Coping Strategies

8.3.1 Implications for Daily Reproduction: food security, human capital levels, and other tangible assets

I have argued in the preceding chapters that the critical issue in studying the coping strategies of households in the face of persistent recession and stagnation is to give an insightful experience of the constraints placed upon this institution (the household). To study the survival model of households is, therefore, not only a matter of investigating what forms of coping strategies had been deployed and how, but of highlighting the constraints and capabilities of this institution. This issue is fully discussed in Chapter Two, Section 2.2.4, where I argue that the outcomes of coping strategies have been contestable and require re-investigation. This is because a certain number of studies based on a survival model, of households located

worldwide have pointed out that to rely on long-standing practices like working harder and harder in order to safeguard the household is not realistic. In reality, for the poorest people and households, such coping strategies produced an ever-deepening involvement in a very precarious situation (see De la Rocha and Grinspun, 2001; De la Rocha, 2001). Similar findings were addressed in small scale studies located in Thailand (see Chapter Four, Section 4.3). Those findings show that the course attempting to meet survival needs, a number of Thai households had to confront the numerous tensions and conflicts taking place within this intimate unit and, in certain cases, the households of the poor became fragmented; families broke apart. Thus the notion that poor households have agency may be mistaken in its insistence that these households can shape an outcome or consolidate a degree of resilience to hardship.

My findings regarding the implications of multiple coping strategies support the above argument. However, a deeper understanding of the diversity of this issue requires a class analysis, which is provided in what follows. The findings of the present study confirm other contemporary studies' findings that the outcome of the multiple mechanisms adopted by the households varied across class sections and that the determining factor is the different levels of assets and resources in the hands of those households (see Moser, 1996, 1998; De la Rocha, 2001). In fact, asset differentiation also framed the modes of the coping strategies and determined the level of social repercussions of the crisis on the households (as discussed in Chapter Five, Section 5.3 and through out Chapters Six and Seven). Moreover, in addition to the different levels of the stocks of assets, the findings of this research suggest that the degree of resilience of households is determined by two other crucial factors.

Among households located in each class group, issues like the level of human capital invested, the family cycle, the household's composition and different types of livelihood bases appeared to play a significant part. Some occupations may have been more exposed to the crisis than others. For instance, the livelihood of a family of civil servants was more secure than daily waged employment or farming. The collapse of enterprises placed many households at high risk in terms of the large debt incurred. The burden of meeting the cost of children's education was linked with the

phase of the family cycle, and so, the level of reproduction cost was heavier for young families with school-age children. Extended families tended to have a larger pool of labour resources, so an adaptation of labour in terms of diversification and intensification was affordable. In contrast, smaller families, whose members included old and sick individuals and children, and young nuclear families, especially single-parent families, constituted the most vulnerable cases.

Furthermore, the degrees of success and failure of coping strategies were closely linked to factors located beyond the economic position of the households. I call this set of factors the 'pattern of the local political economy' and this was established both in the localities and nearby. The pattern dictated the availability of work within both the formal and the informal labour markets, since (as noted in Chapter Five, Section 5.3 and Chapter Six) the accessibility and availability of the labour market was central to the economic stability of these peri-urban households. The exclusion from and the constraint of this resource pushed poor households into deep poverty. This evidence tends to confirm the argument of some scholars such as De la Rocha (2001) that the resources (labour and reciprocity networks) which poor households used to mitigate encounter their poverty have been diminishing after decades of prolonged recessions and SAPs.

8.3.1.1 *Struggling* Households and Signs of Vulnerability

This group of households was the most vulnerable due to the continuance of social and economic exclusion, because the previous fast economic growth rarely advantaged all households equally and the households lacking assets were likely to have gained less benefit from the economic growth (as discussed in Chapter Five).

The lack of any valuable assets, whether land or enterprises, was coupled with minimal savings and the fact that any other tangible assets which had accumulated in the boom period had had to be sold off in order to secure the family's food budget in the first few months of the hardship period. Retrenched workers appeared to use their accumulated assets to cover the costs of returning to their home villages and resettling in their new life. Therefore, labour represented their single source of subsistence; however, even these labour assets were constrained in terms of both

quantity and quality. Therefore, the level of earnings, which mainly drew from the intensification of female labour in the informal sector as a coping mechanism, was very low so that the level of reproduction of this type of household was cut to the point where subsistence was not easily achieved. Occasionally, the cost of children's education and other basic necessities was met by the extended family and by kin and other reciprocity networks. This type of resource was extremely essential to the survival and subsistence of the *struggling* households. Interestingly, while the costs of reproduction could not be assured without external assistance, the poorest households' expenditure in relation to maintaining this type of relation was largely cut off due to the shortage of cash income, combined with the intensive lack of time (see Chapters Six and Seven).

In fact, the circulation of gifts and cash transfers among kin, neighbours, and close friends, and for other important social and cultural activities, were in extreme decline. Thus these poorest households if they were not part of a relatively well-off kin network, usually struggled alone or received some help from local women's groups in terms of school grants and cheap childcare provision (see Chapter Seven). Therefore, the degree of vulnerability was most acute among households in this group particularly those in Rim Ping where local women's groups were excluded from access to the funds disbursed through the state social safety net schemes (EGS and IGS) during this period.

In Rim Ping, two of these families (out of five) were deliberately fragmented. For instance, in one case, a mother took two children to stay in another village and left her alcoholic husband alone in her home village. It was said that she earned a living as a sex worker in a nightclub in Chiangmai.

The discontinuity of children's education was also difficult to avoid. In Rim Ping, one household finally decided to terminate the child's education. This practice was in fact the consequence of the total failure of a series of ad hoc coping strategies, from the enlarging of farmland, to increasing the intensity of labour and taking out loans.

Similar occurrences were found in Pa Sang, where one out of the six households in this class group had a school child at grade 12, and this household decided to curtail

her education at this grade (when she completed in early 2001) in order to increase the number of wage earners, partly because there was a high risk of losing their house owing to the large amount of debt incurred when the brother of the girl had an accident in 1997. This girl had been using a student loan when she started grade 10, suggesting that even though the loan was available, it was not possible to continue the girl's education. The decision to withdraw from school was made by the parents, whose intensification of labour as a coping strategy failed to safeguard the basic level of daily and generational reproduction. Such a practice would be bound to lead to an increase in the economic instability of both the adults and the children of struggling households.

8.3.1.2 *Surviving* Households and Signs of Vulnerability

In these households food security at a basic level was protected; however, the disadvantages of losing means of production such as land, enterprises, and human capital, and seeing the welfare of children and elder members threatened were acute (see Chapter Six and Seven). The number of vulnerable households was likely to increase after 2000, barring a significant improvement in the Thai economy. Additionally, like the households in the *struggling* group, savings and other tangible and intangible assets which had been accumulated in the boom era were diminishing because families were forced to consume them.

In Rim Ping, three out of the five households in this group faced the strong possibility of losing their property (a *lamyai* orchard), because their coping strategies rarely achieved security beyond their daily food expenditure so that high levels of debt were incurred; these were caused either by the failure of the family's enterprises or the loss of employment of the main earners. In addition, there were clear signs that the children's education would be severely affected later on. As noted in Chapter Six, Section 6.4, two of these three households planned to relocate their children into a cheaper school, which would inevitably compromise the quality of their education. The third family planned to curtail their child's education. This shows that even households in this group were unable to protect their children's education to the level required by the labour markets, especially the 'high- ranking' and 'middle- ranking'

types (see details of the categorisation of labour markets in Chapter Five, Section 5.3.2).

The other two households in Rim Ping, whose children were also engaged in their studies during this period, were able to prolong their children's education, but one of them incurred a substantial debt, Intha's family, whose daughter was able to complete her degree in 1999, found however, that farming was very unprofitable in that year, and so the parents had used a large portion of the BAAC (Bank for the Agriculture and Agricultural Cooperation) loan to cover the cost of her final year of study. So there was only one case where the cost of the child's education was totally manageable through the parents' adoption of multiple survival strategies. However, due to the intensification of labour, the volume of daily interactions between the parents and the child (Chansom, 15 years olds) was reduced and this seems to have produced a negative effect on his educational record and performance. This suggests that the prolonged recession and the SAP produced diverse consequences, both overt and unseen, which disadvantaged poor households and their members.

In Pa Sang, it appeared that the households in this group were able to survive the hardship better than those in the Rim Ping. The risk of losing the essential means of household production seemed to be not as great as the cases in Rim Ping, although certain households, in order to meet the daily cost of reproduction, had to sell off a wide range of less important assets like a motorcycle or an industrial sewing machine, and also utilised savings as well as increased their levels of indebtedness.

Eleven out of the 21 households in the *surviving* group had children in schools or colleges. There was no sign that these households had curtailed their children's education or intended to do so, as long as the 'Student loan scheme' and the loans from other sources like the BAAC remained accessible and manageable. Labour was an essential asset of households in this class but without a certain number of years of education it had little or no value. Therefore, given access to any source of loans, these households would opt for enlarging the size of the loan.

Neither were children removed to a cheaper school, mainly because none of the *surviving* households in Pa Sang had been able to afford to educate their children in

the more expensive private schools, even in the boom period. However, these school children were asked to spend more time helping their parents carry out both paid work and domestic tasks. Their pocket money was not reduced but increased resulting from the rising cost of transportation and stationary as well as school lunch. Therefore, they were asked to seek extra money by hiring their labour to piece-work cotton production to cover the extra educational cost noted. The main negative effect of the reduction of these households' income in both villages was on pre-school age children, who were sent for day-care to the CCCC. Thus the majority of *surviving* households in these two villages maintained their basis of survival in severe and constrained conditions. Furthermore, since the family's livelihood substantially relied on a single wage earner, if (after 2000) this member failed to keep his/her job, the household would be likely to experience the loss of important productive assets such as small plots of land, vehicles (such as pick-up vans, trucks) and houses. Such circumstances, made it impossible to maintain their children in education.

The phenomenon of family breakup, which was observed among the poorest households in both villages was also found in this class group in Pa Sang. To take one example Moddaeng went to search for a new job in the tourist region in the South (Phuket) and left two of her children in her home village with their great-grandmother. The migration strategy, although positive in terms of resolving the financial problem, could well have many unseen negative effects especially for the children who were left behind with the great-grandmother (see Chapter Six, Section 6.2.2).

8.3.1.3 *Thriving* Households and Inconvenient Lifestyles

Generally, the *thriving* households had only experienced the recession in terms of the inconveniences it imposed on their lifestyles caused by the tightening of the budget and the reduction of expenditure on non-essential items. These ranged from not having meals in expensive restaurants and cutting the budget on clothes, leisure and other social activities (like parties) to reducing the volume of social transactions among kin, close friends, colleagues and neighbours. But the cost of children's education and the other expenditures on the welfare of children, like childcare provisions, were protected. Nor was there much sign of the depletion of valuable

assets like land, cars or enterprises in this class group. Moreover certain households in this group still acted as a safety net for the retrenched workers who had returned to stay in the village. The degree of assistance (food, employment, piped water, telephone and toilets) was not abundant but available to close neighbours and poor kin on an occasional basis.

However, while a certain level of helping out the disadvantaged households remained, it can be suggested that the relations of production among the rich and poor households appeared to be more exploitative. As noted in Chapters Five and Six, the economic stability of rich households in Rim Ping (the families of landlord) depended on regular income derived from a salary and the orchard. Their salary was stable so that efforts were directed to make the *lamyai* orchard even more profitable by evicting the less productive households, who were using the plot to grow market vegetables, and replacing them with a more hardworking household's labour.

A similar trend occurred in Pa Sang, where petty capitalist households were dominant in the *thriving* class group. The cotton enterprises stabilised the slowdown of business by reducing labour costs; the owners laid off large numbers of piece workers and reduced the volume of work and the rate of payment to the weaving women and other essential workers. Furthermore, some of women entrepreneurs limited their support to WWG no.1, seeing this development as involving a conflict of interest. This suggests that livelihood collaborations, even those between woman entrepreneurs and female piece workers, were rearranged in a more exploitative manner. Tension and conflict between women in different economic classifications also took place. The findings discussed above and in the preceding chapters suggest that in the midst of hardships, on the one hand, women were encouraged to seek collaboration among women as a collective survival mechanism to confront hardship, resist external pressures and macro policies. On the other hand, the same hardships were likely to generate conflict and tensions between women located in different class sections.

8.3.2 Other Forms of Vulnerability: losing valuable networks and the opportunity for upward mobility, and creating self-despair and anxiety.

The vulnerabilities which developed in the poor households of the *surviving* and *struggling* groups were in fact more diverse than just the level of food intake, the depletion of asset portfolios and the fragmentation of the household unit noted above. The outcome of the discontinuity of children's education and the removal of children into cheaper schools went deeper than the matter of future income level. This decision in fact would entail various invisible negative effects and lead to the diminution of a number of valuable opportunities of these children who would suffer derived from a lack of choices and of opportunities for upward mobility in the future.

Some of the retrenched workers who returned to the villages after decades of out-migration found it very hard to resettle into a new life in the village where they no longer had any close friends. The long-established networks created by working life, which were conducive to earning a livelihood when necessary, were now destroyed and became unavailable to the returnee members, who were now strangers in their old home.

The collapse of enterprises and the consequent loss of employment and increase in the amount of debt created anxiety, distress and a sense of self-failure among the persons involved. Although this loss was generated by a global crisis, by an unseen hand, at the household level persons who had failed to maintain their business or keep a tenacious grip on their job become victims and targets of criticism. The young people who could not find a job after completing a degree tended to avoid entering into any social interaction at the village level. Additionally, the adjustments in household budgets had a number of negative impacts on social relations between households. Every single household reported that the amount of cuts necessary was 50 per cent. The items considered as less important, in addition to food, clothing and leisure (especially for women and children) included a wide range of expenditures on activities such as regular visits, circulation and distribution of gifts, and remittances, all of which had been used to sustain existing social relations and networks. The reduction was not only in terms of tangible items but included time spent on social interaction. The intensification of labour, especially in terms of expanding working

hours, reduced the ability of villagers to spend time for collective purposes. As shown in Chapter Seven, some of the women's groups ceased to function as the members had no time to sustain their participation at the same level as during the boom. Some collaboration between households was maintained, but at minimal levels. This finding confirms those of other studies, like the work of Moser (1996) and of De la Rocha (2001), which note that the density of such networks is reduced due to the lack of resources of the members to sustain them.

8.3.3 Implications of Households' Coping Strategies for Women

The case studies in this thesis have illustrated two sides of the potential implications regarding women and their role in the hardship period. In a global context it has been shown that women have been real victims of recession and adjustment policies, because to cover the rising costs of reproduction, women around the world have had to intensify their labour, and to combine paid employment with domestic work (see Beneria, 1992; Geldstein, 1997; Pearson, 1997, 1998; De la Rocha, 2001). The findings of this research reveal similar patterns (see Chapter Six): the division of labour within the domestic domain shifts relatively little in times of economic crisis. The renegotiation of the prevailing gender division of labour within the households of this study was minimal and overt changes in terms of gender role reallocation were hardly seen. For example, some of the unemployed men refused to engage piecework employment even though it was available. They hung around and waited for a more amenable job, such as working on a farm or collecting *lamyai*. Their wives explained that their husbands hated to work in a tedious job. Moreover, at the same time only a few unemployed or underemployed husbands increased their involvement in domestic tasks, except taking care of young children occasionally. Thus the intensification of female labour entailed the increase of gender inequality inside the households in certain ways. However, as noted in Chapter Six, being the pillar of their households, these women tended to have more say in how their earnings should be utilised. Several husbands acknowledged the changes at a verbal level when expressing, to outsiders like me and my research assistant, their gratitude to their wives, who had become the heads of the household (Rim Ping sample households in-depth interviews, August, 2000; Pa Sang sample households in-depth interviews, May-June 2000).

The disadvantages of women in these two villages were partly generated by the global labour market, which tended to marginalize male labour and thus placed a higher burden on women (see Elson, 1995a, 1995b; Pearson, 1997, 1998; De la Rocha, 2001). The intense socialisation within the Thai culture, through which girls and women are formed to become dutiful persons, puts much less emphasis on the obligations of boys and men (Mill, 1992; Varunee and Benja 1994; Van Esterik, 1995; Whittaker, 1999). This was another crucial factor in determining that more women than men had the persistence and patience to work long hours at tedious tasks in the informal sector of cotton production, while some men preferred to be unemployed.

Furthermore, the intensification of women labour was caused in some instances by women adopting a triple role, acting as the central force for constructing social capital at the community level. The intensification of women's labour in this respect was linked to the macro policies of the SAP which forced the Thai government to diminish the public expenditures intended for the provision of social welfare for poor people. This combination of factors exhausted women and in many cases the intensity of labour deteriorated women's health. Thus the inequalities in gender relations tended to increase in the hardship period, both within the households and in the workplace, regardless of economic class positions.

However, on the other side of the coin, women represented strength to the community and were able to improve their visibility. In the process of struggling to ensure household survival, local women's groups and their active members became more visible to other women and the communities both in the localities and beyond. Additionally, their stock of social capital was enlarged. However, this sort of intangible benefit was largely confined to women with a more secure economic background.

8.3.4 Implications for Households: collaboration and conflict

As noted in Chapter Two, the institution of the household in this study was constructed as the site of collaboration, conflict, negotiation and bargaining (Sen 1990 (see Chapter Two, Section 2.2). The findings discussed in Chapter Six in

particular contributed an insightful picture of the dynamic of intra-relations of the households in these localities that confirms the findings of contemporary feminist research focused on the household which has highlighted households as the terrain of bargaining and collaboration (Harris, 1984; Wolf, 1992; Geldstein, 1997; Pearson, 1997; 1998; De la Rocha, 2001).

The findings presented in Chapter Six indicated that the arrangement within the households bore witness to various kinds of collaboration but were not without conflicts and tensions. Some households were even threatened by decomposition or fragmentation. In fact, agreement on common goals could usually be reached, but not in terms of their priority. Additionally, the achievement of the common goals tended to put disproportionate burdens on different members. Extended family units that comprised small families, despite having high capabilities to cushion the impacts of the crisis, were prone to internal conflicts over scarce resources to fulfill multiple expectations. The ability to adapt of each individual member was considerably different, especially between men and women, and could create tension inside this intimate institution. Nevertheless, however laden with conflicts and tensions, only a few families chose to solve them by breaking the unit.

This study suggests that the Thailand's 1997 crisis was more than a financial crisis; it was a crisis of survival of the poor and women. As can be seen, the daily survival and the reproduction of poor households in the *surviving* and *struggling* groups were deteriorated and intensified during this period. These vulnerabilities, even though remedied to a certain extent by the multiple coping mechanisms adopted by households, were still deep and pervasive, existing in diverse ranges and in multiple layers, especially among the poorest households.

The present study's findings discussed in the preceding chapters and throughout this chapter suggest for a range of further research and public policies. More research on communities and households, particularly peri-urban households, their capacities and constraints in coping with adversity in general and with Thailand's 1997 recession in particular are suggested, with a view broadening and deepening the analysis of all these aspects. Similarly, more research should be directed to the investigation and analysis of the present government's policies in relation to opening

up new sources of rural livelihood (such as the policies about the village funds and the one-village one-product). In addition the roles and contributions of civil society organisations, particularly local women's groups, in assisting poor households and thus minimising the impacts of the crisis and these households' persistent poverty could be usefully studied.

It is to be hoped that this research will lead to a greater understanding of the nature of the hardships these poor peri-urban households and communities face, and that consequently the government will be able to design and implement more effective and efficient formal social protection systems, as well as allocate more public funds strengthening local women's groups' activities.

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Appendices

Appendix 1: Primary Sources and Fieldwork Citations

(See the fieldwork schedule, page 35)

1. Rim Ping's list of key informants (fieldwork activity No.2)

1.1 Local leaders

- 1.1.1 the village head
- 1.1.2 the chairperson of the village healthcare voluntary group
- 1.1.3 the leader of the village housewife group
- 1.1.4 the committee of an agricultural group (Klum Kaset Mu 5)
- 1.1.5 the village temple abbot
- 1.1.6 the Tambon Administration Organisation (Or Bor Tor) elected member

1.2 Villagers

- 1.2.1 two women
- 1.2.2 two men
- 1.2.3 one schoolgirl
- 1.2.4 one schoolboy

1.3 Local civil servants

- 1.3.1 two staff members of the community healthcare centre
- 1.3.2 two teachers (the head school teacher and another teacher of the village school in Rim Ping)
- 1.3.3 the local officer of the Department of Community Development in Sarapee District, Chiangmai
- 1.3.4 the head of the office of the Tambon Administration Organisation (Palad Or Bor Tor)

2. **Pa Sang's list of key informants (fieldwork activity No. 2)**
 - 2.1 Local leaders
 - 2.1.1 the village head
 - 2.1.2 the chairperson of the village healthcare voluntary group
 - 2.1.3 the leader of village housewife group
 - 2.1.4 the committee of Women Weaving Group no.1
 - 2.1.5 the village temple abbot
 - 2.1.6 the Tambon Administration Organisation (Or Bor Tor)
elected member
 - 2.2 Villagers
 - 2.2.1 two women
 - 2.2.2 two men
 - 2.2.3 one schoolgirl
 - 2.2.4 one schoolboy
 - 2.3 Local civil servants
 - 2.3.1 the head of community healthcare centre
 - 2.3.2 the head teacher and another two teachers of the village school
 - 2.3.3 the local official of the Department of Community Department
in Pa Sang 2.3.4 District, Lamphun
 - 2.3.5 the head of the office of the Tambon Administration
Organisation (Palad Or Bor Tor)
3. **Author's Rim Ping survey 2000 (fieldwork activity No. 3)**
4. **Author's Pa Sang survey 2000 (fieldwork activity No. 3).**
5. **Rim Ping sample households in-depth interviews (fieldwork activity No.4)**
6. **Pa Sang sample households in-depth interviews (fieldwork activity No.4)**
7. **Rim Ping local women's groups in-depth interviews (fieldwork activity No.5)**

8. **Pa Sang local women's groups in-depth interviews** (fieldwork activity No.5)

9. **Observations/participations** (fieldwork activity No.7 in Rim Ping and Pa Sang and other places such as Bangkok, and Chiangmai and Lamphun provinces)

Appendix 2: Budget and Types of Projects under the Social Loan Funds Known as the ADB Package

The first 'Social Sector Loan Fund', amounting to US\$500 million (20 billion *baht*), was borrowed from the Asian Development Bank (ADB) with a 15-year repayment period at 6.93 per cent interest. This interest was higher than the 6.82 per cent of the financial sector loan. The ADB package focused on supporting activities and policy reforms in the labour, education and health sectors. However, only US\$ 300 million out of the total ADB loan package was allocated to be used in the social rescue policies noted above. The first installment of the loan was distributed to implement eight major projects, as follows*.

1. US\$ 30 million (1200 million *baht*) was to maintain and expand the Health Card programme to cover 9 million people by March 1999. This scheme was approved by the cabinet on 29 September 1998 with an implementation period of one year and the Ministry of Public Health as implementation agency.
2. US\$ 25 million (1000 million *baht*) was to provide scholarships and grants to 210,000 students who were affected by the crisis. The cabinet approved the scheme on 9 June and 8 December 1998. The scheme was implemented by the Ministry of Education.
3. US\$ 41.6million (1,664 million *baht*) was earmarked to strengthen local communities. This scheme was subdivided into four projects:
 - 3.1. Skills training for laid-off workers to work in the rubber plantation with a budget of US\$.052 million (20.80 million *baht*).
 - 3.2. Employment Generation Scheme for a new unemployed graduates to work in rural communities to collect data about disadvantaged groups at the village level. By early 2000, the programme had hired approximately 13,000 new graduates, and used all of allocated budget of US\$ 21.3 million (852 million *baht*).
 - 3.3. Around 15 million *baht* was allocated for developing and improving the management skills of workers who wished to work or be hired as sub-contractors. The project expected to equip 7500 persons with these skills.

- 3.4. US\$ 19.5 million (777 million *baht*) was to implement the King's new theory on agriculture. This project was administered by the Ministry of Agriculture and Cooperatives, whereas the first three were undertaken by the Ministry of Labour and Social Welfare.
4. US\$ 2.2 million (85 million *baht*) was allocated for computer training for the unemployed, especially for about 7,000 skill and educated workers. This project was implemented by the Ministry of Labour and Social Welfare.
 5. US\$ 0.7 million (27.5 million *baht*) was to fund a lunch and milk programme for disadvantaged children under the supervision of the Ministry of Interior or for children in urban areas or low income communities.
 6. US\$ 0.2 million (7.3 million *baht*) was to prepare disadvantaged pre-school children for formal schooling under the supervision of the Ministry of Interior or for children in urban areas or low income communities.
 7. US\$ 0.15 million (6 million *baht*) was given to the National Statistical Office to conduct a study on unemployment and employment in Thailand during the crisis.
 8. US\$ 0.13 million (5.3 million *baht*) to the Ministry of Interior to develop a data system regarding to unemployment.

(World Bank Office, Bangkok, 1999a: 17; Bandith, 2000:34-43; ADB, retrieved 14 February 2002; (Bandith, 2000:34-43). Somchai, retrieved 14 February, 2002: 99-100).

* The total of budget in eight projects amounted to US\$ 100 million only if the exchange rate is 40 baht for 1US\$.

Appendix 3 Budget and Types of Projects under the Social Investment Programme (SIP)

The second package of loan of US\$ 482 million (19,286 million *baht*) was borrowed from the World Bank (US\$ 300 million) and the OECF of Japan (US\$ 93 million). The United Nations Development Programme and AusAid gave the balance in terms of grants.

This loan fund was distributed into two channels: 'Channel 1' to counter balance the budget cut and 'Channel 2' with a long term development objective.

1 The funds under 'Channel 1' were allocated to government agencies for short-term objectives with a total budget of US\$ 332.15 million (13,286 million *baht*) or (69 per cent of the total SIP fund). The activities covered 3 main areas* and their main targets were laid-off workers and the disadvantaged.

- (1) employment generation
- (2) income generation
- (3) improvement of quality of life.

Seven state ministries and institutes were in charge of the implementation of the Channel 1 funds as follows:

- (1) The Ministry of Public Health received US\$ 30.4 million to implement two programmes: the Low-Income Health Card Scheme, and the prevention and care of the HIV/AIDS by NGOs.
- (2) The Ministry of Labour and Social Welfare received US\$34.3 million to conduct 10-month skill development training for the unemployed.
- (3) The Ministry of Industry received US\$ 7 million to facilitate the setting up of industrial estates by private investors and to train rural labour force to work with sub-contract employment.
- (4) The Ministry of Interior received US\$ 67 million to implement Employment Generation Scheme (EGS) that hired the unemployed to do public work like constructing small-weirs and village roads.
- (5) The Bangkok Metropolitan Administration received US\$ 14.7 million to implement the EGS for public work employment, and occupational training scheme for urban unemployed.

(6) Other government bodies that received SIP loans were the Tourism Authority of Thailand which was in charge of implementing local recreation and cultural sites programmes, and the Royal Irrigation Department, Ministry of Agriculture and Cooperative. But the budgets involved were not mentioned in the SIP Background Report document (World Bank, retrieved 12 February 2002, 15 February 2002:

2 The 'Channel 2' funds received US\$ 173 million. The Social Fund Office was set up to administer 'Channel 2' funds, from which US\$ 120 million was distributed to the SIF programme. The SIF projects were implemented by NGOs with long-term objectives. The rest (US\$ 30 million) was channeled to Regional Urban Development Fund for a revolving fund to be loaned to municipalities for their capital investment projects.

Sources: World Bank, retrieved 12 February 2002, 15 February 2002:

* The total fund was allocated to the ministries above amounted to US\$153.4 million only.

Appendix 4: Budget and Types of Projects under the Miyazawa Initiative Plan

The Miyazawa Plan was the last of the economic rescue packages, based on a financial loan from Japan of US\$ 1.85 billion (around 53 billion *baht*). The announcement of the Plan took place on 30 March 1999, and the implementation of the Plan was to be completed by the end of the same year. The main objective of this loan package was to stimulate the economy by creating jobs in public work for the needy in rural areas. The budget was entirely used by government agencies (92 units of 17 Ministries were involved). However, the major part of the budget was distributed to five ministries: the Ministry of Interior (17,768 million *baht*), the Ministry of University Affairs (1,157 million *baht*) the Ministry of Education (4,188 million *baht*) the Ministry of Health (2,400 million *baht*), and the Ministry of Labour and Social Welfare (2,400 million *baht*). The major types of Miyazawa's project* included.

1. The Employment Generation Scheme (EGS) received US\$ 620 million (24.8 billion *baht*) and was mostly undertaken by two ministries: the Ministry of Interior and the Ministry of University Affairs.

2. The Quality of Life Improvement Scheme received US\$ 237.5 million (9.5 billion *baht*) to implement programmes such as school lunch for 2 million pupils, lunch for 2.1 million pre-school children, 300 *baht* monthly allowances for 40,000 old people. Two ministries were in charge of the scheme implementations: the Ministry of Health and the Ministry of Labour and Social Welfare.

3. Public administration efficiency improvement was allocated US\$ 220 million (8.8 billion *baht*) and administered by National Economic and Social Development Board.

4. Economic development programme US\$ 175 million (7 billion *baht*). Significant activities under this programme including the Income Generation Scheme (IGS) that provided skill training for villagers in 200 villages were administered by the Ministry of Interior.

5. Competitiveness enhancement US\$ 57.5 million (2.3 billion *baht*).

6. Infrastructure Development US\$ 21.7 million (867 million *bah*t). The last two schemes were administered by by the Ministry of Interior.

Sources: *Krungthep Thurakit*, 7 February 2000; Embassy of Japan (retrieved 15

February 2002:

February 2002:

*The total budget in major types of projects above amounted to US\$ 1.35 billion.

Appendix 5: Tables Used in The Present Thesis

Table 5.1: Population Structure in Rim Ping and Pa Sang 2000

	Rim Ping		Pa Sang	
	Number	%	Number	%
Female	210	52.2	368	51.3
Male	191	47.8	351	48.7
Totals	401	100%	719	100%

Sources: Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Table 5.2: Stratification of Sample Households* in Rim Ping and Pa Sang 2000

Class Group Stratification	Rim Ping	Pa Sang	Total
<i>Thriving</i>	4	5	9
<i>Surviving</i>	9	21	30
<i>Struggling</i>	6	6	12
Total	19	32	51

*Note : this is a purposive sample constructed on the basis of Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Table 5.3: Mean Household Sizes and Numbers of Economically Active(EA) Members * in Rim Ping and Pa Sang Samples Before and During the Crisis **

Household Stratification	Rim Ping		Pa Sang	
	Mean household size	Mean number of EA members per household	Mean household size	Mean number of per household
<i>Thriving</i>	3.8	2.0	4.0	2.6
	4.3	2.8	4.0	2.6
<i>Surviving</i>	2.7	2.2	3.7	2.1
	3.2	2.6	3.9	2.3
<i>Struggling</i>	3.0	1.3	2.8	1.5
	3.3	2.2	3.1	1.8

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Notes:

* The Thailand Statistical Office defines the labour force as persons who are aged between 16-60 years old, but excluding students, housewives, sick and disabled persons. In contrast the concept of 'economically active' household members used here refers to those aged above 16 years old, including housewives, the sick and disabled persons. This is because households mobilize labour from all sorts of members including those over 60 years old.

Average (mean) numbers *before* the crisis are shown in normal type, average numbers *during* the crisis are shown in **bold type. The crisis period referred to is the period from June 1997 up to the time of the field work (March 2000 in Pa Sang, and July 2000 in Rim Ping).

Table 5.4: Unemployment* and Underemployment in Sample Households in Rim Ping and Pa Sang 2000**

Stratification		Rim Ping			Pa Sang		
		No. of EA household members	Number of these unemployed	Number of these underemployed	No. of EA household members	Number of these unemployed	Number of these underemployed
<i>Thriving</i>		11	1 (1f)	1 (1f)	20	-	-
<i>Poor</i>	<i>Surviving</i>	18	4 (1f,3m)	6 (3f,3m)	45	-	10 (5f,5m)
	<i>Struggling</i>	11	5 (2f,3m)	2 (3f)	8	1 (1m)	4 (3f,1m)
	<i>Total Poor</i>	29	9 (3f,6m)	8 (5f,3m)	53	1 (1m)	14 (8f,6m)

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Notes:

* 'Unemployed' persons refers to persons not involved in paid work for the week before the survey was conducted, excluding persons who were involved in family enterprises or farms.

** 'Underemployed' persons includes persons working in a lower position and receiving less payment than that appropriate for their educational qualifications (for instance, those who had completed Bachelor programmes or vocational studies and worked in the production line in NRIE), or those involved in piece-work in the villages) and persons who had lost a job and started making a living from piece-work production, helping the family farming or performing casual labour. This definition differs from that of the Thailand Statistical Office, which defines underemployment as relating to persons who work less than 20 hours a week.

Table 5.5: Educational Level of Household Members aged 16-60 in Sample Households in Rim Ping and Pa Sang 2000

Stratification	Compulsory (grade4, 6)	Grade 9	Grade 10-12, or equivalent	B.A. and above	Total
Rim Ping	18	9	5	8	40
<i>Thriving</i>	2	1	1	7	11
<i>Surviving</i>	7	6	4	1	18
<i>Struggling</i>	9	2	-	-	11
Pa Sang	37	10	16	2	65
<i>Thriving</i>	3	3	3	1	10
<i>Surviving</i>	25	6	13	1	45
<i>Struggling</i>	9	1	-	-	10

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Table 5.6: Types of Waged Employment Held by the Household's Main Provider in Sample Households in Rim Ping and Pa Sang 2000*

Location and stratification		High-ranking employment	Middle-ranking employment	Lower-ranking employment type 1**	Lower-ranking employment type 2***
Rim Ping	<i>Thriving</i>	3 (high school teacher, nurse, state enterprise employee)			
	<i>Surviving</i>	1 (oil company)			
	<i>Struggling</i>			1 (hairdresser)	2 (casual workers in the locality)
Pa Sang	<i>Thriving</i>	2 (the Department of Non-formal Education, Or Bor Tor member)			
	<i>Surviving</i>	2 (village school teacher, a village head)	7 (five persons worked in the NREI, one in a local retail shop, and one in the child centre)	2 (local factory)	3 (in piece work production)
	<i>Struggling</i>				5 (four in piece-work production, one in the rice mill)

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Notes:

*This only includes main household providers who had waged employment (including civil service employment). See also Table 5.10.

**Lower ranking labour type 1 refers to daily waged employment without fringe benefits and social security such as work on a construction site.

***Lower ranking labour type 2 refers to casual waged employment based in the localities, both in off-farm and farm sectors.

Table 5.7: Land Distribution in the Sample Households in Rim Ping and Pa Sang 2000

Stratification	Rim Ping	Pa Sang
<i>Thriving</i>	80%	56%
<i>Surviving,</i>	20%	40%
<i>Struggling</i>	-	4%
Total land	100% (59 rai)	100% (57 rai)

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Table 5.8 Enterprise Distribution and Size* in Sample Households in Rim Ping and Pa Sang 2000

Stratification	Rim Ping	Pa Sang
<i>Thriving</i>	1 (1 large)	4 (4 large)
<i>Surviving</i>	5 (3 small, 2 medium)	4 (2 medium, 2 small)
<i>Struggling</i>	1 (1 small)	1 (1 small)
Total	7	9

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Notes:

*Enterprises are classed as 'small', 'medium' and 'large'. 'Small' means having capital less than 10,000 *baht*. 'Medium' means capital between 10,000-200,000 *baht*. 'Large' means having capital above 200,000 *baht*. Typically, 'small' businesses are home-based, whereas 'medium' and 'large' ones employ labour (either on an occasional or regular basis).

Table 5.9: Composition of Economically Active Members in Sampled Households of Rim Ping and Pa Sang 2000

Location and stratification		Total of economically active household members	Number of economically active household members in age range of 16-60 years		Number of economically active household members over 60 years*
			Female	Male	
Rim Ping	<i>Surviving</i>	20	9	9	2 (2f)
	<i>Struggling</i>	13	5	6	2 (1f, 1m)
Pa Sang	<i>Surviving</i>	48	25	20	3 (2f, 1m)
	<i>Struggling</i>	11	5	3	2 (2f, 1m)

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Notes:

*This figure showed the involvement of households' older members in both paid and non paid work.

Table 5.10 Livelihood strategies of sample households in Rim Ping and Pa Sang 2000

Location and Stratification	Wage Employment	Farming	Enterprises, Trading	Civil Servants	Total
Rim Ping					19
<i>Thriving</i>	-	-	1	3	4
<i>Surviving</i>	1	3	5	-	9
<i>Struggling</i>	3	2	1	-	6
Pa Sang					32
<i>Thriving</i>	-	-	3	2	5
<i>Surviving</i>	12	5	2	2	21
<i>Struggling</i>	5	1	-	-	6
Total	21	11	11	8	51

Sources: Calculated from Author's Rim Ping survey 2000, and Author's Pa Sang survey 2000.

Table 5.11: All Households Classified by Land Holding Size in Rim Ping and Pa Sang 2000

Location	Number of households having:				Total households
	Above 4 rai	2 - 4 rai	Less than 2 rai	No land	
Rim Ping	26 (21.7%)	28 (27.96%)	26 (26.04%)	40 (33%)	120 (100%)
Pa Sang	20 (4.3%)	58 (28.4%)	30 (14.5%)	99 (47.8%)	207 (100%)

Sources: Author's Rim Ping survey 2000, Author's Pa Sang survey 2000.

Appendix 6: Categorisation of Households according to pattern of income generation and livelihoods

1) Wage Labour Households

Refers to families whose livelihoods totally or mainly relied on wages and remittances. In other words, families whose members basically allocated their time for making a living as wage labourers, excluding permanent civil servants, whether they possessed a piece of cultivated land or not.

2) Farming Households

Refers to households whose livelihoods partly or mainly depended on farms whether these households owned cultivated land or not. In both villages, households in this category consisted of three types of households: a) full-tenant families, b) part-tenant families, and c) families who generally farmed on their own plot.

3) Enterprise Households

Refers to a wide range of families who mainly made a living from family businesses. There were two main types of family businesses in these two villages: a) self-employed, referring to business based on family labour, and b) labour-employed, indicating small-scale, home-based business which normally employed labour from outside the family. The two types of enterprises might involve similar activities but their business sizes were different. The households might or might not have cultivated land, but some might also have wage-labour members.

4) Households of Civil Servants

Refers to families whose main sources of income derived from salaries in the public sector. In the context of the two villages, this type of households generally had the household heads, and in most cases both husbands and wives, working in public sector. All of these households possessed a larger piece of land, but none of the family members were involved in farm activities.

5) Households of Unemployed Workers : Mixed Livelihood Strategies

Families such as those of unemployed and retrenched workers who were unable to adopt any of the above major livelihood activities had to resort to a mixture of expedients. This might include some of the above activities on a small scale, such as

casual badly paid agricultural labour or petty trading.

6) Households Reliant on Informal Income Transfers

This refers to families whose members had little or no capability to make a living on their own. Their subsistence relied mainly or entirely on informal income transfers such as from kin, relatives and neighbors. This was typically the case for elderly people (older than 60 years, often left alone) and households of unwell persons, whose adult members were unable to make a living from their own labour, because of illness or disability.

Appendix 7: Household Survey Questionnaire Used in Gathering the Data Used in this Thesis (English Translation)

The following questions were used in the Household Survey Questionnaire administered in the villages of Pa Sang and Rim Ping which were utilized in the research. The survey was administered to all the households in each village – 207 in Pa Sang and 120 in Rim Ping. The survey was carried out in March – April 2000 in Pa Sang and in July 2000 in Rim Ping (See Figure 2.1).

A. General questions

1. Identification number of household: Rim Ping / Pa Sang, No. _____

B. Household Structure

2. List of Household Members (HM) during the crisis period (at the time the survey undertaken), with their characteristics

Ranking number of HM	Gender and name	Age	Educational level studying/completed	Status (such as father, mother, son, daughter, relative)
1				
2				
3				
4				
5				
6				
7				
8				

C. Dynamics of Household Composition During the Crisis Period

3. Is there any household member identified in Question 2 who moved in and stayed in the household during the crisis? (Note: this only records persons who moved in because of the impact of the crisis on their livelihood.)

yes

no

4. If the answer to Question 3 is Yes, provide details as follows.

Rank in the LHM (from Question 2)	Date of arrival in the household	Previous place of residence

5. What was the form of family and household structure, before and during the crisis period?

During the crisis period	Before the crisis period
<input type="radio"/> nuclear family	<input type="radio"/> nuclear family
<input type="radio"/> extended family	<input type="radio"/> extended family
<input type="radio"/> other forms _____	<input type="radio"/> other forms _____

6. Did any household member identified in Question 2 move out and stay somewhere else during the crisis? (Note: this only includes persons who moved out because of the impact of the crisis on their livelihood, for instance through layoff, collapse of farming or business.)

- yes
 no

7. If the answer to Question 6 is yes, provide details as follows:

Rank in the HM (from Question 2)	Date departure from the household	New place of residence

D. Household and Livelihood Strategies

8. What were the livelihood strategies of the household's economically active members?

(Use the rank numbers of HM from Question 2 to identify the individuals, and mark with X in the HM column those persons who are considered as the household's main providers in each period.)

HM rank	Gender (M/F)	Livelihood strategies before the crisis (i.e. before mid 1997)		Livelihood strategies during the crisis (i.e. at the time of the survey)	
		Main strategy	Supplementary strategies	Main strategy	Supplementary strategies
1					
2					
3					
4					
5					
6					
7					
8					

E. Household Stock of Assets (Labour, Land and Enterprises)

Labour Asset

8. How many economically active members are there in the household?
(Counted from Question 7 above)

a) During the crisis period: _____ women _____ men

b) Before the crisis period: _____ women _____ men

9. What were/are the employment statuses of household members?
(Tick the appropriate boxes.)

HM Rank	During the crisis period			Before the crisis period		
	Employed full time	Employed part time	Under-employed	Employed full time	Employed part time	Under-employed
1						
2						
3						
4						
5						
6						
7						
8						

Land Asset

10. Has your household occupied cultivated land (either completed or partial legal rights)?

yes, ____ rai

no

11. If yes, indicate how the plot is/was used. (Tick the appropriate boxes.)

Forms of utilization of land	Use during the crisis period	Use before the crisis period
1. growing <i>lamyai</i> or other kinds of fruit trees		
2. growing cash crops (If yes, write the names of the crops)		
3. rent or allow use of some or a whole plot to other people		

12. If no, has your household used other people's plots for making a livelihood?

yes, ____ rai

no

13. If yes to Question 12, indicate the conditions of land occupation (tick the appropriate boxes)

	During the crisis period	Before the crisis period
A. Renting		
B. Squatting		
C. Tending the orchard in return for using the plot		
D. Other (please specify)		

14. If yes to Question 12, indicate forms of land utilization. (Mention the particular crops etc in the relevant boxes.)

	During the crisis period	Before the crisis period
A. Growing cash crops		
B. Others		

Enterprise Asset

15. Detail any enterprises held by the household during the crisis.

	Nature of enterprise	Size of capital involved (<i>baht</i>)
1		
2		
3		
4		
5		

16. Detail any enterprises held by the household before the crisis.

	Nature of enterprise	Size of capital involved (<i>baht</i>)
1		
2		
3		
4		
5		

Appendix 8: Issues and Questions Used in the Semi-structured Interviews

The list below indicates the interview guide which was utilized in the semi structured interviews carried out in Pa Sang and Rim Ping in May, June and August 2000. 32 Semi-structured interviews were carried out in Pa Sand and 19 in Rim Ping (See Figure 2.1)

1. Households' experiences of the impact of the 1997 economic crisis

- 1.1 What forms of impact – both positive and negative – did the crisis have on the sample households in each of the three class groups?
- 1.2 What effects did these impacts have on the households and their members?
- 1.3 Who (among the households' members) have been most or least vulnerable to the crisis impacts? How and why?

2 Forms, potential and limitation of households' responses

- 2.1 What types of coping mechanisms were deployed by households and their members (in different class groups of households) in order to confront the immediate hardships and minimise the households' long term social and economic vulnerability?
- 2.2 Locations of coping mechanisms; production and reproduction spheres.
- 2.3 Who did what, how and why?
- 2.4 To what extent did households and women seek to use a collective (in particular a women' s group) as a survival strategy? How and why?
- 2.5 What were the implications (short and long term) of the households' coping mechanisms (individual and collective, positive and negative) to the household (both in terms of individual members and as a whole unit).

3 Unequal roles in household coping mechanisms: inclusion in and exclusion from initiating and employing them, and tensions, conflict and collaboration

This issue concerns dynamics both within households (gender relations, gender division of labour) and between households.

- 3.1 Who (female and male) is included in and excluded from deploying the household's survival strategies?
- 3.2 Who gains most and least from the strategies? How and why?
- 3.3 What forms of resistance, tension, conflict, collaboration and cooperation are manifest within the context of changing livelihood strategies (both within and

between households and among the household's women members and women across class segments)? How and why?

4 Changes in gender relations both inside and beyond the institution of the household

To what extent have women's contributions to alleviating family hardship brought about positive changes to these women in terms of a changing household gender division of labour, and of the empowerment of women's identity, roles and status (either in the households or in the public arenas)? How? Considering women in the three class categories, who gained what, and why?