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Paper, Pottery and Prosperity:
Handicrafts and Rural Development in Thailand

A Thesis Submitted for the Degree of Doctor of Philosophy

One Volume

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2010

Abstract

The abstract of the thesis submitted to Durham University by Jitsuda Limkriengkrai for the Degree of Doctor of Philosophy and entitled Paper, Pottery and Prosperity: Handicrafts and Rural Development in Thailand.

The focus of this thesis is on the role of handicraft production in rural development in Northern Thailand, exploring how handicrafts evolve over time in the context of a modernising economy. This links with on-going debates on community-based development theory, including those related to rural industrialisation, rural-urban relations and biases, indigenous knowledge, rural poverty and livelihoods. The thesis seeks to return to an issue which was a popular area of investigation in the 1970s, namely the role of small-scale industries in rural development. Rural spaces have always contained an element of non-farm activities, often classified as 'handicraft production'. Two villages in Chiang Mai province in Northern Thailand have been selected for study in order to assess the roles of handicrafts in rural development. One selected case study village is Baan Ton Pao, which is engaged in *saa* (mulberry) paper making. The other selected village is Baan Muang Kung, where handicraft production is based on pottery making. Through an empirical study of these two villages, Baan Ton Pao and Baan Muang Kung, this thesis shows that handicrafts have significant potential for promoting rural industrialisation and supporting rural development, especially through the One Tambon One Product programme. Handicrafts are, therefore, contributing to rural poverty alleviation through employment and income generation, and through generating economic growth rooted in the countryside, separate from efforts directed at agriculture and farming. However, it is also important to understand how this very effort is also creating new inequalities in the countryside and, arguably, new populations of poor people. The study is important because it has been argued – as noted above – that handicrafts have significant potential for promoting rural industries and supporting rural development and rural livelihoods – and yet this has rarely been studied in any great detail. The conceptual frameworks are impressive; the empirical support remains thin. This thesis contributes in a significant way to debates about rural development and particularly handicrafts in Thailand and beyond.

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List of Abbreviations

BOI	Board of Investment
CDD	Community Development Department
CEO	Chief Executive Officer
GDP	Gross Domestic Product
GNP	Gross National Product
GNS	Gross National Satisfaction
GTZ	Gesellschaft für Technische Zusammenarbeit
IK	Indigenous Knowledge
KBO	Knowledge-Based OTOP
NEC	National Economic Council
NEDB	National Economic Development Board
NESDB	National Economic and Social Development Board
NGO	Non-Governmental Organisation
NRDP	National Rural Development Programme
NSO	National Statistical Office
OSMEP	Office of Small and Medium Enterprises Promotion
OTOP	One Tambon One Product
OVOP	One Village One Product
PPA	Participatory Poverty Assessment
SME	Small and Medium Enterprise
TAO	Tambon Administrative Organisation
UNDP	United Nations Development Programme

Glossary of Thai Terms

baht	unit of Thai currency; 1 *baht* = £0.0211262985
rai	unit of Thai area measure; 1 *rai* = 0.4 acres
kaanpattana	development, close to 'material progress'
samai pattana	development era (1958-1963)
kaanjaroentebto	growth
tansamaii	modernisation
sethakit phor piang	sufficiency economy
yoo dee mee sook	live well and happiness
farang	foreigner
nai amphoe	district head officer
tambon	sub-district
muu baan	village
saa/ por saa	mulberry
chorn bang	technique used to produce very thin *saa* paper
namton	terracotta water-bottle
nammor	terracotta water-pot
por sii	fourth-grade education
por hok	sixth-grade education
mon ton tay sah pi baan	ancient county (administrative area)
phoom pun yaa chaow baan	local wisdom/ knowledge
pun taa mid aoot saa haa gam	industrial ally (cluster strategy)

Declaration

No portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.

Statement of Copyright

The copyright of this thesis rests with the author. No quotation from it should be published without the prior written consent and information derived from it should be acknowledged.

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I was fortunate to be enrolled in a leading geographical department here in Durham. This department has unquestionably played an integral part in shaping both my intellectual thought and the conception of my general thinking. Spending years among researchers from diverse backgrounds has moulded my way of thinking, especially to the realisation of the benefit of the integration of knowledge from wider academic disciplines. As this is one of the leading geographical centres in the field, I have also benefited from attendance at various seminars given by some of the world's leading scholars. I believe there are few institutions that can offer these kinds of opportunities.

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Chapter One

Introduction

1.1 Introduction: Setting the Scene for the Research

The concentration of the world's poor population in rural areas has caused scholars and policy-makers for many decades to focus their attention on the countryside, asking a series of questions about why it is that, despite years of 'development', we still see rural areas lagging behind in terms of most measures of human well-being. This applies as much to the fast-growing economies of Asia, as it does to other developing regions of the world (ADB, 1997). Over the years, attention has focused on a range of areas of investigation from farming systems and new agricultural technologies through to infrastructure provision and skills and education. The focus of this thesis, however, is on the role of handicraft production in rural development in Northern Thailand. This links with literature on community-based development, rural industrialisation, rural-urban relations and biases, and indigenous knowledge. The thesis seeks to return to an issue which was a popular area of investigation in the 1970s, namely the role of small-scale industries in rural development. As is outlined below, there is a need to return to some of the questions posed in the 1970s, not least because in countries like Thailand, notwithstanding very significant urban-focused industrialisation, there still remains a vibrant, small-scale rural industrial sector. Do the experiences of Thailand – and other such countries – offer any new lessons in the challenge of balancing development between rural and urban areas?

1.2 Research Background

To begin to understand this question, it is first necessary to consider how scholars, practitioners and policy-makers have traditionally and characteristically 'seen' the rural context. This then provides the context from which we can understand the

nature of the development interventions that the state, often with the support and advice of multi-lateral organisations, has put in place.

There has been an historical tendency to see ‘rural’ and ‘agriculture’ as tightly linked, almost as if they are co-constituted. The agricultural sector has provided the major focus of attempts to bring about rural development. Thus, it is implicitly assumed that agriculture is still the main occupation for the majority of the population in most South-East Asian countries, including Thailand (Parnwell, 1996). In Thailand, and in much of Asia, the focus of attention in the 1960s and 1970s was on expanding and intensifying agriculture through the introduction of new crops and inputs (Yingvorapunt, 1966). Extension programmes were established, credit facilities provided, and marketing networks put in place, all with the express desire to support a ‘green revolution’. This, of course, was not merely driven by a desire to improve conditions in rural areas by raising surplus production and incomes, but also because a buoyant agricultural sector would support an expanding urban population and growing industrial sector. Nevertheless, rural spaces have always contained an element of non-farm activities, often classified as ‘handicraft production’. Furthermore, it has been argued that handicrafts have a significant potential for promoting rural industrialisation and supporting rural development and, therefore, contributing to rural poverty alleviation separate from efforts directed at agriculture and farming.

Notwithstanding the Thai state’s investment in agriculture, there is still a strong case that the pattern of development in Thailand has conformed to the urban bias model of development (Section 3.2), in which the development decisions of the government reflect the interests of the urban-industrial elites (Tonguthai, 1987). It has been argued that the main discourses of rural development in Thailand have focused on increasing villagers’ rights, duties, and responsibilities as citizens, stressing the unity of the Thai people in the face of various threats. These reached a height in the 1970s when the Communist Party of Thailand was influential in many of the most remote and poorest areas of the countryside. The wide range of activities carried out by the Thai state bureaucracy at the local level is generally labelled as ‘rural development’, but it is questionable how far these were inspired by development concerns, as opposed to security concerns (Hirsch, 1990). That said, and while it is possible to see

the rural development efforts of the 1960s and 1970s as focused as much on security as on development, scholars have identified various shifts in rural development policy. For example, the Thai government began placing much more emphasis on villager 'participation' when implementing development projects form the mid-1970s (Shigetomi, 1998), while in the 1990s we see this coupled to a degree of decentralisation of both resource allocation and decision-making (Quibria, 1996).

Throughout history, foreign powers, international organisations, the state, the market (economic forces) and civil society have played different roles and have affected the course of historical change and the development of rural Thailand (Buch-Hansen, 2002). Throughout the modern economic history of Thailand many approaches to rural development policy have been tried – with varying degrees of success - such as the provision of basic rural infrastructure, irrigation services, integrated rural development, and the development of local participation structures (Quibria, 1996).

What this means, in the context of this research project, is that the means, mechanisms and ideologies of rural development have been constantly shifting over the course of the years since the introduction of Thailand's first five-year development plan in 1961 – which ushered in the so-called *samai pattana*, or development era. Perhaps what is most striking is that even with such a range of approaches we nonetheless see, over the course of the almost half a century since 1961, little change in the relative position of Thailand's rural and peripheral areas. Relatively speaking, many such areas are as poor today as they were in the early 1960s. One reason for this, it has been suggested, is the concentration of attention on farming and the comparative lack of attention paid to the non-farm sector in rural development

1.2.1 The Rural Non-Farm Sector

It is increasingly clear that the potential of agriculture to meet the needs for poverty alleviation, the satisfaction of basic needs, improvement in rural living standards, and a reduction in rural-urban income differentials is limited. Consequently, the rural non-farm sector is being paid growing attention as a potential means of accomplishing

these objectives (Parnwell, 1996). Saith (1991) argues that 'Typically, rural households with inadequate access to land seek non-farm employment in the slack agricultural season. As such, non-farm employment tends to even out the sharp peaks and troughs of the monthly employment and income generation pattern of rural households' (Saith, 1991: 468).

There has been considerable debate regarding the developmental outcomes of evolving farm – non-farm and rural – urban relations and interactions. It has been suggested by some scholars that farm – non-farm relations can be seen as part of a virtuous cycle of rural development. In this sequence, rising agricultural incomes generate a demand for consumer services and goods. This encourages the development of non-farm activities which help to absorb surplus farm labour. This further increases demand for farm output and at the same time contributes money for investment in agriculture, generating further increases in agricultural production (Rigg, 2001). Grabowski (1995) believes that agricultural revolutions are dependent on the development of rural non-agricultural activities and they have strong positive effects on agricultural productivity. If this is the case, then it is possible that the failure to promote an agricultural revolution in rural Thailand is because of a failure to support a non-farming revolution.

Underlying policies to promote rural industry is the idea that if industrial activities could be generated in rural areas where most of the poor in Thailand live, and the necessary labour could be released from farms to work in these rural factories, then rural poverty could be reduced, rural-urban inequalities challenged, excessive urbanisation controlled, and living standards for rural people improved. Furthermore, investment in rural industries would help to stimulate the local economy through generating investment in agriculture and supporting service sector industries and activities. Therefore, the rural employment generated will not only improve the income conditions of rural people, including the rural poor, but will also help the move toward a more balanced transformation of the economy (Quibria, 1996).

Parnwell argues that the case for rural industrialisation in Thailand 'as part of the strategy for alleviating the problems of rural areas and peripheral regions in Thailand is not a difficult one to make' (Parnwell, 1990: 5). The promotion of rural industries

would have the dual benefits of easing some of the social, environmental and welfare pressures on the metropolitan region, and at the same time stopping the haemorrhaging of human resources from the rural periphery (Parnwell, 1996). The key development of the second half of the twentieth century in Thailand was its rapid economic and social change from an agriculture-based economy to one based on industry and services (Goss and Burch, 2001).

Not all scholars are quite so sanguine about the positive cycle of links between farm and non-farm operating in rural areas. Hart, for example, sees such a view as 'deeply suspect' (Hart, 1996: 246), and questions whether the additional income generated will actually be productively invested in agriculture. There is also a strong case – based as much on empirical experience as on conceptual frameworks – that agriculture may be negatively affected as rural labour is pulled into non-farm pursuits, leading to a disintensification of production.

1.3 Research Aims, Objectives and Questions

This thesis aims to investigate the role of handicrafts in rural development in Thailand. It also seeks to fill a gap in the literature by exploring the role that rural industries can play in promoting and supporting rural development. This research links with a number of overlapping areas of debate and the conceptual framework attempts to combine such fields of study as rural and urban relations, urban bias, agriculture and rural industrialisation. In the case of Thailand, and this is also true of other developing countries, development policy and projects basically distinguish between rural and urban areas, and agriculture and industry. Separate departments and ministries manage rural and urban areas, and agriculture and industry, and separate plans are drawn up for their development. Given evolving farm/non-farm and rural/urban dynamics and inter-relations it is becoming increasingly important to look across and between these sectors and spaces. In light of the summary discussion above, which is expanded upon in Chapter Two, the key aims, objectives and research questions that inform the thesis are as follows:

To investigate the role of handicrafts in rural development in Thailand and to explore how their role evolves over time in the context of a modernising economy.

My central research question is: *To what extent, and how, does handicraft production support rural development in Thailand?*

The supplementary research questions are:

1. *What is the role of handicrafts in livelihoods?*
2. *How does handicraft production help in the alleviation of rural poverty?*
3. *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?*
4. *What is the role of indigenous knowledge in supporting rural industrialisation?*
5. *What is the potential of rural industrialisation to support rural development?*
6. *Can rural industries help to narrow the divide between rural and urban areas and within rural areas?*
7. *How does the Thai government support rural development in general and rural industries in particular?*
8. *How is rural handicraft production being integrated into global production networks?*

This aim and the underpinning research questions will be explicitly returned to in the concluding chapter, but they also thread their way through the core chapters.

1.4 Research Scope

The study is important because it has been argued – as noted above – that handicrafts have significant potential for promoting rural industries and supporting rural development and rural livelihoods – and yet this has rarely been studied in any great detail. The conceptual frameworks are impressive; the empirical support remains thin. This is all too true in Thailand, where, since the premiership of Prime Minister Thaksin Shinawatra, the OTOP (One Tambon One Product) programme has become symbolic of a populist Thai government's commitment to rural areas and rural

people. Even so, we still know little about the OTOP programme and whether it has delivered against its objectives.

I chose to undertake my fieldwork in Chiang Mai province in Northern Thailand because it has the richest handicraft tradition in Thailand. In Chiang Mai, two villages were selected for study specifically to assess the roles of handicrafts in – and impact on – rural development. One selected case study village was Baan Ton Pao, Sankamphaeng district, which is engaged in *saa*, or mulberry paper making. Sankamphaeng district was selected as the study site because a range of handicrafts are manufactured in the district; of these *saa* paper is particularly significant and long-standing. The second selected village was Baan Muang Kung, Hang Dong district, where handicraft production is based on terra cotta making. Not only are these two examples of handicrafts interesting in themselves, but they also provide an insight into evolving relations between rural and urban areas. An additional case study selection criterion was the involvement of the villages in government projects, in particular the OTOP programme mentioned above. Finally, the case studies permit an insight into the integration of handicrafts into national and international networks. Primary data were collected using qualitative (interviews) and quantitative (survey questionnaire) techniques. In addition, a range of secondary data were collected from agencies and organisations involved in the OTOP programme and in handicraft promotion and rural development more widely.

1.5 Structure of the Thesis

The thesis consists of nine chapters. **Chapter Two** reviews a range of literature and conceptual frameworks on development, culture, rural development, urban bias, rural industrialisation, farm and non-farm relations, indigenous knowledge, rural poverty and rural livelihoods. It provides the main definitions, concepts and key arguments in order that these concepts can be understood and applied. The definitions of development by different scholars are reviewed and compared as a starting point in this consideration. After this, the literature on culture and rural development is used to think about how handicraft production evolves over time and how it has been seen in the literature as supporting rural development in Thailand. Rural industrialisation and urban bias are

considered to better understand how handicraft production is being integrated into global production networks, and how it raises the skills of rural labour and the quality of rural resources. The urban bias debate is also important because of the common assertion in the Thai and English language literature that Thailand's rural areas have been disadvantaged by successive governments' policies. The question of farm – non-farm relations is raised in order to better understand the dynamics of poverty and industrialisation in rural development. Debates about indigenous knowledge are examined in thinking about the evolving role of different technologies in supporting rural industrialisation. Finally, livelihoods are explored in the chapter so that the role of handicrafts in the alleviation of rural poverty can be contextualised against the range of opportunities (and barriers) that confront rural people. As can be seen, therefore, the chapter will cover a wide range of literature. This is necessary because the questions posed above can only be adequately considered against the range of debates that have characterised rural development thinking over the years.

Chapter Three reviews development in Thailand since 1855, before moving on to the content of successive Economic and Social Development Plans dating from 1961 to the present, as they relate to changes in the Thai development process. The chapter explores the evolution of rural development over this half century. It aims to draw out the key challenges facing rural areas and rural people and the discourses that have framed Thailand's development path in general and the role of the handicraft industry on the country's rural development in particular. As will be evident, we see in Thailand a reflection of international debates over what constitutes 'best practice' in rural development. The discussion in this chapter also points to the important role of the handicraft industry in the country's rural development, especially following the initiation of the OTOP project during Thaksin's government.

After the review of the key literature employed, the research methodology is fully clarified in **Chapter Four**. In this chapter, the research questions, research design and research strategy in conducting the research are outlined. Several methods used in data collection including interviews, survey questionnaires, and secondary sources are explained and their operationalisation is discussed. The issues and the limitations associated with these methods are highlighted. The samples that have been used in the surveys and interviews are also introduced in this chapter. Rather than viewing

different research paradigms as incommensurable, this thesis takes an integrated view of the combined approach of quantitative-qualitative research (i.e. a multi-method approach). The semi-structured interview and the survey questionnaire were chosen as the most appropriate research methods to address the aims of the thesis and to elucidate the research questions. However, the interviews are used as the main source of information and discussion, while the survey information is used for complementary analysis of the villagers' lives regarding their personal information, according to the livelihoods activities of household members and their involvement in handicrafts. The chapter summarises some research issues emerging from the field research and possible limitations of the data and research methodologies used in this study.

As background information for later analysis, **Chapter Five** examines the research communities and their handicraft production activities. It begins with background on the country context, and then introduces the broad context of the districts and sub-districts *(tambon)* as a way of providing an introduction to the case study villages and their role in rural development. Baan Ton Pao and Baan Muang Kung in Chiang Mai province are selected as case study villages. *Saa* paper is the key handicraft product in Baan Ton Pao, while pottery is the major product long produced by people in Baan Muang Kung.

Chapter Six and Seven present the qualitative and quantitative results of the empirical research and provide links back between the empirical data to the earlier conceptual discussion. **Chapter Six** focuses on the role of the Thai government in alleviating poverty in rural areas, particularly through the initiation of the OTOP programme since the emergence of President Thaksin's government. Taking the handicraft villages of Baan Ton Pao and Baan Muang Kung as case studies, the key discussion in the chapter centres upon an analysis of the initiation of the OTOP programme and the way the project has operated, its success in boosting village fortunes and incomes, as well as an analysis of how and to what extent the operationalisation of the programme has been transformed from Thaksin's administration to the present government. **Chapter Seven** examines the place and role of handicrafts in the two villages studied. It aims to throw light on how rural development in general and the role of handicrafts in particular are experienced and 'lived' in villagers' everyday

lives. The chapter also explores who has adopted handicraft production and why (and, by implication, who has not) and how engagement with handicraft production has affected individual households. Of particular concern is the role of the OTOP programme in shaping and supporting handicrafts in the two villages.

Chapter Eight critically applies the theoretical framework of rural development and the findings and results to 'rethink' rural development. This chapter seeks to clarify what the research brings to discussions of such topics as were introduced in Chapter Two. This chapter also aims to address the questions as to what extent and in what senses my research supports or challenges these conceptual debates. Finally, to conclude the thesis, **Chapter Nine** summarises the key and wider findings of the empirical research in relation to the literature, identifies the strengths and weaknesses of the research approach, and indicates future avenues for research.

1.6 Conclusion

This chapter has briefly set out the rationale and basis for the research which underpins the thesis. Over the years, rural non-farm activities have been held up as an antidote to rural poverty – as a means of narrowing the gap between rural and urban areas following years of apparently unsuccessful rural 'development' interventions. This is no less true in Thailand, the site of the research, than in many other areas of the poorer world. Where Thailand is different, it could be argued, is in four key respects. First of all, Thailand has made the transition from a low to a medium income country on the back of an economic 'miracle' driven by foreign direct investment. Second, Thailand has always had a vibrant rural industrial sector and this has not disappeared; indeed, it appears to have blossomed during the country's rapid industrialisation. Third, Thailand has experimented in a single-minded manner, through the OTOP programme, with promoting rural industries. And finally, Thailand has historically both had a strong agricultural sector (it remains one of the largest exporters of agricultural commodities in the world) and government policies which would appear to be 'urban biased'. In the light of these issues, Thailand would seem to make an excellent stage on which to ask some of the questions posed above.

Chapter Two

Handicrafts and Rural Development in Thailand: A Review of the Literature

2.1 Introduction

This chapter reviews concepts, theories, and studies related to the topic of handicrafts and rural development in Thailand. The study is linked to a number of overlapping areas of debate and therefore with a range of literature and conceptual frameworks. Section 2.2 reviews the definition and the concepts associated with development theory in general. This includes a discussion of culture and development. In Section 2.3, the concept of rural development is the focal point of discussion. Literature on urban bias, rural industrialisation, farm – non-farm relations and indigenous knowledge is also reviewed in this section. Section 2.4, then, provides a brief review of rural poverty and livelihoods. The final section connects the supporting conceptual frameworks and the literature, and the research questions that have shaped the study.

2.2 Connotations and Concepts of 'Development'

Development is a term that has no exact meaning, no single definition. It is related to other words that have similarly acquired loose but positive connotations such as 'progress': 'Development is user-friendly: it means whatever one wants or needs it to mean' (Black, 1999: 1). Development is used differently in various contexts and it is impossible to think of a universally acceptable definition. Nonetheless, it regularly points to the idea of 'good change' and it is practically synonymous with progress. Therefore, if development means good change, it is necessarily much more than economic growth and the generation of income. It also relates to aspects of well-being and quality of life (Chambers, 1995).

Development can also, therefore, be measured in terms of increased living standards, well-being, and better health as well as more normal economic indices such as income and output. The United Nations Development Programme's annual Human Development Report defines development as an improvement in people's choices (Power, 2003). As Mahbub ul Haq, the Founder of the Human Development Report, the United Nations Development Programme states:

> The basic purpose of development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.[1]

It is, in addition, vital to consider development as both an intellectual project and as a material process (Apter, 1987). The idea of development varies across scale, between countries and cultures, over historical time, and between people and institutions (Power, 2003). Moreover, development is representative of knowledge generated by individuals and institutions at different historical junctures to articulate their specific projects for local, national and global change (Power, 2003).

Development is regularly equated with 'prosperity', or 'civilisation'. Thus, in this sense, the expression underdevelopment implies that a village is far from prosperity or civilisation, often temporally (denial of common time), geographically (remote) and technologically ('backward'). Furthermore, the term 'development' includes a broad range of processes of change that impinge on every level of society. At one level, we speak of developing countries as if countries were independent agents, homogeneous entities determining a particular path of change for themselves. At another level, the processes of development have a direct impact on individual

[1] Mahbub ul Haq 'The Human Development Concept' in Human Development Report. [Online]. Aviable at: http://hdr.undp.org/en/humandev/ (Accessed: 10 November 2009).

people, and also affect communities, regions, social classes, and other social groupings (Hirsch, 1990). As Esteva says, 'Development occupies the centre of an incredibly powerful semantic constellation…at the same time; very few words are as feeble, as fragile and as incapable of giving substance and meaning to thought and behaviour' (Esteva, 1992: 8). For some scholars, development is basically about the control, ordering and management of other peoples, territories, environments and places (Escobar, 1995).

Another facet of this slippery word 'development' is that it is closely related to wider definitions of modernisation, as a process of social and economic change that emerged from Europe and expanded from there to the rest of the world. In the same way, development policies emerged in those parts of Europe which first underwent rapid industrialisation, as a response to higher levels of poverty and growing levels of inequality that had resulted from industrialisation (Schech and Haggis, 2000). Development could also be said to comprise 'an uneven motion of capital finding, producing and reproducing places and people in particular and differentiated relation to peculiar strategies of accumulation… (Its) signal form in the second half of the twentieth century demarcated a specific relationship between the global North and South or between the 'First' and 'Third worlds'' (Katz, 2004).

These days, most English speakers take development to stand for a process of change including all the aspects of human advancement (Rigg et al., 1999). The word *development* originated in the West and has since been translated into a variety of local languages. It has often been assumed that it would be straightforward to translate the meaning of this term into local languages and cultures. Increasingly, though, it has been recognised that we must understand the local contexts in which the term is defined and given meaning. Rigg et al. (1999) argue that the words and terms used in development theories and practices have their own histories which may be significant in understanding their meaning for the people who use them (Rigg et al., 1999).

The nature of development has changed considerably over the last sixty years and this is echoed in changes in development thinking. The contemporary 'neoliberal' swing back to 'market-led' development and the 'rolling back' of the state, for example, has

been manifested in deregulation policies and liberalisation and privatisation strategies, and requires new conceptual frameworks to set policy discussions where issues about social change and intervention are central (Arce, 2003).

2.2.1 Culture and Development

Like development, culture has no agreed definition and it remains an extremely ambiguous concept which is particularly difficult to define (Fox and King, 2002). It is not simple to pin down 'culture' with a precise and singular definition (Schech and Haggis, 2000). Raymond Williams, a leading cultural theorist, pointed out that 'culture is one of the two or three most complicated words in the English language' (Williams, 1983: 87). Conceptualising culture, therefore, has proved to be a notoriously difficult task (Daskon and Binns, 2009).

In the same vein, Radcliffe (2006) argues that culture is a 'slippery' and confusing concept, while Gerring and Barresi (2003) suggest that culture is a concept that has plagued the social sciences for over a century (Gerring and Barresi, 2003). In fact, many social science disciplines configure culture as a 'whole way of life', but as Huntington (2000) argues, 'if culture includes everything, it explains nothing' (Huntington, 2000: xv). The concept is also ambiguous in a development context, particularly in the sense of whether it is a 'means' to development, or an 'end'. Is culture, therefore, an aspect or means of 'development' (in the sense of material progress) – best reflected in the Asian context in the suggestion that Asian 'values' explain the region's economic success – or is 'culture' perhaps the crucial aim of 'development', in the form, for example, of creating sustainable and empowering cultural communities (UNESCO, 1995).

Raymond Williams (1977) defines culture as 'a constitutive social process, creating specific and different 'ways of life', which could have been remarkably deepened by the emphasis on a material social process, were for a long time missed, and were often in practice superseded by an abstracting unilinear universalism' (Williams, 1977: 19); he also attributes significance to structures of feeling, 'meaning and values as they are actively lived and felt, and the relations between these and formal or

systematic beliefs are in practice variable, over a range from formal assent with private dissent to the more nuanced interaction between selected and interpreted beliefs and acted and justified experiences' (Williams, 1977: 132).

Culture can be seen as comprising the material products, patterns of social relations, and structures of feeling produced by multiple actors, who are differentially positioned in power relations, social reproduction, and political economies. It includes not only the letters and arts, but also different modes of life, the fundamental rights of human beings, beliefs, value systems and traditions (Kavaliku, 2000). We can also consider 'culture as a terrain in which politics, culture and the economic form an inseparable dynamic' (Lowe and Lloyd, 1997: 1). In addition, a useful definition is offered by Kroeber and Kluckholn (1953):

> …Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of 'traditional' ideas and especially their attached values (Kroeber and Kluckhohn, 1953, in Faulkner et al., 2006: xv-xvi).

In addition, culture can be considered as an instrument for decision-making and implementation, and also as something that shapes the outcome of those policies and of decisions implemented as a result. Culture is also a dynamic reality. It changes over time and takes on a different form in different spaces and places. Without a doubt, it is a system and changes with each new idea, each new instance of development, each new generation and each new interaction with other people and other cultures (Kavaliku, 2000).

If we define development as international practices that seek to produce broad-based and sustained change, culture is obviously vital to the implementation and achievement of development. This is because culture represents a way of life, structures of feeling and material products. In recent years culture has been accorded heightened significance as a factor in development projects and programmes. Ever more, development looks to culture as a resource and as a noteworthy variable

explaining the success of development interventions. Development is engaged with various forms of cultural thinking and regional cultures. In this relation, development can be considered in a globalised field of several meanings, practices, and cultural formations, where cultural difference is not an alternative to development but informs the contested relations upon which development is built and policy prescriptions are devised. Culture has certainly not been displaced from development (Watts, 2003), notwithstanding the technocratic approach of some agencies, but how and where it has entered development, both materially and in terms of policies, has changed. It is important, therefore, to see the role of culture varying historically, geographically and culturally (Radcliffe, 2006).

Development analysis has regularly assumed that culture and tradition restrain entrepreneurship and limit development interventions, and there has been a failure to appreciate the complex interaction between culture and economic performance (Jenkins, 2000). Nevertheless, in recent years development and development studies have experienced a 'cultural turn', in which culture is belatedly being given greater importance as a vital factor in development processes and strategies (Harrison and Huntington, 2000). Culture is increasingly being seen as a main resource and as an important variable, which can manipulate the success of development interventions (Stephen, 1991; Rao and Walton, 2004). As UNESCO (1995) has identified:

> …Unless economic development has a cultural basis it can never lead to truly lasting development. Culture is 'not' something 'to be taken into consideration'. It is fundamental…' (UNESCO, 1995: 1)

Throsby (2001) sees culture as a form of capital in an economic sense, and argues that, like money, cultural inheritance can be translated into social resources and the cultural capital we gather from birth can be 'spent' to accomplish 'things' that are considered culturally significant. Bourdieu's (1986) view of cultural capital, which is simplified in three forms – embodied (such as knowledge, values, attitudes and norms), objectified (cultural goods such as architecture, crafts and instruments) and institutionalised (educational credentials) – presents a valuable explanation for seeing the essential role of culture in community sustainability (also see Throsby, 1999). These forms of capital have become popularised in the term 'social capital'. Bourdieu

challenges the erroneous belief in culture and the simplification of culture in the development process and suggests giving it more importance (Bourdieu, 1986 cited in Daskon and Binns, 2009).

Culture should be seen as a flexible resource that can present innovative solutions to development problems. There is a risk of being unaware of the richness of cultural factors, and too often rural communities are marginalised as being ‘illiterate’, ‘non-professional’ and ‘backward peasants’ (Escobar, 2000; Harrison and Huntington, 2000, Loomis, 2000). Chambers argues that one of the dangers of the conventional development process is that it invalidates these realities and ignores the customs, knowledge, capabilities and ingenuities which can play a precious role in managing sustainable community development (Chambers, 1997a).

2.3 Rural Development

The term ‘rural development’ first came into widespread usage in the mid-1970s, and it is firstly associated with the empirical observation that the majority of the poor in developing countries were located in rural areas (World Bank, 1975; 1988; J.Harris, 1982 cited in Ellis, 2000). It is an acknowledgement that the majority of developing-country citizens, who have incomes below a stated poverty line, live in rural rather than urban areas and thus reflects a certain spatial configuration of poverty which, in turn, also echoes an association of poverty with farming and agriculture (Ellis, 2000).

The World Bank Sector Paper on rural development, published in 1975, defines rural development as follows:

> Rural development is a strategy designed to improve the economic and social life of a specific group of people – the rural people. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless (World Bank, 1975, cited in Dixon, 1990: 56-57).

Chambers (1983) offers the following complementary definition of rural development:

> Rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of development. The group includes small-scale farmers, tenants, and the landless (Chambers, 1983: 147).

The World Bank's definition of rural development locates the process in a bureaucratic and governmental context. Strategies are designed by technocrats and then extended to the poorest. Women and children are not mentioned. On the other hand, the rural development definition given by Chambers concentrates more on the rural people themselves. Power should be transferred to the poor. Furthermore, he also argues that putting poorer rural people first aims to enable the poorest to demand and control more of what they want and need (Chambers, 1983). Thus, while the World Bank sees rural poverty as something that can be tackled and addressed from above by planning and carefully calibrated intervention, Chambers sees rural poverty as being an outcome of inequalities in power. For him, therefore, tackling poverty requires the empowerment of the rural poor and excluded.

It should be noted that rural development is defined as a process leading to the improvement of the quality of rural people's lives, especially the poor. In this sense, it is a comprehensive and multidimensional concept, and encompasses the development of agriculture and related activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities, and human resources in rural areas (Singh, 1999). Rural development can also be defined as an organising principle for anti-poverty policies in rural areas of low income countries (Ellis, 2000).

Objectives of rural development can include enhancing productivity, improving equity, and maintaining and increasing the renewable resource base of the environment. Rural development has been identified variously with economic growth, with modernisation, with increased agricultural production, with socialist forms of

organisation, and with services for basic needs such as health, education, transport and water supply (Chambers, 1983). Therefore, the aim of rural development is not only the development of rural locations, but also achieving an appropriate balance of social and economic development in all regions, together with a particular awareness of the advantageous use of local resources and their distribution (United Nation, 1978). Inequalities in rural development can be linked to: processes of commercialisation of land and labour; the formation of markets with social and institutional biases and inequalities; technical change (and its environmental effects); and government policies and practices that, intentionally or unintentionally, support some rural groups in opposition to others (Bernstein, 1992).

The term 'rural development' in general is used to describe any one or a combination of activities intended to improve the quality of life of people in non-urban areas. However, rural development is more complex than simply a set of activities in any particular areas. It can be said that rural means not only a physical location (a division of space), but also embraces certain environmental factors and socio-cultural contexts. 'Rural' therefore, is not the same as 'the rural'. In this latter context, the environment is considered in terms of its geographic, behavioural (psychological, social, cultural, economic, political), technological, spatial and infrastructural contexts (Chanawongse, 1991). Not only should local development activities be the basis for micro-level changes ('community development'), but rather they should also form part of an overall, macro-level national development strategy. They should be framed so that from the beginning they can aim at extension, expansion, or transfer to other locations. Micro-level development schemes can serve as significant jumping off points wherefrom tested processes of change will naturally spread out on a larger scale (UNICEF, 1986 cited in Chanawongse, 1991).

Rural development planning was originally achieved by top-down, macro-level centralised planning strategies with decisions taken by urban elites based in central governments, ministries and departments often guided by foreign experts (as per the World Bank quote above). This top-down decision-making produces a hierarchy of 'developers' and 'developed' and consequently a large gap between planners and people. As a result, development is often based on conceptions about what rural people want and need without discussion with rural people. The approach in the

modernisation schema is based on a top-down approach rather than a bottom-up one. Therefore, it can be implied that development can be forced or promoted by states or development organisations rather than being inspired and shaped from the grassroots (Power, 2003). Furthermore, the top-down approach or development 'from above' is related to the growth centre concept. Such strategies have tended to be urban and industrial in nature, capital-intensive, and dominated by high technology and the large project approach (Stohr and Taylor, 1981).

By the early 1970s it was beginning to become widely accepted that the top-down approach to rural development was failing to make a significant impact upon rural poverty. As a result, during the 1980s and 1990s there was comprehensive support for turning development around and approaching it from the bottom-up. The move away from the central state, top-down approaches, as the key factor in development to a grassroots approach has progressively been promoted and, by the 1990s, had become the new orthodoxy. Bottom-up or grassroots development seeks to amend the imbalances of previous development strategies by emphasising localism and empowerment and by 'putting the last first' (Chambers, 1983: 168). 'Participation' of local people has turned out to be a significant factor in development theories and practice. It can play a significant role in the establishment of development projects. It can also be used to articulate local people's concerns in the setting of development priorities. Development projects should be set by the concerned communities to obtain their complete participation, rather than being orchestrated by outside organisations (Willis, 2005).

Moreover, development 'from below' considers development to be based primarily on maximum mobilisation of each area's natural, human, and institutional resources with the primary objective being the satisfaction of the basic needs of the inhabitants of that area. In order to serve the mass of the population broadly categorised as poor, or those regions described as disadvantaged, development policies must be oriented directly towards the problems of poverty, and must be motivated and controlled from the bottom (Stohr and Taylor, 1981).

Nevertheless, bottom-up approaches suffer from a number of limitations (Parnwell, 1996). Apthorpe and Conyers (1982) argue that the obstacles to bottom-up development are:

> The difficulty of finding effective channels of communication through which individuals or groups at the local level can participate, the lack of any homogeneity of interests within such groups, the time and money required to undertake any effective form of participatory planning and, in many instances, fundamental differences between local and national interests (Apthorpe and Conyers, 1982: 53).

A main constraint of bottom-up development is that localised grassroots initiatives ultimately come into conflict with forces they cannot control, such as the broader issues of legal rights and resource distribution. Central governments have the resources and power to generate some influential conditions for mobilising the grassroots. However, bottom-up approaches emphasise popular participation, administrative decentralisation, and a rearrangement of the locus of power from the central political system to local communities. Consequently, it can be argued that increased collaboration between the nation and local areas, urban and rural will possibly result in a flexible and balanced approach to rural development (Parnwell, 1996).

2.3.1 Urban Bias

It has been argued, most notably by Michael Lipton in his seminal book *Why Poor People Stay Poor: A Study of Urban Bias in World Development* (1977), that rural poverty derives from an 'urban bias' in development and urban-rural 'class conflict', not from labour and capital class conflict, and not from tensions between foreign and national interests. Conflict between urban and rural classes is said to be the key contradiction in most poor countries. Thus the urban classes in poor countries should reorient development priorities to increase rural incomes, which will, in turn, lead to greater rural efficiency and supply of non-imported industrial inputs for less premature industrialisation and will also increase the demand for non-agricultural

products. A key argument to justify urban bias is that, even if incremental capital-output ratios are higher and capital yields are lower in non-agriculture, industrial investment is better for future savings than farm investment. Thus it is can be said that urban bias is the moving force behind slow and inequitable growth in contemporary developing countries (Lipton, 1977). Lipton (1977) argues that urban bias explains poverty and low income growth of the poor in poor countries better than other factors.

The rural sector contains most of the poor; however, the urban sector contains most of the organisation and power. Consequently, the urban classes have been able to win most of the rounds of the struggle with the countryside; but at the same time they have made the development process slow and unfair. Poor countries could have raised income per person much faster than they did, if urban bias had been reduced. By reallocating capital, skills and administrative focus from city to countryside, they can help reduce the inequality of incomes, and by shifting resources from city to country, a poor nation can relieve poverty in the short term (Lipton, 1977). It could be said that development is posited as a corrective to urban bias, neglect of agriculture, and lack of attention to rural areas in general (Hirsch, 1990).

Lipton argued that the major mistake in development policy was the 'urban bias' in pricing policies and expenditure. He suggested that it was failure to recognise the necessity of increased prosperity for the majority of the population which had led to a disproportionate emphasis on industrialisation and accordingly focus on investment in urban infrastructure. The political significance of concentrated urban populations reinforced this pattern and helped to explain the widespread adoption of cheap food policies. Subsidised food was paid for by low producer prices, which limited the production and marketing of food crops and kept small farmers in poverty (Desai and Potter, 2002).

The urban bias theory puts forward two main hypotheses. Firstly, the development process in the 'Third World' is methodically biased against the countryside or the rural areas. Secondly, this bias is embedded in the political structure of these countries, dominated as they are by the urban groups. In other words, it can be argued that the countryside is economically poor because it is politically powerless. If the

countryside were more powerful, it would get better prices for its products, it would get more public investment, and it would be taxed less (Varshney, 1993).

Urban bias explains why from 1950 to the present the 'Third World' has experienced a curious combination of phenomena: important growth of real per capita income (which speeded up in the 1960s) and of productive capacity per head along with development in the sense of 'modernising structural change', but at the same time virtually no impact 'on the heartland of mass poverty'. The basic, overall effect of urban bias is to secure the persistence of poverty in circumstances of growth. It does this by ensuring that all of the benefits of growth go to the city, allowing none to percolate through to the rural area, where the vast mass of poverty is located (Byres, 1979).

Critics of urban bias point to several shortcomings in the perspective. To begin with, it is not easy to define exact boundaries between urban and rural, while the distinction between agricultural and non-agricultural is clearer (Shepperdson, 1981). Nonetheless, the urban bias theory, which described urban areas as 'wealthy' and rural areas as 'poor', fails to recognise high degrees of urban inequality and the exclusion of a large proportion of people from the wealth, opportunities and good living conditions of urban areas (Varshney, 1993). Most debate has centred on the claims that Third World development policy has been characterised by some form of urban bias (Harriss and Moore, 1984). The extent to which urban bias is a valid and sufficient explanation of development failure (in particular persistent rural poverty) was questioned from the beginning. It was also noted that not all countries had an anti-rural policy bias; that other identities and political interests (ethnic, religious, class) cut across the rural-urban divide; and that rural/urban boundaries are arbitrary (Varshney, 1993).

2.3.2 Rural Industrialisation

For decades development thinking has designated industrialisation as the virtuous way leading away from agriculture. Different theoretical approaches dealing with rural non-agricultural employment can be identified within different social science

disciplines. The importance of nonagricultural rural employment in rural development relates to its growth as a proportion of total household labour time and its contribution to household disposable income (Bryceson, 1996). Since Adam Smith, the expansion of nonagricultural activities has been seen in terms of a changing relationship between agriculture and industry. Most of the development policy debate of the last 40 years has focused on the relationship between the two, i.e. whether agriculture or industry is the lead sector, or alternatively whether it is possible to simultaneously create a balanced development of them both. This then raises the possibility of promoting nonagricultural rural employment activities through 'rural' or 'small-scale industries' (Ranis, 1990).

The rural industrialisation approach derives inspiration from historical work on the development of European "cottage industries" and the experience of Chinese rural industrialisation. This perspective has the advantage of highlighting the process of development (Mendels, 1972). It is increasingly clear that the potential of agriculture to meet the needs for poverty alleviation, satisfaction of basic needs, improvement in rural living standards, and a reduction of rural-urban income differentials is limited. Consequently, the rural non-farm sector is being paid growing attention as a potential means of accomplishing these objectives (Parnwell, 1996). In short, rural industrialisation provides a mechanism for developing rural areas separately from developing agriculture.

Rural industrialisation can provide a significant contribution to rural development. Its most important purpose should be to increase rural production and productivity. It is also viewed as an instrument for the alleviation of rural unemployment and poverty (United Nation, 1978). Furthermore, rural industrialisation is viewed as a means of employment generation for the rural poor, usually in handicraft and artisan activities, agricultural processing, and service activities. Cottage industry has traditionally constituted a significant component of the rural non-farm sector, centring on the artisanal production of cultural and utilitarian items for local use and more specialised production of handicraft products for exchange or trade (Parnwell, 1996).

As a result, it can increase rural incomes and bring about more equal income distribution and narrow the divide between rural and urban areas. The industries are

often craft-based and small-scale because of the low level of technology and limited funds for investment by rural entrepreneurs. Rural industrialisation can also be viewed as a means to attract industry to rural areas to reduce the problems of urban congestion, and at the same time it can lead to an improvement in local infrastructure which supports agricultural development, such as improving transportation and providing better storage facilities (Saith, 1991). Saith (1991) argues that: 'Typically, rural households with inadequate access to land seek non-farm employment in the slack agricultural season. As such, non-farm employment tends to even out the sharp peaks and troughs of the monthly employment and income generation pattern of rural households' (Saith, 1991: 468).

Rural industrialisation means different things to different people. Parnwell has defined it as 'a process involving the growth, development and modernisation of various forms of industrial production within the rural sector generally and rural villages specifically' (Parnwell, 1990: 2). Saith (1987 cited in Parnwell, 1990) states 'historically, rural industrialisation can be regarded as a transitional stage between peasant agriculture and modern industry and also as a vehicle for affecting both the necessary primitive accumulation of capital from the agricultural sector and its subsequent investment in industrial activities.' Saith (1991) also draws a distinction between definitions which take a locational approach and those which focus on rural industries' developmental linkages with rural areas. Saith (1992: 17) defines rural industrialisation historically as 'a transition stage between peasant agriculture and modern industry, and also as the vehicle for affecting both the necessary primitive accumulation of capital from the agricultural sector, and its subsequent investment in industrial activities.'

Islam (1987: 3) views rural industrialisation as concerning the diversification of the rural economy through the introduction and promotion of small-scale manufacturing enterprises. Choe and Lo (1986: 211 cited in Parnwell, 1996: 165) present a wider definition which includes small-scale industry in intermediate-sized settlements away from city centres. Other scholars describe rural industrialisation as the establishment, expansion, development and growth of industries in rural areas under local control (Rigg, 2001). Given this multitude of definitions coupled with the widespread belief that the non-farm sector might be the answer to rural underdevelopment, it is perhaps

not surprising that rural industrialisation became ‘a fast-moving bandwagon’ from the late 1980s (Saith 1991: 459).

Rural industrialisation can be understood as having the potential to increase and diversify rural production and productivity, to expand employment and income-earning opportunities, to help rural people to satisfy their basic needs, and to strengthen linkages with other sectors of the economy (Parnwell, 1996). In addition, many NGOs consider rural industrialisation as a poverty-alleviating strategy and as a way of promoting economic growth in rural areas (Rigg, 2001). It also complements, at least in some of its forms, the objectives of grass-roots development. Furthermore, rural industrialisation is usually presented as an alternative to urban employment. It reduces rural-urban migration, results in higher incomes in rural areas, keeps families together, and means that rural residents can continue to enjoy the better (assumed) quality of life in the countryside (Rigg, 2003: 231).

Rural populations became involved and benefited in the growth of these industries. But it is clear that rural industrialisation also owes a great deal to industries in urban areas. As urban wage levels and land prices have risen, aided by improvements in transportation and communication, so firms have approached the countryside in a search for cheaper land, more pleasing surroundings and to exploit any remaining cheap rural labour (Parnwell, 1990).

Schumacher (1973: 143) envisaged that the development of small-scale industrial enterprises should retain five particular features; some are compatible with the concept of rural industrialisation:

(i) workplaces should be created in areas where people live;

(ii) workplaces should need neither large capital investment nor costly imports to operate;

(iii) production techniques should be fairly simple so demands for high skills are kept low;

(iv) production should try to use local materials and be for local use;

(v) and technology should be low cost and labour-intensive in character, which will allow a system of production that is affordable and geared to high employment and local needs.

Likewise, it can be noted that Schumacher (1973) favoured decentralised small-scale enterprises, located in rural areas, managed under local control and employing a non-destructive use of the environment (Parnwell, 1996).

A World Bank survey of rural non-farm employment (Lanjouw and Lanjouw, 1995) opens with the following statement:

> The rural non-farm sector is a poorly understood component of the rural economy and we know relatively little about its role in the broader development process. This gap in our knowledge is the product of the sector's great heterogeneity…coupled with a dearth, until recently, of empirical or theoretical attention (Lanjouw and Lanjouw, 1995: 1).

It can be argued that to create small-scale industries in the rural areas and to use local resources (Schumacher, 1973) the rural people should have more education to better understand the rural economy and the development processes that unfold within it.

The following comments from Hazell and Haggblade (1991) represent the rural non-farm economy:

> The rural non-farm economy is intimately linked to agriculture. A substantial share of rural manufacturing involves agro-processing and the production, repair and supply of farm inputs. Moreover, the dominant sectors in the rural non-farm economy consist of trade and service establishments that cater largely to rural consumer demand. The prospects for growth in the rural non-farm economy will, therefore, hinge on future agricultural performance (Hazell and Haggblade, 1991: 515).

The study of non-farm activities and small-scale industries can be combined with new interests such as the development of entrepreneurship and possibilities for flexible specialisation. This would involve the merging of many existing assumptions about these fields of studies but it would also need important revisions (Bryceson, 1996). One of the key attractions of rural industrialisation is 'the belief that it complements traditional rural pursuits and, in particular, agriculture' (Rigg, 2001: 135).

2.3.3 Farm – Non-Farm Relations

While the urban bias thesis suggests that there is a clear divide between 'rural' and 'urban', increasing attention has been paid to the links between farm and non-farm activities, and rural and urban spaces. There has been considerable debate regarding the developmental outcomes of evolving farm – non-farm and rural – urban relations and interactions. Farm – non-farm relations have been seen by some as part of a virtuous cycle (Evans 1992, Evans and Ngau 1991, and Lanjouw 1999:95). In this sequence, rising agricultural incomes generate a demand for consumer services and goods. This encourages the development of non-farm activities, which help to absorb surplus farm labour. This further increases demand for farm output and at the same time contributes money for investment in agriculture, generating further increases in agricultural production (Rigg, 2001: 136). Grabowski (1995) and Evans et al. (1991) see non-farm activities as significant opportunities for rural households to generate innovation and productivity increases in agriculture. The non-farm activities lead to a diversification in rural incomes. This reduces risk and creates the incentive for innovation on the farm. Grabowski (1995) also believes that agricultural revolutions are dependent on the development of rural nonagricultural activities and they have strong positive effects on agricultural productivity.

Growth in agricultural productivity and incomes generates savings, raises demand for nonagricultural goods, and can increase investment in education. In the meantime, farm household labourers increasingly participate in nonfarm work for extra income. Wages for nonfarm income gradually grow higher than agricultural wages. This is a result of diversification within the nonfarm sector and expanding opportunities for working mobility across the nonfarm sector and into the urban sector (Koppel and Hawkins, 1994). The income growth stimulates more growth in non-farm activities and cottage manufacturing, which also stimulates further agricultural growth, eventually resulting in the establishment of modern industry as domestic markets expand considerably (Grabowski, 1995: 50).

It should be stressed, however, that it is still debated how far non-farm developments feed back in positive ways into agricultural (farm) development. For example, it may be that a buoyant non-farm sector sucks labour out of agriculture, leading to

disintensfication and a gradual undermining of agriculture. Hart (1996) makes the point that there is no reason to assume that income generated in the non-farm sector will be productively redeployed in the farm sector. She believes that it will leak out in the form of consumption expenses in the non-local economy.

2.3.4 Indigenous Knowledge

The term ‘indigenous knowledge’ has no single meaning, and yet its use is growing rapidly in development contexts (Sillitoe et al., 2005). Knowledge which is created by local people can take a variety of forms. Local knowledge can be non-material, such as that encompassed in particular customs, traditions, myths, ways of life and ways of thinking (Sillitoe, 1998). This is the knowledge that is created by local people and shared within communities, taking both the voices and values of local people (McIlwaine, 2006). Indigenous knowledge is any understanding rooted in local culture. It comprises all knowledge held more or less mutually by a population that informs interpretation of things. It varies between societies. It comes from a variety of sources and it is a dynamic mix of past tradition and present innovation with a view to the future (Bicker et al., 2004).

The following definitions from the indigenous knowledge literature are not entirely representative of the field, but they indicate the broad range of explanations that can be found:

> Indigenous knowledge is the unique, traditional, local knowledge existing within and developed around specific conditions of women and men indigenous to a particular geographic area (Grenier, 1998: 1).
>
> Indigenous knowledge – the local knowledge that is unique to a given culture or society – contrasts with the international knowledge system which is generated through the global network of universities and research institutes (Warren, Slikkerveer and Brokensha, 1995: xv).

> Indigenous knowledge is the knowledge that people in a given community have developed over time, and continue to develop. It is based on experience, often tested over centuries of use, adapted to local culture and environment, and dynamic and changing (IIRR, 1996: 7 cited in Sillitoe et al., 2005: 3).

Indigenous knowledge is a unique formulation of knowledge coming from a variety of origins rooted in local cultures, a dynamic pastiche of past tradition and present creation with a view to the future (Sillitoe et al., 2002).

The widespread failure of the top-down approach to rural development planning has led to increasing attention being paid to the indigenous knowledges of communities in an attempt to generate more effective development strategies. The concept of indigenous knowledge describes the inclusion of local voices and priorities, and guarantees empowerment at the grassroots level. Central to the concept is the view that the local knowledge of individuals and communities should be used to inform and frame development projects, rather than relying on the universal dominant knowledges produced by the state, multilateral agencies, foreign donors or NGOs. Furthermore, the notion of indigenous knowledges generates the development 'community' and increasingly draws in the understandings of rural people (Briggs and Sharp, 2004). Chambers argues that local people are hardly considered in terms of their needs, or local environmental or technical knowledge. For this reason, the results of development are frequently inappropriate because the development agenda is decided and set by outside organisations such as government, government departments and local institutes (Chambers, 1983).

The World Bank's '*Indigenous Knowledge for Development: A Framework for Action*' (1998) proposes that there is a need 'not only to help bring global knowledge to the developing countries, but also to learn about indigenous knowledge (IK) from these countries, paying particular attention to the knowledge base of the poor'. Furthermore, the report argues that 'IK should complement, rather than compete with global knowledge systems in the implementation of projects' (World Bank, 1998: 8). Local indigenous knowledge should be acknowledged as a fundamental first step for doing research in any development context (McIlwaine, 2006). Indigenous

knowledge furthers the idea that every situation is unique, and each development is specific and localised (Briggs and Sharp, 2004).

Development agencies are increasingly concerned that indigenous knowledge should be recognised and highlighted in the planning and implementation of programmes and are ever more receptive to the idea that the limited success of some development projects lies in the failure to take seriously indigenous knowledge and strategies. Such efforts seek to establish a larger role for local knowledges and communities in interventions planned for their regions (Bicker et al., 2004). In other words, it could be argued that a vital principle of participatory development is the integration of local people's knowledge into programme planning. The meaning of 'participation' is not confined to 'people's knowledge' and planning, but it is a significant aspect (Mosse, 1994).

The 'local knowledge' and 'village plans' are produced through participatory planning frequently shaped by pre-existing relationships that exist between a project organisation and villagers. Rather than project plans being shaped by 'indigenous knowledge', it is villagers who obtain and learn to manipulate new forms of 'planning knowledge'. In this manner local knowledge becomes compatible with bureaucratic planning (Mosse, 1994)

2.4 Rural Poverty

The definition of poverty remains open to debate. It is difficult to reach a universal definition as the conditions of poverty obviously vary between different areas. Poverty is relational, referring to life chances and experiences which are uneven socially and spatially. Debates about poverty have generally focused on the groups that are deprived and lacking in social power, resources, and assets rather than emphasising issues of consumption and wealth (Power, 2003). Most recently, poverty has been defined in terms of the lack of basic capabilities to meet physical needs such as basic health and education, and clean water (Farrington et al., 2004). Poverty is thought of as a kind of generalised lacking, or a state of being without some essential goods and services. Poor people are people deprived of things that they need to live a

normal life (Toye, 2007). Poverty alleviation has been a significant goal of development policies and programmes all over the world (Singh, 1999).

Poverty can also be defined as low income or often as low consumption, which is easier to measure. This is the regular meaning of poverty for economists, and it is used to determine poverty lines, for evaluating groups and regions, and frequently for assessing progress in poverty alleviation. Income-poverty is important but it is only one aspect of deprivation (Chambers, 1995). Besides statistical measures of poverty, the people's own perception of poverty may be captured in participatory poverty assessments (PPAs) which are significant instruments for identifying local qualitative characteristics of rural poverty: the problems in micro-markets, weak delivery of basic services and the local culture of deprivation (Desai and Potter, 2002). Poverty, however, includes more than a lack of income. It also relates to issues of social inferiority, isolation, physical weakness, vulnerability, seasonal deprivation, powerlessness and humiliation (Chambers, 1995).

In Thailand, poverty could be defined as a standard of living less than minimum daily nutrition needs and as instances where other human needs are not met. Since those basic needs can be translated into financial terms, individual or household income can be used as an instrument or benchmark to identify the poor (Krongkaew et al., 1992). The rural poor tend to have a larger family size, fewer income-earners in the family and the household heads have lower educational attainment than the non-poor. The majority of rural poor households also lack fundamental amenities such as proper toilet facilities, electricity and piped water (Krongkaew et al., 1992). The aim of a poverty alleviating approach to rural development is to increase rural people's incomes and to attain the satisfaction of their basic needs for a minimum acceptable standard of living, which includes adequate nutrition and food, clean water, adequate clothing, shelter, minimum education and appropriate health care (United Nations, 1978).

Rural poverty is frequently misunderstood by outsiders, those who are not themselves rural and poor. It can be argued that researchers, administrators, scientists and fieldworkers rarely value the validity of rural people's knowledge, or the concealed nature of rural poverty. As a result, there is a need for a new professionalism, with an

essential reverse in outsiders' learning, values and behaviour to propose more realistic actions for tackling rural poverty (Chambers, 1983). Chambers (1998) argues that poor rural people are usually more strategic, involved in several enterprises and performing different tasks and roles at different seasons, while better-off people regularly rely on one main life support activity (Chambers, 1998: 11).

Explanations of rural poverty are extremely varied. A variety of studies of rural poverty describe the poor by referring to single measures such as land holding or per capita annual income, normally defined by economists in terms of income or consumption deprivation relating to a monetary threshold (the so-called poverty line). Many countries manifest a rural-urban gap on several indicators such as average per capita income, levels of poverty, and access to the means of satisfying basic needs in nutrition, education, and health (Bernstein, 1992) Even so, most acceptable explanations for rural poverty today centre on either a socio-economic approach or a broadly environmental one.

The socio-economic approach sees the core cause of poverty in the distribution of wealth and power of society. Kurien considers poverty as:

> The socio-economic phenomenon whereby the resources available to a society are used to satisfy the wants of the few while the many do not have even their basic needs met. This conceptualisation features the point of view that poverty is essentially a social phenomenon and only secondarily a material or physical phenomenon (1978: 8 cited in Chambers, 1983: 36).

This approach is sometimes referred to as the political economy approach. Political economists, who explain poverty in social, economic and political terms, argue that poverty is to be mainly understood as structurally produced in terms of economic forces, social relations, property rights, and power. As mentioned above, in the political economy view, rural poverty is seen as a consequence of structures and processes which concentrate wealth and power (Chambers, 1983).

On the other hand, the environmental viewpoint highlights the lack of resources, poor environmental conditions, and environmental degradation (Dixon, 1990). In the view

of physical ecologists (mostly scientists and practitioners), rural poverty is interpreted more in terms of what is physical, visible, technical, and statistical. The two most frequently cited causes of poverty here are population growth and pressures on resources and the environment (Chambers, 1983). Such a view, of course, tends to ignore the ways in which the unequal allocation of resources is intimately tied to unequal allocations of political power. We should, therefore, be asking questions that seek not only to understand why marginal environments cause poverty but, rather, why poor people occupy marginal environments in the first place.

2.5 Rural Livelihoods

Livelihoods perspectives have been central to rural development thinking and practice in the past decade (Scoones, 2009). The attention to livelihoods, or sustainable livelihoods, can be traced back to the 1992 World Conference on Environment and Development and to a discussion paper by Robert Chambers and Gordon Conway published in 1992 (Chambers and Conway, 1992). Livelihoods perspectives begin with trying to understand how different people in different places live (Scoones, 2009). The concept of a livelihood is widely used in studies of rural development and poverty. Its dictionary definition is a 'means to a living'. This definition directs attention to the way in which a living is obtained, not only in terms of income received or consumption obtained (Ellis, 2000). More definitions are offered in the literature such as 'the means of gaining a living' (Chambers, 1995: vi).

One of the most widely cited definitions is provided by Chambers and Conway (1992), as follows:

> A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for means of living. A livelihood is sustainable which can cope with and recovers from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term (Chambers and Conway, 1992: 7-8).

The significant aspect of this livelihood definition is to direct attention to the links between assets and the choices people have to pursue alternative activities that can generate the income level for survival. The key terms in the Chambers and Conway definition are capabilities, assets, sustainable, stress and shock. Other important terms which have been linked with the Sustainable Livelihoods Framework (Figure 2.1) are capital(s), coping, risk, resilience, vulnerability, security and well-being (Rigg, 2007).

Ellis (2000), more briefly, defines a livelihood as follows:

> A livelihood comprises the assets (natural, physical, human, financial and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household. (Ellis, 2000: 10).

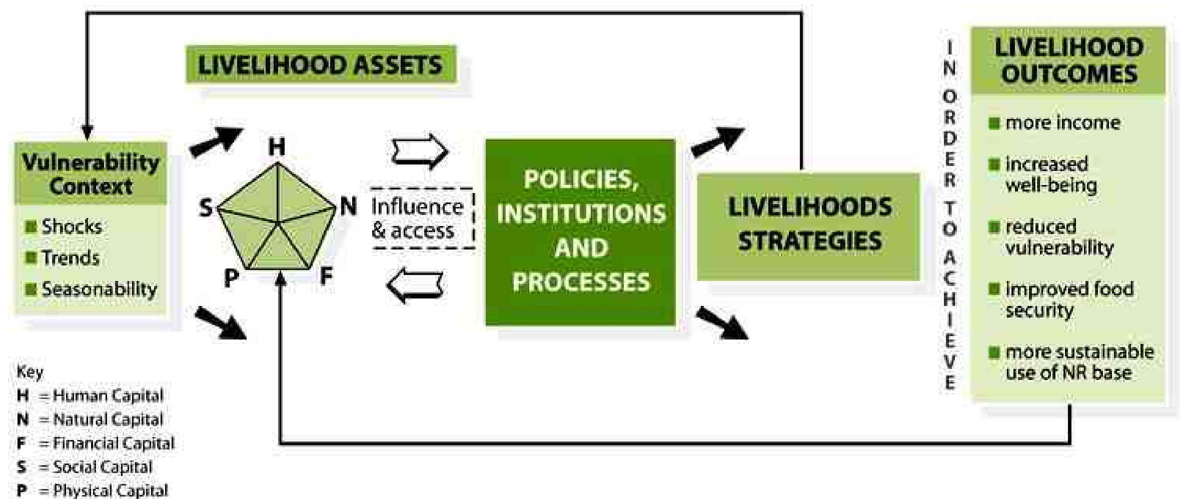
In obtaining a living, individuals and families exploit livelihood capabilities, tangible assets, and intangible assets (Chambers and Conway, 1992: 9-12). Formal employment can provide a livelihood. However, most livelihoods of the poor are based on many activities and sources of food, income and security (Chambers, 1995). There has been a tendency to consider livelihoods principally in material terms, which means that a livelihood is the way that an individual or a household 'gets by'. Therefore, a livelihood is about money, food, labour, employment and assets (Rigg, 2007). For many of the poor, livelihood is a more appropriate term than employment because it directs attention to how poor people live, what can help them, and their realistic priorities. Livelihood is a more universal and a more useful and holistic concept for seeing what is best to do as it widens attention from just 'employment'. Thus, employment can be seen rather as a subset or component of livelihood. 'Livelihood' can also refer to the various activities which make up a living and 'sustainable' then refers to the longer-term (Chambers, 1995).

Like so many of the words discussed in this chapter, 'livelihoods' is flexible and can also be attached to all sorts of other words to compose entire fields of development enquiry and practice. These relate to locales (rural or urban livelihoods), social difference (gendered, age-defined livelihoods), occupations (farming, pastoral or

fishing livelihoods), directions (livelihood pathways, trajectories), dynamic patterns (sustainable or resilient livelihoods) and many more (Scoones, 2009).

The concept of 'sustainable livelihoods' is increasingly important in the development debate (Scoones, 1998). The Sustainable Livelihoods Framework (Figure 2.1) has been developed to improve our understanding and analysis of livelihoods, particularly the livelihoods of the poor. It is also useful in evaluating the success of existing efforts to alleviate poverty. It presents the key factors that have an effect on people's livelihoods, and relations between them (DFID, 1999). The core principles are a focus on people and communities rather than on structures and the national context (Rigg, 2007). A key component in the framework is the assets on which livelihoods are built. These can be divided into five core categories, which are human capital, natural capital, financial capital, social capital, and physical capital. The framework can be divided into five key components: the vulnerability context, livelihood assets, policy, institutions and processes, livelihood strategies and livelihood outcomes which link to each other (DFID, 1999).

Figure 2.1 Sustainable Livelihoods Analytical Framework[2]



Source: DFID, 1999

[2] DFID (1999) 'Sustainable Livelihoods Analytical Framework' in FAO. [Online]. Available at: http://www.fao.org/documents/show_cdr.asp?url_file=/docrep/006/y5083e/y5083e02.htm (Accessed: 22 June 2006).

The framework shows how, in different contexts, sustainable livelihoods are achieved through access to a range of livelihood resources (human, natural, financial, social and physical capital). Central to the framework is the analysis of the range of formal and informal organisational and institutional factors that influence sustainable livelihood outcomes (Scoones, 1998). The notion of 'sustainable livelihoods' is increasingly central to the debate about rural development, poverty reduction and environmental management (Scoones, 1998). Livelihoods approaches now seem to be applied to everything: livestock, agriculture, forestry, fisheries, health, urban development and more (Scoones, 2009). The sustainable livelihood framework has helped to reveal dimensions of rural communities which were formerly inadequately understood. The central aim of the livelihood approach is to build effective methods to support people and communities in ways that are more meaningful to their daily lives and needs (Appendini, 2001).

Since the 1990s, there has been a determined attempt to build a better understanding of rural livelihoods and to bring rural development strategies more into line with the aspirations and priorities of rural communities (Ellis, 1998; DFID, 2000). In many debates on livelihoods – and in particular sustainable livelihoods – a set of ideas about locally-led, bottom-up, participatory development merges with livelihoods analysis. Livelihoods perspectives offer an important lens for looking at complex rural development questions. As argued by Scoones and Wolmer (2003):

> A sustainable livelihoods approach has encouraged…a deeper and critical reflection. This arises in particular from looking at the consequence of development efforts from a local-level perspective, making the links from the micro-level, situated particularities of poor people's livelihoods to wider-level institutional and policy framings at district, provincial, national and even international levels. Such reflections therefore put into sharp relief the importance of complex institutional and governance arrangements, and the key relationships between livelihoods, power and politics (Scoones and Wolmer, 2003: 5).

Bebbington (1999) proposes that we need a wider conception of the resources that rural people need to access in the process of composing a secure livelihood,

particularly in a context where people's livelihoods shift from being directly based on natural resources, to livelihoods based on a range of other assets including natural, produced, human, social and cultural capital. Placing particular stress on livelihood 'assets', Bebbington (1999) explains the concept of livelihood as:

> …a person's assets, such as land, are not merely the means with which he or she makes a living. They also give meaning to that person's world. Assets are not simply resources that people use in building livelihoods; they are assets that give them the capability to be and to act. Assets should not be understood only as things that allow survival, adaptation and poverty alleviation; they are also the basis of an agent's power to act and to reproduce, challenge or change the rules that govern the control, use and transformation of resources… (Bebbington, 1999: 2022).

Traditional or vernacular cultures are a resource for the survival and sustainability of rural communities. Traditional skills and knowledge inherited across generations have produced diverse livelihood portfolios in the form of artefacts (e.g. crafts) and various ritualistic performances (e.g. dance) which play a role in strengthening livelihood opportunities and self-development (see Stephen, 1991; Adriansen, 2006; Radcliffe, 2006). Chambers and Conway (1992) recognise that many rural livelihoods are predetermined by accident of birth. Livelihoods are geographically and culturally predetermined and the inherent skills are disseminated among the community's members, not only for their economic survival, but also to ensure their identity within the community (Chambers and Conway, 1992). This therefore connects livelihoods with the debate over culture and development discussed earlier in this chapter.

The livelihood perspective promotes a better understanding of *how* and *where* culture becomes central in development interventions and *how* culture is conceptualised and incorporated into the process of community development (Daskon and Binns, 2009). As a result, it is suggested, development interventions can be more effective and beneficial to those people whose lives are being changed,

> …the role of cultural values and attitudes as obstacles to or facilitators of progress has been largely ignored by governments and aid agencies. Integrating values and attitude change into development policies, planning and programming is a promising way to ensure that in the next fifty years, the world does not relive the poverty and injustice that most poorer countries, and underachieving ethnic groups, have been mired in during the past half century… (Huntington, 2000: xxxiv).

2.5.1 Well-Being

The concepts of 'well-being' (Chambers, 1995, 1997b) and 'capability' (Sen, 1984, 1987) present a wider definitional scope for the livelihoods notion. Sen sees capabilities as 'what people can do or be with their entitlement,' a concept which encompasses far more than the material concerns of food intake or income. Such ideas represent more than the human capital which allows people to do things, but also the intrinsically valued elements of 'capability' or 'well-being'. Chambers (1997b) argues that such a well-being approach to poverty and livelihood analysis may allow people themselves to define the criteria which are important. This may result in a range of sustainable livelihood outcome criteria, including diverse factors such as self-esteem, security, happiness, stress, vulnerability, power, exclusion, as well as more conventionally measured material concerns (Chambers, 1989 cited in Scoones, 1998).

2.6 Research Questions and the Supporting Literature and Conceptual Frameworks

This research links to a wide range of conceptual literature, as outlined above. The fieldwork is embedded in a particular geographical location (rural, Northern Thailand), and has a special focus on one key aspect of life in that location (handicrafts), but this brings to bear a range of debates across the spectrum of the social sciences. This makes the research particularly challenging because it crosses disciplinary divides. One way to make this more manageable is to explicitly link the research questions to the conceptual literature, as set out below in Table 2.1.

Table 2.1 Research Questions and the Supporting Literature and Conceptual Frameworks

Research Questions	Supporting Literature/ Conceptual Frameworks
Main research question: *To what extent, and how, does handicraft production support rural development in Thailand?*	This core research questions links with the broad debate over **Rural Development**, and how best to conceptualise, promote and achieve rural development. For Thailand, as a fast-growing, rapidly-changing, middle income developing country there are important questions about whether rural development needs to be re-conceptualised. Are established models appropriate for an increasingly prosperous, modern and connected rural population and rural spaces? With a research focus on handicrafts in rural development, the more specific literature on **Rural Industrialisation** is relevant. Cottage industries have traditionally constituted a significant component of the rural non-farm sector and rural industrialisation, usually in handicraft and artisan activities, is often viewed as a means of employment generation for the rural poor.
Supplementary research questions: 1. *What is the role of handicrafts in livelihoods?*	In order to explore the way in which handicrafts insinuate themselves into rural spaces, a **Livelihoods** perspective will be adopted, drawing on the work of Chambers and others. This also links with those aspects of the **Rural Industrialisation** literature that deal with the role of rural industries in reducing rural-urban migration. More particularly, the debate over **Farm – Non-Farm Relations** (virtuous or immiserating?) and **Urban Bias** are relevant. Finally, the role of handicrafts must be seen to emerge out of particular cultural contexts, thus requiring that the work considers the literature on **Culture and Development.**

2. *How does handicraft production help in the alleviation of rural poverty?*	The research cannot ignore the debate over **Rural Poverty**, how it is produced and reproduced and the role that **Rural Industries** in general and handicrafts in particular might play in ameliorating poverty through employment generation and income generation and, in turn, through generating economic growth rooted in the countryside. At the same time, the literature on **Urban Bias** raises the question of whether national policies work systematically against the interests of rural areas and rural people.
3. *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?*	The literature on **Rural Industrialisation** and **Indigenous Knowledge** engaged with this question over the long-term development potential of handicrafts and rural industries. Do we see in handicraft production a sustainable and appropriate deployment of **Indigenous Knowledge** in the interest of rural development that might challenge mainstream views and initiatives based on modern technology and external inputs and influences?
4. *What is the role of indigenous knowledge in supporting rural industrialisation?*	Handicraft production is often presented as an activity which is local in provenance and appropriate in its application of technology and in its scale. The literature on **Culture and Development** engages with various forms of cultural thinking, of which one element is **Indigenous Knowledge**
5. *What is the potential of rural industrialisation to support rural development?*	This research question links with the literature on **Rural Development** and **Rural Industrialisation** and more particularly on the manner in which rural industrialisation supports and/or compromises (undermines) some aspects of rural development.
6. *Can rural industries help to narrow the divide between rural and urban areas and within rural areas?*	The particular focus here is with the inequalities that characterise Thailand and many other developing countries: rural-urban inequalities and intra-rural inequalities. Are rural industries pro-poor in their effects? This, therefore, brings into play the literature on **Rural Industrialisation**, **Farm – Non-farm Relations** and **Urban Bias**.
7. *How does the Thai government support rural development in general and rural industries in particular?*	Rural development is shaped by the policy context that exists. This links with the broad debate over **Rural Development** and how to achieve it and with the policy-related aspects of **Urban Bias** and **Rural Industrialisation**. Identifying the policies that exist, how they have changed over time, and the realities of their implementation are important aspects of the study.
8. *How is rural handicraft production being integrated into global production networks?*	**Rural Industrialisation** is traditionally seen as a cottage industry. But the experience of Thailand is that the sector is being integrated into wider flows and networks, some operating at a global level.

2.7 Conclusion

This chapter has reviewed the key conceptual debates, which are drawn upon in this thesis in order to examine the role of handicrafts and rural development in Thailand. It has also attempted to combine these fields of study. The definitions of development by different scholars have been reviewed and compared. The literature on culture and rural development has been used in thinking about how handicraft production evolves over time in supporting rural development in Thailand. Rural industrialisation and urban bias have been considered to better understand how handicraft production is being integrated into global production networks, and how it raises the skills of rural labour and the quality of rural resources. The question of farm – non-farm relations has been raised in order to better understand the dynamics of poverty and industrialisation in rural development. Debates about indigenous knowledge have been examined in thinking about the evolving role of different technologies in supporting rural industrialisation. Livelihoods have been explored in thinking about the role of handicrafts in the alleviation of rural poverty. Rather than following a single guiding conceptual model, I combine the use of multiple conceptual and theoretical models and approaches. Instead of creating confusion, the interconnections between the different strands of the literature help to better understand the study of the role of handicrafts in Thailand. The next chapter turns to the wider history of development in Thailand and, more specifically, to the introduction of a focused Thai government handicrafts project, namely the OTOP programme.

Chapter Three

The History of Development in Thailand

3.1 Introduction: Inequalities in Thai Society and the Thai Economy

Although Thailand has achieved rapid economic growth over the last forty years – Asian crisis notwithstanding – poverty continues to be a serious problem in many areas and among certain groups of people. The true meaning of poverty has been a subject of intense debate over the last few years. This is particularly the case in Thailand, where there are growing criticisms of the past and present path of economic development and its ability to raise the true welfare of the country's ordinary people, especially those less fortunate. Naturally, this kind of criticism calls for a reexamination of how to properly define poverty in the Thai context. Anti-poverty strategies in Thailand suggest that poverty is not limited to a lack of income for basic needs but also involves structural poverty – that is, poverty arising from a lack of public services. Figure 3.1, Figure 3.2, Table 3.1 and Table 3.2 provide more background information on the patterns and trajectories of poverty in Thailand.

Closely allied with this concern for and interest in poverty reduction has been the consideration of inequalities in Thai society and the Thai economy. Inequalities in income, market power, wealth and access to economic infrastructure and social services were recognised from the first development plan (1961-1966) as central problems. Each plan has presumed that economic development would reduce these maldistributions and has included programmes addressing aspects of economic inequality among the Thai population (Muscat, 1994). As discussed below, however, these assumptions have proved to be unfounded and some inequalities have actually become more acute over time.

Transformations in poverty and inequality have been shaped by Thailand's development 'history', by which I mean the nature of the country's development 'project' and the way in which certain assumptions about the development challenge,

what it means and how it is constituted, have been framed by scholars and policy makers. Thus this chapter provides a context centred on three interrelated areas of work: poverty, inequality, and Thailand's development history, with the greater part of the discussion focusing on the latter.

3.2 Mapping Thailand's Development Challenges

A concern for understanding evolving inequalities in Thai society and economy has been a feature of much scholarship. This has included, for example, work focusing on gender inequalities (e.g. Mills 1997 and 1999, Bell 1992), regional underdevelopment and lagging regions (e.g. Parnwell 1988, Parnwell and Rigg 1996, Krongkaew et al. 1992, Hirsch 1990), the 'problem' of Thailand's hill people (e.g. Wittayapak 2008, Dearden 1995), and generational inequalities (e.g. Ekachai 1990, Funahashi 1996). Bearing in mind the concerns of this study, however, here the focus is squarely on rural-urban inequalities.

Thailand has failed to reduce the rural-urban income gap. Though their economic welfare did progress with the growth of agricultural production and increases in employment opportunities in the non-farm sector, the bulk of Thailand's poor population continue to be concentrated in the countryside and to work in agriculture. Successive Thai governments have recognised that poverty remains a largely rural phenomenon, making rural poverty an important political issue in Thailand since the mid 1970s (Shigetomi, 2004). As Leinbach and Ulack (2000) observe:

> The distribution of wealth has become increasingly inequitable, and a marked differentiation between the traditional rural and modernising urban sectors of society has been observed (Leinbach and Ulack, 2000: 434)

Notwithstanding the government's apparent recognition that rural poverty remains a key challenge – and has been so for decades – the pattern of development in Thailand seems to conform to the urban bias model of development, in which the development decisions of the government reflect the interests of the urban elites. In the 1960s and 1970s rural areas were neglected by the state elite, which systematically allocated

resources to urban areas, mainly Bangkok, because of the greater efficiency of resource use which was expected to take place here. The government's emphasis was on large-scale industries that were concentrated around Bangkok and in the Central Plains. A service-led growth strategy further accelerated the expansion of Bangkok as a prime city (Tonguthai, 1987).

There has been a long debate in Thailand about whether we see in the country evidence of an urban bias in development. The Thai government is centralised and Bangkok is the centre of decision-making authority. This has tended to result in an urban-biased, or a Bangkok-biased, development policy. Biases in macro and sectoral policy have promoted the growth of Bangkok. Measures such as agricultural pricing policy, the over-valued exchange rate, investments in urban infrastructure and service, and the government's emphasis on Bangkok as the country's industrial centre have accentuated the primacy of Bangkok (Parnwell, 1996). Korff (1989) argues that

> Because the strategic groups are city-based, or more precisely, Bangkok-based, given their interests and strategies, they create a Bangkok-based state, which necessarily has the prime objective to stabilise and strengthen the role of Bangkok in society, politics, and economy (Korff, 1989: 50).

The growth of Bangkok has increased inequalities between urban and rural areas, especially between the metropolis and the rest of the nation. The wide and persistent rural-Bangkok income disparities and rapid economic growth in the metropolis have triggered extensive in-migration to Bangkok (Parnwell, 1996). Moreover, Silcock (1967), as long ago as the mid-1960s, was suggesting that low rice prices were a key issue in stimulating diversification of agricultural activity and farm incomes. Even accepting that this may have been advantageous to the rural sector in the longer term, it is hard not to interpret the situation as a classic case of Lipton's (1977) urban bias. The reduction of regional inequalities in Thailand has been principally viewed in terms of the promotion of urban-based industrial development. Likewise, a reduction in the incidence of poverty and the level of personal income inequalities has been expected to take place as a result of sustained rapid urban-industrial growth (Dixon, 1999).

Figure 3.1 Map of Thailand: Poverty

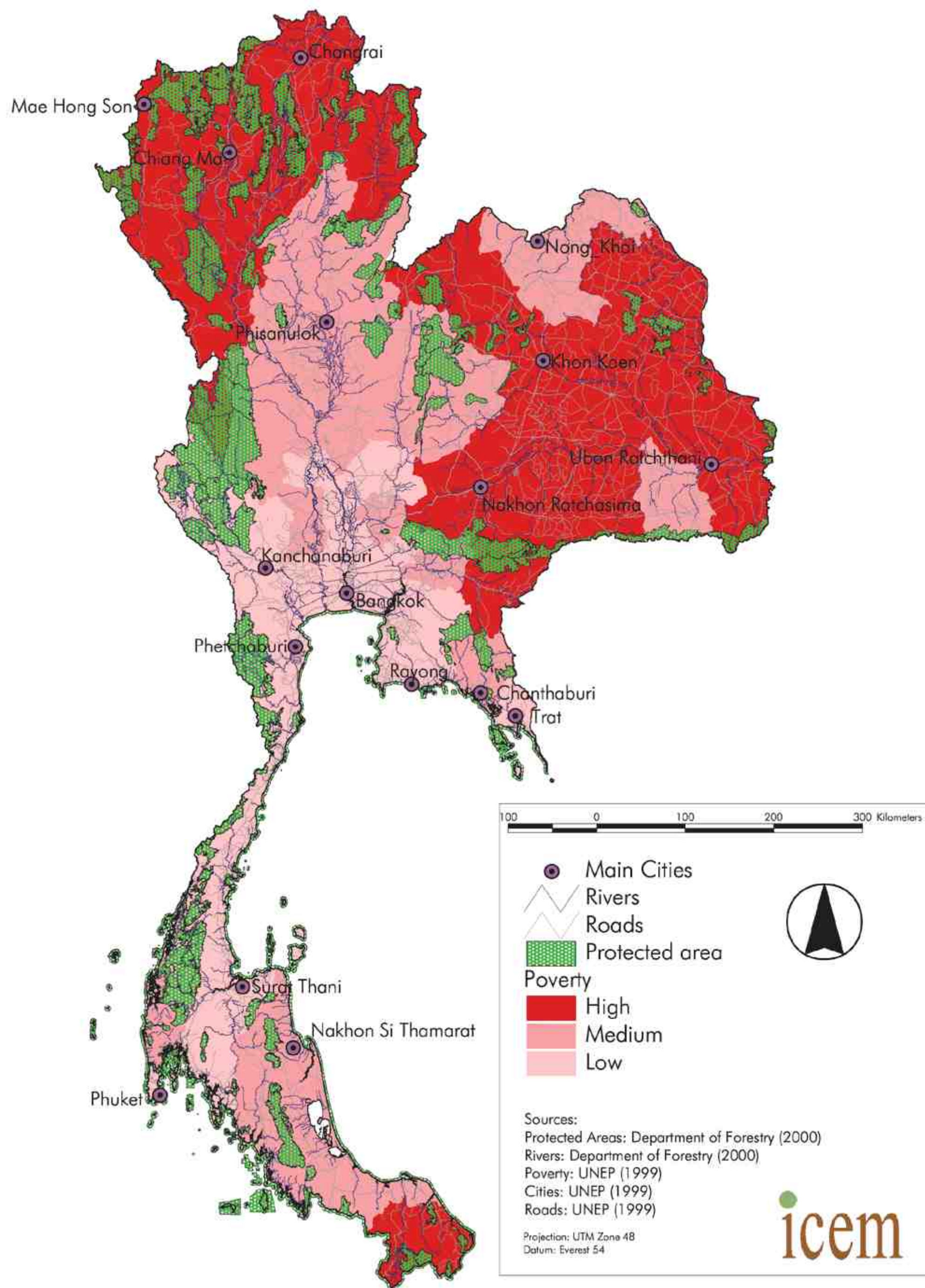


Figure 3.1 clearly shows the main concentrations of poverty in certain areas/ regions (namely the North East and parts of the North); and second, its concentration beyond those areas of the country where industrialisation has been centred (i.e. Bangkok and the Central Plains).

Table 3.1 The Poor in Thailand 1963-2004 (Percentage of the Population Defined as Poor)

	Total	North	Northeast	South	Central	Bangkok
1963	57	65	74	44	40	28
1969	42	38	68	40	18	11
1976	33	35	46	33	16	12
1981	24	23	36	21	16	4
1986	26	22	41	23	17	5
1988	22	21	35	22	16	3
1990	18	17	28	18	13	2
1992	13	14	22	12	6	1
1994	9.6	8.5	15.7	11.7	6.0	0.8
1996	11.4	11.2	19.4	11.5	5.9	1.3
1998	12.9	9.0	23.2	14.8	7.7	0.6
1999	15.9	10.6	30.8	15.7	6.8	0.2
2000	21	24	35	16	10	1
2004	11	15	16	7	5	1

Sources: National Economic and Social Development Board (NESDB) figures quoted in Warr 1993: 46, Medhi Krongkaew 1995, Pasuk Phongphaichit and Baker 2000: 96, World Bank 2000, World Bank 2005.

Notes:

1. The National Statistical Office (NSO) only began its two-yearly Socio-economic Survey (SES) in 1975/76; the figures quoted here for 1963 and 1969 are based on alternative data.
2. The poverty figures for 2000 and 2004 and based on the new poverty line

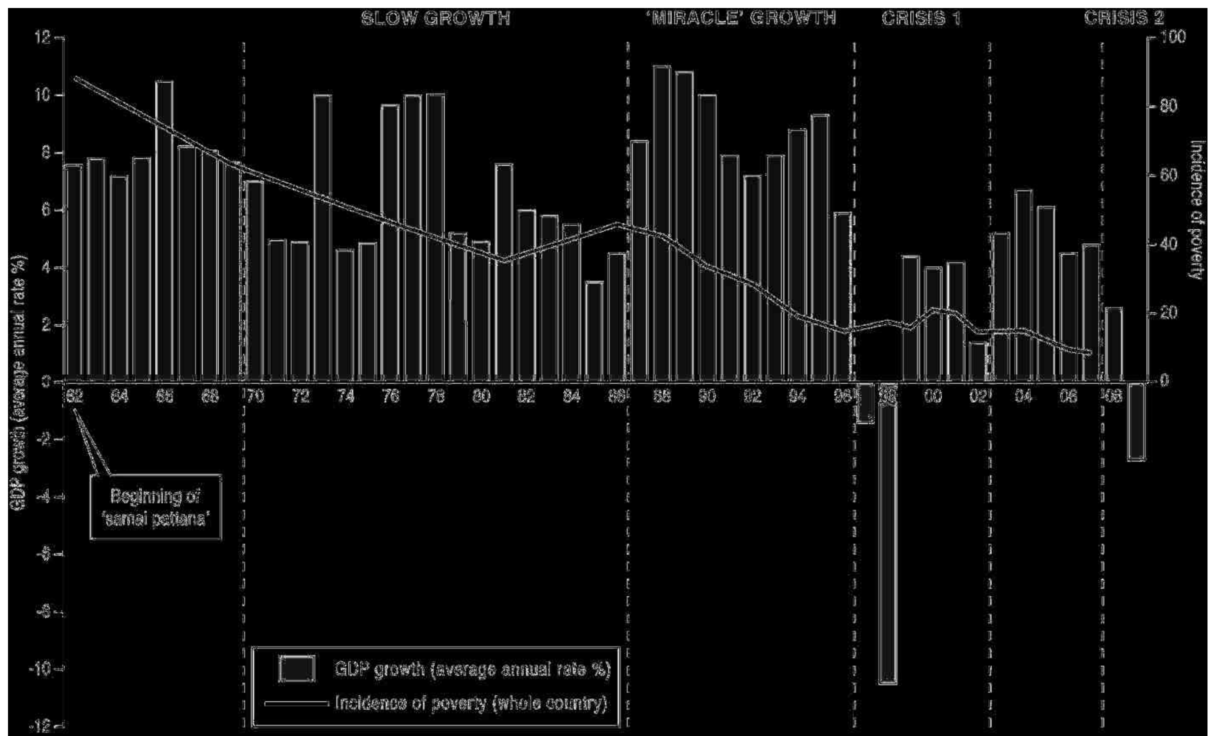
Table 3.2 Population Defined as Poor, By Region, 2000 and 2004 (millions)

	2000	2004
Bangkok	0.10	0.11
Central region	1.45	0.76
North	2.63	1.91
Northeast	7.22	3.65
South	1.36	0.66
Whole country	12.76	7.08

Source: World Bank 2005 (Thailand Economic Monitor, November 2005)

Although the data above show that poverty in Thailand has been all but eradicated in Bangkok and the central region, the poor that remain have become increasingly concentrated in the North and Northeast of Thailand. In 2004, almost 80 per cent of the poor were concentrated in these two regions of the country, and these regions are predominantly rural.

Figure 3.2 Growth and Poverty in Thailand 1962-2008



Source: Rigg and Salamanca 2009

The Asian financial crisis of 1997-1998 led to a sharp downturn in the economy, and the current global economic depression may also, after a while, be regarded as an equally important historical 'moment'. However, Thailand has made the transition on the back of a so-called economic 'miracle' - from a low-income and developing agricultural economy to a middle income, mixed economy. The country has also become thoroughly integrated and mobile; however, this process of rapid social and economic transformation has not been smooth (Rigg and Salamanca, 2009).

3.3 Discourses of Development in Thailand

Between 1855 and 1957 Thailand underwent considerable social, economic and political change. From the middle part of the nineteenth century the state had taken a lead in reforming and modernising the economy, paying particular attention to such infrastructural developments as railways and telegraph facilities. At the same time, major administrative reforms were initiated, leading to the introduction of a uniform

pattern of national administration with control and decision making concentrated in Bangkok. While these interventions have developmental outcomes, in the broadest sense, it can reasonably be argued that little consideration was given to national economic development and policy.

Nevertheless, while these were important developments in themselves, until the post Second World War period a lack of fiscal, financial and technical capacity fundamentally limited the Thai government's ability to direct and shape economic development. Some progress in the establishment of a national primary educational system had been made, but even so, by the late 1940s the majority of the rural population had seen extremely limited development and change, in particular compared to neighbouring colonial territories. The limited spread of education, communications and health facilities had resulted in very little social change in rural areas. Therefore, it can be argued that the concentration of administration, trade and manufacturing in Bangkok, had further accentuated an already remarkably uneven pattern of development (Dixon, 1999). Ingram (1971) concluded that in 1950 there had been:

> Many changes in the economy of Thailand in the last hundred years, but not much 'progress' in the sense of an increase in per capita income, and not much 'development' in the sense of utilisation of more capital, relative to labour, and of new techniques. The principal changes have been the spread of the use of money, increased specialisation and exchange based chiefly on world markets, and the growth of racial division of labour. The rapidly growing population has been chiefly absorbed in the cultivation of more land in rice (Ingram, 1971: 216-217).

Many studies of Thailand's development consider the *coup d'etat* of October 1958 and the establishment of the regime of Marshal Sarit Thanarat as marking the beginning of the modern economic period in the Kingdom. The Sarit regime did differ sharply from the governments of the 1932-1957 periods in terms of the role of the state in promoting development. Muscat (1990) describes this as follows:

> Probably the most important development policy choice by any Thai government in the past forty years was the decision of the Sarit regime around 1958-1959 to repudiate the Thai ethnocentric state *dirigisme* – economic intervention and the creation of state commercial and industrial enterprises to preempt economic development from non-Thai control – that had marked socioeconomic policy since the coup that marked the end of the absolute monarchy in 1932. This decision allowed the private business sector (largely Chinese or Sino-Thai at the time) to come forth as the engine of growth of Thai development and set the stage for the later emergence of a new political force (Muscat, 1990: 276).

The regime of Marshal Sarit Thanarat (1958-1963) was able to exploit the broad foundations set during the 1947-1957 Phibunsongkhram period, which included investment in transportation, electricity, irrigation, research into maize and rubber production, education and malaria suppression (Dixon, 1999). The Sarit regime, with support from the World Bank, also set about a considerable reappraisal of Thailand's industrial policies, preferring private (both foreign and local) capital investment and long-term planning (Goss and Burch, 2001). This ushered in the so-styled *samai pattana* or development era.

Thailand can be seen as an example of the Southeast Asian growth 'model', supported financially and technically by the US and supporting rapid economic growth. The *dirigiste* growth model of the 1960s-1980s was superseded by a neo-liberal model in the mid-1980s, a change which led to Thailand's years of 'miracle' growth through to the financial crisis of 1997, during which period the country's annual economic growth rates were among the highest in the world. During these years of globalisation and integration into the world market, global institutions and foreign companies came to play a more important role in the Thai development process. Throughout history, many institutions have played different and changing roles in controlling people, territory and natural resources in Thailand. The institutions and the roles they played have changed according to evolving internal and external power structure (Buch-Hansen, 2003). The period from the mid-1980s, therefore, represents another such shift, among several others in Thailand's development history.

Vandergeest (1991) has argued that development has been considered a ‘gift’ offered by the Thai government to the people and that this is something rooted in Thai history. Although this gift created responsibilities for those who benefitted from it, people would also have to donate labour for what is sometimes styled the ‘common good’ (Rigg et al., 1999: 593) in order to receive the development gift. It seems that villagers and village leaders tend to view development in material terms, in particular in infrastructural terms such as roads, water supply and electricity. It is also not surprising that villagers consider development as something that is done *to them*, and not something that they take upon themselves.

Government officials also tend to see development as a gift which has helped villagers move forwards to modernity. In addition, development in this sense means that villagers were obligated to the officials, creating a series of reciprocal obligations. However, it can be argued that development should be regarded as the villagers’ right and the government’s duty rather than considering development as a ‘gift’ provided by the government and development agencies since they have the power to discontinue the development projects at any time (Vandergeest, 1991).

3.3.1 Development and the Art and Practice of Development Planning in Thailand

The Thai word for development, or at least the term most generally used, is *‘kaanpattana’*. *Kaanpattana* means progressing or advancing forward. Though in many cases it is better to translate *kaanpattana* as ‘modernisation’, in the Thai context it is more usual to see it equated with development (Rigg et al., 1999). That said, Ruekrai (1984) has argued that *kaanpattana* can also be seen as a process to improve the quality of life and seek equity in both the economy and society. Ruekrai (1984) has also suggested that *kaanpattana* is different from *kaanjaroentebto* (or ‘growth’ in English) and different from the word *tansamaii* (or ‘modernisation’ in English).

All that said, *kaanpattana* was embraced by the Thai state in 1957 when General Sarit Thanarat became Prime Minister and set in place the bureaucratic apparatus necessary

to usher in the *samai pattana*, or development era (Demaine, 1986). This was focused on the National Economic Development Board (NEDB), tasked with the job of creating Thailand's first five year development plan. Nevertheless, this is not to suggest that there was no 'development' prior to Sarit's premiership. A similar word, *watthana*, was used by Field Marshal Plaek Phibunsongkhram, who dominated Thai politics after the coup of 1932 and who was Prime Minister from 1938 to 1944 and from 1947 to 1957. It is interesting to note that the standard Thai-English dictionary definitions for both terms emphasise 'progress, advancement' (Demaine, 1986). The key difference, perhaps, is that *wattana* is spontaneous and organic, while *pattana* is orchestrated and managed.

Krit Sombatsiri, a Thai economist, defines development as follows:

> The broad meaning of economic development encompasses the increase of national aggregate production (gross domestic product) through the growth of goods and services provided (Sombatsiri, 1981: 66).

It is significant that the definition of 'development' is qualified by the adjective 'economic', emphasising that the process is a particularly economic phenomenon. However, it was the persistent failure of even substantial rates of economic growth during the 1960s and 1970s to produce improvements in living conditions for large sections of the population – mainly those residing in rural and peripheral regions – that led one of the country's senior economists, Dr. Puey Ungpakorn, to express at the end of the 1970s the need for a 'new' view of development:

> Development is not just a matter of production. We should seek to produce in a just manner…and apart from justice, there are other things which need to be included in a social system to make the life of the population of a higher quality. We should not forget these. This is what I mean by real development…We have to overcome various difficulties, and the most important one amongst them is to help the countryside…or to enable the people with low incomes to help themselves (Ungpakorn, 1979: 42-43).

Chinnawoot Soonthornsima, the former Minister of the Ministry Office during 1992-1994, stated that ‘Development cannot be concentrated just in Bangkok. We have to bring development to the countryside to the provinces as well. Our aim should be the development of all areas’ (Soonthornsima, 1972: 147). This view of development was echoed by another economist, Chatthip Nartsupha, who wrote that ‘Development of the Thai economy does not mean just increasing production…we have to build a system which satisfies our ideals…What are those ideals?...Freedom and equality’ (Nartsupha, 1972: 156). Thus we see, during the 1970s, the emergence of debates in Thailand which emphasise the quality of material progress and economic versus social development, growth versus equality, and material growth versus human well-being.

3.3.2 Constructing the Machinery of Development

Thailand’s development plans represent an insight into the key debates that have informed government policy and, at the same time, can be seen echoed in wider development concerns in Thailand and beyond. Table 3.3 sets out the key concerns of each of the ten plans introduced since 1961. This short section will note the broader context within which the plans have been formulated.

During the 1950s a variety of government organisations were established to manipulate ‘aid’. In 1950 the National Economic Council (NEC) was established, its core function being the collection of national income statistics. In the same year, the Thai Technical and Economic Cooperation Committee was established to handle requests for aid. The 1957-1958 World Bank visiting mission recommended the setting up of a new coordinating agency for national planning (World Bank, 1959) and in 1959 the National Economic Development Board (NEDB) was set up by Sarit, as noted above. This replaced the Thai Technical and Economic Commission and the National Economic Council, to provide the mechanism for centralised national planning so that from 1960 planning became an established feature of Thai development. During the early 1960s, this planning machinery was further developed to include both national and regional dimensions. The establishment of the NEDB was accompanied during 1959-1960 by the establishment of a series of other

development institutions, notably the Board of Investment, the Budget Bureau, and the Office of Fiscal Policy (Dixon, 1999).

The national development plans formulated by the NEDB/NESDB provide general guidelines which require support from the many sectoral government agencies. As a result of the independence of the different departments within the Thai bureaucracy, the NESDB has little influence over the line agencies which implement the plans. As a World Bank study stated in 1980:

> There is little evidence that Thailand's development plans systematically guide or govern the actions of departments…in the day-to-day conduct of government affairs. Although national development plans should never be treated in mixed economies as binding and inflexible statements of government intentions, the frequency and extent to which development plans appear to be disregarded in the allocation of financial and administrative resources and in the introduction of new policies, programs and projects is indicative of a lack of full commitment to the concept of development planning (World Bank, 1980: 28).

The first national development plan appeared in 1961 and covered a five-year period, during which the strategy of import-substitution and urban-based industrialisation was emphasised. However, it can be noted that rural development emerged as a concern in Thailand as a result of the uneven development of the national economy after the start of national development planning in 1961 (Jamrik, 1983). The basic strategy of the first plan was carried into the Second Five-Year plan (1966-1971), which increased the role of the Board of Investment (BOI), which was created during the first plan. Under the Third Five-Year Plan (1972-1976), recognition of the changing national and international political and economic environment for the first time marked the inclusion of objectives other than economic growth, such as social justice, in development planning.

By the time the third plan (1972-1976) was published, it had become a national economic *and social* development plan instead of only an economic development plan; the NEDB had become the National Economic and Social Development Board

(NESDB). This change was reflected in a shift in budget provisions from building up economic infrastructure to the allocation of funds to improve educational and health facilities (Demaine, 1986). The key concept of the Third plan was 'human resource development':

> This target for national economic and social development has been established with the major objectives of developing the human resources simultaneously with natural resources. It is felt that human resources play a leading role in the effort to increase the national productive capacity….The government feels that human resources in the rural areas of the country are great natural assets which cannot afford to be neglected….The increase in efficiency of the rural labour force is very closely related to raising incomes and living standards of rural people (NESDB 1972: vi).

In the late 1970s the Thai government increasingly became concerned with personal, sectoral and regional equity. It was realised that if a determined effort was not made to remedy spatial inequities, the imbalances could result in political instability and economic stagnation in the peripheral areas of the country. To rectify these problems, the Thai government introduced a spatial approach to development planning in the Fourth Five-Year Plan (1977-1981) to enable larger numbers of people to participate in and benefit from economic growth (Keokungwal, 1992). Thus, one of the most innovative features and also the central concept under this Plan was the beginning of policies to decentralise development away from the Bangkok metropolis and towards rural regions of the nation, where the majority of the population resided and where poverty is concentrated (Stohr and Taylor, 1981). This, it should be added, is still the case.

A key aspect in the Fifth Plan (1982-1986) was a poverty eradication programme which identified one-third of the country's districts as targets for special attention. All of these districts were situated in peripheral areas (Hirsch, 1990). The Sixth National Plan (1987-1991) emphasised strengthening the linkages between regional urban centres and their rural hinterlands (Parnwell, 1992).

A key issue and question is how plans written in one era can be modified as circumstances change. The plans are almost never implemented in the form described in the plan documents themselves, and often effectively not at all. For example, the Eighth Plan (1997-2001) was overtaken by events in the form of the Thai economic crisis. The plans are more useful as indicators of the policy directions that the government viewed as appropriate at the time the plans were drawn up (Warr, 1993).

Table 3.3 Thailand's National Economic and Social Development Plans

The National Economic and Social Development Plan	Key Components
The First Plan (1961-1965)	• Single objective: Economic growth • Top-down planning • Import-substitution and urban-based industrialisation
The Second Plan (1966-1971)	• Economic growth • Rural development, particularly in North-eastern region • Top-down planning • Increased the role of the Board of Investment (BOI)
The Third Plan (1972-1976)	• Economic growth • Financial stability • Top-down planning • Human resource development • Social justice
The Fourth Plan (1977-1981)	• Multiple objectives: economic growth, structural adjustment in industrial production for export, income distribution, stabilise balance of payments • Top-down planning • Participation/ Decentralisation • Agricultural production • Metropolis to rural areas
The Fifth Plan (1982-1986)	• Top-down planning but decentralisation to other provinces /districts • Rural poverty • Poverty eradication programme
The Sixth Plan (1987-1991)	• Encourage bottom-up planning • Strengthen linkages between urban and rural regions
The Seventh Plan (1992-1996)	• Sustainable development • Balance in economic growth, income distribution and human resource development

The Eighth Plan (1997-2001)	• People-centred development • Bottom-up planning • Participation/ Decentralisation • Balance in economic, social and environmental development
The Ninth Plan (2002-2006)	• Sufficiency economy: the middle path as the overriding principle for appropriate conduct and way of life of the entire populace • Sustainable people-centred development • Balance development of human, social, economic and environmental resources • Establishment of good governance at all levels of Thai society • Poverty reduction
The Tenth Plan (2007-2011)	• Sufficiency economy: the middle path as the overriding principle for appropriate conduct and way of life of the entire populace • Green society: balance development of human, social, economic and environmental resources • Encourage human merit

Source: NESBD 'Thailand's National Economic and Social Development Plans'. [Online]. Available at: http://www.nesdb.go.th/econSocial/devCom/bottombar_copy.htm (Accessed: 15 December 2006).

Thailand's development policy over the period from the First until the Seventh National Economic and Social Development Plans (1961-1996) achieved economic growth but considerable social problems had accumulated as a result of non-sustainable development. The Eighth National Economic and Social Development Plan (1997-2001), therefore, had the revised aim of promoting sustainable development. The plan's development strategies emphasised the development of human resources, quality of life, people's participation, and the strengthening of community organisation. Nevertheless, the Thai economic crisis in 1997 meant that, as noted, this plan was never really implemented. The Ninth Economic and Social Development Plan (2002-2006) was, in a sense, a re-statement of many of the objectives in the Eighth Plan but with the important added ingredient that it also adopted the philosophy of His Majesty King Bhumibol Adulyadej's 'Sufficiency Economy' as a policy guideline. This plan is to develop good governance, strengthen

the grassroots of society and develop sustainable development in rural and urban communities (Prayukvong, 2007).

Bearing in mind the concerns of this thesis, the chapter will now turn to examine a sub-set of Thailand's development policies, namely those concerning rural development in the country.

3.4 Rural Development in Thailand

To understand the nature of rural development in Thailand we need to begin by considering the structure and location of the country's development infrastructure. More particularly, it is necessary to reflect on the implications of the location of the central government administrative system in Bangkok. This, it is argued, has significant consequences for the way in which the articulation of development with rural areas is organised. Decisions and policies come from the centre to the rural areas – projects and programmes are generally imposed in a 'top-down' manner on the peripheral regions. Officials located in Bangkok tend to perceive and define problems and needs according to their own urban backgrounds. This raises questions about whether such perceptions and definitions accurately reflect the needs and realities of rural areas and peoples. For many, there is a clear need for decentralisation since the wide range of resources and needs implies that the centralised model of development is not sufficient to acknowledge local factors.

Rural development emerged as a concern in Thailand as a consequence of the uneven development of the national economy after the start of national development planning in 1961 (Jamrik, 1983). In the first three National Economic and Social Development Plans, growth was centred in Bangkok and surrounding areas, while peripheral parts of the country showed relatively limited involvement in the development (modernisation) of the national economy. This was, perhaps, scarcely surprising given the lack of financial and human resources at the time and the need to concentrate such scarce resources in those areas with the greatest potential. The imbalances that this created were behind some of the political changes of the 1970s, and the Fourth, Fifth, and the Sixth National Economic and Social Development

Plans highlighted the need for rural development and balanced development (Hirsch, 1990). At this early stage, rural development strategy was mainly based on a growth oriented conception of progress. Therefore, rural development strategy was aimed at an increase in national income and production (Panpiemras, 1987).

The main discourses of rural development in Thailand have focused on increasing villagers' rights, duties, and responsibilities as citizens, and the unity of the Thai people. Also, the Thai rural development project needs to be understood in terms of power structures both within and outside the village. The wide range of activities carried out by the Thai state bureaucracy at the local level is generally considered to be a part of 'rural development'. Rural development was in effect a problem of how to manage national resources in rural areas and thus increase the prosperity and productivity of these areas (Hirsch, 1990). This chapter will now turn to exploring rural development strategies in Thailand in more depth.

3.4.1 Rural Development Strategies in Thailand

The Thai government started a more systematic approach to rural development policy at the end of the 1950s with the setting up of an office to take charge of administering rural development (Suvitya, 1966), but at least until the start of the 1970s its primary focus was on developing infrastructure and maintaining social order. In 1962, the office became the Community Development Department (CDD) of the Ministry of Interior (Shigetomi, 2004). In the mid-1970s a major change occurred in rural development policy. The Thai government began placing much more emphasis on villager participation when implementing development projects (Shigetomi, 1998). Throughout Thai history, foreign powers, international organisations, the state, the market (economic forces) and civil society have played different roles and have affected the course of historical changes and development of rural Thailand (Buch-Hansen, 2003).

Throughout the modern economic history of Thailand many approaches to rural development policy have been tried, such as the provision of basic rural infrastructure, irrigation services, integrated rural development, and the development

of local participation structures. However, the most important has been the National Rural Poverty Plan, which was appended to the Fifth Economic and Social Development Plan, launched in 1982. The originator of this special plan was Kosit Panpiemras, who at that time was the Assistant Secretary-General of the NESDB. He had been involved in the analysis of poverty in Thailand for several years. According to him, poverty was defined as deprivation, illness, and ignorance, all revolving around human existence. People in many areas in Thailand, especially those living in more remote and marginal areas of the country such as the North and Northeast, had not derived the full benefit of Thailand's economic growth and modernisation. As a result, it was the duty of the government to preferentially allocate more resources to these people, and allow them to participate in the implementation and planning of rural development policy (Quibria, 1996).

More recently, this emphasis on the *quality* of development can be seen reflected in the debate over the sufficiency economy and human well-being. After the economic crisis in 1997, His Majesty King Bhumibol Adulyadej articulated and promoted the concept of the Sufficiency Economy in remarks made in December 1997 and the following years. The concept points the way for recovery that will lead to a more balanced, resilient, and sustainable development, better able to meet the challenges arising from globalisation and other changes (Piboolsravut, 2004). The Sufficiency Economy places humanity at the centre, focuses on well-being rather than wealth, makes sustainability the core of the thinking, understands the need for human security, and concentrates on building up people's capabilities to develop their potential (UNDP, 2007). The Sufficiency Economy emphasises the significance of protecting the country and its people against shocks. The Sufficiency Economy is closely related to Buddhist ways of thinking. In Buddhism, the world is a place of suffering. By being born in this world, humans encounter suffering. But the point of the Buddha is that everyone has the capability to overcome this suffering by developing the mental ability to understand it, and to rise above it (UNDP, 2007). Buddhist economics is the application of the Buddha's message to an analytical approach encompassing generally accepted economic concepts with an increase in understanding of morals and values, which are the missing elements in neoclassic economics. Buddhist economics therefore seeks a balanced equilibrium, which aims

to achieve the satisfaction of achieving quality of life instead of the satisfaction of maximising consumption (Prayukvong, 2007).

3.4.2 Rural Industrialisation in Thailand

'Rural industrialisation' represents an approach to development which has become popular in many developing countries because it is seen as addressing many of the key challenges facing rural areas. It can be defined in terms of nonagricultural activities in household production for family and local needs. In particular, it represents an approach which can contribute to a better distribution of development benefits. Rural industrialisation can be looked at as a means to reduce employment problems in less developed areas of the country, providing better employment opportunities for the un- or underemployed labour force in the agricultural sector (Panpiemras, 1987).

> Rising rural unemployment and persistent rural poverty are two such problems. In order to tackle them, and the associated problem of out-migration, the Thai government has sought to create employment opportunities in the rural sector, particularly outside farming (Parnwell, 1990: 2).

Thailand's rapid industrial growth since the 1980s has considerably affected the country's economic structure. The contribution of the agricultural sector to GDP has progressively declined, while the manufacturing and service sectors have become more significant. Nevertheless, the growth within these two sectors has not been equally distributed across the country. Bangkok and its periphery attract massive investment, thereby creating various problems ranging from congestion and pollution to inadequate infrastructure. Hence, the decentralisation of industry to the provinces became accepted as one of the country's strategies to achieve more spatially balanced industrial growth (Nartsupha, 2003).

Table 3.4 Structure of Thai Economy in 2008

Sector	GDP by Sector (%)	Labour force by sector (%)
Agriculture	8.9	39.0
Manufacturing	40.1	14.5
Wholesale and Retail Trade	13.8	15.3
Other services *	37.2	31.3
* Other services include the financial sector, education, hotels and restaurants, etc.		

Source : BOT (2008) 'Structure of Thai Economy in 2008'. [Online]. Available at : http://www.bot.or.th/English/EconomicConditions/Thai/genecon/Pages/Thailand_Glance.aspx (Accessed: 10 November 2009).

Even though decentralisation does not directly impinge on rural spaces and the economy – the main target centres are secondary urban areas – it does potentially re-orient the migration of rural labour and allows for easier maintenance of links between migrants and their home communities (Hirsch, 1994). Parnwell (1990) has discussed the potential role to be played by rural industries in rural and regional development in Thailand:

> Put very simply, the modernisation and development of small-scale industries in peripheral rural areas might help to achieve a number of the objectives of national development policy makers which 'conventional' planning approaches such as urban-industrial decentralisation and rural job creation have been singularly unsuccessful in accomplishing (Parnwell, 1993: 244).

Underlying policies to promote rural industry is the belief that if industrial activities can be enticed to locate in rural areas where most of the poor in Thailand live, and the necessary labour could be released from farms to work in the factories nearby, then rural poverty could be reduced, rural-urban inequalities challenged, excessive urbanisation controlled, and living standards for rural people improved. Furthermore, investment in rural industries would help to stimulate the local economy. Therefore, the rural employment generated will not only improve the income conditions of rural people, including the rural poor, but will also help the move toward a more balanced transformation of the economy (Quibria, 1996). To quote Parnwell again:

> Given that the insufficiency of income in their local areas is one reason why large numbers of people regularly migrate to urban centres, especially Bangkok, the promotion of industrial production in the countryside might also help to stem the haemorrhage of the region's human resources towards the capital primate city (Parnwell, 1993: 244)

The potential significance of rural industries, regularly discussed in conjunction with small-scale industries, was not really accepted by Thailand's economic planners until the 1970s. In the First and Second Plans, small-scale industries were mentioned as being important to economic development, but no specific policies were outlined. In the Third Plan, regional industrial development was mentioned as a means to deal with the industrial concentration in Bangkok and surrounding areas. It was not until the Fourth Plan, however, that both small-scale industries and provincial industrial location received explicit attention. However, this was short-lived. In the Fifth Plan, the interest of development planners in small-scale and rural industries was replaced by an interest in large-scale industries, propelled by foreign direct investment and geared to exports. A new policy framework for rural development called the National Rural Development Programme (NRDP) was formed at this time. Coordinated by a national committee headed by the Prime Minister, the NRDP included a range of government agencies' projects aimed at making activities more effective. Another important change was that, really for the first time, rural people were permitted to contribute their own project ideas and played a role in the formation of development-oriented organisations (Shigetomi, 2004). In the Sixth Plan, the promotion of small-scale and rural industries received little attention. The success of exports in the first few years of the Fifth plan had apparently reoriented the government toward large-scale, capital-intensive industrialisation approaches (Quibria, 1996). That said, it should be noted that under the Fifth and Sixth Plans there was increased official interest in rural industry, marked by the establishment of the Rural Industry Fund in 1988 (Dixon, 1999).

Parnwell argues that the case for rural industrialisation in Thailand "as part of the strategy for alleviating the problems of rural areas and peripheral regions in Thailand is not a difficult one to make" (Parnwell, 1990: 5). Therefore the rural sector and rural areas should be more centrally drawn into the country's industrialisation process, to

enable the benefits of Thailand's modernisation to be more equally and equitably distributed. This in turn would have the dual benefits of easing some of the social, environmental and welfare pressures on the metropolitan region, and at the same time stopping the haemorrhaging of human resources from the rural periphery (Parnwell, 1996).

It can be noted that the key development of the second half of the twentieth century in Thailand was its rapid economic and social change from an agriculture-based economy to one based on industry and services. Beginning in the 1930s and reaching a peak in the 1950s and 1960s, the national development project in Thailand centred on efforts to build up state-supported and protected domestic industries and to promote the growth of the internal market for the consumption of industrial goods. Starting in the 1970s, and reaching a peak in the 1990s, the export-oriented approach has been marked by the encouragement of exports of manufactured goods, the expansion of banking, property and tourism and rapid urbanisation (Goss and Burch, 2001).

Rural industrialisation might help not only achieve a more balanced pattern of industrial development in Thailand but it would also serve to slow the rate of urban concentration. An additional potential benefit of rural industrialisation would be to increase the female labour force participation rate in rural areas, as women regularly play a key role in cottage industry (Islam, 1987):

> …If traditional rural cottage industries are to be 'brought into the modern world' in order to achieve some of these objectives. In essence, a larger volume of more marketable and better quality goods must be produced more cheaply, more reliably and more efficiently. To achieve this, the supply of raw materials and finance capital must be improved, production skills enhanced, entrepreneurship developed, designs changed, new technology introduced and marketing systems extended…It is clearly unrealistic to expect all of these changes to take place spontaneously and independently of external involvement and support (Parnwell, 1993: 247-248).

3.5 Thai Rural Development and Rural Handicrafts

Since the early 1980s, the Thai government has paid considerable attention to improvements in the rural handicrafts sector. The Fifth National Plan (1982-1986) highlighted restructuring the economy to make it more export oriented and diversifying the economies of rural areas. The underlying objective was to confront the increasing problem of unemployment in rural areas. Rural craft industries provided the cornerstone of this policy. The Sixth National Plan (1987-1991) placed even greater emphasis on rural industrialisation, with a focus on promoting the development of small-scale industries through the promotion of entrepreneurship, improving market information, strengthening of management, and easing financial constraints (Parnwell, 1993).

The importance of handicraft production lies in its potential for promoting rural industries and supporting rural development in Thailand. The recently published UNDP *Thailand Human Development Report* (UNDP, 2007) illustrates the shift in development focus in the Kingdom towards local initiatives informed by the so-called ‘Sufficiency Economy’. The report highlights handicrafts as one means of promoting and achieving such a future (UNDP, 2007: 52). The promotion of handicrafts has been used by the Thai government as a significant means of increasing earnings from tourism and, at the same time, supporting the development of the country’s export economy (Parnwell, 1993).

Thai government agencies have, more widely, intensified their efforts in an attempt to support the rural industrial sector. In contrast to neighbouring countries, Thailand did have a difficult task in managing the work of a large numbers of agencies which had overlapping responsibilities for handicraft industries (Parnwell, 1993). The main agency for supporting craft industries is the Department of Industrial Promotion, in particular the Handicrafts Promotion Division, which was in charge, for example, of coordinating the Thailand Arts and Crafts Year (1988-1989). Other agencies with partial responsibility for supporting small-scale industries are the Small Industries Finance Office, the Board of Investment and the Industrial Finance Corporation of Thailand (Parnwell, 1993). Nevertheless, several organisations are involved in the government OTOP project, which can risk overlapping and duplication. While there

has been a history of promoting handicrafts in Thailand, dating back to the Fifth Plan, these efforts came to a head in the OTOP programme introduced in 2001 (explored in greater detail below).

There are a number of policies developed by successive Thai governments (particularly those of the government of former Prime Minister Thaksin Shinawatra 2001-2006)[3] that are relevant to this study and which illustrate the practical significance and relevance of handicrafts in rural development. Of these the most important and high profile is the One Tambon One Product (OTOP) policy, which has an important handicraft component, and has been a significant element in the government's rural development strategy.

The One Tambon One Product project is aimed at enabling each community to develop and market its own local product or products based on traditional indigenous expertise and local know-how. The Government is further prepared to provide additional assistance in terms of appropriate modern technology and new management techniques to market such local products from the village to domestic and international outlets through a national or international retail network or through the internet. The establishment of a People's Bank to ensure better and improved access to banking facilities and resources for low income citizens and a Bank for Small-and Medium-sized Enterprise in order to promote and increase the number of entrepreneurs in a systematic manner are important elements of the strategy. Overall, the intention of the OTOP programme is to expand the national productivity base, increase employment opportunities in rural areas, raise rural incomes and so reduce poverty, promote exports, and serve as a mainstay for future national economic growth and stability. The inspiration for Thailand's OTOP programme came from an earlier Japanese exemplar, which will be briefly explored next.

[3]Thai Government Policy 'Policies of the government of Prime Minister Thaksin Shinawatra 2001-2006' [Online]. Available at: http://www.thaiembdc.org/politics/govtment/policy/54thpolicy/policy_e.html [Accessed: 15 December 2006] .

3.5.1 One Village One Product (OVOP), Oita, Japan: A Model for the Thai One Tambon One Product (OTOP) Project

The former governor of Oita prefecture, Japan, Dr Hiramatsu, advocated the 'One Village, One Product' (OVOP) movement[4] in 1979, aiming at the creation of a hometown in which citizens could take deep pride. In recent years, this movement has attracted attention from all over the world, in particular from other Asian countries as a useful approach to regional revitalisation, and some countries have actively applied it to their policies to solve poverty issues, including Thailand.

In 1979 at the onset of the OVOP project, the incomes of Oita's citizens were low, and the disparity between Tokyo and local areas was great. The first thing Dr Hiramatsu tried was to increase citizens' incomes *and* build up their confidence; society was 'realised' by focusing on economic development, raising citizens' incomes (the Gross National Product (GNP) oriented society) and improving well being more broadly. He decided to aim at a society where the elderly live with peace of mind, the young can fully express their vitality, and people can produce their own specialties including culture and tourism even in rural places. The emphasis was on developing society by focusing on citizens' spiritual contentment rather than material satisfaction (the Gross National Satisfaction (GNS) oriented society). For the realisation of both GNP and GNS oriented societies, the 'One Village, One Product' movement was proposed (Oita OVOP Committee, 2006).

Broadly-speaking, there are two approaches to revitalising regions: exogenous and endogenous. Exogenous development is a way to promote, for example, the modernisation of extractive industries such as gas, oil and mining by introducing investments or resources from the outside, especially from foreign companies in developing countries. Endogenous development is another type of invigoration approach for rural areas. While making full use of their potential resources and capital, and also preserving the environment, people can develop their areas by promoting semi-secondary industries. This is the spirit of the OVOP movement. This type of development does not make a large contribution to the economic development

[4] One Village, One Product (OVOP) Movement Information. [Online]. Available at: http://www.ovop.jp/en/index.html (Accessed: 3 August 2007).

of the whole region, since each of the projects is generally small-scale, and the capital and resources used for it are also small. But the ‘reach’ of such an approach, in terms of geographical and population coverage, can be very significant indeed. The aim of the OVOP movement is to create and market local products that, in time, can gain a global reputation (Oita OVOP Committee, 2006).

The philosophy of the OVOP movement was to protect the living environment from damage, while aiming at a sensible level and pace of development and a society which maintains harmony between material and spiritual satisfaction. ‘Balance’ is key here: coexistence of nature and humans, co-prosperity of agriculture and industry, correction of the disparity between urban areas and rural areas, technological transfers from advanced industries to local industries, and finding solutions to counteract discrimination against different ethnic groups, disabled people and women and men. From this point of view, Dr Hiramatsu recommended that the citizens of Oita should promote their own specialties in which they can take pride, whether they are agricultural products, tourism, or folksongs.

As an alternative to exogenous development, the OVOP movement promotes and supports the potential of local resources, knowledge and expertise. This is the spirit of the OVOP movement – creating products that are local, yet global in appeal. Thus, the OVOP movement is about using local, natural resources to make high value-added products. Rather than just copying Tokyo or Osaka, it aimed to create a cultural environment and products unique to Oita.

The first principle of the OVOP movement is to revitalise each local community by developing its potential resources to create high value-added products while conserving the environment. The second principle is self-reliance and creativity. The driving forces of the movement are an area’s or community’s citizens. It is not government officials but locals who choose what they prefer to be their specialties to revitalise their area. The point is that subsidies should not be provided to locals directly, because this might create dependency and undermine sustainability. The OVOP movement is a campaign to facilitate regional development through making locals aware of their potential and maximising it with their spirit of self-reliance while the prefectural government provides technical advice.

The most important element of the programme is the leading role that people play in the effort. Human resources are important to promote the revitalisation of a region. Citizens can choose a speciality product themselves, and promote it at their own risk. Local governments help them by providing technical guidance and support for sales promotion, which might include, for example, the establishment of a private company, product fairs, research through shops in urban areas, or creating an award system to celebrate success.

During the 1980s in Japan, overpopulation in urban areas and the depopulation of rural areas became increasingly serious problems. The re-balancing of society and the economy were identified as big challenges for governments at all levels. The third principle of the OVOP movement is human resources development, the most important objective of this campaign. It is not government but citizens who produce specialities. Government must cultivate and promote human resources and in order to fulfill this objective, the Land of Abundance Training School was established in 1979. The students include farmers' wives, agricultural cooperative staff, school teachers and office workers (Oita OVOP Committee, 2006).

Twenty-five years have passed since the OVOP movement was started in Oita. Take off took some time. It has taken a long time to produce specialities. In the meantime, the number of items has doubled, and the total sales have increased four times. A huge increase in the number of products and amount of sales was seen between 1980 and 2001, when the figures stood at 143 and 35.9 billion, and 336 and 141 billion respectively. However, not all of them have been successful, and there have been many failures. In addition to the development of local resources while protecting natural ecosystems, which economists call 'endogenous development,' regional revitalisation was promoted through extrinsic sources by bringing in high-tech industries. A regional activation project that made full use of the natural characteristics of each of those areas was planned (Oita OVOP Committee, 2006). Leaders in other Asian countries have taken an interest in the OVOP movement, and visited Oita to learn about it. Former Prime Minister Thaksin Shinawatra of Thailand, for example, visited Oita and adopted the movement as a national policy under the name of 'One Tambon One Product' (OTOP).

3.5.2 Thai Government One Tambon One Product (OTOP) Programme

In response to His Majesty King Bhumibol Adulyadej's philosophy of the 'Sufficiency Economy', the One Tambon One Product (OTOP) programme was initiated in 2001 as one of the national policies to lessen poverty in rural areas, and one of the key policies to promote rural development. The OTOP programme is designed to encourage local communities to produce unique local specialities connected with local culture and being marketable both domestically and internationally. To achieve its purposes, government has supported local communities – primarily by providing knowledge, skills, and technology – to draw on their local wisdom and local resources in product development and community development. (The links with the Japanese OVOP programme are therefore clear.) In addition, local communities have been encouraged to work in partnership: to produce, manage and develop their local wisdom and resources in cooperation with one another. Through the OTOP programme, the government has anticipated that each local community can raise its income earning potential, its well-being and develop its local economy. Another benefit of the OTOP policy is to provide new career opportunities in rural areas. The OTOP project, therefore, provides an opportunity for villagers to enter and experience a new business arena.

Thailand has 76 provinces, each of which is developing its own specialities. The Thai government has applied a star grading system to the assessment of local specialties. The products are graded by a group of professionals and experts from different Ministries and awarded from one star to five stars. Five-star products can be exported to other countries, three-stars are marketed domestically, and products with one-star are allowed to be sold only in the areas where they are produced. This star grading is the quality control process, but the programme also provides promotion and further facilitation in terms of training, providing tools and machinery, grants and financial support. Two sets of evaluation criteria are used for this purpose. From the supply side, provincial identity, use of local 'wisdom' (or *phoom pun yaa chaow baan* in Thai) and resources, marketability, value creation by processing, and new design are all used. On the demand side, the criteria used are production, quality and standard, marketing, social responsibility, product design, and cultural preservation (Routray, 2007)

The One Tambon One Product (OTOP) campaign operated for five years under Thaksin's government (2001-2006) and was then continued under the government of Prime Minister Surayut (2006-2008). However, under the latter the campaign was changed to 'Local and Community Products', on the basis that this new name better represented the campaign. This is based on the belief that the fundamental value of local products is embedded in community. Therefore, the focus of the policy should be on local or community value, rather than on the products themselves. Furthermore, the new name reflects the fact that the products essentially come from the local community or households in the village, not from business-oriented small and medium size factories. Besides, bearing in mind that there is often more than one product in a community, One Tambon One Product is not a strictly accurate name. Nevertheless, the new OTOP committee of Surayut's government did see 'OTOP' as a brand with some brand recognition, therefore the logo for the products and the name itself are still used in marketing.

3.6 Conclusion

This chapter has covered a great deal of ground to provide a broad context from which it is possible to understand the two study sites and the development history of which they are a part. It has aimed to draw out the key challenges facing rural areas and rural people and the discourses that have framed Thailand's development path in general and role of the handicraft industry on the country's rural development in particular. The analysis in the chapter shows that although the Thai economy has undergone very significant transformations over the last half century, the divide between rural and urban areas and populations seems, from the available statistics at least, to be largely unresolved. The disparities which informed and propelled earlier development initiatives are apparently just as wide as they were. This raises a series of questions about why this is the case. More profoundly, perhaps, it also raises the question of whether such an approach to understanding the key disjunctures in development are still appropriate. These questions and issues will be elucidated in later chapters. The discussion in this chapter also pointed to the important role of the handicraft industry in the country's rural development, especially following the initiation of the OTOP project during Thaksin's government. It is evident that the

OTOP project has provoked some transformations in the rural areas where the projects have been established. The chapter, therefore, provides the basis for further evaluation and discussion on the role of the handicraft industry in Thailand's rural development. These are key issues of investigation in Chapter Six and Chapter Seven. The next chapter, however, will discuss the range of methodologies used in the thesis.

Chapter Four

Research Methodology:
Methods and an Introduction to the Study Sites and Cases

4.1 Introduction

This chapter proceeds with elaborating the research methodology by firstly introducing, in Section 4.2, the research framework, the research questions, and the research process involved. Then, Section 4.3 summarises the research sites and explains the basis for the selection of the key informants. As outlined later in the chapter, a questionnaire survey and semi-structure interviews were chosen as the main research methods. Issues related to questionnaire survey design and the selections of cases are discussed in Section 4.4, together with a discussion of the semi-structure interviews, oral histories and sample groups for the semi-structured interviews and questionnaires. Section 4.5 explores methods and the links to the research questions. Section 4.6 then describes the data analysis techniques used to analyse the survey information. Section 4.7 presents an account of the positionality and ethical issues encountered during the fieldwork. The final section, Section 4.8, discusses the problems and limitations associated with the methods chosen.

4.2 Research Framework

As argued by many scholars of methodology, good research design should incorporate at least five main components, namely: research objectives, conceptual context, research questions, research methods, and validity (Miles and Huberman 1994; Robson 2002; Maxwell 2005). Maxwell (2005) argues that designing a research project should be viewed as an iterative process that involves tacking back and forth between the different components of the design, including assessing the implications of purposes, theory, research questions, methods, and validity threats.

First, a set of questions should be specified in accordance with the purposes of the research and the organising theoretical frame adopted. The 'purpose' is referred to as the aim of the research or the reasons why it is being carried out, whether it is to describe something, to explain or understand something, to assess the effectiveness of something, to respond to some problem, or to change something as a result of the study. The aim of this thesis is to investigate the role of handicrafts in rural development in Thailand and to explore how their role evolves over time in the context of a modernising economy. The theory or conceptual framework, as outlined in Chapter Two, has provided a guide to understanding the findings or the phenomena revealed. After these elements are successfully specified, the most appropriate methods and sampling strategy can be decided on to help answer the specified research questions. Robson's (2002) framework for research design is illustrated in Figure 4.1.

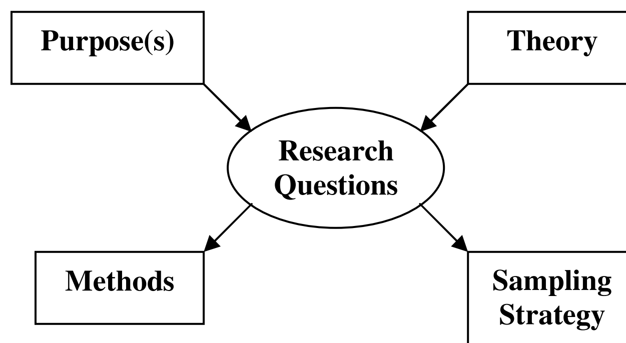


Figure 4.1 Framework for Research Design

Source: Robson, 2002

4.2.1 Research Questions

Research questions refer to a set of questions seeking to find an answer (or answers) in line with the aims of the research. They must be feasible and linked to the purposes of the study given the available time and resources (Robson, 2002: 58).

My central research question is: *To what extent, and how, does handicraft production support rural development in Thailand?*

The supplementary research questions are:

1. *What is the role of handicrafts in livelihoods?*

2. *How does handicraft production help in the alleviation of rural poverty?*

3. *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?*

4. *What is the role of indigenous knowledge in supporting rural industrialisation?*

5. *What is the potential of rural industrialisation to support rural development?*

6. *Can rural industries help to narrow the divide between rural and urban areas and within rural areas?*

7. *How does the Thai government support rural development in general and rural industries in particular?*

8. *How is rural handicraft production being integrated into global production networks?*

In order to answer the main research question, it is crucial to understand the role of handicraft production, and the details of its role linked to rural development and rural industrialisation. Based on interviews with senior civil servants, villagers and secondary data and literature, the key issues of rural development such as rural industries, rural livelihoods, rural poverty and handicraft policies are identified. This leads to other sub-questions. The first and second supplementary research questions aim at identifying key changes in rural livelihoods and poverty that emerge from the expansion and development of handicrafts. In this regard, it is interesting to note that while the handicraft industry may play a significant role in villages and rural livelihoods, it may at the same time have a 'negative' effective on farming. The third and fourth supplementary research questions aim at examining the role of indigenous and local resources on handicraft processes and production. The fifth and sixth supplementary research questions propose to study the role of rural industries and their potential to keep rural people in rural areas, rather than migrating to urban areas. The seventh supplementary research question, then, aims at examining Thai government plans, projects, policies and processes in rural development. The last question aims at providing a big picture of rural development and rural industrialisation by linking rural industrialisation to global production networks.

These research questions outlined above are reflected in the choices of methods to be introduced in the next section.

4.2.2 Research Process

In this study, the literature was reviewed first in order to help formulate the research questions and build a conceptual framework. Then the data were collected in line with the conceptual frame and with the intention of illuminating – and answering – the research questions. This has helped predetermine and focus that is to be observed and what data are to be collected. The data were then analysed before establishing generalisations inductively by drawing conclusions from the observed and identified relationships in the pattern of data. Finally, the established framework was revised again. The research process is illustrated in Figure 4.2.

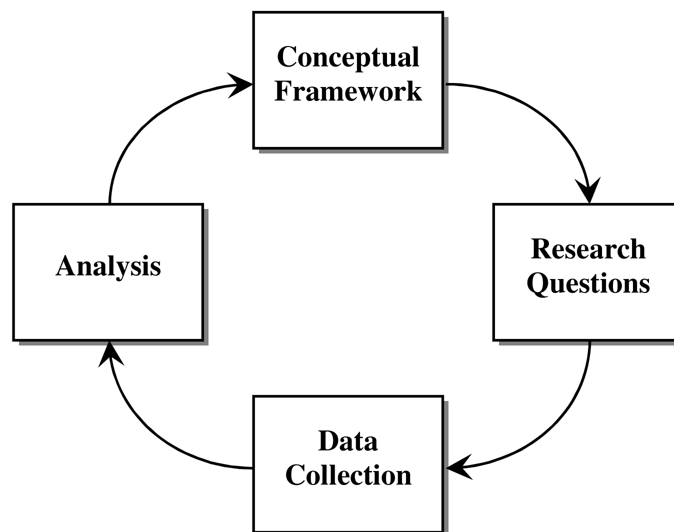


Figure 4.2 Research Process

Source: Author

In practice, the research process has been adapted and divided into stages, as illustrated in Figure 4.3. Based on the literature reviews related to rural development, the research questions have been set and refined. The next stage, the design of the methodology, involves the selection of choices of methods,

including deciding what quantitative and/or qualitative data to collect (and, by implication, what not to collect), defining variables, and planning the operationalisation of the research. However, this thesis involves two stages of data collection, along with the analysis.

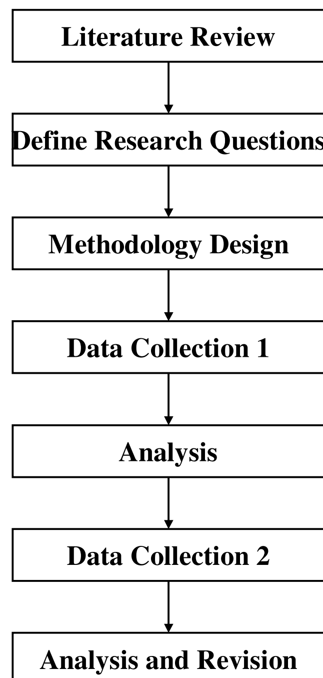


Figure 4.3 Research Stages of the Thesis
Source: Author

4.3 An Introduction to the Field Areas

As the province with the richest handicraft tradition in Thailand, Chiang Mai was selected as the most appropriate area in which to undertake the field work and, specifically, two villages were selected for study in order to assess the roles of handicrafts in rural development. One selected case study village was Baan Ton Pao in Sankamphaeng district, which specialises in *saa* paper making. Sankamphaeng district was deemed particularly appropriate as a study site because a range of handicrafts are manufactured in the district; of these *saa* paper is particularly significant and long-standing. The second selected village was Baan Muang Kung in

Hang Dong district, where handicraft production is based on terra cotta (pottery) making. This industry provides an interesting counter-point to *saa* paper making, as I explain later in the chapter.

Not only are the two villages appropriate because of their long-standing and important engagement with handicrafts, but both are within easy reach of Chiang Mai city. Sankamphaeng district is 18 kilometres from Chiang Mai's Muang district while Hang Dong district is 15 kilometres away; hence they can be examined as examples for the study of rural-urban relations. Additional case study selection criteria were involvement in government projects, particularly in the OTOP (One Tambon One Product) project. Finally, the villages were selected because of the likely integration of handicrafts in each site into national and international networks.

The first period of fieldwork was undertaken from January 2007 to June 2007. During this period, a questionnaire survey was devised, piloted and carried out in order to gauge the conditions of rural residents and the links between handicraft production and other aspects of the rural economy. The survey questionnaires were used to collect basic data about community members in terms of their economic, social and cultural milieu, and the role of handicraft production in their livelihoods. The unit of study was the household so that handicraft production can be embedded in the structure of relationships between different family members (Flowerdew and Martin, 1997).

In addition, during this first period of fieldwork, I used semi-structured interviews with *pooyaiban* (village headpersons), and rural residents who either used to work or are currently working in handicrafts and agriculture, to identify the role of handicrafts in their livelihoods and the role of indigenous knowledge in supporting rural industrialisation. Additionally, to get a better understanding of broader economic and social developments in the village, interviews were also carried out with individuals outside the handicrafts industry circle. I also used oral histories to collect and record the experiences and memories of rural residents relating to themes such as traditional handicrafts, rural industrialisation, livelihoods and indigenous knowledge.

I undertook a second period of fieldwork from October 2007 to January 2008. This second stage of fieldwork involved interviewing local officers in the *Tambon* (sub-district) Administrative Organisation (TAO), senior civil servants, together with interviewing actors in the private sector, such as company employees, shop owners, and Thai and foreign buyers. These interviews were used to gather further key information about the place and role of handicrafts in rural development.

4.3.1 Selection of Key Informants

Key informants were selected according to their involvement in handicraft production and rural activities. Then, a snowball sampling strategy was used to further connect with informants in other positions within the organisations to access additional information and data. For instance, in public organisations and agencies, the first interviewee was with the head of the organisation/agency and s/he was asked to name someone else who could provide information on issues such as, for example, the OTOP programme or other handicrafts projects. As suggested by Eisenhardt (1989), questions probing for specific details in subsequent interviews were modified based on observations made during initial interviews (i.e. this interviewing process was iterative as each interview provided information to inform and fine-tune the next). These interviews were used to gather key information about the role of handicrafts in rural development. (See Table 4.1 for more information.)

Table 4.1 Interviewee Profiles

Organisation	Interviewee
1. National Economic and Social Development Board (NESDB)	- Wilaiporn Liwgasemsan, Deputy Secretary General - Pojanee Artarotpinyo, Senior Expert in Production and Service Strategies
2. Community Development Department, Ministry of Interior	- Auscharawan Maneeket, Director of Policy and Community Enterprise Development Division
3. Community and Handicraft Industrial Development Division, Department of Industrial Promotion, Ministry of Industry	- Kreewit Charoenphol, Director of Bureau of Community Industries Development
4. The Office of Small and Medium Enterprises Promotion (OSMEP), Ministry of Industry	- Pimolapar Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division
5. Industrial Promotion Centre Region1 (Chiang Mai Office), Department of Industrial Promotion, Ministry of Industry	- Kaewta Woratummanon, Industrial Technical Officer - Nantanut Weinthong, Industrial Technical Officer
6. Department of Export Promotion (Chiang Mai Office), Ministry of Commerce	- Jiraporn Tulayanon, Ex-Director of Regional Export Promotion Centre, Chiang Mai Office - Somjai Thanasitsomboon, Senior Trade Officer, Chiang Mai Office
7. Sankamphaeng District Administrative Office, Chiang Mai	- Pornsak Snguanpol, District Chief Officer - Lumduan Inchai, Developer - Supannee Wangmala, Developer
8. Ton Pao Municipality, Sankamphaeng, Chiang Mai	- Wimol Mongkonjaroen, Deputy Secretary - Sukin Wongsa, Mayor's Advisor
9. Hang Dong District Administrative Office, Chiang Mai	- Prayoot Jaroensab, Head of Development Division - Pacharee Kaewswang, Developer
10. Tambon Nong Kwai Administrative Organisation, Hang Dong, Chiang Mai	- Navin Takamsang, Tambon Vice-Chief
11. Chiang Mai Pan Cargo (Shipping Company), Chiang Mai	- Udomrat Akkarachinores, Managing Director
12. The Craft Design Service Centre (CDSC), Chiang Mai University	- Napong Snguannapaporn, Manager
13. Baan Nongkong School, Tumbon Ton Pao, Sankamphaeng, Chiang Mai	- Ausanee Jintanaprawasri, Vocational Training Teacher
14. Baan Sanpasak School, Tumbon Nong Kwai, Hang Dong, Chiang Mai	- Sangduan Yotpun, Vocational Training Teacher
15. Shop Owners	- Some informal talk at Night Bazar and Baan Tawai, Chiang Mai, also at OTOP CITY 2007, Bangkok
16. Travellers	- Informal conversation at Nigh Bazar, Chiang Mai
17. Villagers at Baan Ton Pao and Baan Muang Kung (See Appendix 2 for more detail)	- In-depth interview in 33 households included in the survey questionnaire

In addition, direct participation in seminars, workshops and events was particularly helpful in gaining some further insightful information and personal contacts with several key actors. See Table 4.2 for details of meetings, seminars and events I attended as an observer during the field studies

Table 4.2 List of Attended Seminars, Meetings and Events

Seminar, Meeting and Event	Date	Location
1. Seminar in *Saa* paper and Natural Dyes for Environmental Friendliness	13 June 2007	Ton Pao Municipality, Chiang Mai
2. OTOP Leading Plan (2008-2012) Meeting	22 November 2007	Ministry of Industry, Bangkok
3. Meeting of OTOP Administrative Subcommittee (8th/ 2007)	28 November 2007	Thai Government House, Bangkok
4. Official Announcement of OTOP Fair	6 December 2007	Thai Government House, Bangkok
5. OTOP Fair and Exhibition	14 December 2007	Impact Arena and Exhibition Centre, Bangkok
6. Saa Paper Centre's Business Plan Meeting	18 December 2007	Saa Paper Centre, Baan Ton Pao, Chiang Mai
7. OTOP Promoting and Performing Plans Meeting	15 January 2008	Ministry of Industry, Bangkok

4.4 Research Methods and Data Collection

4.4.1 Multiple Sources of Evidence

The data in this study comprises both primary and secondary data. Primary data collection was based on qualitative and quantitative techniques for gathering empirical evidence. Secondary data such as annual reports, project plans, financial information and statements from the involved organisations were also used in the analysis of this study. Much of this was in Thai, and translated into English for use in the thesis. However, the extent of the sources of evidence used varied between organisations. This was due to the accessibility and availability of the data sources. For instance, in the case of the Office of Small and Medium Enterprises Promotion (OSMEP), detailed information about function and strategy was available in the annual report. For general historical background and financial information, institutional websites and archival records of financial, output and outcome data from

their libraries or reading rooms provided useful contextual information. The sources of information for each case study are summarised in Table 4.3.

Table 4.3 Organisations and Data Sources

Organisation	Data Source	
	Interview	Archives and Documentation
1. National Economic and Social Development Board (NESDB)	✓	✓
2. Community Development Department, Ministry of Interior	✓	
3. Community and Handicraft Industrial Development Division, Department of Industrial Promotion, Ministry of Industry	✓	✓
4. The Office of Small and Medium Enterprises Promotion (OSMEP), Ministry of Industry	✓	✓
5. Industrial Promotion Centre Region1 (Chiang Mai Office), Department of Industrial Promotion, Ministry of Industry	✓	
6. Department of Export Promotion (Chiang Mai Office), Ministry of Commerce	✓	✓
7. Sankamphaeng District Administrative Office, Chiang Mai	✓	✓
8. Ton Pao Municipality, Sankamphaeng, Chiang Mai	✓	✓
9. Hang Dong District Administrative Office, Chiang Mai	✓	✓
10. Tambon Nong Kwai Administrative Organisation, Hang Dong, Chiang Mai	✓	✓

4.4.2 Embedded Strategy of Mixed Method

The research in this thesis was based on a combination of quantitative and qualitative research methods (i.e. it adopted a multi-method approach). As argued by Creswell (2009), the dichotomy between qualitative and quantitative research should be viewed as a continuum between two approaches. The purpose of using both methods is to use them as 'complementary' to each other (Hammersley 1996). Following this philosophy, both quantitative and qualitative methods were employed in order that different aspects of the investigation could be dovetailed (Hammersley 1996). Mixed methods research is not essentially just an exercise in testing findings against each

other. Rather, it is shaping an overall or negotiated account of the findings that brings together both components of the conversation or debate (Bryman 2007).

Quantitative approaches are best for testing a theory or explanation or for identifying factors that influence an outcome (Creswell 2009). Traditionally, results are interpreted and reported in terms of group averages and proportions rather than the behaviour of individuals. It therefore cannot capture the features and complexities of individuals. It also needs a developed conceptual framework, and a substantial amount of pre-specification about the methods and types of data to be collected. However, the advantage of this approach lies in the ability to generalise and identify patterns which link to the group (Robson 2002) and from these patterns to infer certain conclusions. Qualitative methods, on the other hand, are suitable for exploratory, open-ended contexts where little has been understood (Creswell 2003). Its context-specific characteristic provides richness and building understanding of a phenomenon (Miles and Huberman 1994). Other advantages lie in its flexibility. The time and methods of data collection can be varied as the research proceeds (Robson 2002).

In the case of this research, the use of a mixed method has permitted the generation of findings from which generalisations can be drawn while still gaining a detailed view of the phenomenon in question. The reason for adopting a quantitative approach is that not only is this suitable for testing a theory, it is also best for examining the relationships between specific variables and, in so doing, establishing causal links (Robson 2002). Qualitative methods, however, are used in this research to explore the situation and build a better understanding about the issues and the broader context within which identified relationships are embedded. The method selected here to achieve this is interviews. The operationalisation of the questionnaire survey and the interviews is discussed in more detail below.

4.4.3 Survey Questionnaires

A questionnaire was used in the first stage to gain general information about the villages and villagers. The benefits of undertaking a questionnaire as a starting point

lie not only in getting general data beforehand, but also in giving respondents familiarity with the topic area, technical terms and concepts, and also in saving time when it comes to the interview, which needs more focus on a smaller number of key issues. In addition it provided a non-confrontational means by which I could become accustomed to the villagers, and they to me. While I may be a Thai national, I am a highly educated urbanite, and this creates a social distance which has to be navigated.

As suggested by Overton and Diermen (2003), questionnaires should begin with the basic and least intrusive questions and step forward to the more complex and sensitive questions: all questions, needless to say, should be easy to understand and unambiguous. My questionnaire was structured into eight main sections, and the organisation of the survey structure started with simple questions regarding the informant's personal information and general information about his/her household such as age, gender, marital status, place of birth, education and occupation. Then the questions were organised correspondingly according to key issues, such as the livelihood activities of household members, current sources of income, household living standards and, of course, household involvement in handicraft production. Examples of the survey questionnaires are shown in Appendix 4.

At the beginning of the first period of my fieldwork, a link was established with the Department of Geography at Chiang Mai University and three research assistants were employed to carry out the questionnaire surveys. There was an initial meeting with my research assistants to discuss my questionnaire and to pilot the work (Appendix 1). Then, at the end of each day of surveying, the questionnaires were checked and some short notes were made of interesting key issues. This process helped to reduce the hand-writing misunderstanding of the research assistants, as well as to revise some emerging issues after each day of surveying. We also briefly talked about what happened and the problems encountered in the field so they could be avoided in the future. Table 4.4 provides some background information on each of the research assistants.

Table 4.4 Information on the Research Assistants

Research Assistants	Sex	Age	Marital Status	Occupation and Education
1. Phoritai Chumchavee	F	24	Single	Student, MSc Geography, Chiang Mai University
2. Worrawat Ngamsangeam	M	25	Single	Student, MSc Geography, Chiang Mai University
3. Wittaya Taosaa	M	29	Single	Student, MSc Geography, Chiang Mai University

The setting and organisation of the questions were also tested with my research assistants before the first version of the questionnaire was finally drawn up. Then, a period of pilot work was undertaken over two weeks in March 2007. This pilot survey helped to check if the questionnaire functioned effectively, to clarify some problems connected with the clarity of the questions and whether some were unnecessary, to test the efficiency of the questionnaire layout, and to help estimate the interview time. Piloting the questionnaire and afterwards asking the respondents to comment on the questionnaire can quickly identify such problems (Overton and Diermen 2003).

I used the questionnaire survey to gauge the conditions of rural residents. The survey questionnaire was focused on collecting basic data about community members relating to their economic, social and cultural background, and the role of handicraft production in their livelihoods. The unit of study adopted was the 'household', while recognising that the household is not an unproblematic unit of analysis (Flowerdew and Martin, 1997). When information about a household is being collected, it is often one member of the household who answers on behalf of others, giving a specific view of the lifestyles and opinions of others which would be different if the person concerned were answering. For instance, if questions are asked of the head of the household, who will regularly be assumed to be male, the responses are highly likely to involve gender-biased representations of that household. It is better (even though much more difficult to organise) to undertake the questionnaire when all members of the household are present to speak for themselves (Cloke et al. 2004). This, though, is often impractical and one must assume that some of the responses reflect the particular position of the interviewee and may not reflect the views of the household as a whole or the individual members thereof.

In undertaking my own questionnaire survey, a particular issue I encountered was how to interview individuals in the context of a household interview. Sometimes it was difficult to get individuals to answer for themselves. Another issue concerned households, and this was particularly the case for households not involved in handicraft production, where household members went out and worked outside the villages. In such instances, it was often only parents and children who were present. This was less of an issue for the households involved in handicrafts, where I was able to meet most of their household members and they managed to speak for themselves.

I chose to use semi-structured questionnaires that can combine structured questions to gain basic information with others that permit more flexible answers to convey ideas or perceptions in an open-ended manner. Semi-structured questionnaires are perhaps the most widely used because their mixed format makes them suitable for a diverse range of situations. Questionnaire surveys can provide data on, for instance, employment, agricultural yield and household structure and may also be a very useful introduction and pretext for contacting a range of different people. People may be more familiar with the idea of questionnaires, providing a structure which can then be an opportunity for qualitative methods such as observation and unstructured conversation (Desai and Potter 2006). The addition of qualitative open-ended questions as part of the questionnaire can help deal with such problems (Overton and Diermen 2003). In the case of Thailand, people are used to being interviewed using questionnaires – this is the common means by which government officials collect information. Indeed 'research' is virtually equated with 'questionnaires'. Villagers are less familiar with the suite of alternative, qualitative approaches.

My survey questionnaire covered 163 village households, 106 households out of 300 households in Baan Ton Pao, and 57 families out of 153 in Baan Muang Kung. Each questionnaire took between 15 minutes to 50 minutes to complete. The households were selected using a snowball technique using households I had already made contact with to help me contact other households.

Picture 4.1 The Research Process – The Questionnaire Survey

4.4.4 Semi-Structured Interviews

In addition to the questionnaire survey, in-depth and semi-structured interviews were also employed. According to this mode of interviewing, a list of questions on key issues is prepared as an interview guide (see Appendix 3). This memo guide is used to ensure that the interviews cover the key issues of interest. In several cases, the questions in the interview guides are adjusted to the knowledge and position of the informant in the organisation. Due to its semi-structured form, the interview process is flexible. Rather than pressing the interviewee to directly answer a set of questions, the process emphasises exploring how the interviewee frames and understands issues and events, and what the interviewee views as important in explaining and understanding events, patterns, and forms of behaviour. At the start of the interviews, confidentiality was discussed and permission for recording interviews was asked for. Taping the interview enabled me to focus more on what the interviewee was saying and also enabled a transcript of the interview which I could refer to and draw on later (Richards 1996).

I used semi-structured interviews with community leaders such as *pooyaiban* (village headpersons) and local officers in the *Tambon* (sub-district) Administrative Organisation. In addition senior civil servants were interviewed in a range of agencies: the National Economic and Social Development Board (NESDB), Ministry of Interior (Community Development Department and Tambon Administrative Organisation), Ministry of Industry (Department of Industrial Promotion), Ministry of Commerce (Department of Export Promotion) and other relevant offices, together with interviewing actors in the private sector such as factory and shop owners. As noted above, I also re-interviewed a sub-sample of 33 villagers of those households included in the survey questionnaire to collect more in-depth information. I also found it necessary to learn at least some of the local dialect (Leslie and Storey 2003) as many villagers often answered my questions using the local language. I learnt some local dialect from my research assistants. Even though they were not northerners by origin, they had lived in Chiang Mai for eight years or more. Thus, they could speak and perfectly understand the local dialect.

Picture 4.2 The Research Process – Interviews

I chose to conduct semi-structured interviews because they follow a form of interview schedule with suggested themes, but there is also scope for the interviewees to develop their responses and provide them with opportunities to bring up their own ideas and thoughts. Interviews take a conversational, fluid form, each interview varying according to the experiences, interests and views of the interviewees. Eyles (1988 cited in Flowerdew and Martin 1997) describes an interview as ‘a conversation with a purpose’. The advantage of this approach is that it is sensitive and people-oriented, allowing interviewees to construct their own accounts of their experiences by explaining and describing their lives in their own words.

The idea of an interview is to understand how individual people experience and make sense of their own lives. The emphasis is on considering the meaning people attribute to their lives and the processes which operate in particular social contexts (Flowerdew and Martin 1997: 111). Furthermore, for some interviewees, in particular so-called ‘elite’ interviewees such as with government officials and local chiefs, the

level of formality which a structured or semi-structured interview can provide may be viewed more positively and encourage involvement. In addition, interviews are an excellent way of getting factual information, such as details of policies and government initiatives (Desai and Potter 2006).

Obviously, studying elites means that the researcher often has access to a particular organisational structure which can be used in many ways to facilitate the research process. Such elite organisations regularly provide large quantities of documents – some private, some public – which can be useful both for providing more information before actually meeting with anyone from the organisation for the purpose of conducting an interview (thereby allowing more insightful research questions to be devised ahead of time) and for verifying some of the statements made during interviews (Herod 1999). Seldon (1988) suggests that civil servants can be the best interviewees, arguing with a wonderful turn of phrase that: 'Civil servants tend to be dispassionate creatures by nature and profession: cat-like, they observe action, storing the information in mental boxes that can yield a rich harvest to those who take the trouble to prise them open' (Seldon, 1988: 10 cited in Richards 1996: 201).

In the particular case of Thailand from my experience with elite interviewees, Thai elites respond and provide in-depth information. This may, possibly, have been because these elite interviewees knew that I was only a student doing my thesis, and was therefore seen as non-threatening. They therefore answered the questions in a more open minded manner and became less secretive and suspicious. Being a Thai, rather than a *farang* (foreign) researcher, has both advantages and disadvantages. A key advantage was my understanding of Thai culture and manner of social engagement; a disadvantage, however, was that I could not easily extract myself from the norms of such engagement, which can be constraining.

As Dexter (2006) suggests, elite 'people in important or exposed positions may require VIP interviewing treatment on the topics which relate to their importance or exposure' (Dexter, 2006: 18). Elites, almost by definition, are less accessible and are more aware of their importance, so problems of access are significant. However, there are a number of advantages of elite interviews, for example, s/he can provide information not recorded elsewhere, or not yet available for public release. Moreover,

s/he can help to establish networks, or provide access to other individuals, through contact with a particular interviewee, the so-called snowball effect (Richards 1996). As suggested by Richards (1996), before I went to interview senior civil servants and local elites, I wrote a letter setting out clearly my status, explaining briefly the nature of my research, what benefits I hoped to gain from conducting the interview and how I intended to use the information. I aimed to flatter the prospective interviewee by emphasising that his or her input would be beneficial to my research.

4.4.5 Oral Histories

In addition to interviews, I also used oral histories to collect and record the experiences and memories of rural residents relating to themes such as traditional handicrafts, rural industrialisation, livelihoods and indigenous knowledge. See Table 4.5 below for more information. An oral history often highlights a particular aspect of a person's life, such as work life or a special role in some part of the life of a community. Furthermore, an oral history most often focuses on the community or what someone remembers about a specific event, time, issue, or place (Atkinson, 1998).

As Keegan argues, 'in the narratives of ordinary people's lives we begin to see some of the major forces of history at work, large social forces that are arguably the real key to understanding the past' (Keegan, 1998: 168). At this point, the concept of memory represents more than individual experience and stands for collective economic and social experience, mainly as this relates to class. As Minkley and Rasool argue, in the 1980s national and class teleologies were collapsed into the notion of 'the people'. 'History from below' was 'people's history' and was connected with 'people's power' and 'people's education' (Minkley and Rasool, 1998: 91-92).

Oral history – 'the interviewing of eye-witness participants in the events of the past for the purposes of historical reconstruction' (Grele, 1996: 63) – has had a considerable impact upon contemporary history as practised in many countries. Though interviews with members of social and political elites have complemented

existing documentary sources, the most distinctive part of oral history has been to include within the historical record the experiences and perspectives of groups of people who might have been ‘hidden from history’ (Rowbotham, 1973 cited in Perks and Thomson, 1998: ix).

Moreover, throughout oral history interviews, working-class men and women, indigenous peoples or members of cultural minorities have inscribed their experiences on the historical record, and offered their own understanding of history. Furthermore, interviews have documented particular aspects of historical experience which tend to be absent from other sources, such as personal relations, domestic work or family life (Perks and Thomson, 1998: ix). My own experience of undertaking oral histories in Thailand helped me to gain a deeper sense of the historical experience of the villages. This extended from the handicraft production process in the past to the changes in the houses and villages, information which I could not get from the survey.

Oral history is a history built around people. It allows heroes not only from the leaders, but also from the unknown majority of the people. It helps the less privileged, and particularly the old, and may instil dignity and self-confidence. It brings history into, and out of, the community. It makes for an understanding between generations, and between social classes. It provides a means for radical transformation of the social meaning of history (Thompson, 1998: 28).

Oral history is based on the use of such personal memories as a basis to build history as an alternative and complement to the documents on which historians usually depend and draw (Caunce, 1994: 7). The core of oral history is memory, from which meaning can be extracted and preserved. In other words it can be said that oral history collects personal commentaries and memories of historical importance throughout recorded interviews. ‘As distinct from oral traditions – stories that societies have passed along in spoken form from generation to generation – oral history interviewing has been occurring since history was first recorded’ (Ritchie, 2003: 19).

Table 4.5 Table of Interviewees

Interviewees	Key information
Community Leaders: Village Headpersons (*Pooyaiban*)	• Local permission to get into the areas and to collect the information from the residents • Basic data about villages • The main roles of leaders in stimulating the participation of their residents in rural development projects • Information relating to handicraft production and rural development plans and projects • The direction, problems and solutions of the development process in particular villages
Local Officers in District and Sub-district Administrative Organisations	• Basic data and general information in their supervision areas • The roles of the organisation in supporting development projects such as OTOP (One Tambon One Product)
Senior Civil Servants in National Economic and Social Development Board (both Bangkok based and Chiang Mai based), Ministry of Interior: Community Development Department and Tambon Administrative Organisation; Ministry of Industry: Department of Industrial Promotion; Ministry of Commerce: Department of Export Promotion	• Handicraft production, rural development and rural industrialisation projects/plans and assessments.
Handicraft-Based Villagers and Private Sector: Managers from Companies, Shop Owners, Travellers	• Handicraft products, rural industries, and links between handicraft production and global production networks
Farm-Based Rural Residents; Villagers Working in Other Occupations than Handicrafts	• Information relating to handicraft production, especially to understanding why some people still work as farmers or why some work in other kinds of work and are not involved in any kind of handicrafts
Oral Histories: Local Elders, Retired Community Leaders such as *Pooyaiban*, Retired Teachers	• Collection and recording of experiences and memories such as about the history of handicrafts over the last half century and tracking further back by asking respondents to recall what parents had said (Nartsupha, 1999)

Table 4.5 above shows more information on the interviewees and the key information collected. In total, fifty-four interviews were conducted (Appendix 2), taking between 20 minutes and two hours and 25 minutes, over two periods between May and June 2007, and October 2007 and January 2008. At the end of each day of interviewing, the interviews were transcribed and some short notes were made on interesting key issues. This process can help to reduce the work load later on in the processing of the data as well as to revise some emerging issues after each interview. By regularly reassessing the interview content, some of the questions in the interview guides (Appendix 3) were adjusted when there was an emergence of interesting new key issues during the field research.

4.4.6 Sample Groups for the Semi-Structured Interviews and Questionnaires

Villagers: A sample of 163 households (106 households in Baan Ton Pao and 57 households in Baan Muang Kung) was selected for the survey. Of these 163, a sub-sample of 33 households (Appendix 2) included in the survey questionnaire was selected for interview to solicit more in-depth information.

Senior civil servants both Bangkok and Chiang Mai based and local officers in Chiang Mai: A sample of 17 senior civil servants and local officers (Appendix 2) was interviewed on the basis of their direct involvement in handicraft matters and issues. The senior civil servants in Bangkok were selected for interview because they were involved in handicrafts projects, in particular the OTOP programme, and also rural development and industrialisation. The local officers in Chiang Mai were selected for interview as they were responsible for rural developmental processes in their areas so had particular connections with the study sites and a degree of local knowledge and engagement.

4.5 Methods and the Links to Research Questions

My research questions link to many issues related to the handicraft industry and rural development, covering, for example, rural development processes, rural industrialisation, poverty reduction, rural livelihoods, and so on. In order to investigate these issues, a range of data collection methods were used. To make sense of the range of methods used and the span of objects of concern, Table 4.6 sets out and relates the methods employed and the research questions.

Table 4.6 Methods and the Links to Research Questions

Methods	Research questions
1. Village profiles: informed by discussions with village leaders, local officers, handicraft traders and exporters, shop owners, and other key informants	*To what extent, and how, does handicraft production support rural development in Thailand?* *How does handicraft production help in the alleviation of rural poverty?* *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?* *What is the role of indigenous knowledge in supporting rural industrialisation?* *What is the potential of rural industrialisation to support rural development?* *Can rural industries help to narrow the divide between rural and urban areas and within rural areas?* *How does the Thai government support rural development in general and rural industries in particular?* *How is rural handicraft production being integrated into global production networks?*
2. Semi-structured questionnaires: community members	*What is the role of handicrafts in livelihoods?* *How does handicraft production help in the alleviation of rural poverty?* *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?* *What is the role of indigenous knowledge in supporting rural industrialisation?*

3. Semi-structured interviews: a sub-sample of the households included in the questionnaire for more detailed information	*What is the role of handicrafts in livelihoods?* *How does handicraft production help in the alleviation of rural poverty?* *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?* *What is the role of indigenous knowledge in supporting rural industrialisation?* *Can rural industries help to narrow the divide between rural and urban areas and within rural areas?* *How does the Thai government support rural development in general and rural industries in particular?* *How is rural handicraft production being integrated into global production networks?*
4. Semi-structured interviews: senior civil servants in relevant offices both Bangkok-based and Chiang Mai-based	*To what extent, and how, does handicraft production support rural development in Thailand?* *How does handicraft production help in the alleviation of rural poverty?* *What is the potential of rural industrialisation to support rural development?* *How does the Thai government support rural development in general and rural industries in particular?* *How is rural handicraft production being integrated into global production networks?*
5. Oral histories: local elders, retired community leaders, retired teachers	*What is the role of handicrafts in livelihoods?* *How does handicraft production help in the alleviation of rural poverty?* *How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?* *What is the role of indigenous knowledge in supporting rural industrialisation?* *What is the potential of rural industrialisation to support rural development?* *How does the Thai government support rural development in general and rural industries in particular?* *How is rural handicraft production being integrated into global production networks?*

4.6 Data Analysis

The raw data collected during the questionnaire survey stage of the field research was analysed using the Statistical Package for Social Science (SPSS). The main benefits of the programme include not only its simple and easy-to-use interface, but also its provision of various dimensions of data analysis. Of these, the key ones used in this thesis include descriptive statistics and the testing of the correlation between two or more variables**.** Central tendency analysis is a very simple tool offering a powerful way of representing data such as age and income. These statistical measures are often used for introducing a population to the reader. Frequency distribution is also used to illustrate the distribution of a single variable across categories, allowing us to appreciate diversity alongside the above measures of central tendency. Cross-tabulation is a simple means of examining the relationship between two variables and is a continuation of the use of a frequency distribution (Overton and Diermen 2003). In order to become better acquainted with SPSS, I enrolled on two courses introducing SPSS for Windows. One course was at CCSR (the Cathie Marsh Centre for Census and Survey Research, School of Social Sciences, University of Manchester), and the second course was held at the Faculty of Commerce and Accountancy, Chulalongkorn University, Bangkok. As I did the questionnaire survey in Thai, it was a little time consuming to translate the Thai questionnaires for entry into SPSS since I needed the coding and data in English.

For the qualitative data, the first step is to get the data into a presentable, readable form. Therefore, tapes need to be transcribed and notes preferably typed up. Typing up materials is time consuming, but if done by the researcher, can allow a re-familiarisation which may pay off in the long term. The amount of detail in transcription really depends on the type of study (Crang, 2005). As I was looking at how and why people did things, I needed more detailed transcripts. In addition, since I did my interviews in Thai, all the transcripts were translated into English, adding yet more time to the process and also injecting additional challenges in connection with the translation of words and meanings. Most of this transcription was undertaken with the help of a university lecturer in the Department of English, Faculty of Arts at Chulalongkorn University. I also did some translation myself while also checking the transcripts for meaning and accuracy. Then, the actual qualitative data analysis was

done with pen and paper. All my notes were formalised into categories and codes. I highlighted the coding with coloured pens denoting the main codes and subcodes in the respective colours (Crang, 2005).

4.7 Positionality, Reflection and Ethical Issues

'Positionality profoundly affects all aspects of research which involve interaction with other people, especially when researching the lives of people of a different class, race, and culture from the researcher – what is referred to as researching 'the other'' (Howard 1997: 20). Much of the work written on the process of conducting research on elites and others has tended to assume that there exists a simple and clearly discernible dichotomy concerning the researcher's positionality – *either* the researcher is an 'outsider' *or* an 'insider'. It has been argued that being an 'insider' or, at least, being *perceived* as an 'insider' is the most advantageous position and gives the researcher a privileged position to understand histories, processes and events as they unfold. Positionality has often mainly been taken to concern the personal physical or social characteristics of the interviewer such as class, race, gender, nationality and age (Herod 1999).

Considering my own identity as a young Thai woman, I should – in theory – enjoy the role and position of an 'insider'. However, things are not quite so simple. In Chiang Mai I was regarded as different – an urbanite from the capital, Bangkok – and my language, accent and dress marked me out as such (rather than a northerner). This is not to say that I did not receive a warm welcome from the villagers. They were pleased to answer my questions during both interviews and questionnaires, and also helped to find the next interviewees. Even so, it must be acknowledged that I have a positionality which, while necessarily different from that of a *farang* (foreigner), is nonetheless important. I was not an insider; I was not even regarded as being from the region. Not only in Chiang Mai was I regarded as an outsider, but my engagement with my research subjects in Bangkok also raised issues of positionality. Being a young, female Thai and 'only' a student (even one undertaking a research degree) caused some difficulties. For example, elite interviewees did not keep their appointments (as they would with a lecturer, for example, or even with a PhD student

from a Western country) and I was treated differently. As noted above, the fact that I am Thai meant that I could not escape from the obligations of being Thai.

To expand, in my experience, nearly every scheduled interview with a senior civil servant in Bangkok was characterised by a range of problems and disappointments: appointments were either cancelled at the last minute or, if kept, attended at least half an hour later than the scheduled time, even when the dates and times had been agreed upon weeks in advance. In fact, interviews were often more successful in term of timing when they were arranged at very short notice (on the day before). When I went to interview some senior officers in Chiang Mai (rather than Bangkok), I felt that interviewees were more receptive to spending time with me. Some were surprised that I had traveled such a long distance from Bangkok to Chiang Mai with the sole purpose of interviewing them alone, 'as opposed to their being simply one person out of a large number of interviewees – i.e., that they were somehow "special" people from whom an interested 'outsider' wished to learn' (Herod 1999: 323). However, while I made choices about the aspects of my identity that I wished to disclose during interviews, my representation was not always under my control. The elites that I interviewed made choices about the level of information that they were prepared to give based on their own perceptions of me (Mullings 1999).

When I went to make an appointment to interview a head officer of Sankamphaeng District, Chiang Mai and also the developers in the district office, a secretary of the head officer unexpectedly asked me about the university where I did my Bachelor degree. I answered him that I did my Bachelor degree in Political Science at Chulalongkorn University (usually regarded as Thailand's premier university). He seemed pleased and he did not need my formal letter anymore as he said the head officer had attended the same department and the same university as mine. After we had made this link, the head officer of Sankamphaeng District proceeded to help me a great deal not only with the interview arrangements in Sankamphaeng District office and Ton Pao Municipality office, but he also called the head officer of Hang Dong District and asked for information and other interviewees that I needed. This accidental association established a rapport (Richards 1996) from which I gained considerable 'return'.

In terms of appearance, as suggested by Richards (1996), I thought carefully about the best way to dress for each interview. As a PhD student interviewing a senior civil servant, especially in Bangkok, I wore a white shirt and a skirt, and sometimes even a suit to appear more professional. However, I wore a polo shirt or t-shirt, jeans and canvas shoes, and carried an old cotton bag with me when I did my fieldwork in Chiang Mai among the villages. If I had turned up in a suit when I went to interview the villagers, it would not have created quite the right impression, creating a 'distance' between the villagers and myself, something that I was keen to narrow. Later, in the interviews, I was surprised at the extent to which villagers would 'open up' and share their impressions of their work and its effect on their everyday lives.

I am aware of the ethical considerations and take responsibility for my own ethical practice. All interviewees were informed of what the research was about and what their interview involved. A list of questions was provided to provide a basic structure for the interview. Moreover, as an urban Thai from Bangkok, I paid special attention to ensuring that my research was not extractive and was sensitive to local communities and their needs and views. I intend to report the results of my study back to the communities by providing wide-ranging feedback of the results to the community officers. Furthermore, I took good care to follow Durham University ethical guidelines, which require consent forms to be filled out by research participants, as far as this is possible in a rural context in a poorer country.

4.8 Problems and Limitations

Due to time constraints, only two villages in Chiang Mai province were chosen for the study. This raises the question of the 'generalisability' of the results to the wider context of rural development in Thailand. What can we say about wider debates over rural development and the role of handicrafts from the experience of two evidently atypical villages in one corner of Thailand? The strengths of the approach adopted – quick and wide-ranging in scope – are also its weaknesses: namely it is broad-brush and does not elicit specific information that can be linked to detailed household characteristics. However, at the same time, it is valuable in permitting the broad local development context to be assessed and handicrafts to be placed in this context.

The main problem of the data collection lies in the difficulty in operationalising the survey, particularly the process of getting the data itself. First of all, accessing those people who have knowledge of the subject and are able to give the required information can be extremely difficult, especially without personal connections. The most difficult and time-consuming part was getting the personal contacts of the potential respondents. During interviews with the villagers, some questions were not easily understood by the older interviewees. They needed to have questions repeated or clarified in the local dialect or through the use of more informal words or colloquial terms, otherwise they might have given answers which deviated from the point.

Semi-structured questionnaires can combine structured questions to gain basic information with others that permit more flexible answers to convey ideas or perceptions in an open-ended manner. The survey questionnaire is also a very useful introduction and pretext for contacting a range of different people. Nevertheless, survey questionnaires are limited in the degree to which they can provide explanations for patterns or consider attitudes and opinions. Detailed qualitative information is often lacking. So while the questionnaire survey was very helpful in providing a baseline of data, it was sometimes frustrating that lines of evidence could not be carried through into detailed explanation. To some extent this issue was addressed through the other methods employed.

I used the semi-structured interview approach because it follows a form of interview schedule with suggested themes, but there is scope for the interviewees to develop their responses and it provides them with opportunities to bring up their own ideas and thoughts. Moreover, the advantage of this approach was that it is sensitive and people-oriented, allowing interviewees to construct their own accounts of their experiences by explaining and describing their lives in their own words. The main drawbacks of interviews are: (i) they are not representative; (ii) they therefore run the risk of ‘cherry-picking’ examples to fit pre-set notions; (iii) they do not lead to statistically significant results; and (iv) they run the risk of bias due to the personal nature of the interview process.

For some interviewees, in particular so-called ‘elite’ interviewees such as with government officials and local chiefs, the level of formality which a structured or semi-structured interview can provide may be viewed more positively and actually encourage involvement. Furthermore, within the interview it may be possible to ask for clarification when there are contradictions. The main drawback with this method lie in: (i) problems accessing key individuals because of their busy schedules; (ii) the ‘power’ that such influential individuals will have over the researcher; and (iii) the tendency for these individuals to self-justify their actions and views. It is worth remembering that while elite informants in countries like Britain may be used to looser and more informal conversations, in Thailand ‘formality’ is still expected and respondents are often more comfortable with this type of approach. Therefore, and paradoxically, some respondents were actually *less* comfortable with methods that are intended to make them *more* comfortable.

An oral history often highlights a particular aspect of a person’s life, such as work life or a special role in some part of the life of a community. An oral history most often focuses on the community or what someone remembers about a specific event, time, issue, or place. Oral histories permit current actions and conditions to be placed in a temporal context. They also allow people to speak for themselves, shifting power from the researcher to the researched. The main weakness of this method will be how the rural residents can accurately remember events and happenings twenty, thirty or more years ago. There is, therefore, a danger that misplaced memories will be reproduced as historical facts – a possibility that I tried to avoid through cross-checking.

4.9 Conclusion

This chapter has outlined the research framework and methodologies for the thesis. To address and ‘answer’ the research questions set out, questionnaire surveys and the interviews were used in combination to gain the benefits that can be achieved from both quantitative and qualitative methods. In practice, it was found during the data collection phase that the questionnaire survey and interviews were complementary to each other. Using them in combination also helped to increase the response rate. (It

should be noted, however, that the two methods were used sequentially, with most interviews following the survey questionnaire, with the latter informing and shaping the former). The operationalisation of the research has been discussed by focusing on how data were collected using the two selected methods. However, many constraints were associated with the operationalisation of the research during the data collection phases. The problems included the difficulty and time spent in contacting and accessing the villagers and, especially, senior civil servants. The chapter has also briefly introduced SPSS as the tool for analysing the statistical data and producing the results, and also the methods associated with analysing the interview material.

As far as my positionality is concerned, I was warned that my Bangkok, educated and middle class status would cause many problems in doing fieldwork in rural villages such as Baan Ton Pao and Baan Muang Kung. Nonetheless, I felt that the villagers were willing to help me in my research, were constructive and 'honest' in their engagement with me, and provided – as far as they were able – accurate information. In short, I have confidence in my research data. The next chapter will be a review of the two research communities: Baan Ton Pao and Baan Muang Kung.

Chapter Five

The Research Communities:
Baan Ton Pao and Baan Muang Kung

5.1 Introduction

The traditional Southeast Asian countryside is commonly considered to have been composed of a range of separated villages, most of which were relatively self-sufficient and had made negligible contact with the outside world. The villagers are presumed to have lived in interrelated, self-contained communities where everybody knew one another and helped each other out in production as well as in times of crisis (Prasasvinitchai, 1993). Like other Southeast Asian societies, Thai society consists of thousands of villages of varying size, scattered right through the entire country. These village communities have been the basic socio-economic unit where rural Thai people live and make their living (Hirsch, 1993). In his well-known book: *The Thai Village Economy in the Past*, Chatthip Nartsupha writes:

> The Thai village economy in the past was a subsistence economy. Production for food and for own use persisted and could be reproduced without reliance on the outside world. Bonds within the village were strong. Control of land was mediated by membership of the community. Cooperative exchange labour was used in production. Individual families were self-sufficient. Agriculture and artisan work – this is rice cultivation and weaving – were combined in the same household. Beliefs were held in common, namely belief in the spirits of the common ancestors of the village. Kinship links were maintained. People cooperated in social activities and there was no class division, except for the existence of slaves who were accepted as a part of the family. There was no class conflict within the village (Nartsupha, 1999: 73).

For the last three decades, village communities have been swept along by the pace of development and modernisation. Villages have progressively been brought under the control of the economic and political centres in Bangkok and other nodal cities. Some have undergone radical change due to the demands of exterior economic forces. Nevertheless, many of them seem to remain 'traditional' rural communities governed by their own principles of self-reliance. Village communities in Thailand are considered important units of study for scholars as well as being considered units of action for those who want to undertake various forms of rural development (Hirsch, 1993). In Thailand, *muu baan*, variously translated as 'village', administrative village' or 'administrative hamlet', refers to a formal administrative division, sometimes arbitrarily imposed (Kemp, 1993: 83-84).

In the 1970s a number of historians of Thai society began to focus on economic development in Thai village communities. Ingram (1971), for example, conducted a study of economic changes in Thailand after the Bowring Treaty, demonstrating the way in which the Thai economy slowly changed from a subsistence economy into a market economy, producing, for example, rice, tin, teak and rubber to satisfy the demands of global markets. His explanation of economic changes presents an analysis of how rural villages, at the turn of the century, produced, consumed and exchanged, and how, for instance, village handicrafts and textile industries were gradually destroyed (Ingram 1971). Nonetheless, Chiang Mai province is still popular for traditional handicrafts made by craftsmen using skills which have been passed down through countless generations. As the Thai economic historian Chatthip Nartsupha has written:

> Villagers within the Northern region of Thailand have expanded their realm of agricultural production from rice farming to legume and cash crops. Even though land is scarce, intensive rice farming and efficient labourers are fruitful. This could keep up the community economy. However, lands are scarce for the next generation. Craft production is a possible alternative. A craft-based economy is a good path to walk along (Nartsupha, 2003: 21-22).

The research sites were summarised in Chapter Four; however, in this chapter they will be explored in more detail. This will start with Chiang Mai Province (in the next

section), before moving on to the district and sub-district levels (Sankamphaeng District, Tambon Ton Pao, Hang Dong District and Tambon Nong Kwai respectively), then to the two case study villages (Baan Ton Pao and Baan Muang Kung).

5.2 Northern Thailand: Chiang Mai Province

Chiang Mai province is about 700 kilometres from Bangkok and is situated in the Mae Ping River basin. Surrounded by high mountain ranges, it covers an area of approximately 20,107 square kilometres. In 2007, Chiang Mai province had a population of about 1.6 million. The population growth rate for Chiang Mai averages 0.37 per cent per annum[5], one of the lowest rates of any region in the country due to high infant mortality rates coupled with migration towards Bangkok[6]. Chiang Mai province is a centre of handicraft production. Historically this can be linked to the fact that Chiang Mai was the capital city of the Lanna Thai kingdom from 1296, and has remained the *de facto* capital of the North. The important point here is that Chiang Mai, as an important centre in its own right with court and courtiers, created the context for the emergence and growth of a strong artistic tradition.

Handicraft or artisan-based activities have a long history in Thailand. In a real sense, every household was an artisan household. As the authors of *Village Chiang Mai (1979)* argue, during the dry season many villagers turned their time and their hand to handicrafts. Men would repair houses, animal pens and farming tools; women would weave, while both men and women would make household utensils such as bamboo rice baskets (Na Ayuthaya et al., 1979). Bowie (1992) has argued in her study of textile production in northern Thailand that parts of this industry were monetised and commercialised at an early date. She states that 'this examination of textile production reveals a society with a complex division of labour, serious class

[5] Chiang Mai Province Statistical Office 'Statistical Report of Chiang Mai'. [Online]. Available at: http://chiangmai.nso.go.th/chmai/hots/stat1.htm (Accessed: 1 December 2009).
[6] National Statistical Office, Office of the Prime Minister 'The 2000 Population and Housing Census'. [Online]. Available at: http://web.nso.go.th/eng/en/pop2000/prelim_e.htm (Accessed: 1 December 2009).

stratification, dire poverty, a wide-reaching trade network, and an unappreciated dynamism' (Bowie, 1992: 819).

Tourism and handicraft production became centrepieces of Chiang Mai's economy starting in the 1960s and have continued to be the main sources of livelihood for the city. Chiang Mai province is known as one of the world's top centres for cottage industry. Scattered in and around the city are countless workshops producing a wide variety of handicrafts. Designs are both traditional and modern, and the handicraft enterprises vary from small one-person cottage businesses to warehouses with dozens of employees. Some scholars, for example Hoskin and Cubitt, maintain that the means of production remain largely unchanged, having been handed down from generation to generation (Hoskin and Cubitt, 2000). However, as will be shown in later chapters, in fact what are often presented as 'traditional' handicrafts embody not just new designs but also new technologies of production.

Because it has the richest handicraft tradition in Thailand, Chiang Mai province has been selected as the area to do the field work, and two villages in Chiang Mai province have been selected to study in order to assess the roles handicrafts play in their rural development. One selected case study village is Baan Ton Pao, Sankamphaeng district, which is engaged in *saa* paper making. Sankamphaeng district was selected as the study site because a range of handicrafts are manufactured in the district; of these *saa* paper is particularly significant and long-standing. The other selected village is Baan Muang Kung, Hang Dong district, where handicraft production is based on terra cotta (pottery) making. Not only are these two examples of handicrafts interesting in themselves, but they also provide an insight into evolving relations between rural and urban areas as Sankamphaeng district is just 18 kilometres from Chiang Mai city centre, and Hang Dong district is only 15 kilometres from Chiang Mai city centre as well. Additional criteria used in the case study selection process are the extent to which villages have been involved in government projects such as OTOP (One Tambon One Product) and the integration of village handicrafts into national and international networks.

Figure 5.1 Map of Thailand

Figure 5.2 Chiang Mai Map

5.2.1 Sankamphaeng District

"*Tiltat kiin chui, liung lui khon ngam, kate kam konom, chuin chom huttagam*"
(Prominent scenery, graceful ladies, milk-cow territory and admirable crafts)

The statement above is the slogan of Sankamphaeng district. The districts and provinces in Thailand have slogans to promote their areas and for tourist attractions. An engraved stone tablet at Wat Chiangsaen in Tambon Ontai recounts that the population of the district had originally settled in Panna Phulao in Chiangsaen, which is today considered part of Chiangrai province. Later these people moved to settle around the area of the Mae Aon river basin in Sankamphaeng district. After a while, the people there developed their community status to become Mae Aon sub-district, governed by Chiang Mai province (Sankamphaeng District Office, 2007). In 1902, however, there was a rebellion in Prae province and some of the protestors set fire to

the Mae Aon sub-district office. Afterwards, Mae Aon sub-district office was moved to Baan Sankampaeng in 1923. The district is named after a village – Baan Sankamphaeng – where the district office was first established (Sankamphaeng District Office, 2007).

The district is 18 kilometres from Chiang Mai Muang district on State highway number 1006 and 28 kilometres from Chiang Mai Muang district on State highway number 1317, known as the Donchan road. The district consists of ten sub-districts or *tambon*. Eighty percent of the population is classified as engaged in agriculture (Sankamphaeng District Office, 2007: 2). The main products of the area are rice, tobacco, ground nuts, garlic, red onions, longan, mangos and lychees. In total there are 48,088 *rai*[7] of agricultural land. Other occupations in the area include fresh water fisheries, livestock-raising, and household-based manufacturing, which includes *saa* paper umbrellas, wood carving, silverware, pottery, cloth weaving and jewellery making (Sankamphaeng District Office, 2007: 2-3). In total, there are 35,520 males and 38,210 females, making up a total of 73,730 people living in the district (Sankamphaeng District Office, 2007). Sankamphaeng was selected as the study site for a number of reasons. First of all, a range of handicrafts are manufactured in the district: of these *saa* paper is particularly significant and long-standing. Furthermore, the district is just 18 kilometres from Chiang Mai Muang district (city centre); therefore it can be considered a useful example for the study of rural and urban relations and interactions. It also permits an insight into the integration of handicrafts into national and international networks.

[7] *Rai* is a Thai unit for measuring an area of land. 6.25 rai is equal to 1 hectare or about 2.5 acres.

5.2.1.1 Tambon Ton Pao, Sankamphaeng District

Formerly, the residents of Tambon Ton Pao continued to rely on farming for their main occupation. But there was an important element of non-farm activity in household livelihoods. In particular, during the dry season, women would make handicrafts. Their skills and knowledge have been passed from one generation to the next by both men and women. Both production and a return to farming were becoming more unstable. To combat this decline in traditional occupations, households in Tambon Ton Pao began to rely on household-based non-farm activities.

Table 5.1 Population and Households in Tambon Ton Pao

Moo	Village	Male	Female	Total	Household
1	Ton Pao	732	857	1,589	934
2	Nong Kong	917	1,009	1,926	841
3	Bor Sang	960	1,194	2,154	1,072
4	Bouk Ped	300	344	644	286
5	Sanprangam	322	356	678	234
6	Ton Pueng	368	355	723	290
7	Sanmahokfa	478	492	970	412
8	Sanphaka	600	658	1,258	533
9	Mae Home	339	370	709	248
10	Sanchangmoob	179	198	377	202
	Total	**5,195**	**5,833**	**11,028**	**5,052**

Source: Tambon Ton Pao Municipality Office, 2006

5.2.2 Hang Dong District

"*Settakit dee, satree san suoy, rum ruoy huttagam, wattanatham mun kong, hang dong pattanaa, prachaa jam sai*"
(First-rate economy, graceful ladies, remarkable handicrafts, established culture, developed Hang Dong, cheerful people)

The statement above is the slogan of Hang Dong district. In the past Hang Dong district used to be named Mae Tha Chang. Mae Tha Chang was one of the governed areas established during the period of King Chulalongkorn the Great or King Rama V (1853-1910). The central government in Bangkok initiated the administrative areas called ancient counties *(or mon ton tay sah pi baan* in Thai*)*, and divided Chiang Mai province into outer provincial city and inner provincial city. Mae Tha Chang was included in the area of inner provincial city. Mae Tha Chang was changed to Amphur Hang Dong or Hang Dong district between 1908 and 1910 (Hang Dong District Office, 2006: 2).

Hang Dong district is 15 kilometres from Chiang Mai Muang district on State highway number 108 (Hang Dong District Office, 2006: 3). The district consists of eleven sub-districts or *tambon*. There are 35,353 males and 37,812 females, with a total of 73,165 people living in the district (Hang Dong District Office, 2006: 4). The main economic focus of the district is agriculture. There are 71,002 rai of agricultural land, which is 38 per cent of the district area in total. The main products of the area are sticky rice, yellow nuts, longan, mangos, lychees, vegetables and flowering-plants. Other occupations in the area include livestock-raising and manufacturing. There are two large-scale industries in the area: a canned fruit factory and a canned food factory. Medium sized industries include veterinary food manufacturing, terra cotta making, clothes sewing, bamboo blind making, and wood carving. Furthermore, there are a number of household-based manufacturing industries which include terra cotta making at Baan Muang Kung, wood carving at Baan Tawai and also at other villages in Tambon Koon Kong (Hang Dong District Office, 2006: 6).

Hang Dong district was selected as the research site for a number of reasons. First of all, a variety of handicrafts are produced in the district, of which terra cotta is the most significant and long-standing. Furthermore, the district is just 15 kilometres from Chiang Mai Muang district (city centre); therefore it can be considered a useful example for the study of rural and urban relations and interactions. It also permits an insight into the integration of handicrafts into national and international networks.

5.2.2.1 Tambon Nong Kwai, Hang Dong district

Tambon Nong Kwai is situated to the north of Hang Dong district, approximately seven kilometres from Hang Dong district office and six kilometres from Chiang Mai Maung district. The sub-district consists of twelve villages. Overall, there are 4,051 males and 4,338 females, with a total of 8,389 people living in Tambon Nong Kwai (Nong Kwai local administrative office, 2006: 4). In the past, the inhabitants of Tambon Nong Kwai continued to rely on farming for their well-being. But there was an important element of non-farm activity in household livelihoods. In particular, during the dry season, women would make handicrafts. Their skills and knowledge have been passed from one generation to the next by both men and women. Most of the lands were paddy lands; however, at present some of them are being sold and have been converted to real estate. Villagers of Tambon Nong Kwai now rely for their living on farm jobs, public service, general employment and small business.

Table 5.2 Summary of Villages in Tambon Nong Kwai (2007)

Sub-district	Village	Number of households
Nong Kwai	Moo1 Baan Tong Guy	178
	Moo2 Baan Fon	211
	Moo3 Baan Rai	161
	Moo4 Baan Ton Kwan	140
	Moo5 Baan Nong Kwai	185
	Moo6 Baan Roi Chan	98
	Moo7 Baan Muang Kung	127
	Moo8 Baan Koon Sae	123
	Moo9 Baan San Sai	95
	Moo10 Baan Naa Book	80
	Moo11 Baan San Pasak	104
	Moo12 Baan Tong Guy Nuer	143
Total: 1 sub-district	**Total: 12 villages**	**Total: 1,645 households**

Source: Nong Kwai Tambon Administrative Office

The following section describes, empirically, the changes to handicraft production systems in Northern Thailand, drawing on an in-depth study of two handicraft villages in Chiang Mai province.

5.3 Research Communities

5.3.1 Baan Ton Pao

Baan Ton Pao or Ton Pao village is situated in the development area of Tambon Ton Pao. The village is named after the large tree that stands tall in the middle of the village. Baan Ton Pao is located at Moo 1, Tambon Ton Pao, Sankamphaeng District, Chiang Mai province. Baan Ton Pao is situated just about 14 kilometres from Sankamphaeng District, which itself is situated 7 kilometres to the east of Chiang Mai city centre. The village has an area of 15.36 square kilometres. Most residents of Baan Ton Pao are involved in producing mulberry paper or *saa* paper and associated products. Apart from housing for the villagers, most of the land around the area is used for the purpose of producing these paper products (Picture 5.1 and 5.2). The total population in Ton Pao sub-district is 11,028 people in 5,052 households, and 1,583 people in Baan Ton Pao, 732 males and 857 females, in 934 households (Tambon Ton Pao Municipality Office, 2006: 1). This figure of 934 households, however, includes two distinct populations. On the one hand there are the 'core' village members – those who have had a link with the village and the area for some generations. According to the village headman:

> "Approximately only 300 households have been in the area generation to generation. The others are a substantial number of households who live in housing estates in the Baan Ton Pao area. These make up the remainder of the 934 households."
>
> *(Research Diary, Mr Jinangen, Village Headman, Baan Ton Pao, April 2007)*

These 300 households, however, still understate the *de facto* population of Baan Ton Pao because they do not take into account migrants working in the village's factories, many of whom live in the village but are not registered as living there. These

labourers include workers from neighbouring tambon and districts, and also from other provinces of Thailand, as well as migrants from Burma. Migrants in the village play a significant role in meeting Baan Ton Pao's labour needs. Local villagers have turned from being workers into entrepreneurs or factory owners and this has generated a demand for workers.

The way in which the lands are owned in Baan Ton Pao is by title deeds, some of which have been sold to a real estate group. The real estate company has built new housing estates in two areas. The reason for the sale of land is that the rice farmers have had problems with pest infestation and water shortages at key points in the farming cycle, finding that it is easier to change their main occupation to making *saa* paper, which, when compared to rice farming, is more profitable.

Picture 5.1 Baan Ton Pao

Picture 5.2 Shops with *Saa* Paper and Products in Baan Ton Pao

Picture 5.3 *Saa* Paper Factories in Baan Ton Pao

Most of the people from the village have received at least a secondary school education, with a further twenty per cent receiving at least a primary school education, as shown in Table 5.3. Ninety per cent of the population works in the *saa* paper industry, five per cent in general employment and another five per cent in general trading. More information about *saa* paper production development and engagement will be provided in Chapter Seven. The rate of pay in agricultural work ranges from 120 – 200 baht per day, which is the same for both male and female. However, pay levels are different in saa paper making and sometimes women get more money for their extra skills. In other words, it means that skills acquisition can lead to higher income, which does not happen in farming.

Table 5.3 Education of Baan Ton Pao Villagers

Level of Education	Per cent
Primary School	5
Secondary School	60
High School	20
Professional Education	4
High Professional Education	5
Bachelor's Degree	5
Master's Degree	1

Soure: Baan Ton Pao Summary Document, Tambon Ton Pao Municipality Office, 2006

Those with special skills in making *saa* paper are often held in very high regard by villagers and one such person is Ms Fongkam Lapinta. She was named as one of the best Lanna artists in 2006. Others known for their skill in making bulge paper images and *saa* paper products are Mr Vijit Yeenang and Mr Wattana Viset. With these regionally well known artists, Baan Ton Pao is well-known for *saa* paper, which is sold to other villages to make further products, such as umbrellas, candlewicks and paper lamps. Now, there are over 2,000 products made from *saa* paper. The knowledge of these villagers has developed throughout their history, from plain *saa* paper during the early years to colourful paper decorated with many different natural materials from flowers to leaves. With these improvements, the products are now being sold across the country and the world, making great profits for villagers in the business of *saa* paper (see Table 5.4).

Table 5.4 Information about *Saa* Paper Entrepreneurs in Baan Ton Pao (2006)

Entrepreneur (Shop)	*Saa* Paper Product	International Market	Domestic Market	Income/ month (Baht)	Income/ year (Baht)
Ms Lapinta (*Saa* Paper Preservation House)	Notebook, photo album, photo frame, bag, card, lamp, paper	Worldwide	Bangkok, Phuket	800,000	3,600,000
Mr Viset (*Saa* Paper Handicraft House)	Notebook, photo album, photo frame, bag, flower, card, lamp, box, paper	USA, Italy, Canada, Spain, UK, Japan, Laos, Malaysia, Egypt	Bangkok, Phuket	200,000	-
Mr Yeenang (*Saa* Paper Farm)	Notebook, photo album, photo frame, bag, card, lamp, paper	USA, Canada, Japan, UK, Hungary, Ukraine, Italy, Germany	Bangkok, Suratthani	150,000	-
Mr Munyuang (*Saa* Paper House)	Notebook, photo album, photo frame, bag, flower, card, lamp, box, paper	Japan, USA, Spain, Italy	Bangkok, Phuket	160,000	960,000
Mr Rattanasontong (Somboon *Saa* Paper)	Notebook, photo album, photo frame, box, bag, card, paper	-	Bangkok	30,000	360,000
Ms Sarnmuang (Pongpan *Saa* Paper)	Notebook, photo album, photo frame, bag, card, lamp, paper	Canada	Bangkok, Phuket	300,000	1,920,000
Ms Lapinta (Ton Pao *Saa* Paper)	Notebook, photo album, photo frame, bag, flower, card, lamp, box, paper	USA, Japan, Saudi Arabia	Bangkok	40,000	1,200,000
Ms Jainapieng (Buajun *Saa* Paper)	Notebook, photo album, photo frame, bag, card, box, lamp, paper	USA, Spain, Germany, Hungary, UK, France, Czech Republic	Bangkok, Phetchabun, Suratthani	100,000	1,200,000
Mr Apichotikorn (Sadarat *Saa* Paper)	Notebook, photo album, photo frame, bag, flower, card, lamp, box, paper	Canada, South Africa, Hong Kong, Japan, Australia, Israel	Bangkok, Trang, Surin, Phitsanulok, Suratthani, Mukdahan, Uthaithani	60,000	-

Source: Education Division, Ton Pao Municipality

Originally, Baan Bor Sang used *saa* paper from Baan Ton Pao to make their umbrella products; however, with new developments, demand and products Baan Bor Sang is now using cloth to make their umbrellas, which in-turn has consequences for demand for paper in Baan Ton Pao. This change to using cloth forced many *saa* paper makers out of business in Baan Ton Pao. Later, however, some government agencies such as the Industrial Promotion Centre Region 1 and Department of Export Promotion (Chiang Mai Office) intervened and helped villagers develop a wider range of products that are now sold both in and out of the country. Indeed, the balance of sales has tilted dramatically away from the local market, and now ninety per cent are sold abroad and ten per cent within the country. The issues of over-dependence on a single market will be further explored in the next chapter.

The village gets aid and assistance from both public and private sector agencies. Most assistance comes in the form of knowledge, helping villagers to learn the skills needed to carry out their business of *saa* paper making efficiently. Moreover, they also help to ensure the quality and standards of the products by setting up organisations to assist in operating the business within the area, including the Regional Industrial Promotion Centre, the Department of Export Promotion (Chiang Mai Office), the Small Medium Enterprise Organisation, the Community Development Department, the Tambon Ton Pao Municipality Office and the Department of Local Administration at Sankamphaeng District Office.

Presently, with help from the public sector, it can be seen that employment trends in Baan Ton Pao are changing, from agricultural, trading and building services to *saa* paper making, which can earn villagers much more income. Now, over ninety per cent of the population are involved in the *saa* paper making business. The key point of success for Baan Ton Pao is their community group based approach, which involved setting up a 'Ton Pao *Saa* Paper Distribution Centre' (Picture 5.4). Villagers help each other to develop their business as a group and in getting the people involved to make the business work for their village.

Picture 5.4 Ton Pao *Saa* Paper Distribution Centre

In conclusion, Baan Ton Pao is a village in which most of the population is employed in handicraft work. Handicraft is an occupation involving skills and experiences that are usually passed on over generations of families. The nature of the handicraft business and its traditions have given Baan Ton Pao's community great strength and a unique approach to their trade. The location of the village is also another key factor for Baan Ton Pao's people in carrying out their trade and being based around family businesses; villagers help each other, setting up groups, and organising events which make their business a great success. For the reasons mentioned above, *saa* paper products from Baan Ton Pao make it well deserving of its OTOP village status.

5.3.1.1 Methods of Making *Saa* Paper in Baan Ton Pao

Picture 5.5 Methods of *Saa* Paper Making

The production process for *saa* paper begins with peeling the bark off *por saa* or mulberry trees *(Broussonetia papyrifera)*. *Por saa* flourished in the provinces of Chiang Mai and Chiang Rai, being found growing wild along the banks of rivers and streams. As *saa* paper production expanded, however, local supplies of *por saa* became increasingly scarce, with the result that the plant had to be sourced from other areas of Thailand and from Laos. The tree is generally peeled after one year of growth. For good paper quality the bark of a one year old tree is used, for other more rustic products, it stays on the tree for two years. After peeling the bark, the tree is cut down above the ground leaving roots and it will re-grow within a year. This bark is then soaked in water with caustic soda overnight or over several days to make it soft, and then boiled for twelve hours. Traditionally, the bark was boiled with charcoal ash, which was widely available when charcoal was the main fuel for household cooking. This is no longer the case today.

Picture 5.6 Shredding Machine to Make Smaller Fibres

Picture 5.7 Traditionally, it is Pounded by Hand

The pulp is still brown after boiling and must be bleached. Unfortunately, this is in many cases still done with chlorine, creating environmental problems and potential conflicts. Not only can the use of chemicals without adequate protection cause health problems for workers but also the production of polluted waste water has led to complaints from neighbouring households about the air pollution and odour produced. However, some producers use sodium hydroxide, which is much more expensive but does not harm the environment. It must be noted that the chemicals and dyes are mostly imported from abroad.

The pulp is then shredded into smaller and smaller fibres (traditionally it is pounded by hand), according to demand and eventually dyed. The fibres are then placed into a large trough and caught on frames. These frames are made of bamboo and net. In these frames the fibres are left layer by layer, until the required thickness of paper is reached. Then these frames are set out to dry in the sun and the paper sheets are afterwards simply taken out of the frames. In the dry season producers can dry several frames a day, but in the rainy season there are occasions when no paper can be left out to dry because the air is very damp. Some households have tried to replace *por saa* with other raw materials such as pineapple fibre, but there is no alternative raw material to replace it. Thus, rather than trying to find a substitute for the core component raw material, producers have widened and diversified their product streams and added value by incorporating additional leaves, flowers and other items into the final product.

5.3.2 Baan Muang Kung

Terra cotta is one of the oldest handicraft arts in the world and humans have benefited from the ever improving usage of terra cotta for thousands of years. These have usually been developed within village communities, recently evolving into a high-tech industry in the modern era. Notwithstanding this general pattern, there are still many village communities scattered around different parts of Thailand that continue to follow the traditional way of producing terra cotta which has been passed on through the generations. The main reason for the survival of this traditional terra cotta making is because terra cotta produced within these villages is based on easy non-complex methods involving the usage of local raw materials. With easy production methods, terra cotta is one of those handicrafts that villagers find simplest to use, buy and produce for sale themselves. It can be easily dovetailed with other household demands (e.g. farming), and requires little in the way of investment, whether in the form of skills or technology. For this very reason, many communities have a long history of producing terra cotta, mostly in the form of family businesses within the community itself, especially in the area of Hang Dong district, which still has many communities involved in producing high quality traditional terra cotta.

Baan Maung Kung is one such village that is well-known for terra cotta making within the area; it is locally known as 'Namton village', as a result of its long history of *namton* (water-bottles) making from Baan Maung Kung. Baan Maung Kung is located at Moo 7, Tambon Nongkwai, Hangdong District, Chiang Mai province. The village is situtated just 7 kilometres outside Chiang Mai and 5 kilometres from Chiang Mai Airport. Maung Kung people are mainly employed in terra cotta making, which creates many products including *namton* (water-bottles), clay pots (water-pots) and interior and exterior decorating products such as vases from the skills that have been passed over many generations (Tambon Nong Kwai Local Administrative Office, 2006).

Historically before the community emerged within this area, the area was known as a way station between old communities situated to the south of the province, such as Wiang Dong, Wiang Tha Gharn, Wiang Kum Kharm and Haripunchai. There was also strong evidence of agriculture in these areas. From the word of the old men in

Baan Maung Kung, many understand that their ancestors were Tai Yai people, and there were just 6 families at the time. They had been swept from Muang Pu and Maung Sard in Chiang Tung province, which at present falls into the area of Burma. Although the history of the village and the area that can be gleaned from oral histories has never been documented, we can point to the historical annals of Lanna Thai and in particular those relating to the city of Chiang Mai. These indicate that people from Burma and Sipsongpannana migrated to the lands of Lanna in the time of Payamungrai (1261-1314), Payatilokarath (1441-1487) and Prajaokavila (1782-1813). At the time, Chiang Mai needed large numbers of of people to strengthen its army. Under his rule, the ancestors of Baan Maung Kung had to farm for Prajaokavila. Prajaokavila would send his men to divide the harvest, mainly rice, identifying that which villagers could keep for their own consumption and that which would be transported to the city once a year. When the rice season was finished, villagers would make terra cotta articles such as namton (watle-bottles) and clay pots instead. From studies by local historians, Baan Muang Kung has a long history of more than two hundred years.

Picture 5.8 Baan Muang Kung

Table 5.5 Population of Muang Kung Village, Tambon Nong Kwai, Hang Dong District, Chiang Mai Province (2007)

Population Life Span	Male	Female	Total
Less then 1 years old	-	-	-
1-2 years old	2	2	4
3-5 years old	7	2	9
6-11 years old	19	9	28
12-14 years old	9	5	14
15-17 years old	10	13	23
18-49 years old	114	119	233
50-60 years old	36	38	74
More than 60 years old	23	36	59
Total	220	224	444

Source: Nong Kwai Tambon Administrative Office

The population of Baan Muang Kung is quite static. Home-based manufacturing is based on family members and, unlike in Baan Ton Pao, only a few non-villagers are hired to work. Work teams draw on relatives and neighbours rather than on outsiders.

Twenty years ago almost all the houses in Baan Muang Kung had thatched roofs and they used to cover their houses with newspaper in the cool season to keep out the cold air. Only people with money could afford to have a tiled roof. Today, people in the village go to work in Bangkok, save up some money, and then come back and build themselves a new house. In Baan Muang Kung today no tap water system has yet been installed. Instead, the people in the village get water from underground wells and use it to wash clothes and take baths. This water contains a great deal of sediment, however. For drinking proposes the water needs to be boiled and disinfected. Since bottled water became available, people have more recently been buying their drinking water. See Table 5.6 below for more information.

Table 5.6 Services and Amenities in Baan Ton Pao and Baan Muang Kung

Services and Amenities	Baan Ton Pao	Baan Muang Kung
	Per cent (%)	*Per cent (%)*
Electricity	100.0	100.0
Tap water	45.3	-
Pit latrine	89.6	93.0
Flush toilet	17.0	8.8
Gas stove	88.7	86.0
Air-conditioning	13.2	8.8
Refrigerator	98.1	94.7
Television	99.1	98.2
Radio	99.1	96.5
Landline phone	66.0	61.4
Mobile phone	79.2	68.4
Computer	38.7	33.3
Internet	17.0	12.3
Bicycle	91.5	89.5
Motorbike	90.6	86.0
Motor vehicle	58.5	57.9

Source: Survey Questionnaires

5.3.2.1 Methods of Making Pottery in Baan Muang Kung

Picture 5.9 Methods of Pottery Making

The first stage in making Muang Kung terra cotta consists of 'preparation of the clay or mud', which involves dissolving the clay in water to remove any unwanted stones. There are three types of clay that are traditionally used. Firstly, there is 'white clay' (which normally comes from Bor laung village, Sunpathong district, Chiang Mai province), which when fired and dry gives a white/pink colour. Secondly, there is 'red clay' (from Wiang Papao, Chiang Rai province and from Doi Saket district, Chiang Mai province), a type of clay that is usually used as a finish for pots and *namton*. The finishing usually involves mixing the clay with petrol or vegetable oil which when fired and dry gives a strong red colour. Lastly there is 'black clay' with a strong colour famously used to produce flowerpots. When washed to remove any unwanted stone, the clay is dried and put into mortar and then goes through a special grate (known locally as 'Herng') to further remove unwanted substances. The clay is then mixed in water and kept in equally sized balls in a closed place.

Picture 5.10 The Middle Aged and Elderly Villagers in Baan Muang Kung Make Pottery in the Traditional Way

Picture 5.11 Young People in Baan Muang Kung Use a Machine Instead of the Traditional Technique to Make Pottery

The techniques that are used in making Muang Kung terra cotta have been passed on through generations of families and different areas have gained their reputation through various skill specialisms. From making the shape of the terra cotta, they then put the clay on a wheel, which is made out of of bamboo (8”-10” in diameter by 9”-10” in length) which is held through the middle. The wheel is also easy to move, which is handy especially when the clay needs drying, therefore, a number of wheels are used for drying the terra cotta more effectively.

When the main body of the terra cotta water-pots (*nammor*) or water-bottles (*namton*) is made and dried, they are then decorated by using a small wooden stick to carve the body into different patterns, although sometimes pre-made patterns are also used. Only when it is completely dried after this patterned carving does the piece go through special finishing. The finishing involves applying special clay that has been mixed with oil to produce a smooth surface. The piece then goes through further drying and is then fired, which gives the products of the area their famous red colour. Apart from this famous red terra cotta, Baan Muang Kung also produces darker coloured terra cotta using special smoking methods involving the use of tree sap mixed with sawdust, which is then covered while hot. If the piece does not give the right colouring, it can also be burnt further with a special vegetable oil. The drying or firing of Muang Kung terra cotta involves circle kiln firewood. The piece stays in the kiln for two to five hours, depending on the size of the kiln and the amount of terra cotta. This method of burning uses low temperatures, however, which will give strength to the piece.

Apart from the special method in making Muang Kung terra cotta, the design of the product also stands out, especially, in the range of water-pots and watter-bottles. Muang Kung clay pots have a special shape with a small spout, an extended pot shoulder and a round bottom. The pot is usually carved all the way round the body with extra clay to complete the carving and red clay finishing. *Namton* is a jug or water-bottle with a long neck and a lid which might be developed from the shape of a bottle gourd (*namtao* in Thai), which is made by removing seeds to use the main body to contain water for workers out farming. The name *namton* therefore might have originated from *namtao*. Apart from the above mentioned products made in Baan Muang Kung, the villagers also produce other types of products, for example

small pots for making fireworks, which are often in high demand and which are easily made.

Muang Kung villagers treasure their simple way of life. At present and for the last two hundred years or so the villagers' main occupation has been terra cotta making, which is a trade mark product for Baan Muang Kung. With a strong community base and great team work, terra cotta from Baan Muang Kung is now exported to the world market. The main products from Baan Muang Kung are the old traditional products that have passed through many generations, clay pots and *namton*, and products which are being developed to compete in the international market, such as vases, lamps and other interior decorating products. Like Baan Ton Pao, Baan Muang Kung is also well deserving of its recognition as an OTOP village example.

Nevertheless, Muang Kung terra cotta, similar to other forms of handicraft production, requires continuing development to adapt to the ever growing demand and different requirements of the market. Furthermore, cultural impacts in the present day mean that the villagers face more difficulties in protecting their traditional values in terra cotta making. The new industrial methods with new products also have huge impacts in terms of replacing the old traditional household products. One of the main problems in making Muang Kung terra cotta is the difficulty of finding raw materials because traditionally villagers got their clay from their farm land. Some villagers turn to clay from different areas when clay from Baan Muang Kung is finished or too expensive but face the problem of low quality. The products produced from such clay then have a shorter life and so many turn to more modern products made from plastic.

Although Muang Kung villagers might face problems and difficulties in continuing with terra cotta making, some of the villagers are still fighting to continue with the traditional ways of Maung Kung terra cotta making passed down from their ancestors. To fight off the new products, many of these villagers work hard to make a better quality terra cotta exceeding the expectations of the customers. Many still believe that terra cotta making is embedded within their way of life and is embedded in many of their traditional rituals, for example the 'Songkran festival', which involves showering elders with water to show respect. Some villagers also believe that changing their drinking clay pot will bring them happiness. *Namton* are also used to

welcome guests when they come to visit and are used to offer water to the monks when visiting a temple.

5.4 Conclusion

This chapter started with a general overview of Chiang Mai province and why it has been chosen as a field study area. The broad context of the districts and sub-districts *(tambon)* have been examined as a way of providing an introduction to the case study villages and their role in rural development. Chiang Mai province was chosen as the targeted research area due to both its long history of handicraft production and its ideal characteristics for the study of interactions between urban and rural, particularly for the study of urban bias and rural development. The discussion has shown that the long history and deep-rooted culture of the communities in the province makes the research site interesting for the study of the role of indigenous knowledges in rural industrialisation and development. The analysis in the chapter also showed that Chiang Mai province is an ideal research site for the study of urban bias since there is evidence of the uneven development between the communities in the city and nearby rural areas. Baan Ton Pao and Baan Muang Kung in Chiang Mai province were selected as case study villages due to their location and reputation for handicraft production. For Baan Ton Pao, *saa* paper is the key handicraft product in the village while terra cotta pottery is the major product long produced by people in Baan Muang Kung. Both handicrafts are widely recognised as major Chiang Mai products.

Taking Baan Ton Pao and Baan Muang Kung as case studies, the discussion in the chapter shows that both cases have established reputations for the use of indigenous knowledge and technology which also extend further into modern development techniques. Local knowledge, such as that relating to traditional pottery and *saa* paper making techniques, has been accumulated by villagers themselves. However, young(er) producers in both study villages have begun to use machines to speed up the making of their products.

The discussion in this chapter also raises questions about the sustainability of craft production, the danger of relying on a single market, and about the role of social

capital in building economic success. In the case of Baan Ton Pao, the primary analysis in the chapter shows that some people in the community have turned their family-style production into a real business, in which their products are distributed globally rather than locally. In the same case village of Baan Ton Pao, the analysis also shows that the existence of the community's social capital (such as in the form of the community approach to setting up a Ton Pao *saa* paper distribution centre) is a key measure of success for handicraft production in the village. However, for Baan Muang Kung, the villagers are facing problems in continuing with traditional pottery making as these days in modern Thai society, water-bottles are rarely used. The questions and issues regarding the sustainability of craft production, however, will be further discussed in the next chapter and in the later chapters. The next chapter turns to the question of managing rural development and more specifically, to the role of the Thai government, its agencies and its strategies through the OTOP programme in these two case study villages.

Chapter Six

Managing Rural Development in Thailand: Thai Government and the OTOP Programme

6.1 Introduction

Drawing upon the primary analysis of Thailand's rural development path developed in Chapter Four, the discussion in this chapter will focus on the role of Thai government in alleviating the poverty in rural areas, particularly through the initiation of the OTOP programme since the emergence of Prime Minister Thaksin's government. Taking the handicraft villages of Baan Ton Pao and Baan Muang Kung as case studies, the key discussion in the chapter centres upon an analysis of the initiation of the OTOP programme and the way the project has operated as well as an analysis of how and to what extent the operationalisation of the programme has been transformed from Thaksin's to the present government.

The chapter starts with His Majesty King Bhumibol Adulyadej's philosophy *'Sethakit Phor Piang'* or 'Sufficiency Economy' and is followed by a discussion of the *yoo dee mee sook* (live well and happiness) strategy. This strategy was initiated in 2006 and was adapted from the King's philosophy. It focuses on self-reliance and sustainable development. As a response to His Majesty's discussion of the 'Sufficiency Economy', the One Tambon One Product (OTOP) programme was initiated in 2001 as one of the key national policies seeking to lessen poverty in rural areas, and one of the key policies aimed at promoting rural development. This chapter also examines the role of the government through the OTOP programme, illustrating the government's OTOP activities and campaigns, which include local and community product trade fairs, the young OTOP camps, the setting up of knowledge-based OTOP centres in each province and the OTOP shops.

The chapter then moves on to discuss the organisations involved in the OTOP project and the impact on incomes made by project and provincial organisations. Then, the

role of localism and localist agendas, especially the change in villagers' occupations and their decisions to stop working in agriculture, are discussed. In this section, leadership in the communities will be explored as this plays a significant role in local activities. Next, the chapter will explore labour relations and labour supply in handicraft production before moving on to discuss the problem of pollution from handicraft production. The final section will discuss the future of Thai handicrafts.

6.2 From Building Prosperity to Creating Well-Being: From Rural Development to *Yoo Dee Mee Sook*

Following Thailand's economic crisis of 1997, His Majesty King Bhumibol Adulyadej, concerned for the happiness and well-being of the Thai people, began to develop his philosophy of *Sethakit Phor Piang*, known in English as the Sufficiency Economy. After the King's words on this subject, there was the aim of encapsulating this profound thinking during the year 1999. The National Economic and Social Development Board (NESDB) invited a group of reputed persons to study and draw up a definition which the King himself approved. The definition is as follows:

> The Sufficiency Economy is an approach to life and conduct which is applicable at every level from the individual through the family and community to the management and development of the nation. It promotes a middle path, especially in developing the economy to keep up with the world in the era of globalisation. Sufficiency has three components: moderation; wisdom or insight; and the need for built-in resilience against the risks which arise from internal or external change. In addition, the application of theories in planning and implementation requires great care and good judgement at every stage. At the same time, all members of the nation – especially officials, intellectuals, and business people – need to develop their commitment to the importance of knowledge, integrity, and honesty, and to conduct their lives with perseverance, toleration, wisdom, and insight, so that the country has the strength and balance to respond to the rapid and widespread changes in economy, society, environment, and culture in the outside world (UNDP, 2007: 29-30).

The Sufficiency Economy philosophy places humanity at the centre of development. It emphasises well-being rather than wealth, places sustainability at the core of all human development efforts, understands the need for human security and concentrates on building people's capabilities to develop their full potential, with safeguards against external challenges. In short, it is concerned with societal happiness. Successive Thai governments – and the agencies of the Thai state – have adopted this philosophy as a guideline for the country's development, particularly in addressing key challenges such as reducing disparities and enhancing economic growth while ensuring sustainability. The Sufficiency Economy also serves as the fundamental principle behind the 10th National Economic and Social Development Plan (2007-2011) and the *yoo dee mee sook* strategy.

The policy orientation of the NESDB is now toward income distribution to rural areas. It is different from rural development in the sense that rural development – at least traditionally in Thailand – was concerned with meeting basic needs and reducing poverty. For Thailand, a more appropriate policy, at least in the view of the NESDB, is to focus on income distribution rather than rural development. In addition, however, under the Premiership of Surayut (2006) there has been an additional emphasis on the *yoo dee mee sook* strategy over and above the creation of prosperity. The y*oo dee mee sook* (live well and happiness) strategy focuses on initiatives to achieve self-reliance and sustainable development, generating income while also preserving the sanctity of the community. It is a matter of helping people to help themselves, and strengthening communities.

> Happiness is the essence of life. Most philosophers assume that happiness results from the comparison between notions of how-life-should be, with the perceptions of life-as-it-is. Meanwhile, many social scientists believe that true development of society only occurs when material and spiritual development happen together, complementing and reinforcing each other. Happiness is therefore intimately linked with the quality of life and the society in which we live, meaning our social, economic and environmental circumstances. According to the *yoo dee mee sook* strategy, happiness is when we have human security and safe communities, living in harmony and cooperation, with equal access to food, healthcare, housing, education and other social services, immune from indebtedness and irresponsible consumption as well as other excesses. Happiness is when we have justice and fairness. Happiness is when we are empowered (Wattanasiritham, 2007).

In the interviews with the Deputy Secretary General of NESDB and the Chief of the Micro Enterprise Strategy and Action Plan Formulation Division of *The Office of Small and Medium Enterprises Promotion* (OSMEP), the *yoo dee mee sook* (live well and happiness) strategy was presented as the strategy to ensure people have a good quality of life::

> "The *yoo dee mee sook* strategy is also about giving a choice to local communities. Nonetheless it should be accepted that the *yoo dee mee sook* policy is a bit too abstract to put in practice. Hopefully, the new government could execute this policy in a more objective and practical manner."
> *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007)*

> "The ideal rural development policy is to make people in the community happy, have sustainable living and good quality of living. I quite agree with the *yoo dee mee sook* policy, which encourages locals to create their own projects. But anyway, I am not sure whether this policy will be continued by the new government."
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

As far as Thailand's Tenth Five-year National Economic and Social Development plan (2007-2011) is concerned, the National Economic and Social Development Board (NESDB) is now focusing on developing a strategic plan for those industrial sectors which are seen to be likely to have a competitive advantage in the world market. The emphasis is on the rising stars, such as technology-based industries including hard disk drive manufacturing, automotive parts, electronics, and the petrochemical industry. What is striking is the absence of concern for intermediate, artisan-based products, and there is a sense in some quarters that key agencies of Thailand's development are inherently biased against what are regarded as 'traditional' and 'primitive' industries.

> "Prejudice towards the industrial sector lessens the significance of the agricultural sector as well as the handicraft industry. Nonetheless, some segments of these traditional sectors are still doing well in international markets by penetrating niche market segments. From my past working experience in Chiang Mai, in some villages, making handicraft products is the major source of revenue of households. Handicraft products have unique designs and characteristics so they are not only popular among foreign tourists but also among local Thai people."
> *(Interview, Ms Artarotpinyo, Senior Expert in Production and Service Strategies, NESDB, November 2007)*

Before the OTOP project, there were no policies that complemented and supported handicrafts. This changed with the introduction of the OTOP programme in 2001.

6.3 The Role of Thai Government through the OTOP Programme

The One Tambon One Product (OTOP) programme was initiated in 2001 as one of the national policies to lessen poverty in rural areas, and a key rural development policy. OTOP is designed to encourage local communities to produce unique local specialities connected with local culture and being marketable both domestically and internationally.

> "The OTOP programme is based on the reasoning that local products are unique in the sense that they are not just products but also part of local culture and indigenous knowledge."
> *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007)*

To achieve its purposes, the government has supported local communities, primarily by providing knowledge, skills, and technology, to draw on local wisdom and local resources in product development and community development. A second theme of the OTOP programme is community partnership: to produce, manage and develop the identified products through community cooperation. In this way, the government anticipated that the OTOP programme would raise local communities' earning potential, their well-being and, therefore, promote development. More practically, the main initial purpose of the programme was to create a distribution channel for local products to the world market. Another benefit of the OTOP policy was to provide new career opportunities in rural areas. The OTOP project therefore provides opportunities for villagers to develop small scale activities into vibrant businesses, generate additional income, and to do so into the context of community partnership.

The One Village One Product (OVOP) programme in Japan was started when Oita prefecture faced an economic crisis and many people were jobless in 1979. Oita prefecture is a self-governing area of Japan located on the north-eastern section of Kyushu Island. Therefore, the Governor of Oita prefecture encouraged people to showcase their local wisdom and products based on local skills and raw materials. He himself was in charge of public relations and marketing. The Director of the Bureau of Community Industries Development, Mr Charoenphol, was of the view that the OVOP was successful because as a developed economy Japan has the surplus income and demand to support such an initiative *(Interview, Mr Charoenphol, the Director of Bureau of Community Industries Development, November 2007).*

> “The Thaksin government launched the OTOP project based on an idea they got from Japan's One Village One Product (OVOP), together with the same concept ‘local yet to global, wisdom, and human resource development.”
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007)*

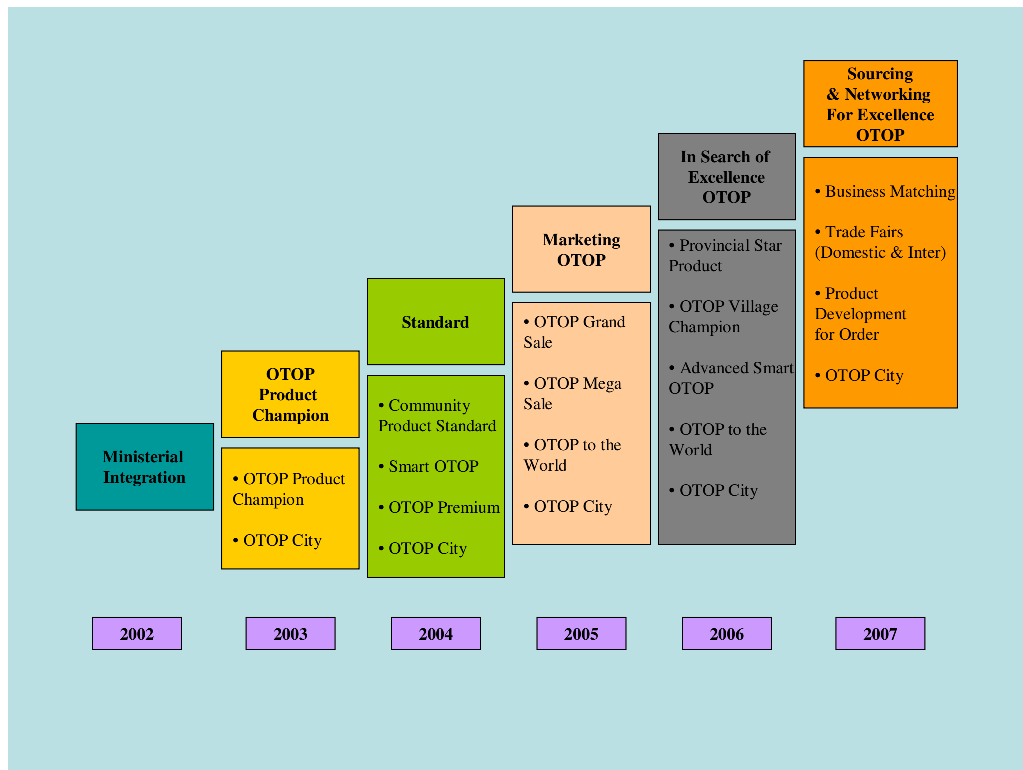
While it has become common to link Thailand’s OTOP programme with Japan’s earlier OVOP initiative, it can be argued that OTOP is not a new policy or, for that matter, an initiative that was borrowed from Japan. Some projects organised under the OTOP campaign essentially existed and were already embedded in the policies of several ministries and public organisations. For instance, the Department of Community Development had established community development projects, the Ministry of Labour was delivering job training and career promotion in rural areas, while the Ministry of Industry had its Handicraft Industry Office. These programmes are comparable to sub-projects under the OTOP campaign.

6.3.1 Local and Community Product Trade Fairs

> “Selling OTOP products is unique in the sense that it is not just selling products but selling Thai-ness. This is the main selling point which other countries cannot imitate.”
> *(Interview, Ms Maneeket, Director of Policy and Community Enterprise Development Division, CDD, Ministry of Interior, January 2008)*

At the beginning (2001-2002) the OTOP programme emphasised making government officials, academics and the wider public understand the philosophy of the initiative and its methodology. At the same time, it started to encourage local people to collaborate and employ their local wisdom in product development. During 2003, OTOP intensively focused on the improvement of product quality. It developed a community product standard system and implemented production process improvement schemes. Also, underscoring its marketing channel expansion efforts, the programme implemented a variety of marketing activities, both domestic and international (Figure 6.1).

Figure 6.1 OTOP Road Map 2002-2007



Source: Local and Community Product Promotion Policy, 2007

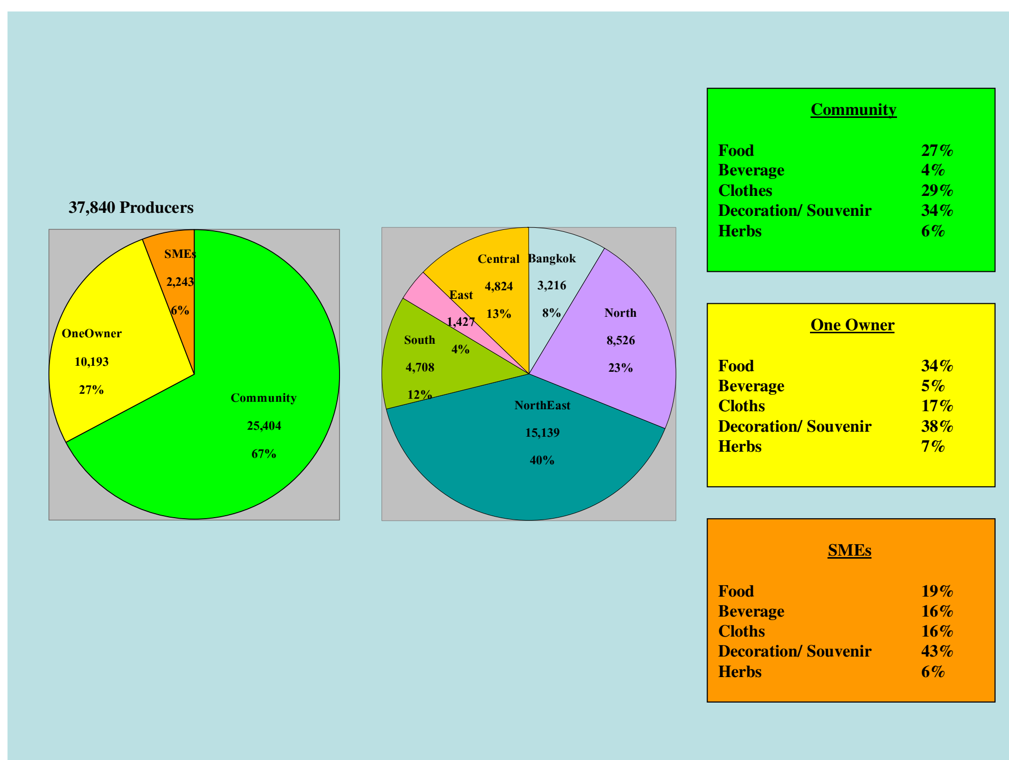
The OTOP Road Map 2004 was designated as an annual operating blueprint, providing a step-by-step guide to work and schedules. It still focused on the improvement of product quality and standards, but linked this to the enhancement of community competency. OTOP producers are required to attend the tailor-made management courses (SMART OTOP Programme) to improve their basic business knowledge: management, accounting, finance, marketing, along with production improvement. In 2005, the Road Map shifted attention to marketing promotion. Many activities were arranged, such as exhibitions and domestic and international trade fairs. During 2006, OTOP intensely focused on improving quality by identifying product 'stars' and 'champions': OTOP Product Champion, OTOP Village Champion and Provincial Star Products (Advance Smart OTOP). In 2007, community was highlighted as a major theme instead of the focus on products. This means the producers had to focus on products which are said to draw upon local wisdom and can be clearly linked to their local origins. A step-by-step promotion system was initiated for developing the market potential of the product by business matching methods.

The OTOP plan at the start focused greatly on marketing. As a result, since 2003 national OTOP CITY fairs have been organised twice a year. These events are aimed at creating new selling and distribution channels for local products at the national level, creating awareness and recognition of OTOP, and promoting Thai values; however, the highest expectation was the distribution and marketing of local products internationally.

> "What I have heard from the OTOP city fair in Muang Thong Thani, Bangkok was the complaints that the old groups from past years only go there. If they continue doing this and don't allow new faces to join the fair, the trend and feedback will go down hill. If they let old faces showcase old products all the time, the buyers will go and see the same faces every time, and the fair will soon have problems."
> *(Interview, Ms Worathammanon, Industrial Technical Officer, Industrial Promotion Centre Region1, Chiang Mai, December 2007)*

> "There are some bad points. 'OTOP Syndrome' is where people head for the same profession, invest in the same product for the same goal. Thus, some products come to a dead end."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District, Chiang Mai, December 2007)*

Figure 6.2 Local and Community Product Producers 2006



Source: OTOP Plan 2008-2012

The Deputy Secretary General of the NESDB, Ms Liwgasemsan, pointed out that the registration data management system was reorganised in order to increase the effectiveness of policy implementation (Figure 6.2). This led to the re-categorisation of 37,840 entrepreneurs registered in the system into three groups. The first group are local people in the local community. There are 25,404 registrations under this category. The second group is the single individual entrepreneur. Entrepreneurs in this group are villagers (formerly under the first category) who have spun-off to set up their own businesses. The number of registrations in this group is 10,193. The last group is company-type SMEs. There are 2,243 registrations under this classification *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007).*

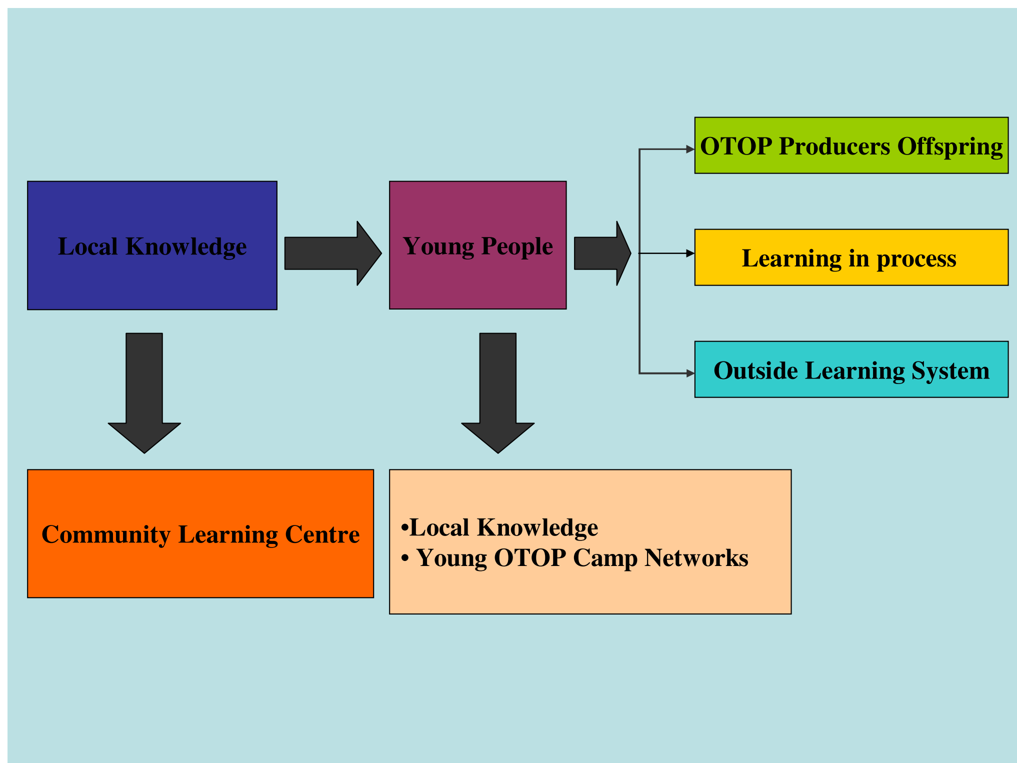
6.3.2 The New Generation

In the view of the Director of the Policy and Community Enterprise Development Division in the Community Development Department, Ms Maneeket, promoting industry in rural areas is one effective way of encouraging people to return to their

rural roots and regions. Proliferation of local industry can reduce the rate of migration of local people to Bangkok. At present there are large numbers of young people with bachelor degrees returning to their villages with the aim of supporting local industry. This young generation plays an important role, particularly in the areas of marketing and packaging. They can bridge inherited local know-how and the modern market *(Interview, Ms Maneeket, Director of Policy and Community Enterprise Development Division, CDD, Ministry of Interior, January 2008).*

The 'Young OTOP camp' project has been carried out since 2006 (Figure 6.3). The aim of this project is to try and bring a new generation to join the OTOP project. Most of the young people joining this camp are usually children of handicraft-producing families and other interested young children in the village. The camp projects are organised in 75 provinces; however, it is up to the provincial authorities to decide which villages will be chosen as sites for the camps. These camps are intended to transfer the valuable local knowledge in handicraft production from the older generation to the new generation. From this project, the children have been able to absorb and realise the value of their local knowledge.

Figure 6.3 Concepts of Young OTOP Camp

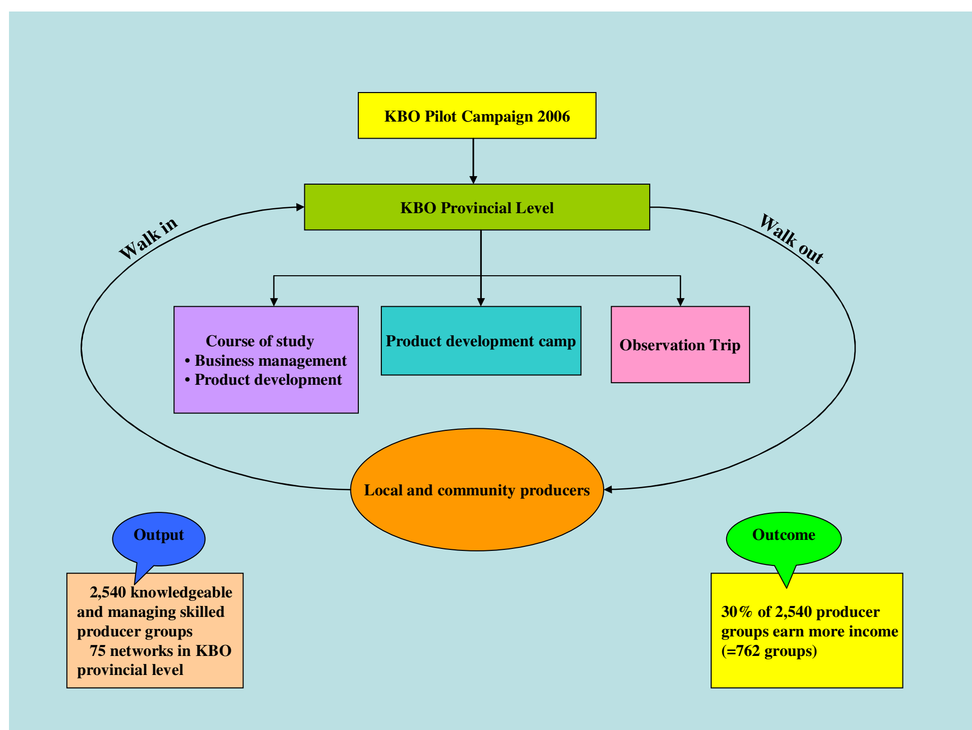


Source: Wellspring of Community Product'06, Community Development Department, Ministry of Interior, 2006

6.3.3 Knowledge-Based OTOP

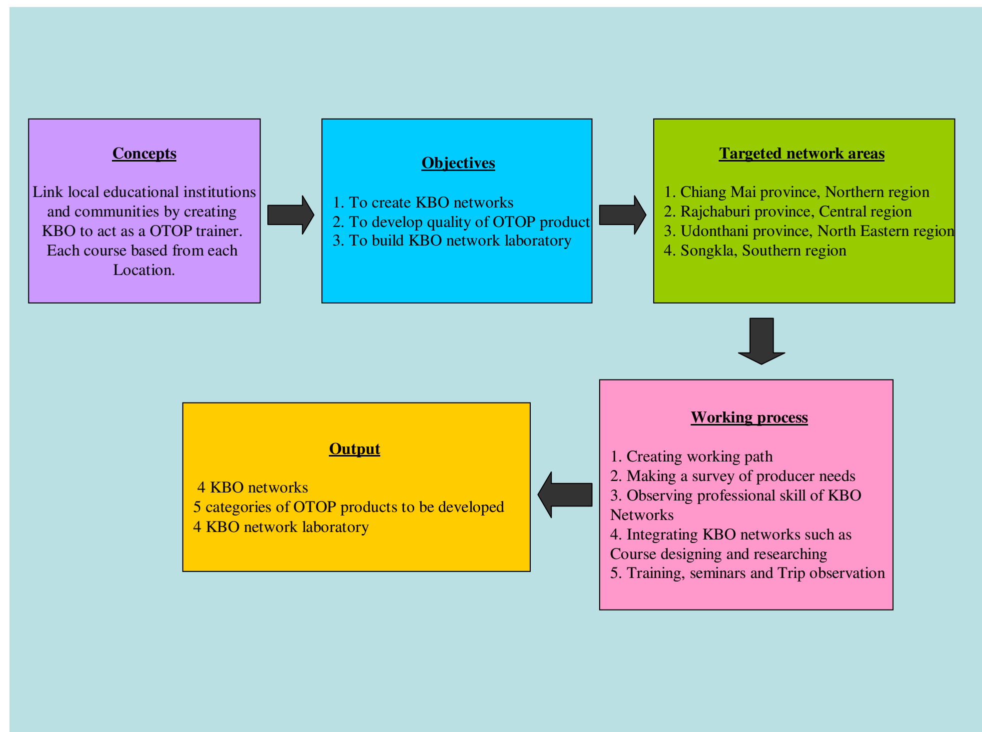
Another important point concerns the process of mentoring and knowledge transference. As The Deputy Secretary General of NESDB, Ms Liwgasemsan, explained, entrepreneurs in each region face different problems. From this grounded evidence, there emerged the suggestion to set up a Knowledge-Based OTOP (KBO) centre in each province. The units would act as knowledge centres for communities in each province. On this basis, the Community Development Department reached the decision to set up 75 KBOs in each of the country's 75 provinces *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007).* Nevertheless, the Director of the Bureau of Community Industries Development, Mr Charoenphol, argued that the Community Development Division should just bring in specialists from Bangkok. For him, a Knowledge-Based OTOP (KBO) is not the right way to promote local skills and knowledge because the specialists stay only one year or two, and then move on. They have no background in the areas concerned and knowledge transfer is limited *(Interview, Mr Charoenphol, the Director of Bureau of Community Industries Development, November 2007).* See Figure 6.4 and 6.5 below for more information.

Figure 6.4 Knowledge-Based OTOP (KBO)



Source: Community Development Department

Figure 6.5 The Result from Establishing Local Knowledge Transfer Networks for Promoting Knowledge-Based OTOP: KBO 2006



Source: Community Development Department

6.3.4 OTOP Shop

In 2004 the OTOP shop in Chiang Mai was set up acting as a focal centre for buyers to source and find information about local products. This project was initiated in 2004 during Thaksin's government. However, the OTOP shop was closed in September 2007. At present it still has to await some clarification of department policy from the central office in Bangkok. The policy is developed by the central office committee, and regional director. This illustrates that the OTOP programme is hostage to changes in government. The OTOP shop in Chiang Mai was located in the area of the Department of Export Promotion (Chiang Mai Office); however, the Department was in fact not in charge of managing the OTOP shop. The Department gave the contract to the private sector to manage the shop. Thus, all trade orders are managed directly by a private representative. This includes orders from both domestic and international buyers. Thus, it could be argued that community development initiatives become hijacked by private sector agencies and commercial motives.

Figure 6.6 OTOP Driving Forces

Source: OTOP 2001-2004, National OTOP Administrative Committee

The accomplishments of OTOP are driven by three parties. Firstly, there is the local community, which, by applying local wisdom and expertise, can initiate, produce and develop products for sale in the national and international arenas. Secondly, there is the role played by a government agency – namely OTOP itself – in supporting measures and activities designed to promote product development in local communities. The last party is the private sector, which participates in supportive activities such as marketing activities and product development activities.

6.4 Multiplicity of Government Bodies and the Risks of Overlap and Duplication

> "To develop handicrafts, we need a clear host, a clear integration policy from the highest levels of the ministry. We need a main organisation to host the matter and any organisations that are interested in that subject can work under the first organisation."
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007)*

Most parts of the OTOP project are managed by central organisations, with their headquarters in Bangkok. The central offices support activities that cannot be run by

a province or cluster of provinces such as the OTOP City Fair, which exhibits OTOP products from every region in the country and the Made-in-Thailand Fair, in which the Department of Export Promotion allocates some space for OTOP products. There are only a few projects run solely by local and provincial organisations and the important role of coordinating the various local bodies is left to the Community Development Department (CDD).

During 2001 to 2002, the National OTOP Administrative Committee appointed nine subcommittees. These were:

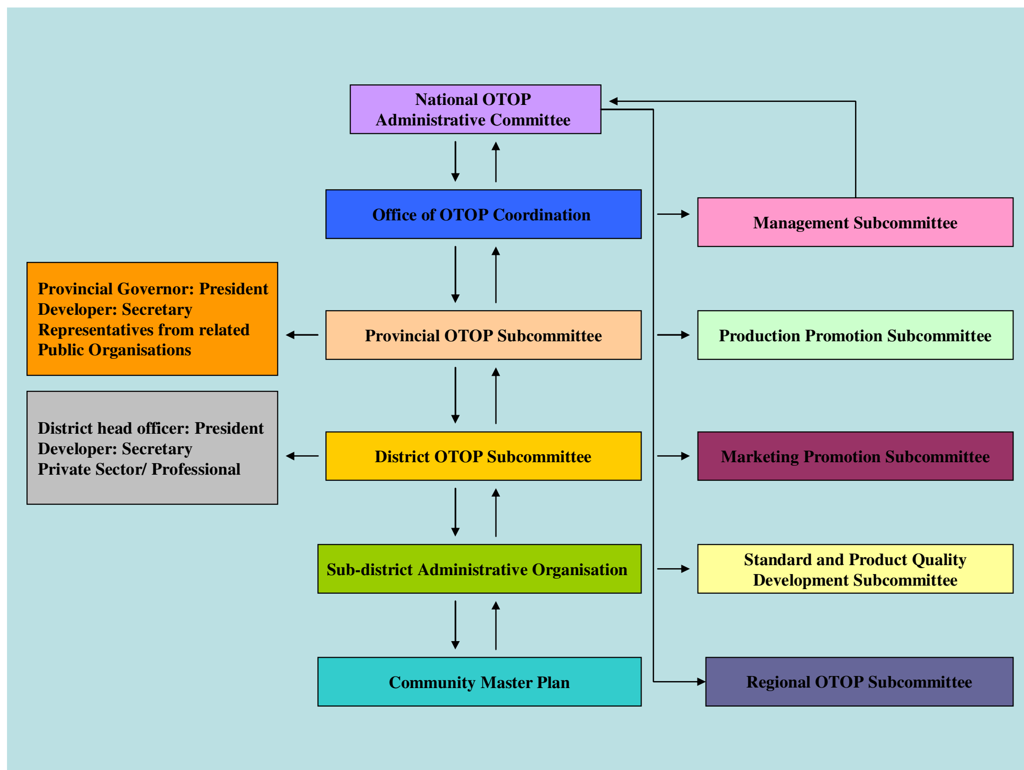
- Planning and Budgeting Subcommittee
- Production Promotion Subcommittee
- Product Standard and Classification Subcommittee
- Marketing Promotion Subcommittee
- Research Development and Technology Subcommittee
- Public Relations Subcommittee
- Monitoring and Evaluation Subcommittee
- International Affairs Subcommittee
- Regional OTOP Subcommittee

From 2003-2006, the former nine subcommittees were replaced by five subcommittees (Figure 6.7) as follows:

- Management Subcommittee
- Production Promotion Subcommittee
- Marketing Promotion Subcommittee
- Product Standard and Quality Development Subcommittee
- Regional OTOP Subcommittee

In addition to these five sub-committees there are two further subcommittees working directly in local areas: the Provincial OTOP Subcommittee and District OTOP Subcommittee. The Office of OTOP Coordination was set up as a central agency to collaborate with all the subcommittees on planning, budgeting, and implementation. The structure of replacing subcommittees seems to emphasise products and marketing more than research and evaluation.

Figure 6.7 OTOP Project Organisation Chart 2003-2006

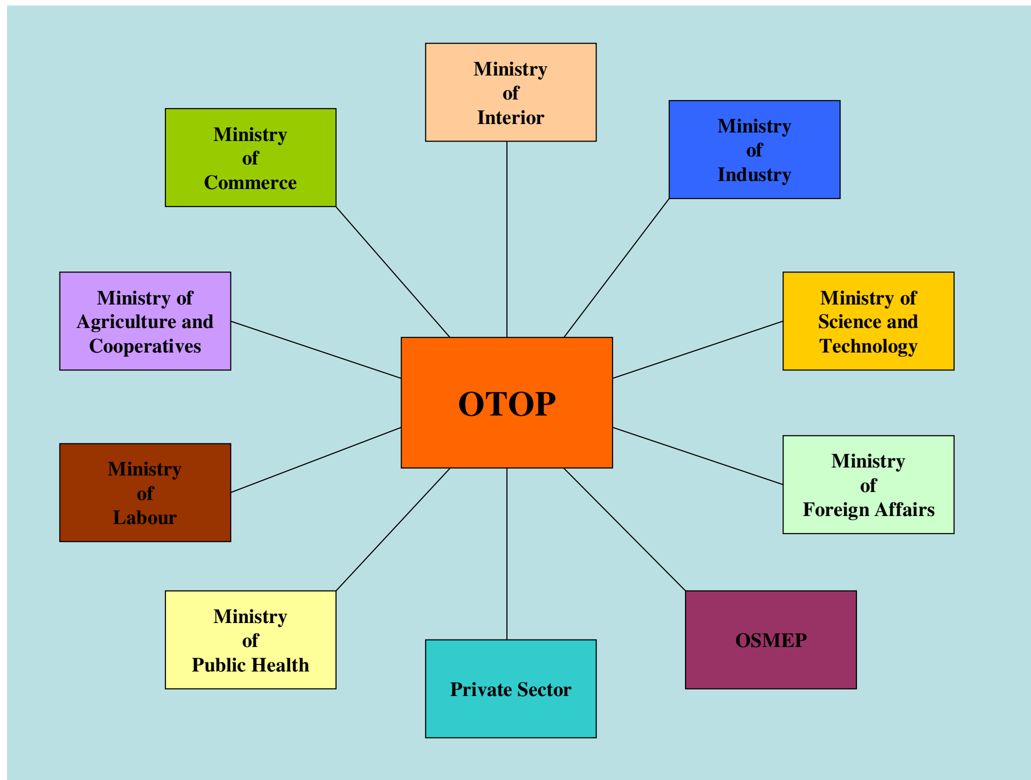


Source: From Root to Leave, Thai Way to the World, Regional OTOP Subcommittee, 2006

The OTOP has been systematically driven through the function of the National OTOP Administrative Committee, specialised subcommittees, various government agencies (Figure 6.8) and allocated the budget through the SMEs Promotion Fund. This means that there is no coordination and there is overlap. The OTOP programme is overly centralised for something that is meant to promote local products.

> "Unlike the industrial sector, the relevant public organisations responsible for handicraft industry development and support are scattered in several organisations."
> *(Interview, Ms Artarotpinyo, Senior Expert in Production and Service Strategies, NESDB, November 2007)*

Figure 6.8 Main Organisations involved in OTOP Project



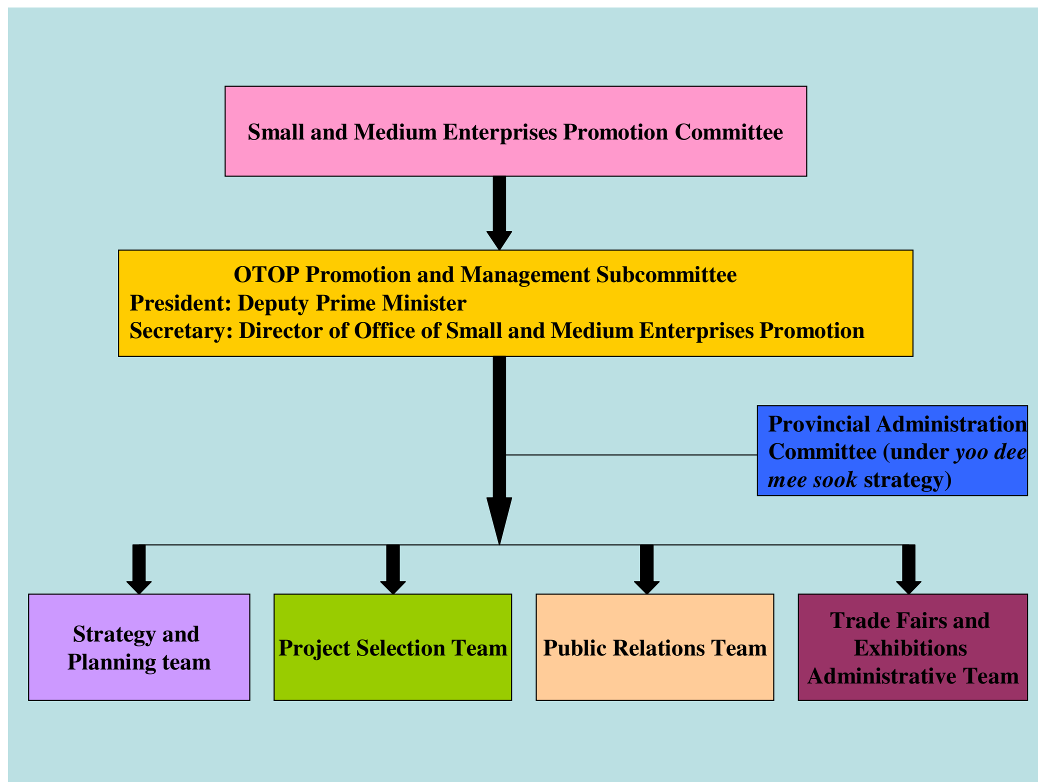
Source: Author

The Office of Small and Medium Enterprises Promotion (OSMEP) in the Ministry of Industry acts as the central coordinating organisation for the OTOP programme while other organisations such as the Ministry of Industry, the Ministry of Commerce, the Ministry of Agriculture and Cooperatives, the Community Development Department, and the Ministry of Interior provide their support on particular related issues. These organisations have to work together. For example, there is cooperation between the Community Development Department (CDD) and other public organisations, such as the Ministry of Industry, which provides some specific consulting in connection with production matters while the Ministry of Commerce offers expertise in marketing products, especially high-end ones destined for the export market. To begin with, the CDD might assist a local entrepreneur to market their products in the local and domestic market. When these enter the export market then the CDD will request that a team from the Ministry of Commerce offers its assistance *(observation, OTOP Subcommittee meeting, November 2008).*

The various committees and sub-committees established during Thaksin's government are similar to those present today. The division of work at that time was by function – such as production and marketing. There was little communication between the sub-committees and they did not develop any long term plans. In contrast, the present committee structure is more organised and the work is no longer divided by function (See Figure 6.9). All organisations are required to coordinate in every function. While this may solve one problem, it creates another because it causes confusion since this way of organising work is not familiar to the sub-committees' members. That said, this organisation does mean that each committee shares a common goal.

> "In my opinion, OSMEP still has not done a good job as coordinator. We are still not successful since we have not got cooperation from other organisations as we expected. Other organisations usually feel unhappy if we interfere too much in their activities. They do not want others to set any rules for their organisations. This conflict can lead to bias and (the other sub-committees) stop listening to suggestions and comments from us. Therefore, we have tried to give them space and tried not to interfere in their activities. Our job is to provide comments and suggestions while the decision is made by their organisations."
> *(Interview, Ms Suwaphanich Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

Figure 6.9 Driving Mechanisms and Administrative Structure 2007



Source: OTOP Plan 2008-2012

> "A change in the system is a little hard because Thai bureaucracy rarely works together."
>
> *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007)*

> "The OTOP project can be successful if there is cooperation and impetus from several related organisations."
>
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

The OTOP budget from its inception through to 2007 is outlined in Table 6.1. The budgeting of the OTOP project has been complex from the start. It has received financial support from several public organisations, such as from the CEO special project and from provincial branches of Ministries including the Ministry of Agriculture and Cooperatives and the Ministry of Commerce. Sometimes this has caused complications in budget allocation since the project is supported by several

financial sources. In addition, the OTOP project is supported indirectly through the programmes of several other public organisations such as those engaged in job promotion and creation related to the handicraft industry.

> "In the beginning it was hugely successful because every ministry poured in budgets to please the government. The total budget for this project was billions of baht. What is astonishing is that only thirty percent of the money was spent on developing the project, and we have no idea where the rest of the money went as no one was in charge of managing the budget."
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007).*

Table 6.1 Local and Community Product (OTOP) Annual Budget

Unit: Baht

Budget Year	Annual Budget	Actual Expenses
2001-2002	**Directly allocated to organisations**	**-**
2003	**800,000,000.00**	**771,625,039.69**
2004	**1,500,000,000.00**	**1,222,351,090.12**
2005	**1,000,000,000.00**	**723,116,084.61**
2006	**1,000,000,000.00**	**1,149,585,439.47**
2007	**760,000,000.00**	**488,724,592.50**

Source: From Root to Leave, Thai Way to the World, Regional OTOP Subcommittee, 2006

In 2001-2002, the OTOP budget was directly allocated to each government agency involved. Since 2003 it has been allocated to government agencies through the SMEs promotion fund. The Office of Small and Medium Enterprises Promotion (OSMEP) has joined the OTOP project after the allocation of the budget in SMEs fund in 2003. The allocation of SMEs fund is divided into four parts. The first part is for operating costs in the organisation including the staffs' salary. The second part is a joint venture fund with SMEs. The third part is for the OTOP project. The final part is for managing action plans for supporting SMEs. Over the years, most of the money has been spent in marketing and organising events for OTOP products.

6.5 OTOP and Increased Income

Industrialisation in rural areas can facilitate and support rural development, and the OTOP programme has become the most high profile example of the Thai state's intervention in community and rural development. In fact, however, their involvement in the OTOP programme is, for most villagers, still of secondary importance in terms of income generation. There is only a relatively small group of local people, usually local and group leaders, who rely on the OTOP products as their main source of income. That said, there are some data from the OTOP project (drawn from a four year evaluation report by the National OTOP Administrative Committee) showing that after implementing the OTOP programme the monthly income of local people increased consistently. The study was done by sampling four hundred OTOP producers from every region of the country and this study showed that only 13 per cent of respondents saw no increase in income (Table 6.2).

Table 6.2 Increased Monthly Income after Enlisting in OTOP

Increased Income	Per cent (%)
Not increased	**12.75**
Less than 1,000 Baht/ Month	**9.00**
1,001 – 3,000 Baht/ Month	**42.50**
3,001 – 5,000 Baht/ Month	**14.00**
5,001 – 7,000 Baht/ Month	**6.00**
More than 7,000 Baht/ Month	**15.75**
Total	**100.00**

Source: OTOP 2001-2004, National OTOP Administrative Committee

> "We could see that the OTOP project generated additional sources of income to countries especially during the economic recession. This project also promotes job creation directly to people in the lowest-class of our society."
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

Table 6.3 Debt Status of Households after Engaging with the OTOP Programme

Changing in Debt	Per cent (%)
Decreased Debt	**78.70**
Unchanged	**12.00**
Increased Debt	**9.30**
Total	**100.00**

Source: OTOP 2001-2004, National OTOP Administrative Committee

This same evaluation also showed a positive impact of the OTOP programme on rural household debt status. As Table 6.3 shows, not only did the great majority of sampled households increase their income through the programme, but their debt also fell. Less than 10 per cent of households reported an increase in debt over the period while nearly 80 per cent said that their debt fell after joining the OTOP programme. Furthermore, the OTOP project has brought in dynamism and new hope for diversifying occupational activities beyond agriculture and enabled the achievement of a sustainable livelihood system in rural areas (Routray, 2007).

6.6 Provincial Organisations

6.6.1 Baan Ton Pao and the Establishment of the *Saa* Paper Cluster

In his well-known work: *Clusters and the New Economics of Competition (1998)*, Michael E. Porter writes:

> Clusters are geographic concentrations of interconnected companies and institutions in a particular field. Clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialised inputs such as components, machinery, and services, and providers of specialised infrastructure. Clusters also often extend downstream to channels and customers and laterally to manufacturers of complementary products and to companies in industries related by skills, technologies, or common inputs. Finally, many clusters include governmental and other institutions – such as universities, standards-setting agencies, think tanks, vocational training providers, and trade associations – that provide specialised training, education, information, research, and technical support (Porter, 1998: 78).

This definition of clusters by Michael E. Porter is not only influential but also significant for the cluster strategy in Thailand as in 2003 Thaksin's government initiated the cluster strategy or *pun taa mid aoot saa haa gam* (industrial ally) in Thai, and the government invited Michael E. Porter to be the advisor for this programme. From his view in developing countries' economies, a huge proportion of economic activity tends to concentrate around capital cities, which also happens in Bangkok. This is typically because distant areas lack infrastructure, institutions, and suppliers. During his speech on 'Thailand's competitiveness: creating the foundation for higher productivity' in May 2003, he argued that Thailand lacks well-developed clusters. Instead of trying to compete in the world market with cheap labour and natural resources, the development of well-functioning clusters and additional investment are more vital he suggests.

Industrial Promotion Centre Region1 (Chiang Mai Office) takes care of five clusters; oranges, longan, *saa* paper, weaving products and handicrafts. Looked at more closely, the handicraft cluster comprises *saa* paper, lamps, home decorating items. A key difference is that the home decorating items group has set up entrepreneurs who want to develop their products, unlike the *saa* paper group with villagers who have long undertaken this activity. When the *saa* paper industry was identified as a focus of development, the impetus came from GTZ (Gesellschaft für Technische Zusammenarbeit), an international cooperation enterprise for sustainable development based in Germany but with worldwide operations, who hired a German company called Eureka (a consulting office in Thailand) to advise if they were interested in doing business in Thailand. Their study shows that 70 per cent of Thai industry is centred upon agriculture and it needs a number of labourers to sustain it. They also studied the possibility of exporting agricultural products.

For the Northern region, the study identified oranges, longan and *saa* paper, which is a sub-sector of agriculture as key products. *Saa* paper is a sub-sector of agriculture because it is made from *saa* trees. It is a sub category of handicrafts but its root is in agriculture. Its origin is from trees, but the product is handicrafts. Furthermore, it was found that annual sales of *saa* paper reach one billion baht and there are a number of people involved in this business. The origin of *saa* paper making is from Baan Ton Pao and this village has the potential because about 80 per cent of *saa* products are for export. Nevertheless, the management and production process still has some problems. That is why GTZ came up with the promotion of the northern agro-industry clusters project to develop this industry. The purpose of this project is to enhance the competitiveness of the northern-based sectors (longan, tangerine fruits and mulberry paper). The aim is to create additional value added in the whole sector and thereby secure or expand employment and incomes in the clusters in which the sectors are most prominent. This cluster strategy is not a part of the OTOP programme but it is a fundamental project for the Ton Pao *saa* paper distribution centre.

Baan Ton Pao had many groups which the Community Development Department had already set up, including housewives groups. Therefore when the officers from the Industrial Promotion Centre first advised them about the cluster scheme, they did not

pay much attention. So the officers went to the village headman. In this case it is helpful to find a powerful person to explain to them that the plan will take three years, how it will be carried out and what villagers will get from it. The village headman made an announcement through the village's radio station and explained as much as he could. Then, the first meeting was set up. Many villagers attended the meeting wanting to know if it would work. However, the result of the three years' work sometimes did not match the activities of some of the village members. Some villagers just make papers and boil *por saa* (raw mulberry), so they do not think that the plan matches their work. Some think they do not benefit from the cluster that much.

The three-year budget of the cluster project states that villagers' incomes have to be raised; hence Industrial Promotion Centre 1 takes them to fairs, to find buyers and to improve the products according to the demand.

> "When we take them to fairs mainly in Bangkok, we have to coordinate with the Ministry of Commerce because the cluster project is not in their plan. OSMEP will help us asking for booths in the fair as we are a regional department, so we do not have enough power to do this."
> *(Interview, Ms Worathammanon, Industrial Technician Officer, Industrial Promotion Centre 1, Chiang Mai, December 2007)*

The cluster of *saa* paper in Baan Ton Pao has twenty to thirty members. There are a couple of factories in the programme. Some members work in preparing *por saa* and some are involved in *saa* paper making. Some make only *saa* paper products but do not make the paper and some do the whole process. There are also freelancers who can be hired to do lacing and cornering. But the cluster member is not yet involved in colour selling, the hospitality business, buying, packaging outsourcing or logistics.

> "I believe that in the future some will join the cluster so that we can cover the whole system."
> *(Interview, Ms Worathammanon, Industrial Technician Officer, Industrial Promotion Centre 1, Chiang Mai, December 2007)*

6.6.2 District and Sub-District Support in Baan Muang Kung

Terra cotta at Baan Muang Kung used to be a project supported by Industrial Promotion Centre Region 1 (Chiang Mai Office) as in the OTOP programme. The person who was responsible for OTOP in Baan Muang Kung is Ms Weithong. She used to collect information and send it to the provincial office so they could consider in what way they should engage with Muang Kung's villagers. However, these days the ceramic centre has been established in Lampang province, where ceramics are significant and terra cotta was included *(Interview, Ms Weinthong, Industrial Technical Officer, Industrial Promotion Centre Region1 (Chiang Mai Office), Department of Industrial Promotion, Ministry of Industry, December 2007).*

The district office planned to organise courses for interested visitors and to set up a home stay service so people could spend a couple of nights while learning this terra cotta making. The plan originated in 2006, and at the time there were many visitors and so many shops in Muang Kung village. But now many shops have closed down. Therefore the plan was stopped. Muang Kung village never attended the OTOP City fair at Muang Thong Thani. It is not considered worthwhile as the products cannot be sold at high prices and the transportation fee is expensive because of the long distances and the products are in big sizes and also fragile. They can sell more products in the village as they receive a good number of orders *(Interview, Ms Kaewswang, Developer, Hang Dong District Administrative Office, December 2007).*

The sub-district administrative organisation was also introduced in Thailand about ten years ago. The purpose of initiating these local administrations is to decentralise the power to the local region. However, it seems that most financial investment is in physical infrastructure. Mr Takamsang, Tambon Vice-chief of Tambon Nong Kwai Administrative Organisation confirmed this in an interview, stating that his organisation has been running for eight years. The last seven years' projects were to build basic facilities including water, electricity, etc. However in 2007 the projects were mostly about improving the quality of life, as all the facilities are almost perfect *(Interview, Mr Takamsang, Tambon Vice-chief, Tambon Nong Kwai Administrative Organisation, December 2007).*

> "If a village's handicraft centre has a project, they can propose the project to us and ask for a budget. We cannot just give them the money. They have to establish their group and then ask for support. We have staff to analyse and plan, and we have community development staff we send to check if their projects are done the way they proposed. We have to see if it is real. They have to wait less than a month after they proposed their project plan." *(Interview, Mr Takamsang, Tambon Vice-chief, Tambon Nong Kwai Administrative Organisation, December 2007)*

An OTOP budget can be accessed immediately by a village as in the case of the giant terra cotta bottle in front of Muang Kung village that came from the budget of the Tourism Authority of Thailand and the OTOP budget. After Muang Kung village became an OTOP village, there were many changes. They got a budget to improve the scenery and more visitors have come to the village. However, before OTOP, this village was quite well-known. Students from other provinces came here to study their handicrafts. But OTOP has raised their incomes. Another change is that they have developed more products and more designs from the original one when they had only a water-bottle and a water-pot. They have got to go on field trips and gain more knowledge. In the past, Muang Kung village did both farming and terra cotta making. The village and the surrounding area were dominated by rice fields. But today they do not produce rice any more as there are not many rice fields left, so there is now only terra cotta *(Interview, Mr Takamsang, Tambon Vice-chief, Tambon Nong Kwai Administrative Organisation, December 2007).*

6.7 Local Voice and the OTOP Project

6.7.1 Local Voice from Baan Ton Pao

Mr Yeenang, the OTOP leader of Baan Ton Pao, noted that the OTOP policy is much more about supporting the village than actually developing it. The government and OTOP policy came after Baan Ton Pao had already developed all the processes of making *saa* paper. The government saw that Baan Ton Pao was a huge *saa* paper industry and wanted to present Baan Ton Pao as an example for other villages for the OTOP policy. The support from the government and the OTOP policy did not help to increase the orders from customers. *Saa* paper producers in Baan Ton Pao used to attend the OTOP City fair but got fewer orders from walk-in customers in the fair than the orders received at home in the village. The government plays a supporting role to Baan Ton Pao by providing the OTOP budget and organising the data and information. Baan Ton Pao used the OTOP budget to build the gateway and signs in front of the village in order to get noticed by visitors.

Moreover, a *saa* paper information centre has been established. The *saa* paper distribution centre located in front of the village entrance has been established by the Community Development Department. It came from many budgets, to construct a building for villagers to do their business, but villagers do not do that yet. The building was left unused because that was the time that Thaksin was the Prime Minister and the economy was very good, they stayed in their home and they could sell their products. However, since 2006 the centre has been in use. It provides all the information on how to make *saa* paper. Customers can visit the centre in order to get to know Baan Ton Pao. It helps to decrease the arguments among the neighbours. The next project in Baan Ton Pao is to collect all important data such as the history, marketing data, the cost data, material consumption, and production problems. The budgets to improve that area are waiting for the approval from the government. Of course OTOP policy and all related government projects will be blocked if the government changes.

More researchers and government units such as in environment control, industrial support, and exports have come to Baan Ton Pao during the past ten years.

> "Some groups were working hard and strongly supported the village. They sent back their researches and documents for future development. On the other hand, other researchers came to the village and gathered all information for getting the budgets, and then they disappeared."
> *(Interview, Mr Yeenang, OTOP President, Baan Ton Pao, June 2007)*

The OTOP budget is much more focused on training and seminars. The village cannot use the budget for construction or investment. The OTOP budget, however, can be invested in tourist areas. The budget mostly goes to educate the people to welcome the visitors, improve parking areas and restrooms etc. Ms Kattikhun argued that OTOP was not helping her community. Customers were the same group as before. Her community was running *saa* paper businesses for many years, and the OTOP came later.

> "The loan from the OTOP also did not cover people who really produced *saa* paper. There was a seminar trip, but the people who went there were not *saa* producers. They were mostly people from the municipality."
> *(Interview, Ms Kattikhun, Villager, Baan Ton Pao, June 2007)*

> "We have some problems with raw materials. But we ask for help from OSMEP and they help by sending staff to Laos and teach them how to cut the *por saa* the way we want. When they can deliver the exact product quality that we want, their prices can go up as well as we are willing to pay more and we do not need to hire more labour to fix the material."
> *(Interview, Ms Woratummanon, Industrial Technical Officer, Industrial Promotion Centre Region1, Chiang Mai, December 2007)*

6.7.2 Local Voice from Baan Muang Kung

> "The OTOP budget and the budget from the Tambon Administrative Office were used to make sun-shields, decorate the gateway, make the education building, and draw terra cotta making charts"
> *(Interview, Ms Jareonsuwan, Villager, Baan Muang Kung, June 2007)*

In front of Muang Kung village used to be a tourist centre with a coffee shop. But the coffee shop was left unattended, so it was changed into a village showroom instead. This project was supported by the Tourism Authority of Thailand, while the idea came from the villagers themselves. The giant terra cotta in front of the village is the villagers' idea as well. Mr Techakaew, the OTOP President of Baan Muang Kung, claimed that he also came up with new moulding techniques and tools. He tried a new technique of making the colours look like antique colours to boost exports, but still preserve the traditional techniques which he learnt when he was a boy. *(Interview, Mr Techakaew, OTOP President of Baan Muang Kung, June 2007)*

6.8 Localism and Localist Agenda

In the past, villagers practised agriculture together with handicrafts. They represented a fusion of local wisdom and indigenous knowledge. However, the Industrial Technical Officer, Ms Weinthong, questioned whether agriculture was worth their labour and their time. Especially in this modern day when people cannot stop talking about technology, expense or something innovative like facilities, road, and electricity. If they do not have handicraft production as their extra income, they cannot live. Handicrafts boost their income *(Interview, Ms Weinthong, Industrial Technical Officer, Industrial Promotion Centre Region1 (Chiang Mai Office), December 2007).* The returns on agricultural labour are so unattractive that people have turned full-time to handicrafts. From being subsistence farmers who undertook some handicraft production on the side they have become 'workers' in the handcraft industry.

When I asked Mr Sangunpol, the district officer or *nai amphoe* in Thai, about rural residents' occupation, he began his reply with this: "You cannot rely on agriculture only" because agriculture has to depend on too many natural factors: soil, water, etc. Handicrafts help increase household income. Moreover, people do not have to migrate to other places to make a living.

> "Migration is one factor that causes social problems. Parents leave their kids for their aged parents to raise. So the kids grow up without the warmth and the care of their parents and become problems for society."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District Administrative Office, Chiang Mai, December 2007)*

Leadership in the community also plays an important role. The Department's assistance is only helpful during the establishment of the handicraft cluster but driving development of the cluster to the next stage depends considerably on local leadership. Groups within communities that work well usually have strong and competent leaders. Competent leadership in a community is a crucial key to success. 'Community' activity has to be as inclusive as possible. Cooperation is seen as important in driving prosperity in the local community. Community success can by no means survive and be sustained by the efforts of one or two people in the community. Sustainable community development is built up from below, rather than imposed from above by the state. A community has to build up its own capabilities to think and adapt to the changing economic environment. This requires the cooperation of the inhabitants of the community and good leadership *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007).*

> "It is impossible for clusters to develop to the next stage without strong leadership in the community."
> *(Interview, Ms Maneeket, Director of Policy and Community Enterprise Development Division, CDD, Ministry of Interior, January 2008)*

> "In most case, the failure of clusters involves lack of leadership in communities."
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

6.9 Labour Relations and Labour Supply in Handicraft Production

In some cases, labour supply in the local area was not sufficient to meet the needs of the handicraft industry, with the result that labour has to be attracted from other regions. This was regarded by some officials as necessary and desirable – and by others as potentially risky. Director of Policy and Community Enterprise Development Division, Ms Maneeket, noted that overseas labour (primarily from Burma) would be in a position to learn about local know-how and copy products, taking advantage of lower costs of production in their countries *(Interview, Ms Maneeket, Director of Policy and Community Enterprise Development Division, Community Development Division, Ministry of Interior, January 2008)*. However, Ms Suwaphanich argued that employing foreign labour could be a solution to the shortage of labour in the local area. Worrying about the loss of indigenous know-how should not be a reason to restrict foreign labour since the shortage of labour supply is a far more serious problem *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, January 2008)*. In communities, handicraft entrepreneurs hire more foreign labour because villagers do not stay in their villages. Director of Bureau of Community Industries Development, Mr Charoenphol, believed that most villagers move to Bangkok because the wages in their own villages are not sufficiently high to be attractive, creating the labour vacuum that migrant labour fills *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007).*

Of course this has ramifications for how we should think about rural industries of this type, and more particularly their links to the Sufficiency Economy. The Sufficiency Economy does not sit easily with the actions of villagers and handicraft entrepreneurs. Villagers see little worth in their own village handicrafts. Also, the entrepreneurs themselves are profit driven and hire foreign labour from Burma

because they are cheaper. In such a context, the philosophy of the Sufficiency Economy and the OTOP programme does not resonate. But as Mr Charoenphol remarked, if entrepreneurs really cannot find anyone to work for them, then they have little choice but to hire migrant labour. *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007).*

> "The department which in charge of this needs to check if there are unemployed people in the areas. If there are a lot, go and see why entrepreneurs hire foreign labour if Thai people can do it."
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007)*

> "I think in the present Sankamphaeng locals go work in the city less than locals in other communities. Most of us work in big handicraft factories. Some produces handicrafts at their homes. And most of the factory owners are locals. The more they produce, the more they help creating job opportunities for the locals."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District, December 2007)*

From Ms Suwaphanich's experiences of visiting Baan Ton Pao, there are not many foreign labourers employed in the handicraft industry. Most of the work force is still local or are relatives of handicraft production families *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, January 2008).*

In Baan Muang Kung, villagers these days hire some labourers from outside the village, mostly from neighbouring villages. But these are not foreign labourers because they do not have the skills to undertake handicraft production; terra cotta (water-bottle) making is what the villagers have learnt since they were young *(Interview, Mr Takamsang, Tambon Vice-chief, Tambon Nong Kwai Administrative Organisation, Hang Dong, Chiang Mai, December 2007).*

6.10 Pollution from Handicraft Production

> "Today when we focus on the industrial level – people think they need to get rich from this thing – we begin to lose our uniqueness. Like *saa* paper, in the old time, we used natural colours. But today, when they could not produce as much as they want, they decide on chemical colours. Chemical colours contaminate the water and now we have water pollution. If we produce things hand made style, they think they cannot get as many orders as they want. But there is still someone like Aunt Fongkam. She uses natural colours, while the others do not. Our local wisdom can live, but only if we do not rush and focus on quantity than quality."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District Administrative Office, Chiang Mai, December 2007)*

Many *saa* paper producers nowadays use chemical colours in the boiling process, ferment *saa* paper or dye it, but generate waste water pollution along the way. It is a responsibility of the developers at Sankamphaeng District Administrative Office to investigate this, ensuring that colours do not affect the environment through organising seminars and other related campaigns funded by the Pollution Control Department every year. If *saa* paper making happens to affect the environment, their duty is to contact the Environment Development Centre to come and fix the problem. An example is when they ferment *saa* paper or dye it. However, when I was doing my fieldwork at Baan Ton Pao there was only one house that had installed a waste water treatment system. Mr Surasak Runklinsee, a lecturer from the faculty of Environment at Chiang Mai University, visited the village and offered the treatment solution to Ms Kattikhun. He offered only for one house in the village because of the limited funding.

His system was to separate waste and water, then filter through *kok* trees. He repeatedly visited Ms Kattikhun and followed up his project. Ms Kattikhun informed me that she was happy with the water treatment. The bad smell was totally removed. The professor was trying to make the treatment with other houses in Baan Ton Pao. Nevertheless, the professor can only support fifty per cent of the investment cost of each water treatment system per house. This fifty per cent budget support had an

impact on people in Baan Ton Pao taking the decision to invest in a water treatment system. Ms Kattikhun said that the only way to improve the waste water pollution was that the municipality must force every house and factory to have the water treatment system *(Interview, Ms Kattikhun, Baan Ton Pao, June 2007).*

Picture 6.1 A Waste Water Treatment System, Baan Ton Pao

Terra cotta making at Baan Muang Kung seems not to generate a lot of pollution as in Baan Ton Pao. Only when it comes to the process of heating, air pollution could be a consequence. However, the production in Baan Maung Kung is not on a mass scale like in Baan Ton Pao, therefore the possible air pollution is never mentioned.

6.11 The Future of Thai Handicrafts

Thai handicrafts are usually used by a small group of the older generation. Their designs are usually regarded as out-of-date and they do not appeal to the younger

generation. The market is now dominated by industrial products which are viewed as 'modern'.

> "In my opinion, to promote handicraft products we need serious advertising as well as an improvement in the products' design. Moreover, for handicraft production over the next ten years, one major factor in remaining competitive is the supply of highly skilled labour. Thailand could be the leader of Asia in the handicraft industry. Nevertheless, there are major threats as well, especially from other developing countries such China and Vietnam, which could take advantage of lower labour costs."
> *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007)*

> "Thailand needs to be more creative and consistently innovate as part of a strategy to differentiate itself from competitors in other developing countries such as Vietnam and China."
> *(Interview, Ms Thanasitsomboon, Senior Trade Officer, Department of Export Promotion (Chiang Mai Office), Ministry of Commerce, December 2007)*

One of the objectives of the OTOP programme is to narrow income inequalities between rural and urban areas by increasing incomes in rural areas. The hope is that this will also encourage the younger generation to come back to the community. This should therefore also reduce the unbalanced demographic structure that exists in many rural villages.

> "I think any activities and projects that relate to the people such as OTOP, you have to keep working on them. But it seems as if when the governments change, the policies are always changed, which I think is not the right thing. As the OTOP programme affects people's way of life, it affects their income; it can improve their well-being."
> *(Interview, Mr Jaroensab, Head of Development Division, Hang Dong District Administrative Office, December 2007)*

In Ms Suwaphanich's point of view, the government should continue to support the OTOP project since it is 'good for local communities'. Some might criticise the depth or effectiveness of this policy; however, the benefits such as income distribution and creating more job opportunities can often be significant for local communities. The target of development, in her view, should focus on how to make the products acceptable to local people, and secondarily develop the international, export market.

> "As some people have mentioned our products are 'yet to (go) global', I think this means we have to improve our product standard for both the local and international markets."
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

Many younger villagers might continue with handicrafts – but the influence of higher education is to reduce the likelihood that young people will return to their roots. When the older generation passes away, the local wisdom and skills and the handicrafts in each community will be in danger of disappearing.

> "The local authority, officer and community leader need to protect this kind of wisdom. They can have public relations to help motivate and cultivate the ideas and communicate them to the new generation."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District, December 2007)*

The younger generations are, in some instances, learning how to make *saa* paper and products. In Baan Nong Koong School (Tumbon Ton Pao) making *saa* paper is one of the courses students have to study *(Interview, Ms Inchai, Developer, Sankamphaeng District Administrative Office, Chiang Mai, December 2007).* There is a mini all-in-one factory at the school, for making *saa* paper. They even have a showroom for their products. Many of the children are skilled at paper making because they see their parents making it at home. It is the same in Baan San Paa Sak School in Tumbon Nong Kwai.

6.12 Conclusion

> "Thaksin's government created many excellent instruments such as the OTOP programme to enable each community to develop and market its own local product or products based on traditional indigenous expertise and local knowledge. Nonetheless, it seems to be excellent only in its conception but not in its working practice because many villagers still lack education in particular production knowledge."
>
> *(Interview, Ms Liwgasemsan, Deputy Secretary General, NESDB, November 2007)*

It could be argued that the OTOP project has the potential to alleviate the hidden unemployment problem in local communities. However, it still requires further in-depth research focusing on the effects of the programme on reducing unemployment in rural areas. It is still too early to conclude that the OTOP policy can increase income or promote job creation in the rural areas. This is because the positive outcomes arise from the efforts of a number of projects from many organisations, some of which pre-dated the OTOP programme itself. In addition, promoting a 'true' entrepreneurial spirit cannot be done overnight, and is a time consuming process, requiring continuous policy refinement. There is also the important question of whether the philosophy of OTOP actually dovetails with the real desires and issues present in rural areas.

Many officers of central organisations stated that local residents are just waiting for the support from government. This indicates that the OTOP programme is top-down, that it does not build self-reliance or participation, and that the OTOP programme is just another instrumental policy derived from the centre (i.e. Bangkok):

> "The right way to develop is to allow villagers to stand on their own feet when the time is right. But we do not now teach them to stand and walk, we just drag them along and when we let them go themselves, they just collapse. That way, they might be able to walk a few steps, but they will suddenly turn back to us to ask what they should do next."
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Ministry of Industry, November 2007)*

> "If they want production machines, they will ask for those from the Ministry of Agriculture and Cooperatives. If they want to join some trade fairs, they will ask for financial support for transportation."
> *(Interview, Ms Suwaphanich, Chief of Micro Enterprise Strategy and Action Plan Formulation Division, OSMEP, Ministry of Industry, January 2008)*

> "Some groups are just waiting for help because they have got used to getting help from the government. And the government officers make this happen because they always give help to the locals."
> *(Interview, Mr Sanguanpol, District Chief Officer, Sankamphaeng District, December 2007)*

This support can have negative effects, such as villagers not learning anything by themselves. It is a permanent problem that has made many communities rely on the government only.

By using the handicraft village of Baan Ton Pao and Baan Muang Kung as case studies, the analysis in this chapter shows how the initiation of the OTOP programme was administered. According to the analysis, it can be seen that the organisation of the OTOP programme involves a number of entities ranging from central government organisations to local administrations. The management of the programme, therefore, is quite complicated and sometimes becomes problematic during the operation of the programme in practice. Most parts of the OTOP project are managed by central organisations, with their headquarters in Bangkok. The OTOP programme is overly centralised for something that is meant to promote local products. The various OTOP committees from many government organisations often overlap and duplicate each

other. Strong local leadership is needed in order to drive the community toward success. Labour supply is also still an issue in the handicraft industry as in some areas it was not sufficient, so much so that this was substituted by hired labour. A thorough investigation of the efficiency of the OTOP programme is the focus of discussion in the next chapter.

Chapter Seven

Experiencing Rural Development in Thailand: The Role of Handicrafts in Baan Ton Pao and Baan Muang Kung

7.1 Introduction

This chapter examines the place and role of handicrafts in the two villages studied. It will consider how rural development in general and the role of handicrafts in particular are experienced and 'lived' in villagers' everyday lives. The chapter will explore who adopted handicraft production and why (and, by implication, who did not) and how engagement with handicraft production affected households. Of particular concern will be the role of the OTOP programme in shaping and supporting handicrafts in the two villages.

Both Baan Ton Pao and Baan Muang Kung are designated as 'model villages' in the government's OTOP programme; however, the interviews with villagers suggest that experiences of handicraft production and involvement in the OTOP programme vary considerably. This, therefore, raises questions about the mixed experiences of rural development in the study villages. Moreover, we need to view handicrafts as a shifting field of development; there are changes in the villages in terms of the methods of handicraft production (*saa* paper in Baan Ton Pao and pottery in Baan Muang Kung) and in modes of living. Furthermore, the data from the questionnaires shows that rural development activities such as handicraft production must be viewed in a wider context. Villagers are involved in many other activities. Finally, the findings from the fieldwork highlight the need to see engagement with handicrafts as differentiated according to age, gender and education.

Thus this chapter highlights a series of related issues which, together, emphasise the need to contextualise rural development interventions. These are:

- the need to see rural development (and, in this instance, handicrafts) in the context of the wider opportunities open to villagers;
- the need to see rural development and handicrafts in the temporal context of the development process;
- the need to see rural development and handicrafts as offering differential attractions and possibilities depending on the social and economic circumstances of the household.

7.2 Handicrafts and Livelihoods in Northern Thailand

Previously, the villagers in both of the studied villages worked in the rice fields during the rainy season to secure their subsistence needs and produced handicrafts to generate an income. Indeed, handicrafts were their main source of (limited) income although agriculture was far more important in supporting subsistence. As argued by Rigg (2001), the development of non-farm activities helps to absorb surplus farm labour and at the same time it contributes money for investment in agriculture. Today, many of these former rice farmers have sold their land; handicrafts, however, remain the main activity for many middle aged villagers[8]. Handicraft making is not only the main source of villagers' income; it is also embedded in their everyday lives. It defines their lives in both economic and social terms. This is in line with Ellis's (2000) definition of livelihoods as a 'means to a living'. This definition directs attention to the way in which a living is obtained, not only in terms of consumption obtained or income received. However, it is important to distinguish between *how* different villagers engage with handicrafts. The earnings from making pottery and *saa* paper are different between those who own a shop or factory and those who work for these small businessmen and women as subcontractors. Thus handicrafts cannot be seen as a single thing either between handicrafts or, even, within one product.

Many villagers who still make handicrafts at home express satisfaction with their work as it generates sufficient income to make a decent living and working at home is more convenient. Moreover, working at home can be more remunerative than

[8] In this context, I consider middle aged villagers to be approximately between the ages of 35 and 60.

working in a factory because payment is on a piecework basis, which can yield between 200 baht and 1,000 baht per day while factory work is based on a daily wage rate of approximately 120-150 baht per day. There are other attractions, too. Ms Fongkham, a single mother of two daughters and a home-based pottery-maker in Baan Muang Kung, can arrange her work around the demands of childcare, finishing work around 2.00-3.00 in the afternoon and taking time off at the weekends *(Interview, Ms Fongkham, Baan Muang Kung, June 2007)*. Many other villagers involved in handicrafts in both villages studied expressed views similar to those of Ms Fongkham.

> "I make enough money from *saa* paper to meet my basic expenses. It is my family's main source of income."
> *(Interview, Ms Sarnmuang, Age 48, Baan Ton Pao, July 2007)*

> "The money from making *saa* paper is not bad. It is enough to live on."
> *(Interview, Ms Jaikod, Age 55, Baan Ton Pao, July 2007)*

> "People who get lots of orders can make a good living. Like, for example, the man who lives in the traditional Thai-style house opposite the entrance to the village. He has only been making *saa* paper for five or six years, but he is hard working and he and his wife have done pretty well for themselves."
> *(Interview, Ms. Rinsinjorn, Age 44, Baan Ton Pao, July 2007)*

However, some villagers think differently from Ms Fongkham and those quoted above. They link handicraft work with work in other areas, and handicraft production has been supplementary to their main source of income. It brings in some extra money but is no longer central to their livelihoods and well-being. As Chambers (1995) argues, sustainable livelihoods can refer to the mix of activities which make up a living in the long term.

> "If I did not have the grocery store, I could not make enough to live on just from *saa* paper as I only make 100 baht a day from the paper. That is not even enough to buy necessities. But I will probably go on making it. It is a way of carrying on a tradition practised by our grandparents."
> *(Interview, Ms. Meetecha, Age 45, Baan Ton Pao, June 2007)*

> "My main occupation is driving a school bus, and in my free time, I make *saa* paper products. The *saa* paper is a way to make extra money when I'm not driving the bus. I only drive in the mornings and late afternoons, and during the days and also school holidays I'm free. Making products of *saa* paper doesn't require a big investment as my employer provides me with everything I need – the paper and glue, for example. I get paid for every 100 items I make. I make little boxes and notebooks."
> *(Interview, Mr. Boonthawee, Age 41, Baan Ton Pao, June 2007)*

These extracts from interviews emphasise the way in which home-based handicraft production complements other activities, linked both to production (engagement in other employment activities) and reproduction (raising children).

Many villagers undertake one stage in the production process instead of undertaking the whole process on their own as they did in the past. But this is dependent on available space; both *saa* paper making and pottery production need a lot of space to undertake their production processes. Furthermore, there are not many households that continue doing the whole process by themselves because it is a large investment and requires several steps to complete. Many villagers who might previously have had an old kiln for firing pottery in their house compound have since torn it down to make room to build a house for their children.

The factory owners in the villages are villagers themselves, rather than outsiders. However, some shop owners in Baan Ton Pao – a minority – are from other districts or other provinces, and they buy *saa* paper and products in the village to sell in their shops. One of the big factory owners in Baan Ton Pao, Mr Manyuang, explained how his business expanded. When he first opened his shop in 2001, he hired only one or two people to work with him. Then he gradually expanded, raising the profile of his

products by visiting exhibitions and trade fairs. Whenever there was a chance to show off his goods, Mr Manyuang seised the opportunity. Sometimes he did not make any money, but at least he came back home with new ideas. Also, when he was first starting out, he got orders from some of the larger shops in the village. The profits were small, but he did not mind – he just kept working hard to succeed *(Interview, Mr Manyuang, Age 52, Baan Ton Pao, May 2007).*

A characteristic of those engaged in handicrafts is their age; most are aged over 35:

> "Now I'm 67 years old. I used to do other kinds of work. I left the village when I was in my twenties to do construction work and laid grass in town, and didn't return until I was about 50. I started to get older and nobody would hire me so I came back and started to do pottery."
> *(Interview, Mr Saenjai, Age 67, Baan Muang Kung, June 2007)*
>
> "I'm old. If I wanted to do some other kind of work, nobody would hire me."
> *(Interview, Ms Seenark, Age 68, Baan Muang Kung, June 2007)*
>
> "I'm old, and I don't have much education, so what else could I do?"
> *(Interview, Ms Ngernga, Age 73, Baan Ton Pao, May 2007)*
>
> "I like working at home. I can look after the children at the same time. If I get tired, I can go take a nap. When I get my strength back, I go back to work."
> *(Interview, Ms Seubkhampiang, Age 67, Baan Muang Kung, May 2007)*

Picture 7.1 Elderly Villagers in Baan Muang Kung

Picture 7.2 An Elderly Villager in Baan Ton Pao

Some villagers who are involving in handicraft production used to work in other kinds of jobs outside the village; men and women like Mr Techakaew, Baan Muang Kung OTOP President, who graduated in engineering. He worked in several factories in Bangkok, including an electronics factory, a textile factory, and a ceramics factory. Nonetheless, Mr Techakaew decided to leave Bangkok and started working as a pottery maker in 2000 because he felt that working as an employee in a large firm was not stable. Moreover, he wanted to start his own business and to develop the village. He also looked at other people in the village.

> "They have cars, but I did not have one since I could not save money when I was in Bangkok. I was pressured to fight for my position, but they were happy at home"
> *(Interview, Mr Techakaew, Age 45, Baan Muang Kung, June 2007).*

Data on villagers' activities in both villages and their households' main sources of income can be seen in Figure 7.1. In Baan Ton Pao, the top three income generating activities are linked to *saa* paper – people who work at home on their own account, piece workers working at home, and piece workers working in village-based factories respectively. The sum of these three sources of income is more than 50 per cent of all types of income sources of the surveyed households in Baan Ton Pao. Furthermore, Figure 7.1 also shows that about 60 per cent of households in Baan Ton Pao derived their main income from *saa* paper production. Of those households surveyed in Baan Muang Kung, 30 per cent reported that their main source of income came from terracotta – people who work at home. The second largest group of main sources of income in Baan Muang Kung is terracotta-piece working in village-based factories, which constituted about 14 per cent of the surveyed households in the village. The income from wage labouring is the third largest group of first income sources in the village. The data in Figure 7.1 show that about 50 per cent of households in Baan Muang Kung have engagement in various forms of terracotta production as their primary current income source.

To sum up, the survey data reveal that most villagers in both Baan Ton Pao and Baan Muang Kung continue to engage in handicraft production in one way or another, and for most it is their main source of income. What is also clear, however, is that villagers engage in handicraft production in many different ways, from those who own small-scale factories to those who work in such factories. It is therefore important to consider not just *whether* villagers engage with handicrafts, but *how* they do so, and their labour relations in the industry.

Figure 7.1 Main Sources of Income for Households

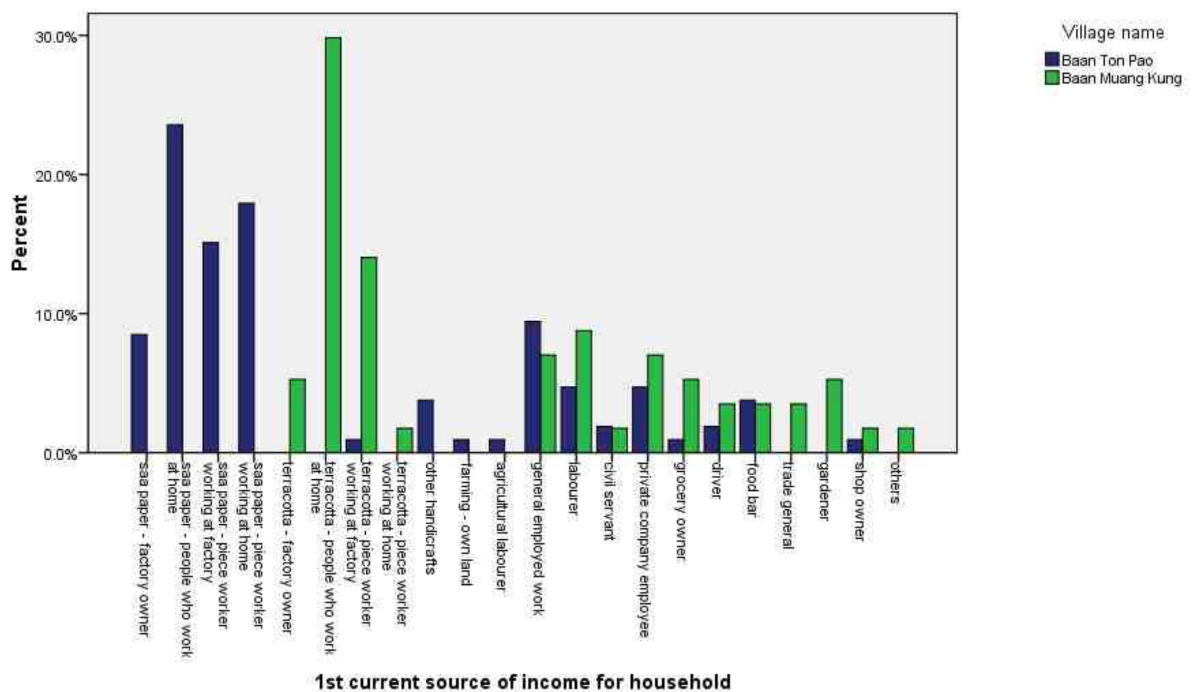
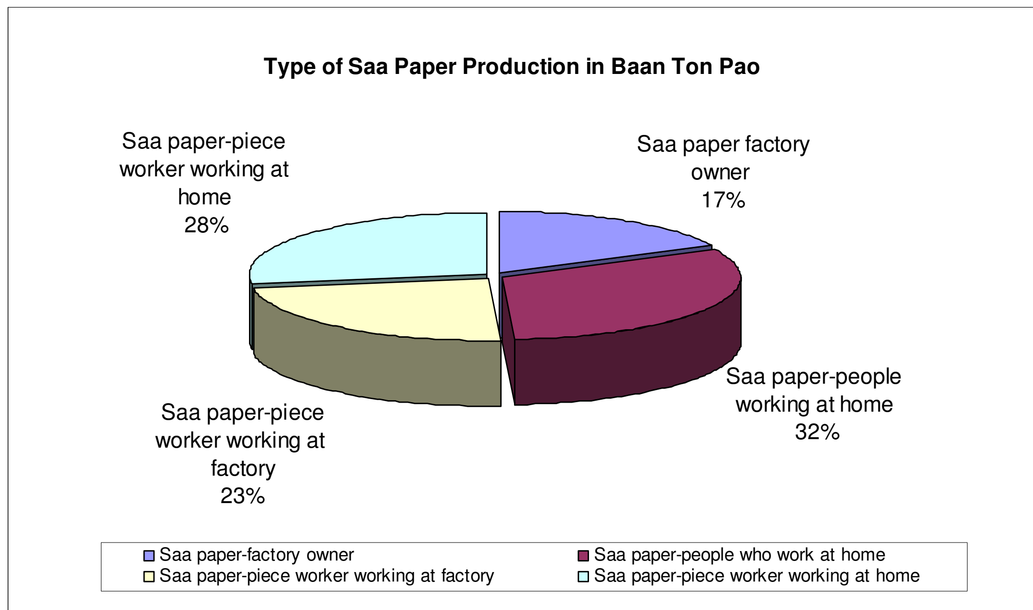


Figure 7.2 Type of *Saa* Paper Production in Baan Ton Pao



I divide *saa* paper production in Baan Ton Pao into four categories: factory and shop owners; people who work at home; piece workers working in factories; and piece workers working at home. In both *saa* paper production and pottery making I consider people who work at home as one category as they are all working in all the handicraft production process, usually by themselves although sometimes hiring between one and three workers to help. Factory and shop owners are more commercialised, and they hire from five to as many as one hundred people to work for them, paying them a daily rate of approximately 120-150 baht per day for the work they undertake, close to the minimum wage. The last category is piece workers working at home. People in this category get their orders from the factory or shops in the villages but they get paid by the pieces they make, not the daily rate as factory workers do.

According to this division of work, the first type of *saa* production is people who work at home. This type of production is the largest group of production, and constitutes 32 per cent of households. The second type of production is the sub-contractors who produce for the factories or main producers in the village. This type of production makes up 28 per cent of households in Baan Ton Pao. Slightly less important in terms of numbers are factory workers, who constitute 23 per cent of households. Finally, the smallest group of villagers engaged in saa paper production

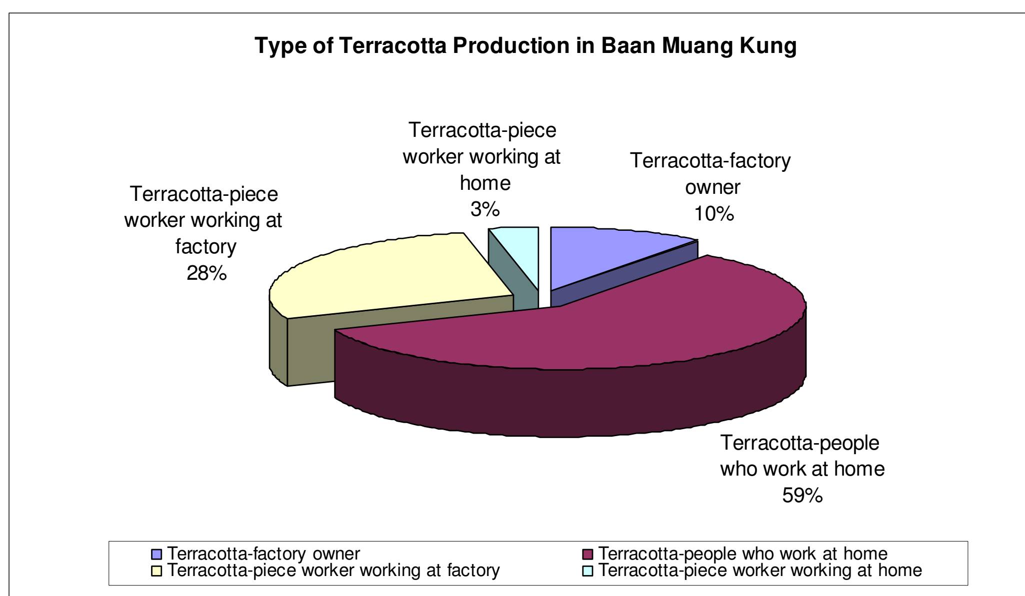
in the village are those who own a saa paper factory, which account for about 17 per cent of households. Of course the returns on each of these activities vary considerably (Table 7.1).

Table 7.1 *Saa* Paper Production Activities and Their Daily Returns

Activity	Daily Return (Baht)
Saa paper - factory owner	**1,000-3,000**
Saa paper - person who works at home	**400-500**
Saa paper - piece worker working in a factory	**120-150**
Saa paper - piece worker working at home	**200-300**

Likewise in Baan Ton Pao, I separate pottery making in Baan Muang Kung into four categories: factory and shop owners; people who work at home; workers in factories; and piece workers working at home.

Figure 7.3 Type of Terracotta Production in Baan Muang Kung



According to this division of work, the largest group engaged in pottery making are those villagers who work at home, constituting 59 per cent of the surveyed households. The second largest type of production category are the workers in the factories in the village, who make up 28 per cent of households in Baan Muang Kung. The third category of production are the factory owners, who comprise 10 per cent of

households. The smallest group engaged in pottery making in the village, and which account for only 3 per cent of the households surveyed, are piece workers working from home. In comparison to *saa* paper making, those engaged in pottery making in Baan Muang Kung are more likely to be working independently. Like those involved in *saa* paper production, the workers in each of these categories receive markedly different returns for their labour (Table 7.2).

Table 7.2 Terracotta Making Activities and Their Daily Returns

Activity	Daily Return (Baht)
Terracotta - factory owner	**1,000-3,000**
Terracotta - person who works at home	**500-1,000**
Terracotta - piece worker working in a factory	**160**
Terracotta - piece worker working at home	**100-300**

7.3 Handicrafts, Inequality and Social Differentiation in Northern Thailand

Critics of the Southeast Asian development experience have highlighted the tendency for growth to have increased incomes and wealth for particular groups in society. As Rigg writes, 'this has been expressed in class terms, in terms of rural-urban bias, in terms of ethnicity, and in terms of core and periphery, but the general implications are much the same that inequalities have widened' (Rigg, 2003: 37). We see some of these tendencies in the experiences of the two study villages.

As Baan Ton Pao is an OTOP village and is well-known for *saa* paper making. When there are trade fairs and study trips abroad such as to Japan, Germany and China, the Ministry of Commerce and the Office of Small and Medium Enterprises Promotion (OSMEP) have helped out with some of the expenses. But most of the costs have to be covered by the villagers who are interested in the trip themselves. For example, Mr Manyuang explained that when he went to a trade fair in China, he had to buy his own plane ticket, which cost 18,950 baht, and it cost more than 10,000 baht to go to Japan. The trip to Germany cost a lot more than going to China or Japan.

> "If I hadn't had any money of my own, I wouldn't have been able to go. The government does not cover all our expenses, so only certain families are able to go to fairs abroad. I'd say there are only 10-20 families in the village who have enough money to go."
> *(Interview, Mr Manyuang, Age 52, Baan Ton Pao, May 2007)*

Accordingly, most households could not go to such trade fairs. They only gave some of their products, name cards and catalogues to the officers to display in the exhibition instead. The smaller producers were not able to mobilise the financial resources to take advantage of such trade fairs; nor could they mobilise the personal and political connections with local government. The outcome was a tendency for larger factory owners to benefit disproportionately. Far from being an inequality levelling process, the OTOP programme seemed to be widening the gap between different classes of producer.

But the most dramatic differential emerging in the two study sites, and particularly in Baan Ton Pao, was that between villagers and migrant labourers. Migrant workers, many from Burma, were taking on the most unpleasant and poorly paid jobs. They were becoming, in effect, a new class of poor, supporting the living standards of the core village. In effect, there had occurred and cross-boundary, internationalisation of poverty and production in the village. This is explored in more detail later in the chapter (Section 7.5) and also in Chapter Eight.

Furthermore, emerging and developing differences between the young(er) and the old(er) are creating new forms of inter-generational inequality. The data hint that the older generations represent a 'new poor' in the settlements, because of their lack of skills and education to engage with the modern economy. As discussed earlier in the chapter, most of the villagers engaged in handicrafts are aged over 35, and many of these are aged over 60. Their lack of education - most only have a fourth (*por sii*) or sixth grade (*por hok*) education - limits the opportunities that are open to them. Other than handicrafts, with the educational level they have, they are limited to construction work and housekeeping. These jobs, however, need to be undertaken outside the village, which is difficult for older villages. So while the older generations may have the inherited indigenous knowledge to engage in handicraft production, acquired

when they were young, they lack the 'modern' knowledge (achieved partly through formal education) to engage with the new Thai economy.

7.4 Indigenous Knowledge and Outside Knowledge

As argued by many scholars, indigenous knowledge is knowledge which is created by local people, shared within communities and rooted in local tradition (McIlwaine, 2006; Bicker et al., 2004; Sillitoe et al., 2002). Terracotta making in Baan Muang Kung is considered a type of local 'wisdom' or *phoom pun ya chao baan* in Thai. The making process and production is seen to embody a degree of indigenous knowledge and local documents make clear the view that production today is a continuation of methods inherited from villagers' 'ancestors' (Tambon Nong Kwai Local Administrative Office, 2006). The villagers have been making such articles since their grandparents' time, when almost everyone in the village was involved in making pottery. However, it is worth reflecting on whether this claim to traditional authenticity is substantiated in terms of the products that are made, how they are produced, and the technologies that are brought to bear.

Picture 7.3 Traditional Water-Bottles (*Namton*)

Picture 7.4 Modern Terracotta Products

> "I consider pottery making in my village as a type of local wisdom. We have been doing it since my parents' time. It was something that everyone in the village did. Everything was done by hand. Today we have machines to make the work easier and faster, which I think is good."
> *(Interview, Mr Saima, Age 75, Baan Muang Kung, June 2007)*

Traditionally, pottery making was done by hand. It is true that a few of the villagers, today, continue to make pottery in the old way, using manual equipment. The products produced are also traditional – mainly water pots and water bottles. However, these producers are in a minority, and they are mostly middle aged:

> "I've never used a motorised wheel. I've always worked with a manual wheel. And if I used a motorised wheel to make a water jar, it wouldn't be as good as if I made it by hand. Motorised wheels are usually used to make bigger things like large jars, in other words things that don't have a lot of curves."
> *(Interview, Ms Seejan, Age 46, Baan Muang Kung, June 2007)*

> "I used to work with a motorised wheel, but today my joints aren't very good, and to use the machine, you have to use a lot of strength."
> *(Interview, Mr Saenjai, Age 67, Baan Muang Kung, June 2007)*

Today, however, most people in Baan Muang Kung have mechanised their production. The use of motorised equipment for pottery making began in the mid to late 1990s. The main attraction is that it is faster than making articles by hand and it also makes the work easier. The first machines in the village were introduced by the large factory located on the outskirts of the village. At this time, however, the wheels themselves were not motorised, but still turned by hand. It was after some of the villagers saw people in Dan Kwian in Nakorn Ratchasima province in the Northeastern region using motorised wheels to make pottery that this innovation was introduced. The villagers who had attended the study tour to Ban Kwian returned to the village and quickly started attaching motors to their wheels to speed up the production process *(Interview, Mr Boonterng, Age 67, Baan Muang Kung, June 2007).* The logic is clear: with an electric wheel, 50-60 water pots can be made each day, ten times the rate that is possible by hand. As Mr Seejan explained:

> "I have been using a motorised wheel for the past ten years. I decided to get the machine because it made the work faster and the pieces look the same as if I made them by hand. I started using the motor because a lot of my friends in the village were using them. With the motorised machinery, I can make about 100 pieces a day. If I worked by hand, I wouldn't be able to make more than about 10 pieces. The machine I use is a modified bicycle wheel. The people in the village made it themselves."
>
> *(Interview, Mr Seejan, Age 50, Baan Muang Kung, June 2007)*

But in addition to incorporating new technologies requiring different skills into this 'traditional' activity, the products themselves have also changed. For instance, Ms Fongkham makes small containers for fireworks. These were never made in the village in the past and were only introduced around twenty years ago. Orders for these products have escalated as people have come to use fireworks for celebrations connected with Loy Kratong and the New Year. Another new product is the making of clay figurines to sell to the growing number of tourists who come to the village.

A similar process of continual – and accelerating – adaptation and innovation is seen in the *saa* paper industry in Baan Ton Pao, where *saa* paper and *saa* paper products keep changing. The production process (boiling, steaming, washing, and colouring) involved in *saa* paper production keeps many of the elements of the traditional approach, and in that sense embodies 'indigenous' knowledge. But the villagers, around 1994-1995, started mixing other ingredients in with the *saa* bark, such as leaves and flowers. This change occurred as the producers responded to the demands of tourists and other buyers. The Industrial Promotion Centre also offered training courses to producers. The officers informed shop owners about new designs for paper and paper products. This, though, was targeted at shop owners rather than producers. There was also a mismatch between the guidance from officials and the capacities of producers:

> "I attended the training and wrote everything down, but I never used what they taught. I wanted to use the cheaper process. My customers would not buy the expensive one."
>
> *(Interview, Ms Kattikhun, Age 54, Baan Ton Pao, June 2007)*

Picture 7.5 Traditional *Saa* Paper

Picture 7.6 Transformed Products from *Saa* Paper

At present local government plays an important role in giving new knowledge to the handicraft producers, therefore it could be argued that indigenous knowledge in both studied villages has been developed by both the state and also from the villagers themselves. The wider point is that while the handicrafts produced in Baan Muang Kung and Baan Ton Pao may be associated with older traditions, and embody elements of local or indigenous knowledge, there has also been a continual – and continuing – process of artistic adaptation and technical innovation which has taken the products themselves, the ways in which they are produced, and the social relations embedded in production away from their original roots.

7.5 Human Resource Limitations and Rural Development in Northern Thailand

> "It sounds better to say that you work in a hotel than at home – making pottery."
>
> *(Interview, Mr Seejan, Age 35, Baan Muang Kung, May 2007)*

> "It used to be that people left school after grade 4, so all they could do was make pottery."
>
> *(Interview, Mr Saenjai, Age 67, Baan Muang Kung, June 2007)*

The young people in Baan Muang Kung these days see things differently from teenagers in the past because now when they finish school, they get other kinds of jobs – outside farming and village-based, traditional activities. Today they are sent to school in the city and have a chance to broaden their world view to be more 'modern'. Consequently, and unsurprisingly, they choose to work in the city or outside the village. No longer is there the assumption that they will take up agriculture and handicrafts. They have better education so they have more choices about the kind of work they pursue. The range of activities pursued by the young, and the marked difference in activities between young(er) and old(er) villagers is revealed in Table 7.3, extending from factory and hotel work through to accountancy:

> "My son, for instance, is a mechanic. He started working as a mechanic as soon as he finished school. Another son learned how to repair computers, so when he got out of school, he got a job repairing computers."
> *(Interview, Ms Suja, Age 47, Baan Muang Kung, June, 2007)*

> "My children don't have anything to do with making pottery. When they finished school, they left the village and found other kinds of work. They never learned to make pottery. I've often wondered what will happen when there aren't any more people from my generation here in the village to make pottery. Maybe the tradition will die out because there are no young people who know how to make pottery."
> *(Interview, Ms Seenark, Age 68, Baan Muang Kung, June 2007)*

> "Young people today don't see things the same way we used to. When they finish school, they want to leave the village and find a job. They don't want to make pottery. The money they'd earn just wouldn't be enough for them. They can make more money doing something else, especially if they can get a government job."
> *(Interview, Ms Taseetib, Age 48, Baan Muang Kung, May 2007)*

> "My daughter doesn't make pottery. And as far as I know nobody else's children do either. They have a good education, and when they graduate, they leave the village to find work. It's not a matter of having to learn to make pottery when you're a child because if you try hard, anybody can learn to do it. With the young people, it's just that they'd rather do something else."
> *(Interview, Ms Seubkhampiang, Age 67, Baan Muang Kung, May 2007)*

These various quotes not only show how the younger generation are increasingly divorced from handicraft work – they are being skilled and socialised *out of the* industry – but it also raises questions about the sustainability of pottery making in Baan Muang Kung.

Table 7.3 Activities in Baan Ton Pao and Baan Muang Kung[9]

Activity	Average Age	Gender	Marital status	Education	Daily Return (Baht)
Saa paper - factory owner	35-60	Male/ Female	married	Primary school	1,000- 3,000
Saa paper - people who work at home	35-60	Female	married	Primary school	1-20/ piece
Saa paper - piece worker working in factories	35-60	Female	married	Primary school	160
Saa paper - piece worker working at home	35-60	Female	married	Primary school	200-300
Terracotta - factory owner	35-60	Male/ Female	married/ divorced	Primary school/ Bachelor degree	1,000- 3,000
Terracotta - people who work at home	35-60	Male/ Female	married	Primary school	500- 1,000
Terracotta - piece worker working at factory	35-60	Male/ Female	married	Primary school	160
Terracotta - piece worker working at home	61+	Female	married	Primary school	15-20/ piece
Farming - own land	61+	Male	single	No schooling	-
Agricultural labourer	61+	Male/ Female	married	Primary school	160
Livestock keeping	61+	Male	married	Primary school	
General employed work	35-60	Male	married	Primary school	160
Labourer	35-60	Male	married	Primary school	160
Civil servant	35-60	Male	married	Diploma/ Bachelor degree	7,000/ month
Private company employee	17-34	Female	single	Bachelor degree	8,000- 10,000/ month
Housewife	35-60	Female	married	Primary school	-
Grocery owner	35-60	Female	married	Primary school	
Driver	35-60	Male	married	Primary school	5,000/ month
Food bar	35-60	Female	married	Primary school	
Unemployed - looking for a job but can't find one yet	17-34	Male/ Female	single	Primary school/ Lower secondary school	-
Beauty salon – owner	35-60	Female	married	Primary school	
Trade general	35-60	Male/ Female	married	Primary school	
Gardener	35-60	Male	married	Primary school	160
Cleaner	17-60	Male/ Female	single/ married	Primary school	160
Elders (not applicable)	61+	Female	widowed	No schooling/ Primary school	-
Housekeeper	35-60	Female	married/ widowed	No schooling/ Primary school	160

Source: Survey Questionnaires

[9] The information in this table is summarised from the questionnaire results. More data supporting this table can be seen in Appendix 5

Table 7.3 shows the activities undertaken in both of the study villages and then links these activities with the average ages of those involved in each activity. The table also shows the levels of education of people working in the different fields. From this table it can be seen that young(er) people, aged 17-34 years old, are more likely get jobs in private companies than they are to make handicrafts in their villages. The interviews reveal that this is because they *prefer* to engage in such work.

This pattern of preference has implications for the medium-term sustainability of handicrafts. Many young people do not know how to make pottery or, for that matter, how to farm. This means that if and when they do return to Baan Muang Kung many are unable to exploit the opportunities in pottery-making. Most of the middle-aged people in Baan Muang Kung who make pottery are villagers and have been doing it since they were children. They keep on making pottery because there are not a lot of other employment opportunities available to them. Most of them only have a fourth (*por sii*) or sixth-grade (*por hok*) education and therefore lack the educational credentials to work in many sectors of the modern economy. If they do not make pottery, then the alternative is to get jobs as construction workers. This, though, becomes difficult in later age:

> "I left school after grade 4, and started making pottery after that. Now I can't imagine doing anything else. I'm too old to do construction work."
> *(Interview, Ms Seejan, Age 46, Baan Muang Kung, June 2007)*

That said, the turbulence in the national and international economies has provided a boost to handicraft production in the villages, and drawn some young people into the industry. Because it is hard to find jobs these days some young people have started to learn how to make pottery. There are even cases of villagers with Bachelor degrees who have decided to come back to the village and started working as pottery makers, which has become their main source of income. There is, therefore, the possibility of a reinvigoration of the industry, although this would seem to be a product of declining opportunities in the modern sectors of the economy, rather than a positive choice on the part of these young people.

Table 7.4 Average Age Range of the Workforce

Activity	Average Age Range (years)
Handicrafts	35+
Farming - own land	61+
Agricultural labourer	61+
Livestock keeping	61+
General employed work	35-60
Labourer	35-60
Civil servant	35-60
Private company employee	17-34
Housewife	35-60
Grocery owner	35-60
Driver	35-60
Food bar	35-60
Beauty salon – owner	35-60
Trade general	35-60
Gardener	35-60
Cleaner	17-60
Elders (not applicable)	61+
Housekeeper	35-60

Source: Survey Questionnaires

It is important to note another important change to the industry: it has not only seen an ageing of the workforce (see Table 7.4), but also a delocalisation as outsiders are drawn into production. This raises questions about whether we can see pottery making in Baan Muang Kung as 'local' or 'community-based'. Of the total workforce, only a few workers are drawn from outside. There are some who commute from nearby villages. If they are from further away, they have to find a place to live, and there is not any housing available in Baan Muang Kung. In the larger factories in the village there are Tai Yai workers, but they do not make the pottery because they do not have the skills. Instead, they just do the heavy work of lifting and transporting. This is of benefit to the factory owners because they can pay foreign labour less than Thai workers. Tai Yai or Shan originated from the Shan State of north-east Burma which adjoins Chiang Mai and Chiang Rai Provinces. In Thailand, the Tai Yai have a strong presence in Chiang Rai, Lampang, Mae Sariang and in Chiang Mai City.

One of the shop owners in Baan Muang Kung, Mr Saima, said that one reason for opening the pottery shop was to encourage young people to come back and carry on the tradition of terracotta making. A lot of people have left the village to work

elsewhere, or else they do construction work. But with the shop, they can have a source of income here in the village. It has been open for almost twenty years.

> "It's part of our history that should be passed down to the next generation. I also think that young people today should have two jobs, like construction work and something else like pottery making."
> *(Interview, Mr Saenjai, Age 67, Baan Muang Kung, June 2007)*

However, it seems that one day in the future, if current trends continue, there will be nobody left to carry on the tradition of making pottery in Baan Muang Kung. The only way to keep pottery making alive is if there are young villagers who really love doing it and want to keep the tradition alive. But, as noted above, the processes of social change in Thailand do not make this likely and evidence from elsewhere in the country substantiates this (Rigg et al., 2008)

Turning to *saa* paper making in Baan Ton Pao, some shops in the village get the paper for making their products from workshops and factories in Baan Ton Pao, and some buy it in from other provinces including Lampang, Nan, Payao, Phrae and Mae Taeng district in Chiang Mai province. Today there are a lot of people making *saa* paper in other provinces, partly because people from Baan Ton Pao went to teach them how. Moreover, the shops have so many orders that village-based production is not sufficient to meet the demand. Mr Manyuang said that villagers making *saa* paper can only provide about 20 to 30 per cent of the paper he needs, since orders come in for ten thousand sheets at a time *(Interview, Mr. Manyuang, Age 52, Baan Ton Pao, May 2007)*. This means that production has spilled out into neighbouring and distant provinces, raising questions once again about the community based and locally focused nature of production.

In contrast to Ban Muang Kung, most Thai labourers in Baan Ton Pao come from outside the village. Mr Manyuang, for example, hires people to work at his shop from nearby districts like Sarapee, Doi Saket and Mae Rawang. These workers commute daily to the village. In addition, there are many young people working in the *saa* paper factory in Ban Ton Pao who come from other, more distant, places in Thailand, and most of these rent houses in the village. All of the houses near the entrance to the

village are apartments for these factory workers. New flats are occupied as soon as they are built. Even more dramatic, however, is the used of foreign, migrant labour in the *saa* paper industry.

Some factories in Baan Ton Pao hire Burmese people, who are not only cheaper to employ but the factory owners also regard them as harder-working. Thai people do not work for less than 100 baht a day. Burmese migrant labour, though, can be paid just 70-80 baht a day. This, though, has also created tensions in the village: in the eyes of some villagers, foreign labourers in Ban Ton Pao have taken jobs away from locals. But for the business owners, the attractions are clear. The village now has about 50-60 foreign labourers. Some of these work in the *saa* industry, while the rest work as labourers in construction:

> "I believe that the foreign labourers bring many benefits to the village. They can work in any job with no exception especially manual labour and do the hard work that people in the village avoid."
> *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007)*

There are some younger people in Baan Ton Pao who know how to make products from *saa* paper. During the school holidays, some of the children help their parents with their work or do piecework for the factories in the village to earn money. They do things like fold *saa* paper bags at the factory.

> "My daughter is also making *saa* paper. I believe it is important to carry on the tradition of making *saa* paper because it is something we have done for generations."
> *(Interview, Mr Ngernga, Age 73, Baan Ton Pao, May 2007)*

Like pottery making in Baan Muang Kung, there are questions about the sustainability of *saa* paper making and also whether it can be viewed as a village handicraft industry. Drawing the younger generation directly into *saa* paper making is difficult. The children were sent to school in Chiang Mai city centre and, if they do become involved in the industry, then they mostly look for work in other fields such as in marketing, product development and product design, but not in producing *saa*

paper itself. The village has tried to solve this problem by setting up a community policy to encourage the younger generation to get involved in *saa* paper production:

> "One clear message the community gives to the kids is that if no one produces *saa* paper, they must do it."
> *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007)*

The local government, Ton Pao Municipality, tries to make this community policy directed at the younger generation possible. Thus, the first pilot project on 'young exporters' was launched and engaged with 15 young people whose parents work in the *saa* paper industry. Most of them were only shop managers, working in shops owned by their parents. All they could do was just sell the products, something that they found tedious and which risked, in time, encouraging them out of the industry. The first pilot project took these young people to some trade fairs in Bangkok to promote their village, where they could use their knowledge of foreign languages to promote and help export their products to new markets *(Interview, Mr Wongsa, Mayor Advisor, Ton Pao Municipality, December 2007)*. This also links to the government's 'Young OTOP camp' project (see Section 6.3.2), which is intended to transfer the valuable local knowledge in handicraft production from the older generation to the new generation.

7.6 Handicrafts, Wider Flows and Global Production Networks

As the knowledge of handicrafts in Baan Ton Pao and Baan Muang Kung has developed throughout their histories, from plain *saa* paper during the early years to colourful paper decorated with many different natural materials such as flowers and leaves in Baan Ton Pao more recently, and also from the traditional water-bottles and water-pots to many house and garden decorations, so the products have been exported to an increasingly wide range of countries.

The Industrial Promotion Centre and the Office of Small and Medium Enterprise Promotion have both held training programmes and given other kinds of support to producers in the two study sites, such as in exporting. Around ten years ago,

international interest in *saa* paper and exports of *saa* paper and paper products began to escalate. That is when the diversification of the industry from *saa* paper alone into different kinds of products made out of *saa* paper, such as cards, purses, envelopes, boxes, bags, and photograph albums, first started. Customers come from many different countries such as Canada, Japan, Spain and Italy. Some customers come directly to the village shop to buy the products. There are also middlemen who buy from the shops in Baan Ton Pao and ship the paper and other items on to their customers overseas.

The domestic market for *saa* paper in Baan Ton Pao is also rising. Mr Yeenang commented that "we exported all our products in the past, but now we have around twenty per cent domestic sales." These domestic purchases are mainly by Thai factories who buy *saa* paper from Baan Ton Pao in order to transform it into paper products. In the past, middlemen came to Baan Ton Pao and bought *saa* paper from the factories. The factories had no opportunity to present their products to customers by themselves. More recently, customers have come direct to Baan Ton Pao, happier to buy directly from the manufacturers in Baan Ton Pao. They can come and negotiate the price as well as the quality without using a middleman. This could help them reduce their cost.

The expansion of the industry has placed pressures on local sources of raw materials. Today, Laos is the largest supplier of *saa* tree (*por saa*) bark, the essential raw material for the production of *saa* paper. Chiang Rai, Mae Sai, and Fang are also sources of *saa* trees, although these traditional areas have been eclipsed in recent years by imports from Laos largely because Thailand's higher labour costs mean that Thai produced *saa* bark is considerably more expensive. Baan Ton Pao has bought *saa* bark from Laos for more than ten years, purchasing it via middlemen. Middlemen buy *saa* from Laos for 10 Baht/kg and then sell it to producers in Baan Ton Pao for 20 Baht/kg. The Thai and Lao governments are seeking ways to permit Thai manufacturers to buy *saa* directly from Laos without going through a middleman. However, this is proving difficult because of the power of middlemen in Laos. Another problem facing Thai manufacturers concerns the quality of *por saa*. What Thai people can do is to educate Lao people to grade the quality of *saa* and teach

them about quality control, particularly when it comes to packing and transporting the product *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007).*

All this means that the industry is not just diversifying in terms of export markets, but also in terms of the sources of the raw materials used in production. The production 'footprint' of Baan Ton Pao is becoming increasingly delocalised whether we consider the workforce, the technologies, the raw materials, or the markets.

7.7 The Evolution of Rural Development through the OTOP Programme

According to Power (2003) development cannot always be planned and promoted by states but it must also be seen as emerging from the grassroots. From the experience of Baan Muang Kung, it is tempting to conclude that central policies – the development project – have been instrumental in promoting rural development in the village. The majority of villagers in Baan Muang Kung viewed the nomination of their community as an OTOP village as a critical event. It led to more tourists visiting the village, and more students from other villages and provinces coming to observe and study pottery making and its history. Baan Muang Kung in the past was not easy to find; the OTOP programme gave it visibility far beyond the giant water bottle that was made and placed at the entrance to the village. The giant water bottle was an idea that the villagers of Baan Muang Kung had themselves. It has become a symbol of the village's new found vitality, but the OTOP budget has also permitted a range of other investments which have all made the village more attractive as a tourist attraction.

By contrast, the villagers in Baan Ton Pao did not think that the OTOP designation of their community had helped to increase the number of tourists who came to the village, mainly because they do not really come into the village as such. Instead, they just go to the shops along the main road into the village. Moreover, Baan Ton Pao OTOP President, Mr Yeenang, argued that the OTOP policy is much more engaged with *supporting* the village, rather than *developing* it. The OTOP policy came after Baan Ton Pao had already developed all the processes for making *saa* paper. The government came to the village so that they could present Baan Ton Pao as an

example for other villages of the effectiveness of the OTOP policy. The support from government and the OTOP policy did not help to increase the orders from customers. For example, some producers in Baan Ton Pao once attended the OTOP fair but got fewer orders from walk in customers in the fair than the orders they received at the village.

> "The OTOP fair is for the newcomers or new factories but not for people in the village who already run a business.
> *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007)*

Through OTOP, the government plays a supporting role in Baan Ton Pao by providing a budget and organising data and information. Baan Ton Pao used the OTOP budget to build a new gateway and place signs in front of the village in order to get noticed by visitors, and raise the profile of the village:

> "Now everyone will know where and how to get to Baan Ton Pao."
> *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007)*

In addition, a public meeting place and information centre has been set up. In the past, customers had to go to visit producers at their own houses to see how *saa* paper was made. The neighbours next door were not happy because customers did not come to visit their houses. Today, the public centre provides information on how to make *saa* paper. Customers visit the public centre in order to get to know about the village and *saa* paper making. This has helped to decrease friction and arguments among neighbours. *(Interview, Mr Yeenang, Age 48, Baan Ton Pao, June 2007)*

Nowadays people in other villages around Baan Ton Pao, in other districts in Chiang Mai such as Mae Rim and Sanphathong, and in other provinces in Thailand are increasingly involved in *saa* paper production. This is partly because producers in Baan Ton Pao have been hired by the government to teach villagers in other places about *saa* paper and to impart their knowledge and expertise to other communities and areas. However, it turns out that at least some of these other *saa* paper producers continue to maintain a link with Baan Ton Pao, selling paper to the village for making into *saa* paper products.

7.8 Environmental Impacts of Changing Production Techniques

Saa paper making has undergone important changes to production methods. Villagers started using chemicals to shorten the boiling time, an innovation that was also driven by a shortage of charcoal ash as villagers turned to other cooking methods. This change has had quite serious environmental impacts linked to the generation and poor disposal of polluted waste water. This was amplified when chemical dyes were introduced. This permitted the production of coloured paper, leading to more orders; however, it also created some real problems. The chemical bleaches, dyes and caustic soda pollute local water courses. Nobody has a waste water treatment system and polluted waste water is simply discharged into the public drains. Most villagers do not have the available land to dig treatment tanks and even some of the larger factories discharge waste water without treatment. When government officials came to inspect the workshops and factories, excuses were given but nothing, villagers said, ever changed. This, though, has caused real trouble for other people living in the village, and for workers in the industry. Local officials have to come and unclog the drains every now and then. The dyes soak into workers' skin, especially the black and dark blue dyes. Moreover, some people are allergic to them, leading to rashes:

> "The waste water from one house used to smell as bad as a cesspool."
> *(Interview, Mr Boonthawee, Age 41, Baan Ton Pao, June 2007)*

> "These day people want *saa* paper in different colours and the dyes get dumped down the drains and clog them. It smells bad, too. Dark dyes are especially bad. They're hard to wash off. When we eat, we eat with our hands, so we end up eating dye along with our food."
> *(Interview, Ms Meetecha, Age 45, Baan Ton Pao, June 2007)*

7.9 Conclusion

To summarise, handicraft production is still the main livelihood activity and income earner in the two villages studied. However, this should not be taken to mean that handicraft production is necessarily stable and sustainable. The first issue concerns the age make-up of the workforce. The largest group of producers is in the age range of 35 to 60. As explored earlier in this chapter, this can be related to a lack of young people who are interested in pursuing handicraft production. They regard it as out-of-date and they have the education to engage in other activities. Due to the lack of young people involved in handicraft production, the make-up of the workforce has changed not only in terms of its age profile, but also its provenance: workers, especially in Baan Ton Pao, are increasingly non-local or foreign. This is altering the nature of the industry from local and community-based, to non-local. Furthermore, the traditional products and traditional production processes in both of the studied villages were undergoing change as a result of the introduction of a range of modern technologies and also by the ways in which market demand was shaping the product range.

With regard to the role of the OTOP programme, a distinction can be drawn between Baan Ton Pao and Baan Muang Kung. In Baan Muang Kung, people are more appreciative of what they get from the OTOP programme and the support it has provided; in Baan Ton Pao, by contrast, villagers argue that the OTOP programme itself has benefitted more from the village than the village has done from the programme. In Chapter Six, in the opinion of the OTOP projects officers, the OTOP project has the potential to alleviate the unemployment problem in local communities, to promote handicraft production and to develop the villages to become more attractive for tourists and customers. This may be so in villages that are seeking to develop an activity from a low base but, seemingly, not where one is already well established and vibrant. There is little that producers in Baan Ton Pao can be taught. The next chapter will review the rural development literature which was introduced in Chapter Two in the light of the field research.

Chapter Eight

Rethinking Rural Development:
The Search for Reflection and Relevance

8.1 Introduction

This research in Northern Thailand raises questions about a series of important debates in rural development, which were introduced in Chapter Two. These debates will be returned to in this chapter, to reflect on them in the light of the field research. Essentially, this chapter seeks to illuminate what the research brings to discussions of such topics as urban bias, rural industrialisation, farm and non-farm relations, indigenous knowledge, rural poverty and rural livelihoods. This chapter also aims to address the questions as to what extent and in what senses my research supports or challenges these conceptual debates.

There are, of course, important issues connected with the 'generalisability' of the research, in other words, whether we can take the experiences of Baan Ton Pao and Baan Muang Kung and generalise 'up' to developing Asia more widely, and from there to the wider developing world. There are certain specificities of the research sites which might make them 'special', in particular their intimate contact with urban Chiang Mai, their location in an important area of tourism, and the generally vibrant Thai economic context (Asian crisis notwithstanding). Nonetheless, as this chapter will seek to show, the research does raise some quite profound questions about some of the assumptions that underpin key aspects of the rural development literature.

8.2 Rethinking Urban Bias

The notion of 'urban bias' as it was originally proposed by Michael Lipton made a clear division between rural spaces and rural classes, and urban spaces and urban

classes. In his polemical but influential work: *Why Poor People Stay Poor, A Study of Urban Bias in World Development***,** Michael Lipton wrote:

> …the most important class conflict in the poor countries of the world today is not between labour and capital. Nor is it between foreign and national interests. It is between rural classes and urban classes. The rural sector contains most of the poverty and most of the low-cost sources of potential advance; but the urban sector contains most of the articulateness, organisation and power. So the urban classes have been able to win most of the rounds of the struggle with the countryside… (Lipton, 1977: 13).

Lipton tended to show migration in negative terms: people are pushed to towns and cities by urban bias. However, Ellis and Harris see migration as a necessary response to what Bryceson (2002) calls 'deagrarianisation'. Ellis and Harris argue that the urban-rural distinction proposed by Lipton and others is misleading and out of date. In most poor countries, higher levels of national integration are helping to create new 'city regions' that relate to the so-called urban and rural in new and exciting ways. In their view, most modern manufacturing is located in green field sites, (and) is rural (Ellis and Harris, 2004: 1). Increased spatial integration 'facilitates much enhanced migration of workers and redistribution of manufacturing capacity from richer to poorer areas' (ibid.). In their view, the future is one of deagrarianisation. People living in rural or mostly agricultural regions should be encouraged to diversify their livelihoods and move elsewhere within a regional economy. Mobility and migration are the answers. Donor agencies should persuade governments in poor countries to step back from policies that block mobility, or which blindly support sectoral anti-poverty programmes or even decentralisation. The concentration of economic activities often makes sense, and is most likely to take place in cities. These cities are attached to smaller towns, peri-urban localities and even 'rural' areas in broader spatial systems (Ellis and Harris, 2004).

From my research there is no clear distinction between urban and rural spaces and classes. Rural people engage with urban spaces, and they are moving between them. Rural people are getting much more fluid – in terms of where they live and what they do – than the urban bias theory maintains, and therefore the idea that a rural world is

separated and distinct from an urban world becomes problematic. Essentially, urban bias is no longer an appropriate conceptual frame for the two research villages since it does not really explain what is going on. In the two study sites, people are mobile and households are divided. In the past, family members were living together in one house, often including grandparents, aunts and uncles, cousins, nieces and nephews, but nowadays it tends to be a nuclear family consisting of only father, mother and their children. In other instances, members of the nuclear family are working in Bangkok or elsewhere, and the elders (grandparents) are at home reproducing the household. The volatility of lives at the beginning of the 21st century as opposed to the situation depicted in Lipton's book is exemplified in the following quotations:

> "I've been making pottery for eight months now. Before that I worked in Bangkok for over twenty years as a nanny. At that time prices for pottery were low, so that's why I left the village to find a job."
> *(Interview, Ms. Seejan, Age 56, Baan Muang Kung, June 2007)*

> "Many young people these days go to school in town and when they finish school, they have skills to get other kinds of jobs in the cities. Some of them work as accountants. My son, for instance, is a mechanic. He started working as a mechanic as soon as he finished school. Another son learnt how to repair computers, so when he got out of school, he got a job repairing computers in town."
> *(Interview, Ms. Suja, Age 47, Baan Muang Kung, June 2007)*

Does this mean that the urban bias thesis is, at least on the basis of the evidence presented here, obsolete? Or do we simply need to adjust the thesis in the light of on-going and emerging development processes? A third question is whether the experience of Northern Thailand provides an insight that has wider resonance. None of these questions can be fully answered. What the research does show – and here I argue for a wider application – is the way in which urban bias categorises people (peasants/workers), activities (farming, non-farming) and spaces (rural, urban). It thus fails to pick up on several key developmental processes in the Global South. Essentially, people are becoming more mobile (in spatial and class terms) and spaces are becoming more hybrid. Urban bias tends to obscure these changes.

One way in which some governments and practitioners have tried to overcome an urban bias in development is through the promotion of 'rural industrialisation'. This, in theory, brings opportunities in the non-farm sector to rural people and places, thus overcoming urban bias. It is to this theme and the associated literature that the discussion now turns.

8.3 Rethinking Rural Industrialisation

Rural industrialisation can provide a significant contribution to rural development. Its most important purpose should be to increase rural production and productivity. It is also viewed as an instrument for the alleviation of rural unemployment and poverty (United Nation, 1978). Moreover, rural industrialisation is viewed as a means of employment generation for the rural poor, usually in handicraft and artisan activities, agricultural processing, and service activities. Cottage industry has traditionally constituted a significant component of the rural non-farm sector, centring on the artisanal production of cultural and utilitarian items for local use and more specialised production of handicraft products for exchange or trade (Parnwell, 1996). As a result, it can increase rural incomes and bring about more equal income distribution and narrow the divide between rural and urban areas.

Furthermore, rural industrialisation is usually presented as an alternative to urban employment. It reduces rural-urban migration, results in higher incomes in rural areas, keeps families together, and means that rural residents can continue to enjoy the better (assumed) quality of life in the countryside (Rigg, 2003: 231). The literature, therefore – and particularly the more populist literature – presents rural industrialisation as an alternative and as an antidote to urban-focused, large-scale and often capital-intensive industrialisation processes and policies.

This research certainly provides some empirical support for this view, showing that rural industrialisation, and in particular the handicraft industry, can play an important role in furthering rural development in Thailand. In particular, it can help reduce the number of people in villages who may want to work in Bangkok or other big cities:

“In my opinion promoting industry in rural areas is one effective way to encourage people to look and come back to their region. Proliferation of local industry can reduce the immigration rate of local people to Bangkok. This can be seen obviously from the national immigration statistics.”
(Interview, Ms Maneeket, Director of Policy and Community Enterprise Development Division, Community Development Department, Ministry of Interior, January 2008)

“In my opinion, industrialisation in rural areas can facilitate rural development. The OTOP project can alleviate the hidden unemployment problem in local communities. Another benefit of the OTOP policy is by providing new career opportunities in the rural area. We can see that most people in the local area usually work in the labour-intensive agriculture sector. Local people usually view themselves as workers in the agricultural sector. The OTOP project therefore provides an opportunity for those to experience a new business arena.”
(Interview, Ms Suwaphanich, Chief of micro enterprise strategy and action plan formulation division, the office of small and medium enterprises promotion (OSMEP), Ministry of Industry, January 2008)

“I think improving the industries at the community level helps our economy a lot. I mean developing the communities in all aspects. You cannot rely on agriculture only. Agriculture has to depend on too many natural factors: soil, water, etc. Handicrafts help increase the people’s income. At least when they have some time after they finish their farming, they can get to this. Or in case they do not have a farm or land, they can make handicrafts their main focus. So those people do not have to migrate to other places. Migration is one factor that causes social problems. Parents leave their kids to their aged parents. So the kids grow up without the warmth and the care from their parents and become problems to the society. If we can do it, if we can make a strong community by encouraging them to do handicrafts as their main job, then we can be free from this problem.”
(Interview, Mr Sanguanpol, District Chief Officer of Sankampaeng district Administrative Office, Chiang Mai, December 2007)

The handicraft 'industries' in the two study villages were categorised as small-scale industrial enterprises. This raises the important question of how far the experience of the two villages coincides with notions of rural industrialisation in the literature. In his well-known book, *Small is Beautiful: Economics as if People Mattered* (1973), Ernst Friedrich Schumacher envisaged that the development of small-scale industrial enterprises should retain five particular features; some are compatible with the concept of rural industrialisation:

(i) workplaces should be created in areas where people live;

(ii) workplaces should need neither large capital investment nor costly imports to operate;

(iii) production techniques should be fairly simple so demands for high skills are kept low;

(iv) production should try to use local materials and be for local use;

(v) technology should be low cost and labour-intensive in character, which will allow a system of production that is affordable and geared to high employment and local needs (1973: 143)

The industrial enterprises in my two villages *mostly* retain the five features noted above by Schumacher. In summary: workplaces were situated in the villages where people lived; production techniques were simple and capital un-intensive so they were not beyond the reach of villagers; and production primarily used local employees rather than hired labour from outside. However, in some of the larger 'factories' in Baan Ton Pao we see these characteristics beginning to fray and becoming less applicable. For example, the hiring of non-local, indeed foreign, labour from Burma was not uncommon in *saa* paper making where producers were attracted by the possibility of paying less than they would if they hired Thai labour. Further, while in the past the villagers in Baan Muang Kung could use local raw materials, digging the clay from in front of their own homes, today this is not possible and pottery producers have to buy in clay from outside the village. Similarly, the *saa* paper making industry in Baan Ton Pao imported its main raw material, *saa* bark, from Laos as local – even national – sources of bark were scarce:

> "Employing foreign labour could be a solution to the shortage of labour supply. Lack of indigenous know-how should not be a reason to protect importing foreign labour since shortage of labour supply is a far more serious problem. However, from my experience there are not many foreign labourers employed in the handicraft industry. Most of the work force is still local or relatives of handicraft production families."
> *(Interview, Ms Suwaphanich, Chief of micro enterprise strategy and action plan formulation division, the office of small and medium enterprises promotion (OSMEP), Ministry of Industry, January 2008)*

> "In communities, they hire more foreign labourers for handicraft making because villagers do not want to stay in the villages to do it. Most of them move to Bangkok, possibly because the wages in handicraft making are not persuasive. Sufficiency economy or *sethakit por piang* in Thai is not what is in their mind. They have no self-esteem for their own village handicrafts. Entrepreneurs themselves just want more profit; therefore they hire foreign labour to pay less. Besides, many raw materials from other countries are imported for our handicrafts."
> *(Interview, Mr Charoenphol, Director of Bureau of Community Industries Development, Community and Handicraft Industrial Development Division, Department of Industrial Promotion, Ministry of Industry, November 2007)*

These interviews underline several important aspects of the process of rural industrialisation underway in Baan Muang Kung and Baan Ton Pao. In the literature, one of the attractions of rural industrialisation is a means to keep people in the village, stemming the flow of rural-urban migrants. This is a key theme explored by Michael Parnwell in his work in Northeast Thailand (Parnwell, 1996). While there is little doubt that these handicraft activities were creating new employment opportunities *in* the village, we should not assume that these are necessarily *for* – or even attractive to – rural residents. While we can speculate that the level of migration will have been reduced to some extent, it is notable the degree to which the handicraft industry was creating attractions for non-local people to migrate to the village. These opportunities were in poorly paid work, largely unattractive to local people. What we

see in these two villages in Northern Thailand is something rather more complex than the mainstream rural industrialisation literature allows.

For both the study villages, Baan Ton Pao and Baan Muang Kung, in the past the inhabitants – at a household level – embraced inter-locking livelihoods, working in the rice fields during the agricultural season and then, at night time and mainly after the harvest season, making handicraft products at home. In the two study villages, the rural non-farm sector is growing in importance; however, this does not mean that fewer people are involved in agriculture because it could not meet the needs for poverty alleviation, satisfaction of basic needs, improvement in rural living standards, or a reduction of rural-urban income differentials (Parnwell, 1996). In fact, it was essentially because there was no rice land for the villagers to farm anymore. About twenty years ago, villagers began to sell off their rice fields; therefore most villagers, today make a living by handicraft production alone. For these villagers, therefore, handicrafts are not part of a portfolio of activities where farm and non-farm complement each other. 'Rural' livelihoods no longer include farming and this has implications for some of the justifications and attractions that have been attached to rural industrialisation.

8.4 Rethinking Farm and Non-Farm Relations

Farm – non-farm relations have been seen as part of a virtuous cycle. In this sequence, rising agricultural incomes generate a demand for consumer services and goods. This encourages the development of non-farm activities which help to absorb surplus farm labour. This further increases demand for farm output and at the same time contributes money for investment in agriculture, generating further increases in agricultural production (Rigg, 2001: 136). Grabowski (1995) also believes that agricultural revolutions are dependent on the development of rural nonagricultural activities and they have strong positive effects on agricultural productivity. It should be stressed, however, that it is still debated how far non-farm developments feed back in positive ways into agricultural (farm) development. For example, it may be that a buoyant non-farm sector sucks labour out of agriculture, leading to disintensification and a gradual undermining of agriculture.

The farm/non-farm relations literature does not really explain what is going on in the research sites and no longer provides an appropriate conceptual frame for understanding change in the two research villages. Villagers in both Baan Ton Pao and Baan Muang Kung in the past worked as farmers for their main occupation, making handicrafts as a secondary activity. This is no longer the case. The villagers have since sold their rice land to a real estate group to build new housing in both areas. Most households sold their land to the real estate group in question about 15-20 years ago, at a time when housing estate developments began to boom in Thailand. From the questionnaire in 2007, only 3 out of 106 households in Baan Ton Pao still owned rice land in the village, and only 2 out of 57 households in Baan Muang Kung did so. Even those few households who owned rice land did not physically farm it; they hired people to work on their land. Thus, the villagers have changed their livelihoods to make handicrafts their main occupation. With this in mind, it no longer makes sense – for these households – to talk of interactions between farm and non-farm activities; their effective abandonment of agriculture means that debates over labour allocation in agriculture versus non-farming no longer apply. Simply put: they have stopped working in the rice fields as there are now no rice fields to work.

Table 8.1 Farm and Non-Farm Work in Baan Muang Kung and Baan Ton Pao

Activity	Percent of households surveyed (n)	Average Age	Gender	Education
Saa paper - factory owners	8.5% (n=9)	35-60	Male/ Female	Primary school
Saa paper - people who work at home	23.6% (n=25)	35-60	Female	Primary school
Saa paper - piece workers working at the factories	15.1% (n=16)	35-60	Female	Primary school
Saa paper - piece workers working at home	17.9% (n=19)	35-60	Female	Primary school
Terracotta - factory owners	5.3% (n=3)	35-60	Male/ Female	Primary school/ Bachelor degree
Terracotta - people who work at home	29.8% (n=17)	35-60	Male/ Female	Primary school
Terracotta - piece workers working at the factories	14.0% (n=8)	35-60	Male/ Female	Primary school
Terracotta - piece workers working at home	1.8% (n=2)	61+	Female	Primary school
Farming - own land	0.9% (n=1)	61+	Male	No schooling
Agricultural labourers	0.9% (n=1)	61+	Male/ Female	Primary school
Livestock keeping	1.9% (n=2)	61+	Male	Primary school

Source: Survey Questionnaires

Table 8.1 shows the number of villagers who work in handicrafts in the two study villages. In Baan Ton Pao, almost two-thirds (65 per cent) of the surveyed villagers were working in saa paper production, even if some of them were the shop or factory owners and not directly involved in the process. In Baan Maung Kung, half (51 per cent) of the surveyed villagers were involved in pottery making. Although these figures show the importance of handicrafts in the village, it is notable that the average age of villagers who worked in the handicraft industry was in the range 35-60 years old.

As far as young people were concerned, they were more interested in working in the cities after they finished their studies. Their parents, moreover, also supported these efforts and desires. While the handicraft industries in the two villages appear buoyant, this masks a considerable exodus of the young generation to the cities, which still

continues, notwithstanding rural industrialisation. It also masks a flow of migrant labour into the village to fill the labour void created by the exodus of the young:

> "I think many of the kids in this generation might continue the handicrafts. But again if they have higher education, they might not return to their roots. This is a problem. I'm quite worried that the new generation in the communities with different handicrafts, they might not continue their local knowledge and skills. And when the older generation passes away, the local knowledge, the handicrafts in each different community will disappear."
> *(Interview, Mr Sanguanpol, District Chief Officer of Sankampaeng district Administrative Office, Chiang Mai, December 2007)*

This interview extract introduces debates over the role of 'indigenous' knowledge in the 21st century. It is this theme which the next section addresses.

8.5 Rethinking Indigenous Knowledge

In his highly influential book *Rural Development: Putting the Last First* (1983), Robert Chambers argues that in mainstream development local people are hardly considered in terms of their needs, or local environmental or technical knowledge. For this reason, the results of development are frequently inappropriate because the development agenda is decided and set by outside organisations (Chambers, 1983). It was the sense that development was 'inappropriate' which led, during the 1980s, to a rise in concern for locally rooted and therefore appropriate development interventions. Part and parcel of this was an interest in and a concern for 'indigenous knowledge'. Grenier (1998:1) defines indigenous knowledge as 'the unique, traditional, local knowledge existing within and developed around specific conditions of women and men indigenous to a particular geographic area'. The concept of indigenous knowledge describes the inclusion of local voices and priorities, and guarantees empowerment at the grassroots level. How does such a view resonate with this research?

It was certainly true that the indigenous knowledge 'card' was played by both the state (and local government offices) and by the producers themselves in the two studied villages. Marketing information produced by the Industrial Promotion Centre, the main government office that supports handicrafts, highlights the 'traditional' and 'local' nature of the products that are produced. The Industrial Promotion Centre has established 11 local offices in total over the country to support such small scale industrial enterprises. Both Baan Muang Kung and Baan Ton Pao fall within and come under the responsibility of the Industrial Promotion Centre Region 1. In their 'vision', the Industrial Promotion Centre Region 1 office stated that their role was to act as a centre of local knowledge and innovation for promoting and developing industries in Northern Thailand, with the aim of building stable, sustainable and self-reliant enterprises, with a focus on handicrafts. To this end, there are policies on product development, packaging, design, quality, standardisation, and management. These kinds of knowledge, however, far from being locally rooted are introduced and developed through vocational training, education projects, seminars, workshops, fairs and exhibitions. In other words, this indigenous knowledge is very much tied to national and regional development interventions.

At the same time, the villagers were intent on promoting the view that the products produced relied on age-old skills and technologies, as was evident in a succession of interviews:

> "I started making pottery when I was 14 or 15 years old. I'm 48 now. My parents made pottery, so I did, too. I stick with the styles and designs that people in the village have been making for a long time."
> *(Interview, Ms Taseetib, Age 48, Baan Muang Kung, May 2007)*

> "I've been making pottery since I was 25, and now I'm 67. Before I turned 25, I grew rice, but when the owner of the rice fields sold the land, I took up pottery making. I learned from my grandmother, but she didn't really sit me down and teach me. I had to learn on my own. I started out making small vases that I turned by hand. Things like a wooden stand I've been using since the days of my grandmother."
> *(Interview, Ms Seubkhampiang, Age 67, Baan Muang Kung, May 2007)*

> "I've been making pottery for over 30 years. When I was young, I worked in the rice fields, too, but pottery has always been my main source of income because the rice fields were rented. I taught myself to make pottery by watching other people do it. It was something I loved. I've always made water jars because they are easy to sell. I don't want to start making other things. I've never used a motorised wheel. I've always worked with a manual wheel. And if I used a motorised wheel to make a water jar, it wouldn't be as good as if I made it by hand. It wouldn't be as even."
> *(Interview, Ms Seejan, Age 46, Baan Muang Kung, June 2007)*

There is a strong case, however, that this constant reference to indigenous or local knowledge, or *phoom pun yaa chaow baan* in Thai, is largely rhetorical and does not resonate with the realities of production – what is made (in terms of products), how it is made (in terms of technologies applied), what it is made from (in terms of the raw materials used), and who it is made for (the consumers of the products).

The role of the Industrial Promotion Centre was less to support traditional skills than to train people in *new* skills. The officers taught and trained villagers to produce new designs, often for new products, and invariably using new technologies. Since most producers use new technology – now, largely mechanised – to make new products out of non-traditional raw materials there is a clear gap between the claims for indigeneity and the reality of 'handicraft' production in these villages in Northern Thailand. For example, in Baan Muang Kung, many new products such as vases, flowerpots and items of home decoration were produced using motorised wheels. Even the means by which new products such as these are developed was new – through using wickerwork templates from which new pottery items could be based.

There are, certainly, some products which are close to the traditional and indigenous ideal. Of these the most obvious is *saa* paper, where a link between the current product and the past is clear and evident. However, even in this instance there are questions about whether it fulfills the definition of indigenous knowledge noted above. *Saa* paper production has changed. In the past *saa* paper making was a household business and the process of making *saa* paper was neither highly complicated nor differentiated. There was no hiring of wage labourers. The members

of each production family/household made *saa* paper when they were free from rice growing so that the one inter-locked and dovetailed with the other. Households made *saa* paper as a daily cycle – one day boiling and washing, then pounding at night, with fibre-making the next day. Each family had about 100-200 wooden frames. *Saa* paper production involved no chemicals and no artificial dyes. Only natural dyes were used to colour the product. The villagers used boiled ash to soften the pulp, an approach which today has been largely abandoned because it is too time consuming. These days, instead, producers use caustic soda to cut down on the boiling time and powdered bleach to whiten the pulp and make a nice, even colour, even though it is recognised locally as dangerous.

> "We usually use chlorine and another kind of chemical bleach (*pong nuan* in Thai) that works even better than chlorine, and caustic soda. Some of the local people are allergic to the chemicals and get rashes all over their hands."
> *(Interview, Ms Jaikod, Age 55, Baan Ton Pao, July 2007)*

> "These days, people want *saa* paper in different colours and the dyes get dumped down the drains and clog them. It causes waste water and it smells bad, too. The local officials have to come and unclog the drains every now and then. They sucked out big clumps of dye. Moreover, the dyes aren't good for the people using them, either, because they soak into their skin. Some people are allergic to them and they get a rash up and down their arms. Black and dark blue dyes are especially bad. They're hard to wash off your skin. When we eat, we eat with our hands, so we end up eating dye along with our food."
> *(Interview, Ms Meetecha, Age 45, Baan Ton Pao, June 2007)*

One aspect of production which has remained true to the past is the use of firewood as a fuel; producers have not switched to gas because the boiling process takes too long. However, what is valued has changed. Traditionally, the most highly valued technique was *chorn bang* – used to produce very thin leaves of *saa* paper. Today, thicker sheets of *saa* paper are valued, ironically because they are viewed as somehow more rustic and therefore more traditional by buyers. These rougher sheets are, moreover, decorated in new ways with vibrant colours and modern designs.

The shift from traditional to modern is not simple. It varies between products and also between producers. Regarding the latter, elderly producers were far more likely to use traditional methods than younger producers. This is not altogether surprising. Most young people in Baan Muang Kung, for example, were using motorised equipment for pottery making because it was both easier (it requires less skill) and faster, permitting a greater rate of production. However, the older producers in the village still tended to make pottery by hand, using their old tools. Part of the problem here is that these tools are, themselves, becoming increasingly scarce.

The primary piece of equipment for making pottery in the old-fashioned way is a wooden wheel made of teak, or *kaen maii* in Thai. But this central item in the traditional production process is becoming increasingly hard to find. The only place where it is possible locally to buy such teak wheels is Baan Tong Kai, but even here there are few people in the village who continue to make them. Another piece of traditional equipment was made of bamboo, though it has since been replaced by metal and PVC substitutes, mainly because they last longer (for further background information and pictures see Chapter Five and Seven). Just as some of the traditional tools are becoming hard to replace because they are in such short supply, so something similar has happened with the main ingredient in pottery making – clay.

In the past villagers in Baan Muang Kung could easily extract their own clay from a pit in the village, only having to dig down some two metres. Unfortunately, this source of clay is no longer accessible – a road has been built over part of the site and the rest has since been sold to land developers and re-developed as a housing estate. Therefore, today, clay is bought-in clay from outside, and delivered in powdered form. A factory at the edge of the village mixes the clay with water and sells it on to producers. The range of products is also evolving as younger producers have tried to come up with new ideas for pottery making. They have begun to make figurines and small containers for fireworks instead of the more traditional pots.

While some aspects of handicraft production have been thoroughly modernised, with the 'traditional knowledge' element progressively diluted, it has been recognised by some producers that using indigenous/traditional methods and materials can be a sensible business strategy. It was for this reason that *saa* paper production has

bifurcated into a ‘traditional’ and a ‘modern’ production stream. In the former, key parts of the production process (boiling, steaming, washing, and colouring) have continued to utilise indigenous knowledge. But even here we should question the nature of indigeneity that is being produced and paraded. For example, around 1994-1995 the villagers started mixing in other natural ingredients to make the paper, such as leaves and flowers. There is no history of this – it was propelled by a need to differentiate products so as to expand the market and it was driven by assumptions regarding the tastes of foreign buyers.

Indeed, as noted above with regard to *chorn bang* paper, some of the apparently traditional and rustic elements of production are, in fact, ‘invented traditions’. The word ‘invented tradition’ is used in a wide, but not imprecise sense. It comprises both ‘traditions’ constructed, invented and formally instituted and those emerging in a less easily noticeable manner within a short and dateable period and establishing themselves with huge rapidity. ‘Invented tradition’ is taken to stand for a set of practices, usually governed by tacitly accepted rules and of a ritual or symbolic nature, which seek to inculcate certain values and norms of behaviour by repetition, which automatically implies continuity with the past (Hobsbawm and Ranger, 1983).

Table 8.2 Changes in Traditional and Current Production

***Saa* paper**			
Category	**Traditional production**	**Current production**	**Comments**
Raw materials	*Saa* bark collected locally; natural dyes extracted from local plants	*Saa* paper imported from other parts of Thailand and abroad (Burma and Laos); chemical, aniline dyes bought from shops in front of the village	As there was a lack of local materials, these have been substituted by non-local sources
Technologies	Pounding saa pulp with a hammer	Grinder machine used instead	Knowledge about pounding with a hammer seemed to be known by elders only
Labour	Family/household members	Family members, Thai labour, and foreign labour (mostly Burmese)	Local knowledge spread to other areas where the labour originated
Products	Thin (fine) and natural coloured saa paper (*chorn bang*)	More modern styles and more colour, adding of flowers and leaves to the paper, and making of products from *saa* paper (boxes, bags, etc.)	New designs and new products partly stimulated by new knowledge and buyers
Pottery			
Raw materials	Clay dug in the village	Clay bought from other parts of Thailand	Growing lack of local material leads to substitution by non-local material
Technologies	Making pottery with wooden wheels (turning the wheel by hand)	Some still use the wooden wheels, but many use motorised wheels	Knowledge about making pottery with wooden wheels seemed to be known by elders only
Labour	Family/ household members	Family members, and wage labour from nearby villages	Local knowledge spread to other areas where the labour came from
Products	Water bottles (*nam-ton*) and water pots (*nam-mor*)	Water bottles and pots, and other new products such as dolls, figurines and vases	New designs and new products partly stimulated by new knowledge and buyers

8.6 Rethinking Rural Poverty

Debates about poverty have generally focused on the groups that are deprived and lacking in social power, resources, and assets rather than emphasising issues of consumption and wealth (Power, 2003). Most recently, poverty has been defined in terms of the lack of basic capabilities to meet physical needs such as basic health and education, and clean water (Farrington et al., 2004). Chambers (1998) argues that poor rural people are usually more strategic than they are commonly portrayed, and are involved in several enterprises and performing different tasks and roles during different seasons, while better-off people regularly rely on one main life support activity (1998: 11). At a general level, in Thailand, the rural poor tend to have a larger family size, fewer income-earners in the family and the household heads have lower educational attainment than the non-poor. The majority of rural poor households also lack fundamental amenities such as proper toilet facilities, electricity and piped water (Krongkaew, 1992). Some of these markers of poverty still resonate in the study villages, even though on many measures they can be counted 'non-poor':

> "When I was a girl, all the houses had thatched roofs. Only people with money could afford to have a tile roof. Thinking back on it now, I remember how we used to cover our houses with newspaper in the cool season to keep out the cold air. Today, people go to work in Bangkok, save up some money, and then come back and build themselves a new house."
> *(Interview, Ms Seejan, Age 56, Baan Muang Kung, June 2007)*

> "I wish the government would install a tap water system. Nothing has been done yet. Instead, some of the people in the village get water from underground wells but they use it to wash clothes and take baths. It has a lot of sediment in it, so you cannot drink it. I have to buy drinking water. I used to drink well water, but we had to boil it and disinfect it ourselves; at that time bottled water was not available yet. Now we buy our drinking water. It's a lot easier."
> *(Interview, Ms Suja, Age 47, Baan Muang Kung, June 2007)*

Most villagers in Baan Muang Kung who are involved in pottery making are middle-aged. They keep on making pottery because there are not many other employment opportunities available for them. As most of them only have a forth-grade or six-grade education, *por sii* or *por hok* in Thai, employment in Thailand's 'new' economy is not a possibility, beyond construction work. Even unskilled factory work characteristically requires lower second level education. That said, all the pottery makers in Baan Muang Kung who I interviewed were satisfied with making pottery either at their own house or at the factories in the village. In their view they made enough money for a reasonable standard of living. However, most villagers changed from doing all the process of pottery making by themselves to only making the pottery pieces, and then taking them along to the factories to fire, finish and sell. Because of the costs of undertaking all these stages in the production process, individual villagers are largely excluded from reaping the benefits of large scale production.

From interviews and conversations with the villagers from the two study villages, I do not think that the villagers defined themselves as belonging to the category of 'rural poor'. Although they did not earn a lot of money and some of them were earning less than 100 baht per day (which is less than the basic wage per day in Chiang Mai in 2007, which was 159 baht per day), they said they earned enough and they were happy working in their local areas.

The worst paid jobs in the villages – and the most unpleasant – were taken by Burmese migrants and people from other poorer areas in Thailand. 'Rural development' in the area may have lifted local people out of poverty, but it has sucked in a new class of migrant poor. These migrants were paid less than the national basic wage rate; they did not own land in the villages but rented accommodation nearby. It could be argued that in confronting one form of poverty, another has been created. At one level rural development in Thailand has been a great success; it has lifted many millions of rural people above the poverty line. But because Burmese migrants are not counted, and because they are not regarded as objects worthy of rural development, their poverty is overlooked: they are neither Thai nor local, and in that sense are partially invisible. There is a tendency in Thailand to focus attention on 'villagers' when assessing levels of poverty. One of the

key outcomes of this research is the necessity to think beyond the 'community' when it comes to assessing patterns of poverty production in Thailand.

8.7 Rethinking Rural Livelihoods

One of the most well-known cited definitions of livelihoods is provided by Chambers and Conway in their discussion paper: *Sustainable Rural Livelihoods: Practical Concepts for the 21st Century*, which was introduced in Chapter Two. They write as follows:

> A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for means of living. A livelihood is sustainable which can cope with and recovers from stress and shocks, maintain or enhance its capabilities and assets, and provide sustainable livelihood opportunities for the next generation; and which contributes net benefits to other livelihoods at the local and global levels and in the short and long term (Chambers and Conway, 1992: 7-8).

The significant aspect of this livelihood definition is to direct attention to the links between assets and the choices people have to pursue. Alternative activities can generate income for survival. In this section, the intention is to reflect on the definition in the light of research.

The definition of livelihoods provided by Chambers and Conway does not really resonate with the dynamic of change in the study sites. It may be appropriate for livelihoods as they were structured and functioned twenty years ago, but from the vantage point of 2007 the relevance is less clear. The key asset to support livelihoods twenty years ago (1987) was land, and particularly rice land. Today that asset is, effectively, gone. The key asset now is probably 'education'. From the perspective of livelihoods in the 1980s, 'sustainability' was founded on land and the passing of land down the generations. It was this that secured a sustainable livelihood. However, since then many villagers have sold their land partly to accrue a different asset: human capital in the form of the education of their children.

Livelihoods in 2007 were markedly different from those that traditionally characterised Northern Thailand. In a dictionary, a livelihood is defined as a 'means to a living' (Ellis, 2000). Apart from land, there were other things which were important to securing this 'means to a living', but in each case we see the reproduction of such means being re-shaped. The raw material for pottery making in Baan Muang Kung in the past was clay, which could be dug from ground in the vicinity of the village. Since then, road construction has removed this possibility. Traditional knowledge assets, for example those linked to farming and handicrafts, are in the process of being lost. The key assets that a sustainable livelihoods framework might have highlighted twenty years ago have been compromised. They are, however, being replaced by other assets, many embedded in an increasingly knowledge-intensive economy and society:

> "I'm studying marketing in university. I'll get a Bachelor degree in the next two years, then I may open a shop selling pottery either in the village or at a department store or somewhere else. But if I have to make pottery myself, I won't do it."
>
> *(Interview, Ms Inthawong, Age 21, Baan Muang Kung, June 2007)*

In the Sustainable Livelihoods Analytical Framework (see Figure 2.1), the ideas about locally-led, bottom-up, participatory development merge with this analysis. In the case of Thailand, the government pays more attention to 'bottom-up' development planning and practice by establishing more local government offices over the country. It has made people in rural areas have more participation in the development process. However, government handicraft initiatives linked to the OTOP programme tend to be restricted to villagers who have positions of authority in the village, such as village headmen and the president of the OTOP. There is a gap between the rhetoric and the reality of 'bottom-up' approaches to development:

> "The Tambon (Sub-district) Administrative Organisation has been established. The purpose of initiating these local administrations is to decentralise power to the local region. However, it seems that this new administration has not worked as well as it should have done. Most financial investment is in physical infrastructure. In fact, creating economic or business opportunities in the local community is not just physical buildings. Furthermore, Thaksin's government created many excellent instruments such as the OTOP programme to enable each community to develop and market its own local product or products based on traditional indigenous expertise and local knowledge. However, it seems to be excellent only in its concept but not in its working condition because many villagers still lack education, and in particular production knowledge."
> *(Interview Ms Liwgasemsan, Deputy Secretary General, National Economic and Social Development Board (NESDB), November 2007)*

Villagers who made handicrafts expressed satisfaction with their work as it generated sufficient income to make a decent living and working at home and in their own villages were more convenient. However, some villagers thought differently. They worked in handicrafts but also worked in other areas. Handicraft production could be only supplementary to their main source of income. It brought in some extra money but it was not central to their livelihoods and well-being.

8.8 Conclusion

This chapter has reviewed some concepts which were introduced in Chapter Two, in the light of the research in Baan Ton Pao and Baan Muang Kung, namely urban bias, rural industrialisation, farm and non-farm relations, indigenous knowledge, rural poverty and rural livelihoods. The chapter has asked the question: what does this research in Northern Thailand say about these key debates? At one level we can say that some of the debates still have traction. For example, the indigenous knowledge 'card' in the two study villages was played by both the state and by the producers themselves. However, the chapter has sought to argue that the meaning of indigenous

knowledge has been re-shaped for the 21st century; it does not accord with understandings of the term in the mainstream literature.

The same is true of rural industrialisation, which, undoubtedly, has made a significant contribution to rural development and has become an instrument for the alleviation of rural unemployment in the studied villages. But, as with indigenous knowledge, there is a separation between how rural industrialisation has occurred in the study sites and the implications in the literature. More dramatically still, it can be argued on the basis of the research that notions of urban bias and the operation of farm and non-farm relations are simply out moded: they are no longer appropriate conceptual frames for the two research villages since they do not really explain what is going on at the present time. Urban bias is unsettled because people are moving around; the categories that were central to the framing of urban bias (urban/rural, peasant/worker, agriculture/industry) have been muddled and blurred. A similar argument can be deployed in terms of our understandings of rural poverty and rural livelihoods. Local people may have been lifted out of poverty, but this very process has created a new class of migrant poor in the areas. Likewise, the reviewed concepts of livelihoods may have fit with the livelihoods as they were structured and as they functioned twenty years ago, but livelihoods in 2007 do not neatly slot into such a frame.

All of these comments and observations focus on how we can anticipate and model 'change' – and not changes in degree, but changes of kind. The evidence is that agrarian transformations in Baan Muang Kung and Baan Ton Pao have often confounded the neat prescriptions in the mainstream literature.

Chapter Nine

Conclusion:
Retrospect, Prospects and Research Implications

9.1 Introduction

In this last chapter, a summary of the key research findings, research implications, limitations of the research and prospects for future studies are presented. To begin with, Section 9.2 summarises the research findings and discussions in the thesis in accordance with the research questions presented previously in Chapter One. From the synthesis of existing theories and empirical evidence discussed in this thesis, Section 9.3 presents the contribution of the research to the field of rural development, particularly in relation to the rural industrialisation framework. This section also discusses methodological and policy implications. The prospects for further investigation are subsequently presented in Section 9.4.

9.2 Key Research Findings

This section summarises the research findings according to the research questions presented in Chapter One. Drawn around the theory and practice of rural development, the research questions are organised into nine issues.

To what extent, and how, does handicraft production support rural development in Thailand?

This thesis provides some empirical support showing that handicraft production has supported rural development in Thailand, especially through the One Tambon One Product (OTOP) programme. The OTOP programme was initiated in 2001 as one of

the key policies of the populist Thaksin administration aimed at promoting rural development. This programme also coincided with Thailand's decentralisation efforts, so that we see in the OTOP initiative a coming together of rural-based development efforts on the one hand, and a concerted desire to re-shape the political dimensions of rural administration so that they are more locally rooted and attuned. That said, the OTOP programme was still launched as a central government initiative and was, in many ways, a centrally dictated policy.

As was outlined in Section 8.3, the 'cottage industry' has traditionally constituted an important part of the rural non-farm sector and, in that sense, is nothing 'new' (Parnwell, 1996). It has helped, to varying degrees, to keep rural people working in their villages in the rural areas. It reduces rural-urban migration and presents an alternative to urban employment. It brings opportunities in the non-farm sector to rural people and places. It can help reduce the number of people in villages who may wish to work in Bangkok or other big cities. The OTOP programme has therefore built on a tradition of cottage industry in Thailand, but does so by fusing these traditions with modern approaches to industrial organisation, management and marketing. In this way, community partnership - producing, managing and developing the products through community cooperation – is allied to a more managerial approach. The government hoped that the OTOP programme would raise local communities' earning potential, their well-being and therefore, promote rural development. This research indicates that, to some degree, the government – through the OTOP programme – has been successful in realising these aims, at least for the villages studied here. Rural industries have, seemingly, developed impressively during the period when the OTOP programme has been in existence.

What is not clear, however, is whether the OTOP programme has met its objectives of alleviating hidden unemployment in local communities. There is a need for further in-depth research focusing on the effects of the OTOP programme on reducing unemployment in rural areas. It is still too early to conclude that the OTOP policy can increase income or promote job creation in rural areas. This is because the positive outcomes that have been identified in the study sites arise from the efforts of a number of projects from many organisations, some of which pre-dated the OTOP programme itself. In addition, promoting a true entrepreneurial spirit cannot be done

overnight, and it is a time consuming process, requiring continuous policy refinement. So, while we do see in the study villages a vibrant handicraft sector, it is not clear what the links are between this sector and various government initiatives. There is an indication that the industry would have flourished in the absence of the OTOP programme, for example.

What is the role of handicrafts in livelihoods?

The well-known definition of livelihoods by Chambers and Conways (1992) does not really resonate with the dynamic of change in the study sites (Section 8.7). Rural livelihoods in Baan Ton Pao and Baan Muang Kung were no longer oriented around farming, and this has implications for some of the justifications and attractions that have been attached to rural industrialisation. The villagers have changed their livelihoods to make handicrafts their main in situ occupation, often allied to a range of ex situ activities, most of which are non-farming in character. In the past, villagers practised agriculture together with handicrafts. They represented an inter-locking of livelihoods and a fusion of local wisdom and indigenous knowledge. The expansion and development of handicraft production emerged and evolved as an integral element in rural livelihoods. This intimate association of handicrafts and farming, in a fusion that comprised 'rural livelihoods', has – in Baan Ton Pao and Baan Muang Kung – broken down. It is notable that while the handicraft industry may play a significant role in villages and rural livelihoods, it may at the same time have a negative effect on farming. The traditional links between farming and handicrafts are being lost, and, it could be argued, the mutually supportive elements that used to characterise the two have been reversed.

An important question is how, and why, this has occurred. Partly it is because handicrafts offer a means to generate the income that has become such a necessity in modern, rural Thai life. Handicrafts, in short, grow villagers' income. On the other hand, the returns on agricultural labour have become so unattractive that people have turned full-time to handicrafts. From being subsistence farmers who undertook some handicraft production on the side, they have become workers, sometimes wage labourers, in the handcraft industry.

It is easy enough to present this as a negative development: the undermining of the traditional rural economy; the dissolution of the village; and the loss of sustainability of farming. But villagers who made handicrafts expressed satisfaction with their work as it generated sufficient income to make a decent living and working at home and in their own villages were more convenient. Handicraft making is not only the main source of villagers' income, it is also embedded in their everyday lives. It defines their lives in both economic and social terms. This is in line with Ellis's (2000) definition of livelihoods as a 'means to a living'. This definition directs attention to the way in which a living is obtained, not only in terms of consumption obtained or income received (Section 7.2). However, some villagers thought differently. They worked in handicrafts but also worked in other areas. Handicraft production could only be supplementary to their main source of income. It brought in some extra money but it was not central to their livelihoods and well-being. This means that when we ask the question 'what is the role of handicrafts in livelihoods?' we are likely to arrive at not one, but several, potential answers. The diversification of the village economy and the dissolution of the village means that single answers to apparently simple questions are increasingly unlikely: people engage with handicrafts for a range of reasons, and with a number of outcomes.

How does handicraft production help in the alleviation of rural poverty?

Handicraft production helps in the alleviation of rural poverty through employment and income generation, and through generating economic growth rooted in the countryside. It helps increase household income, and does so in such a way that it helps to maintain the household as a 'co-residential dwelling unit' and the village as a community with geographical coherence. In short, people do not have to migrate to other places to make a living. The OTOP programme was initiated in 2001 as one of the key national policies seeking to lessen poverty in rural areas and, as explained, it has helped – at one level – to keep rural people and communities 'rooted'.

But while local people may have been lifted out of poverty, handicraft industry in the countryside has also, this thesis has argued, sucked in a new class of migrant poor. These migrants were paid less than the national basic wage rate. It could be argued

that in confronting one form of poverty, another has been created. At one level rural development in Thailand has been a great success; it has lifted many millions of rural people above the poverty line. In 1960, at the beginning of the first five year national economic development plan, well over half of Thailand's population were classified as 'poor'; the figure today is around one tenth. But this story of success hides the poverty of Burmese migrants who are not counted, partly because they are not regarded as objects worthy of rural development. Being neither Thai nor local, and in that sense partially invisible, their poverty is overlooked. There is a tendency in Thailand to focus attention on villagers when assessing levels of poverty. One of the key outcomes of this research is the necessity to think beyond the community when it comes to assessing patterns of poverty production in Thailand. An OTOP project evaluation report revealed that after four years the monthly income of local people engaged in the project had increased consistently (Section 6.5). This may be so, but this has been achieved, it could be argued, through the consistent exploitation of a new population of poor rural denizens.

From interviews and conversations from the two study villages, the villagers did not define themselves as belonging to the category of 'rural poor'. Although they did not earn a lot of money and some of them were earning less than 100 baht per day (which is less than the basic wage per day in Chiang Mai in 2007, which was 159 baht per day), they said they earned enough and they were happy working in their local areas. This raises the related, but wider, issue of what we mean by poverty and how levels of poverty calculated on the basis of income translate into quality of life and well-being.

How far does rural handicraft production raise the skills of rural labour and the quality of rural resources?

The indigenous knowledge paradigm in handicraft production potentially challenges the value of modern technology and external inputs. This research, however, has shown how two villages deeply engaged in handicraft production sometimes show only tenuous links to 'tradition'. In Baan Muang Kung today it is not possible to find local raw materials – namely clay – to make pottery; the clay that villagers used to

dig from in front of their homes is long gone. Similarly, the *saa* paper making industry in Baan Ton Pao imported its main raw material, *saa* bark, from Laos as sources of bark in Thailand were scarce. Rural resources, rather than being enhanced by the development of handicrafts have been undermined through over-exploitation. The same is partially true of labour skills and resources. Most villagers who are involved in handicraft production are middle-aged (aged 35-60 years old). Young people (aged 17-34 years old) were more interested in working in the cities after they finished their studies, and in this they were supported by their parents. Rather than keeping the young in the village, and raising their skills levels in situ, the trajectory of development in the villages has been to take them out of the community. Indeed, the flow of migrant labour into the village has been to fill the labour void created by the exodus of the young.

What is the role of indigenous knowledge in supporting rural industrialisation?

Handicraft production is often presented as an activity which is local in provenance and appropriate in its application of technology. It engages with various forms of cultural thinking. The indigenous knowledge 'card' in the two study villages was played by both the state (and local government officers) and by the producers themselves. However, the role of the state was less to support traditional skills than to train people in new skills. While some aspects of handicraft production have been thoroughly modernised, with the 'traditional knowledge' element progressively diluted, it has been recognised by some producers that using indigenous/traditional methods and materials can be a sensible business strategy. Indigenous knowledge, therefore, was more a badge of authenticity than a practical skill that was inherent in the production process. To be sure, there were some aspects of production which were linked to indigenous skills and knowledge, but these were being marginalised over time.

What is the potential of rural industrialisation to support rural development?

Promoting industry in rural areas is one effective way of encouraging people to remain in rural areas, perhaps even to return to their rural roots and regions rather than migrating to urban areas. Proliferation of local industry can reduce the rate of migration of local people to Bangkok and other urban centres. There is some evidence to support this. At present there are some young people with Bachelor degrees returning to their villages with the aim of becoming involved in local industry. Industrialisation in rural areas can, in this way, facilitate and support rural development. But in the main, there is only a relatively small group of local people, usually local and group leaders, who rely on the OTOP products as their main source of income. Thus we need to see rural industries such as the ones described and analysed in this study as only *part* of the story. Rural development needs to be complemented by much more than handicrafts. The possibility of returning to the village links with issues of mobility, access to urban areas (and the opportunities that lie in urban areas), and the way in which handicraft work can be productively linked to other activities.

Can rural industries help to narrow the divide between rural and urban areas and within rural areas?

Thailand and many other developing countries are faced with rural-urban inequalities and intra-rural inequalities. The experience has been that these have often widened over time, rather than narrowed. As noted, rural industries can help to narrow the divide between rural and urban areas and within rural areas. As in the literature (Section 2.3.2), one of the attractions of rural industrialisation is as a means to keep people in the village, stemming the flow of rural-urban migrants. But the story in Baan Muang Kung and Baan Ton Pao is not a simple one of growing opportunities for local people. While rural industries created new employment opportunities in the villages, it also created attractions for non-local people to migrate to the villages. The hiring of foreign labour from Burma was attractive to the larger factories because these workers could be paid less than if they hired Thai labour. Labour supply was identified as an issue in the handicraft industry as in some areas it was not sufficient

to meet local demand. One of the objectives of the OTOP programme is to narrow income inequalities between rural and urban areas by increasing incomes in rural areas. The hope is that this will also encourage the younger generation to come back to the community. This should therefore also reduce the imbalanced demographic structure that exists in many rural villages. What this study has shown is a rather different sequence of events. To be sure, employment has increased, but much of this has not been particularly remunerative. Cheap migrant labour has filled the void while young local people have been educated so that they can leave the village. Inequalities between the villages and urban areas have probably narrowed, but intra-village inequalities have widened over time as a new class of poor have entered the rural context.

How does the Thai government support rural development in general and rural industries in particular?

By examining Thai government plans, projects, policies and processes in rural development in Chapter Three, we have seen that rural development in Thailand has been shaped by the policy context that exists. The Thai government, at least in terms of the documentation that is produced, is paying growing attention to locally-led, bottom-up, participatory development and is supporting this by establishing more local government offices over the country. However, there is a gap between the rhetoric and the reality of bottom-up approaches to development.

The most obvious intervention in relation to supporting handicraft industries is the OTOP programme. Before the OTOP programme, there were few policies, and no systematic programme, that complemented and supported handicrafts. The OTOP programme was designed to encourage local communities to produce unique local specialties connected with local culture and marketable both domestically and internationally. To achieve its purposes, the government has supported local communities, primarily by providing knowledge, skills and technology, to draw on local wisdom and local resources in product development and community development. But the rhetoric of participation and decentralisation is at odds with the experience. Most parts of the OTOP project are managed by central organisations,

with their headquarters in Bangkok. The OTOP programme has been systematically driven through government agencies which are overly centralised for something that is meant to promote local products (Section 6.4). The indication is that the OTOP programme remains top-down in orientation, fails to build self-reliance or participation in any convincing manner, and that the OTOP programme is just another instrumental policy derived from the centre (i.e. Bangkok).

According to the analysis in Chapter Six, it can be seen that the organisation of the OTOP programme, while it may be driven from the centre, also involves a number of entities ranging from central government organisations to local administrations. The management of the programme, therefore, is quite complicated and sometimes becomes problematic during the operation of the programme in practice. There is, in particular, a degree of overlap and duplication of responsibilities, something that is something of a feature of development policy and practice in Thailand.

How is rural handicraft production being integrated into global production networks?

This last question considers the wider picture of rural development and rural industrialisation. The experience of Thailand is that rural handicraft production is being integrated into wider flows and networks, some operating at a global level. Since 2003, national OTOP City Fairs have been organised twice a year. These events are aimed at creating new selling and distribution channels for local products at the national level, with the expectation of distributing and marketing such local products internationally.

It is also clear that the 'global' context has been inserted into 'local' handicrafts in other ways too, and not just in terms of marketing. The design of products and the technology of production, in particular, owes a good deal to the way in which handicrafts in Northern Thailand have become part of a global network. Buyers in other countries feed views and information back to local producers, and this is then reflected in new products and designs. Far from being an industry with its roots in the past, Thailand's handicrafts are vital and globally integrated.

9.3 Contributions of the Thesis

9.3.1 Conceptual Implications: Linking Back to Theory

There are several areas in which this research has contributed to a wider conceptualisation of development, and rural development in particular. My study has filled some gaps, in a modest way, connected with on-going debates within rural development theory, including those related to urban bias, rural industrialisation, farm and non-farm relations, indigenous knowledge, rural poverty and rural livelihoods. These will be briefly summarised here.

In Chapter Two, the broad debates over rural development were outlined. The centralised rural development models of the 1970s began to be increasingly challenged in the 1980s as the failure of the top-down approach to make an impact on rural development and rural poverty became ever more evident. Bottom-up or grass roots development was introduced as an alternative to such technocratic tendencies, emphasising localism (and the value of the local) and empowerment (Chambers, 1983). There are still a number of obstacles to this bottom-up approach. Certainly, increased collaboration between the centre and local areas would result in a more balanced approach to rural development (Parnwell, 1996). However, for Thailand, the bottom-up or grassroots models have rarely been achieved, not least because most of the plans are still written by and implemented from the central government agencies in Bangkok.

Drawing on the experience of handicraft production in Baan Muang Kung and Baan Ton Pao, the research argued that the meaning of indigenous knowledge has been re-shaped for the 21st century; it does not accord with understandings of the term in the mainstream literature. A broader conceptualisation of the indigenous needs to be embraced if it is to include the sort of processes emerging in Northern Thailand, where local products and local knowledge have been creatively linked to other knowledges.

The same is true of rural industrialisation, which has made a significant contribution to rural development and has become an instrument for the alleviation of rural

unemployment in the studied villages. But there is a separation between how rural industrialisation has occurred in the study sites and the implications in the literature. This is not rural industrialisation as proto-industrialisation. It is more vital, differentiated and integrated. Once again, the populist images of 'rural industry', just as with the popular images of 'indigenous knowledge', need to be re-shaped if they are adequately to embrace the sort of changes seen in northern Thailand's villages.

The notions of urban bias and the operation of farm and non-farm relations are simply out-moded; they are no longer appropriate conceptual frames for the two research villages since they do not really explain what is going on at the present time. Urban bias is unsettled because people are moving around; the categories that were central to the framing of urban bias (urban/rural, peasant/worker, agriculture/industry) have been muddled and blurred. A similar argument can be deployed in terms of our understandings of rural poverty and rural livelihoods. Local people may have been lifted out of poverty, but this very process has created a new class of migrant poor in the areas. Likewise, the reviewed concepts of livelihoods may have fitted with the livelihoods as they were structured and as they functioned twenty years ago, but livelihoods in the 21st century do not neatly slot into such a frame.

9.3.2 Methodological Implications

My research suggests that both qualitative and quantitative methodologies are necessary to assess the information on handicraft production and policy. The purpose of using both methods is to use them as complementary to each other. Following this philosophy, both quantitative and qualitative methods were employed in order that different aspects of the investigation could be dovetailed (Hammersley 1996).

My survey questionnaire covered 163 village households, 106 households out of 300 households in Baan Ton Pao, and 57 families out of 153 in Baan Muang Kung. Some 33 households included in the survey questionnaire were then selected for interview to solicit more in-depth information. In addition, 17 senior civil servants and local officers were interviewed on the basis of their direct involvement in handicraft matters and issues. The interviews are used as the main source of information and

discussion, while the survey information is used for complementary analysis of the villagers' lives regarding their personal information, as far as the livelihoods activities of household members and their involvement in handicrafts are concerned. The qualitative and quantitative data from both villagers and government officers gave a wider picture of handicraft production and policy in Thailand. The research was conducted during two periods of fieldwork in Chiang Mai, between January 2007 and January 2008. Without the survey questionnaire it would not have been possible to contextualise the interviews; and without the interviews it would not have been possible to answer some of the 'why' questions that emerged from the analysis of the surveys.

The timing of the research has a considerable influence on the findings. Due to time constraints and the wide range of information required, only two villages in one part of Thailand were chosen to consider the role of handicraft production in rural development in Thailand. Many constraints were associated with the operationalisation of the research during the data collection phases. The problems included the difficulty and time spent in contacting and accessing the villagers and, especially, senior civil servants. These were, in a sense, to be expected but, rather surprisingly, it would probably have been easier for a non-Thai PhD student to have accessed some of the people and data needed for the study, than for me, as a Thai. Issues of power and status, and appropriate behaviour, all come into play.

9.3.3 Policy Implications

The discussion of the research findings leads to several related recommendations for handicrafts policy. It is evident that the OTOP project has triggered some transformations in the rural areas studied here, where the projects have been established. Nevertheless, there has been little academic work on OTOP policy literature either in Thai or English, most of it being limited to commercial or very general material. There were no policies of any great significance supporting handicrafts before the OTOP programme was introduced. The analysis in this thesis also shows how the initiation of the OTOP programme was administered. The organisation of the OTOP programme involves a number of entities ranging from

central government organisations to local administrations. The management of the programme, therefore, is quite complicated and sometimes becomes problematic during the operation of the programme in practice. Most parts of the OTOP project are managed by central organisations, with their headquarters in Bangkok. The OTOP programme is overly centralised for something that is meant to promote local products. The various OTOP committees from many government organisations often overlap and duplicate each other.

More generally, the research has highlighted how policies can have unintended consequences – and these need to be tracked and addressed. There is no doubt that 'development' was occurring in the two study villages; but in some respects and regards it was not the type of development that the OTOP programme and the Thai government envisaged.

9.4 Recommendations for Future Studies

There are still a number of areas for further research on issues of Thailand's development in general and the role of the handicraft industry on the country's rural development in particular. This section further summarises a few key research themes which could be interesting research areas for both academics and research on development. This first prospective research area is a study of the young(er) generation in the villages, in particular their educational changes, their occupations and their livelihoods. The evidence and discussion of this thesis focuses mainly on their parents' generation, and was more limited in assessing change connected with young people in the handicraft industry.

Secondly, and related to the first area of future study, as the young generation seemed to be less interested in making handicrafts themselves, research on migration by non-local Thai labourers and foreign labourers would be another productive research area. This would require an approach to research which sees people and livelihoods as stretched across space and not geographically situated, something which will require a degree of methodological agility.

A third area of future study is on marketing and handicraft consumption. My study was able to capture mainly the information from government officers and villagers, but was more limited in gauging ideas and experiences concerning handicrafts from customers in connection with product development. Given the reliance of the modern handicraft industry in Northern Thailand on global links, networks and associations, this is important.

Last but not least, according to the review of the One Village One Product (OVOP) in Japan, comparative studies between different countries involved in similar programmes could shed new light on an understanding of local industry and governmental policy on handicrafts.

9.5 Concluding Remarks

Through an empirical study in two villages in Northern Thailand, this thesis has argued that the handicraft industry has significant potential for promoting rural industries and supporting rural development and rural livelihoods. However, the pattern of support that the study has revealed does not always neatly complement the general prescriptions to be found in mainstream policy and practice; there are surprises here that require us to re-think some of our assumptions about rural industrialisation, and its roots, progress and outcomes. My study has also helped to fill a gap in connection with some of the debates within rural development theory, including those related to urban bias, rural industrialisation, farm and non-farm relations, indigenous knowledge, rural poverty and rural livelihoods. All of this, however, has been done through the lens of the rural handicraft industry. At one level some of the debates still have traction. However, the evidence is that agrarian transformations in Baan Muang Kung and Baan Ton Pao have often confounded the neat prescriptions in the mainstream literature. The older generations may have the inherited indigenous knowledge to engage in handicraft production, acquired when they were young, but they lack the 'modern' knowledge (achieved partly through formal education) to engage with the new Thai economy. The younger generation is increasingly divorced from handicraft work – they are being skilled and socialised out of the industry. The handicraft producers may still be poor since they did not earn a

lot of money and some of them were earning less than the basic wage per day. They did not, however, define themselves as belonging to the category of ‘rural poor’ as they said they earned enough to meet their needs and they were happy working in their local areas. Rural industries of the type described in the thesis may have the potential to generate considerable income and employment, but they can also - and at the same time - create new populations of rural poor. I am left with the abiding sense that while rural industries do ‘deliver’, they deliver in new ways.

Appendices

Appendix 1

Details of Research Methods

Table A1.1 Meetings with Research Assistants

	Activity	Date
1	Initial Meeting	11/03/07
2	Discuss Pilot	16/03/07
3	Review Questionnaire	29/03/07
4	Meeting	11/04/07
5	Final Meeting	03/05/07
6	Informal Meeting at the end of each day field visit	

Table A1.2 Surveys

	Activity	Date
1	Pilot: Baan Muang Kung	17/03/07-20/03/07
2	Pilot: Baan Ton Pao	23/03/07-27/03/07
3	Baan Muang Kung	19/04/07-24/04/07
4	Baan Ton Pao	26/04/07-02/05/07

Appendix 2

Lists of Interviews

Table A2.1 List of Interviews with Senior Civil Servants and Local Officers Involved in the OTOP Project

	Name	Organisation	Position	Date	Minutes
1	Ms. Wilaiporn Liwgasemsan	National Economic and Social Development Board	Deputy Secretary General	05/11/2007	94
2	Ms. Pojanee Artarotpinyo	National Economic and Social Development Board	Senior Expert in Production and Service Strategies	05/11/2007	40
3	Ms. Auscharawan Maneeket	Community Development Department	Director of Policy and Community Enterprise Development Division	12/01/2008	40
4	Mr. Kreewit Charoenphol	Community and Handicraft Industrial Development Division	Director of Bureau of Community Industries Development	28/11/2007	145
5	Ms. Pimolapar Suwaphanich	The Office of Small and Medium Enterprises Promotion	Chief of Micro Enterprise Strategy and Action Plan Formulation Division	08/01/2008	82
6	Ms. Kaewta Woratummanon	Industrial Promotion Centre Region1 (Chiang Mai Office)	Industrial Technical Officer	12/12/2007	56
7	Ms. Nantanut Weinthong	Industrial Promotion Centre Region1 (Chiang Mai Office)	Industrial Technical Officer	12/12/2007	35
8	Ms. Jiraporn Tulayanon	Department of Export Promotion (Chiang Mai Office)	Director of Regional Export Promotion Centre	21/06/2007	32
9	Ms. Somjai Thanasitsomboon	Department of Export Promotion (Chiang Mai Office)	Senior Trade Officer	13/12/2007	35
10	Mr. Pornsak Snguanpol	Sankamphaeng District Administrative Office	District Chief Officer	08/12/2007	45
11	Ms. Lumduan Inchai	Sankamphaeng District Administrative Office	Developer	08/12/2007	38
12	Ms. Supannee Wangmala	Sankamphaeng District Administrative Office	Developer	08/12/2007	71
13	Mr. Wimol Mongkonjaroen	Tonpao Municipulity	Deputy Secretary	22/06/2007	49
14	Mr. Sukin Wongsa	Tonpao Municipulity	Mayor Advisor	09/12/2007	143
15	Mr. Prayoot Jaroensab	Hang Dong District Administrative Office	Head of Development Division	11/12/2007	23
16	Ms. Pacharee Kaewswang	Hang Dong District Administrative Office	Developer	11/12/2007	73
17	Mr. Navin Takamsang	Tambon Nong Kwai Administrative Organisation	Tambon Vice-Chief	07/12/2007	26

Table A2.2 List of Interviews with School Teachers in Chiang Mai Province

	Name	School	Position	Date	Minutes
1	Ms. Ausanee Jintanaprawasri	Baan Nongkong School, Tumbon Tonpao, Sankamphaeng District	Vocational Training Teacher	07/12/2007	26
2	Ms. Sangduan Yotpun	Baan Sanpasak School, Tumbon Nong Kwai, Hang Dong District	Vocational Training Teacher	11/12/2007	20

Table A2.3 List of Interviews with Private Companies Involved in the OTOP Project

	Name	Company	Position	Date	Minutes
1	Ms. Udomrat Akkarachinores	Chiang Mai Pan Cargo (Shipping Company)	Managing Director	21/06/2007	35
2	Mr. Napong Snguannapaporn[10]	The Craft Design Service Centre (CDSC), Chiang Mai University	Manager	09/12/2007	143

[10] Interview at the same time with Mr. Sukin Wongsa

Table A2.4 List of Interviews with Villagers in Chiang Mai Province

	Name	Age	Village	Occupation	Date	Minutes
1	Ms. Buakaew Seejan	56	Baan Muang Kung	Pottery – piece worker	05/06/2007	57
2	Mr. Watchara Seejan	35	Baan Muang Kung	Pottery – working at home	15/05/2007	30
3	Mr. Pankaew Saima	75	Baan Muang Kung	Grocery Shop Owner	10/06/2007	25
4	Ms. Pan Seenark	68	Baan Muang Kung	Pottery – piece worker	13/06/2007	29
5	Ms. Wanna Fongkham	40	Baan Muang Kung	Pottery – working at home	08/06/2007	34
6	Mr. Kham Boonterng	67	Baan Muang Kung	Gardener	11/06/2007	22
7	Ms. Daeng Taseetib	48	Baan Muang Kung	Pottery – piece worker	12/05/2007	38
8	Ms. Wimonwan Sikhao	50	Baan Muang Kung	Grocery Shop Owner	12/06/2007	22
9	Ms. Nongluck Suja	47	Baan Muang Kung	Grocery Shop Owner	13/06/2007	35
10	Mr. Lek Saenjai	67	Baan Muang Kung	Pottery – piece worker	01/06/2007	31
11	Mr. Duangtip Seejan	50	Baan Muang Kung	Pottery – piece worker	01/06/2007	26
12	Ms. Tip Seubkhampiang	67	Baan Muang Kung	General Employed Worker	14/05/2007	20
13	Ms. Khampuan Seejan	46	Baan Muang Kung	Pottery – working at home	10/06/2007	20
14	Ms. Jinda Jareonsuwan	57	Baan Muang Kung	Beauty Salon – owner	15/06/2007	22
15	Mr. Wut Techakaew	45	Baan Muang Kung	Pottery – Factory Owner	12/06/2007	76
16	Ms. Walaiporn Inthawong	21	Baan Muang Kung	Student	15/06/2007	25
17	Mr. Kham Seubsuya	70	Baan Muang Kung	Pottery – piece worker	14/05/2007	25
18	Mr. Sompong Boonthawee	41	Baan Ton Pao	School Bus Driver	18/06/2007	21
19	Ms Amporn Jaikod	55	Baan Ton Pao	Saa Paper – piece worker	03/07/2007	24
20	Ms. Chan Ngernga	73	Baan Ton Pao	Saa Paper – piece worker	21/05/2007	23
21	Mr. Soodjai Prakjinda	66	Baan Ton Pao	Grilled Chicken Vendor/ Interior Designer	18/06/2007	20
22	Mr. Tum Wongsai	50	Baan Ton Pao	Saa Paper – piece worker	26/05/2007	29
23	Mr. Boontham Manyuang	52	Baan Ton Pao	Saa Paper - factory Owner	26/05/2007	47
24	Ms. Suna Meetecha	45	Baan Ton Pao	Grocery Shop Owner/ Saa Paper – working at home	18/06/2007	21
25	Ms. Chaweewan Rimsinjorn	44	Baan Ton Pao	Grocery Shop Owner	01/07/2007	20
26	Ms. Amphai Sarmuang	48	Baan Ton Pao	Saa Paper – factory owner	03/07/2007	23
27	Mr. Vijit Yeenang	48	Baan Ton Pao	Saa Paper – factory owner	28/06/2007	95
28	Ms. Sutat Kattikhun	54	Baan Ton Pao	Saa Paper - factory owner	22/06/2007	62
29	Ms. Fongkum Laphinta	56	Baan Ton Pao	Saa Paper – factory owner	06/07/2007	31
30	Ms. Suphan Jumpat	47	Baan Ton Pao	Saa Paper – piece worker	19/06/2007	40
31	Mr. Duangta Laphinta	61	Baan Ton Pao	Noodle Bar Owner/ Saa Paper – working at home	19/06/2007	46
32	Ms. Seethorn Thepvichai	45	Baan Ton Pao	Saa Paper – working at home	24/06/2007	28
33	Ms. Kumpang Sonjai	64	Baan Ton Pao	Saa Paper – piece worker	28/06/2007	25

Appendix 3

Interview Guides

A3.1 Interview Guide for Interviewing Local Officers and Senior Civil Servants

1. Introduction and Background of Interviewee and Interviewee's Organisation

1.1 Ask for scope of interviewee's department's work
1.2 Ask for scope of interviewee's responsibilities in the department
1.3 What is the role of your organisation in rural development in general and rural industries in particular?

2. Role of Interviewee's Organisation in Development of Handicraft Industry

2.1 What is the role of your organisation in connection with handicrafts?
2.2 What information do you provide to support handicraft production?
2.3 What policy do you have for supporting handicrafts?
2.4 How do you operate this support?
2.5 What size budget do you get for supporting projects in handicrafts?
2.6 What is the potential of rural industrialisation to support rural development?
2.7 As both villages are in the OTOP programme, how does your organisation support this project?
2.8 What do the villages get from this support?
2.9 What form of support do villages get?

3. Effectiveness/Result of Policy and Handicrafts Supporting Programme

3.1 Do you think your policy has achieved the promotion of handicrafts?
3.2 How different is the production in the villages after being integrated into the OTOP project?
3.3 Does your organisation initiate technological innovation? (do you think it comes from neighbours, government, buyers?)
3.4 How does handicraft production help in the alleviation of rural poverty?
3.5 Does handicraft production deliver an adequate livelihood?
3.6 How does the project create jobs for villagers?
3.7 In your opinion, does handicraft production replace agriculture work?
3.8 How far has handicraft production raised the skills of rural labour and the quality of rural resources? (in what way?)

4. Attitude/Perspective on Handicraft Production

4.1 How do you view handicraft production? Is it, and why is it, more attractive (or not) than alternative opportunities (what are those alternatives?)
4.2 Do you think young people/older people view it differently?

5. Problems and Solution for Those in Handicraft Production

5.1 Do the villages have difficulty sourcing raw materials? Is there a shortage?
5.2 If the villages have difficulty sourcing raw materials, how does your organisation help the villages deal with this? Have substitute raw materials been introduced?
5.3 What do you think about hiring foreign labour or from other areas in Thailand to work in handicraft production in the villages?

6. Development Process and the Future of the Handicraft Industry

6.1 How does innovation in handicrafts occur?
6.2 Do you know how the villages learn about new products and techniques?
6.3 Do you think that rural industries help to narrow the divide between rural and urban areas and within rural areas?
6.4 How is rural handicraft production being integrated into global production networks?
6.5 How do you see handicraft production over the next ten years? What, in your view, is the future of handicraft production?
6.6 Are there any other projects from the government or from other organisations that support the villages in handicrafts? What are they?
6.7 What should the government support more in handicraft production in the villages?

A3.2 Interview Guide for Interviewing a Sub-Sample of the Households (HH) Included in the Questionnaires

1. History of Handicraft Production (HP)

1.1 When did your HH become involved in HP? (date)
1.2 Why? (What were the factors that led to this change?)
1.3 How? (who initiated the process, who provided the knowledge and technology, how were marketing links secured?)
1.4 Have you always produced the same products? If not, what has been the sequence of change and how and why has this occurred?
1.5 What technology do you use? How has this changed? What initiates technological innovation (neighbours, government, buyers?)
1.6 How does indigenous knowledge support rural industrialisation?

2. Sustainability of HP

2.1 How do you view HP? Is it more attractive than other occupations? Why? (do young people/older people view it differently?)
2.2 How far has handicraft production raised the skills of rural labour and the quality of rural resources? (in what way?)
2.3 Do you have difficulty sourcing raw materials? Is there a shortage? How have you dealt with this? Have substitute raw materials been introduced?
2.4 Do you have difficulties sourcing labour? How have you dealt with this?
2.5 What do you think about hiring foreign labour or from other areas in Thailand to work in handicraft production in your village?
2.6 What, in your view, is the future of HP in your HH and in your village?
2.7 How does innovation in HP occur? Who do you learn from? How do you learn about new products and techniques?
2.8 Does HP deliver an adequate livelihood? Is it, and why is it, more attractive (or not) than alternative opportunities (what are those alternatives?)

3. Role of HP within the Context of the HH

3.1 How important is HP to your household (% income, % time allocated)?
3.2 Has it become more or less important over time?
3.3 What is the role of handicrafts in the livelihoods of your household? Is there a generational/gender breakdown?
3.4 Is there a gender/generational breakdown in HP? Has this changed over time (for your HH)?
3.5 Who makes decisions about production?
3.6 Are you an independent producer or do you take orders from elsewhere – who, where?

4. Government Policy and HP

4.1 As an OTOP village, do you know how the Thai government supports this project? What do you get from this support? How different is the production in the village after being integrated into the OTOP project?
4.2 Are there any other projects from the government or from other organisations that support your village in handicrafts? What are they?
4.3 What should the government support more in handicraft production in your village?

5. Links between HH and Other Actors in HP

5.1 Do you receive support from exporters or buyers? How?
5.2 Do you cooperate with other producers in the village? How? Is there a producers group? Are you a member?
5.3 Do you cooperate with producers in other villages?

Appendix 4

Samples of Survey Questionnaire

Questionnaire Survey: Household Unit

Village | House | HH no

Interviewer | Date | Beginning interview time

Interviewee Name(s)

Section A: [illegible] 1. HHH's Name

2.	Where were you born? If born here go to section B	Village / Name	District	Province
3.	When did you arrive in this village?		Year	
4.	Why did you come here?			
5.	Where did you live prior to settling here?	Village / Name	District	Province

Section B: [illegible]

	1. Age (years)	2.Gender (M/F)	3. Relation-ship to HHH	4. Marital status	5. Resident in HH	Place of birth	7. Education level	Occupation:	
						6. District/ Province		8. Main	9. Secondary
HHH									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									

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Date ____________

SECTION 3: LIVELIHOOD ACTIVITIES OF HOUSEHOLD MEMBERS

HH Member no.	1. What are the main activities of each household member? (Listed in order of amount of time spent on activity)			2. What is the relative importance of each ranked activity for each person's income? (List activities in order of amount contributed to income)			3. When did each person first engage in the activity? (number of years ago)			4. What were the main activities of each household member 10 years ago? (Listed in order of amount of time spent on activity)		
	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd	1st	2nd	3rd
1.												
2.												
3.												
4.												
5.												
6.												
7.												
8.												
9.												
10.												

SECTION 4: CURRENT SOURCES OF INCOME FOR HOUSEHOLD

		1st	2nd	3rd
1.	Which of the activities named above generate the most income? (List in order of importance)			
2.	Which activities generated the most income 10 years ago? (List in order of importance)			
3.	What other sources of income does your household have? ([illegible])			
4.	Overall, what are your household's most important sources of income? (State proportion % of income for each ranked activity.)			

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SECTION 5: HOUSEHOLD LAND

1.	Does your household have access to land?		[Yes/No]
2.	How many plots does your household have access to?		

3. List for each plot:

	Physical type of land	Area of land (ha)	Tenancy	Where located?	Distance away (travel time)	What is it used for	How did you originally obtain this land?
a							
b							
c							
d							
e							

SECTION 6: HOUSEHOLD LIVING STANDARDS

	HOUSING STANDARDS		SERVICES/AMENITIES			
	1. Standard	If yes x	2. Service/amenity	If yes x	3. Consumer goods owned by household	If yes x
1.	Mud walls		Electricity		TV	
2.	Wood walls		Piped water		Landline phone	
3.	Brick or cement walls		Pit latrine		Mobile phone	
4.	Thatched roofing		Flush toilet		Computer	
5.	Permanent roofing		Boiler		Internet access	
6.	Large size (4 or more rooms)		Air conditioning		Bicycle	
7.	Medium size (2-3 rooms)		Gas stove		Motorbike	
8.	Small (1 room)		Refrigerator		Motor vehicle (car or pick-up)	
	Other (specify)		Radio		Other (specify)	

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Date ____________

SECTION 7: HANDICRAFT PRODUCTION AT THE PRESENT TIME

1.	Do you or your household members participate in handicraft production?	Yes (Answer the questions below)
		No (Go to the next section)

2. What crafts do you or any member of your household produce? (Complete according to the number of different crafts produced by the household. If more than three crafts produced use additional sheets)

	Craft type (list)
Craft 1	
Craft 2	
Craft 3	

3. Now I would like to ask you some specific questions about each of these crafts in turn.

Craft 1

1.	Craft or craft type	
2.	Who in your household produces this craft?	
3.	When did they begin producing this craft (year)?	
4.	Are all workers family members or are some employees? How many employees?	
5.	Where is the production process carried out?	
6.	Are any new technology/ machines required for production, and if so for what purpose?	
7.	What materials are used for production?	
8.	How are those materials acquired?	
9.	How do you finance the purchase of materials used for production?	
10.	How many hours a day are spent producing this craft?	
11.	Who buys the craft?	
12.	Where is it sold?	
13.	How is the price set/fixed?	
14.	Is the price dependent on quality?	
15.	When is payment received for the craft?	
16.	What is the daily return (income) on this work? (baht/day)	

Craft 2

1.	Craft or craft type	
2.	Who in your household produces this craft?	
3.	When did they begin producing this craft (year)?	
4.	Are all workers family members or are some employees? How many employees?	
5.	Where is the production process carried out?	

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6.	Are any new technology/ machines required for production, and if so for what process?	
7.	What materials are used for production?	
8.	How are these materials acquired?	
9.	How do you finance the purchase of materials used for production?	
10.	How many hours a day are spent producing this craft?	
11.	Who buys the craft?	
12.	Where is it sold?	
13.	How is the price settled?	
14.	Is the price dependent on quality?	
15.	When is payment received for the craft?	
16.	What is the daily return (income) on this work? (ksh/day)	

Craft 3

1.	Craft or craft type	
2.	Who in your household produces the craft?	
3.	When did they begin producing this craft (year)?	
4.	Are all workers, family members or are some employees? How many employees?	
5.	Where is the production process carried out?	
6.	Are any new technology/ machines required for production, and if so for what process?	
7.	What materials are used for production?	
8.	How are these materials acquired?	
9.	How do you finance the purchase of materials used for production?	
10.	How many hours a day are spent producing this craft?	
11.	Who buys the craft?	
12.	Where is it sold?	
13.	How is the price settled?	
14.	Is the price dependent on quality?	
15.	When is payment received for the craft?	
16.	What is the daily return (income) on this work? (ksh/day)	

SECTION [illegible]: HANDICRAFT PRODUCTION OF PREVIOUS YEARS

1.	Are there any handicrafts which used to be produced by you or your household members but which are no longer produced?	Yes (Answer the questions below) No (End of questions)

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Date____________

2. Are there any crafts that you or any member of your household used to produce but no longer do? If yes, list:

	Craft type (list)
Craft 1	
Craft 2	
Craft 3	

Craft 1

1.	Craft or craft type	
2.	Who in your household used to produce this craft?	
3.	How many hours per day did they spend making this craft?	
4.	When did they stop producing this craft (year)?	
5.	Why did they stop producing this craft?	
6.	Who used to buy the craft?	

Craft 2

1.	Craft or craft type	
2.	Who in your household used to produce this craft?	
3.	How many hours per day did they spend making this craft?	
4.	When did they stop producing this craft (year)?	
5.	Why did they stop producing this craft?	
6.	Who used to buy the craft?	

Craft 3

1.	Craft or craft type	
2.	Who in your household used to produce this craft?	
3.	How many hours per day did they spend making this craft?	
4.	When did they stop producing this craft (year)?	
5.	Why did they stop producing this craft?	
6.	Who used to buy the craft?	

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Date_______________

Household Observations and Notes

Time interview ended:

Atmosphere in household at time of interview:

General observations about validity of data:

Problems encountered

Any other observations

Return Visit Date

Time interview began

Time interview ended

Corrections made

7

Checked by ______________

Date ______________

Checked by ____________
Date ____________

6.									
7.									
8.									
9.									
10.									

[illegible]

[illegible]	[illegible]			[illegible]			[illegible]			[illegible]		
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1. [illegible]	[illegible]	6		[illegible]			[illegible]	6		[illegible] 6		
2. [illegible]	[illegible]	[illegible]		[illegible]			[illegible]	[illegible]		[illegible]		
3. [illegible]	[illegible]	6		[illegible]			[illegible]	6		[illegible]		
4.												
5.												
6.												
7.												
8.												
9.												
10.												

Checked by ______________
Date ______________

ส่วนที่ 4: แหล่งที่มาของรายได้หรืออาชีพของครัวเรือน (หน่วย: ครัวเรือน)

		อันดับที่ 1	อันดับที่ 2	อันดับที่ 3
1.	[illegible]	[illegible] 6		
2.	[illegible]	[illegible] 6		
3.	[illegible]	[illegible] 2		
4.	[illegible]	[illegible] 6		

ส่วนที่ 5: [illegible]

1.	[illegible]	1	[illegible]
2.	[illegible]	1	[illegible]

3. [illegible]

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	หมายเหตุ
1.	[illegible]	[illegible]	1	[illegible]	1. —	[illegible] 2.	
2.							
3.							
4.							
5.							

Checked by ____________

Date ____________

ส่วนที่ 6 มาตรฐานความเป็นอยู่ของครัวเรือน

	บ้านที่พักอาศัย		สิ่งอำนวยความสะดวก			
	1. ทั่วไป	ถ้ามี x	2. เครื่องอำนวยความสะดวก	ถ้ามี x	(ต่อ)	ถ้ามี x
1.	[illegible]		ไฟฟ้า	X 1	[illegible]	X 1
2.	[illegible]		น้ำประปา	2	[illegible]	2
3.	[illegible]	X	[illegible]	X 1	[illegible]	2
4.	[illegible]		[illegible]	2	[illegible]	2
5.	[illegible]	X	[illegible]	2	[illegible]	2
6.	[illegible]		[illegible]	2	[illegible]	X 1
7.	[illegible]	X	[illegible]	2	[illegible]	X 1
8.	[illegible]		ตู้เย็น	X 1	[illegible]	X 1
	อื่นๆ (โปรดระบุ)		[illegible]	X 1	อื่นๆ (โปรดระบุ)	

ส่วนที่ 7: [illegible]

1.	[illegible]	[illegible]
	[illegible]	[illegible]

2. [illegible]

	ประเภทของหัตถกรรม
ชนิดที่ 1	[illegible]
ชนิดที่ 2	
ชนิดที่ 3	

Checked by ____________

Date ____________

หัตถกรรมชนิดที่ 1

1.	[illegible]	[illegible]
2.	[illegible]	[illegible]
3.	[illegible]	[illegible]
4.	[illegible]	[illegible]
5.	[illegible]	[illegible]
6.	[illegible]	[illegible]
7.	[illegible]	[illegible]
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13.	[illegible]	[illegible]
14.	[illegible]	[illegible]
15.	[illegible]	[illegible]
16.	[illegible]	[illegible]

หัตถกรรมชนิดที่ 2

1.	[illegible]	
2.	[illegible]	
3.	[illegible]	
4.	[illegible]	
5.	[illegible]	

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Date ....

11.	ขายผลิตภัณฑ์นี้ให้แก่ใคร	
12.	ขายที่ไหน	
13.	ตั้งราคาผลิตภัณฑ์นี้อย่างไร	
14.	ราคาที่ตั้งขึ้นกับคุณภาพของผลิตภัณฑ์ใช่หรือไม่ หรือตั้งตามปริมาณสินค้า	
15.	ผู้ผลิตจะได้รับเงินจากการขายผลิตภัณฑ์นี้เมื่อไร	
16.	รายได้ที่ได้รับต่อ ([illegible]	

ส่วนที่ 4 [illegible] (ต่อ)

1.	[illegible]	[illegible] [illegible]

2. [illegible]

	[illegible]
ครั้งที่ 1	
ครั้งที่ 2	
ครั้งที่ 3	

ข้อมูลการขายครั้งที่ 1

1.	[illegible]	
2.	[illegible]	
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6.	[illegible]	

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กิจกรรมชนิดที่ 2

1.	ชนิดของกิจกรรมที่ผลิต	
2.	สามารถนำไปใช้ใน[illegible]ของคุณหรือเป็นผู้ผลิต/ ประดิษฐ์กิจกรรม [illegible]	
3.	ใน 1 ปี ได้[illegible]ผลิต [illegible] 1 ชิ้น [illegible]	
4.	ต้นทุน [illegible] (กี่บาท)	
5.	ตลาดรองรับ[illegible]	
6.	ในการผลิต[illegible]ผลิตภัณฑ์	

กิจกรรมชนิดที่ 3

1.	ชนิดของกิจกรรมที่ผลิต	
2.	สามารถนำไปใช้ใน[illegible]ของคุณหรือเป็นผู้ผลิต/ ประดิษฐ์กิจกรรม [illegible]	
3.	ใน 1 ปี ได้[illegible]ผลิต [illegible] 1 ชิ้น [illegible]	
4.	ต้นทุน [illegible] (กี่บาท)	
5.	ตลาดรองรับ[illegible]	
6.	ในการผลิต[illegible]ผลิตภัณฑ์	

Checked by ____________

Date ____________

ข้อสังเกตและรายละเอียดเพิ่มเติม

เวลาที่หยุดการสัมภาษณ์ 15.50

บุคคลภายนอกที่เกี่ยวข้อง ณ ขณะที่ทำการสัมภาษณ์ [illegible]

ข้อสังเกตทั่วไปเกี่ยวกับผู้ให้ข้อมูล

[illegible]

ปัญหาที่พบเจอ

อื่นๆ

นัดหมายครั้งต่อไป วันที่ เวลาเริ่มการสัมภาษณ์ เวลาที่หยุดการสัมภาษณ์

ข้อมูลที่ต้องการเพิ่ม

Checked by [illegible]

Date

Appendix 5

Activities in Baan Ton Pao and Baan Muang Kung

Main occupation * Age category Crosstabulation

Count

		Age category				Total
		0-16 years	17-34 years	35-60 years	61+ years	
Main occupation	saa paper - factory owner	0	6	16	1	23
	saa paper - people who work at home	1	8	38	8	55
	saa paper - piece worker working at factory	0	11	18	0	29
	saa paper - piece worker working at home	0	6	33	13	52
	terracotta - factory owner	0	0	3	0	3
	terracotta - people who work at home	0	3	17	9	29
	terracotta - piece worker working at factory	0	0	12	1	13
	terracotta - piece worker working at home	0	0	2	4	6
	other handicrafts	1	3	6	0	10
	farming - own land	0	0	0	1	1
	agricultural labourer	0	1	0	2	3
	livestock keeping	0	0	1	2	3
	general employed work	0	13	32	1	46
	labourer	0	8	14	1	23
	civil servant	0	7	8	0	15
	private company employee	0	30	8	0	38
	retired	0	0	1	2	3
	housewife	0	1	7	2	10
	grocery owner	0	3	10	0	13
	driver	0	0	5	0	5
	food bar	0	2	4	3	9
	unemployed - looking for a job but can't find it yet	0	3	0	0	3
	student	60	39	2	0	101
	beauty salon - owner	0	0	1	0	1
	trade general	0	1	8	0	9
	gardener	0	0	4	2	6
	cleaner	0	2	2	0	4
	baby/ child (before going to school)	13	1	0	0	14
	elders (not applicable)	0	0	2	20	22
	others	0	2	1	0	3
	housekeeper	0	0	2	0	2
Total		75	150	257	72	554

Main occupation * Gender Crosstabulation

Count

		Gender		Total
		males	females	
Main occupation	saa paper - factory owner	12	11	23
	saa paper - people who work at home	22	33	55
	saa paper - piece worker working at factory	13	16	29
	saa paper - piece worker working at home	18	34	52
	terracotta - factory owner	2	1	3
	terracotta - people who work at home	14	15	29
	terracotta - piece worker working at factory	6	7	13
	terracotta - piece worker working at home	2	4	6
	other handicrafts	5	5	10
	farming - own land	1	0	1
	agricultural labourer	1	2	3
	livestock keeping	3	0	3
	general employed work	31	15	46
	labourer	19	4	23
	civil servant	11	4	15
	private company employee	16	22	38
	retired	2	1	3
	housewife	1	9	10
	grocery owner	0	13	13
	driver	5	0	5
	food bar	3	6	9
	unemployed - looking for a job but can't find it yet	1	2	3
	student	52	49	101
	beauty salon - owner	0	1	1
	trade general	4	5	9
	gardener	4	2	6
	cleaner	2	2	4
	baby/ child (before going to school)	7	7	14
	elders (not applicable)	6	16	22
	others	2	1	3
	housekeeper	0	2	2
Total		265	289	554

Main occupation * Marital status Crosstabulation

Count

		Marital status				Total
		single	married	divorced	widowed	
Main occupation	saa paper - factory owner	3	19	0	1	23
	saa paper - people who work at home	6	43	0	6	55
	saa paper - piece worker working at factory	4	22	1	2	29
	saa paper - piece worker working at home	2	38	1	11	52
	terracotta - factory owner	0	2	1	0	3
	terracotta - people who work at home	3	24	1	1	29
	terracotta - piece worker working at factory	0	9	0	4	13
	terracotta - piece worker working at home	1	4	0	1	6
	other handicrafts	2	8	0	0	10
	farming - own land	1	0	0	0	1
	agricultural labourer	1	2	0	0	3
	livestock keeping	0	3	0	0	3
	general employed work	13	30	3	0	46
	labourer	8	14	0	1	23
	civil servant	4	11	0	0	15
	private company employee	19	14	5	0	38
	retired	1	1	0	1	3
	housewife	1	8	0	1	10
	grocery owner	1	10	1	1	13
	driver	0	5	0	0	5
	food bar	2	5	1	1	9
	unemployed - looking for a job but can't find it yet	3	0	0	0	3
	student	99	0	1	1	101
	beauty salon - owner	0	1	0	0	1
	trade general	0	9	0	0	9
	gardener	0	4	1	1	6
	cleaner	2	1	0	1	4
	baby/ child (before going to school)	14	0	0	0	14
	elders (not applicable)	0	9	0	13	22
	others	0	2	1	0	3
	housekeeper	0	1	0	1	2
Total		190	299	17	48	554

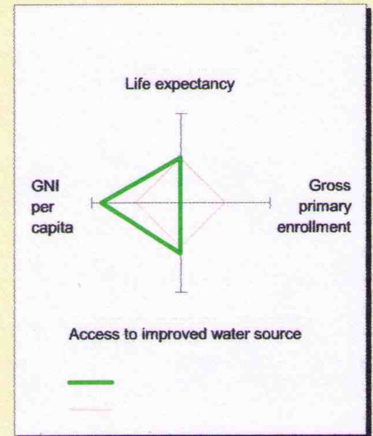
Appendix 6

Thailand at a Glance - Statistical Data

Thailand at a glance

12/9/09

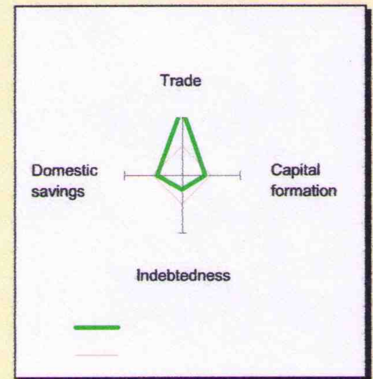
POVERTY and SOCIAL	Thailand	East Asia & Pacific	Lower-middle-income
2008			
Population, mid-year *(millions)*	67.4	1,931	3,702
GNI per capita *(Atlas method, US$)*	3,670	2,631	2,078
GNI *(Atlas method, US$ billions)*	247.2	5,081	7,692
Average annual growth, 2002-08			
Population *(%)*	0.9	0.8	1.2
Labor force *(%)*	1.2	1.2	1.6
Most recent estimate (latest year available, 2002-08)			
Poverty *(% of population below national poverty line)*	..	..	..
Urban population *(% of total population)*	32	44	41
Life expectancy at birth *(years)*	69	72	68
Infant mortality *(per 1,000 live births)*	13	22	46
Child malnutrition *(% of children under 5)*	7	13	26
Access to an improved water source *(% of population)*	98	87	86
Literacy *(% of population age 15+)*	94	93	83
Gross primary enrollment *(% of school-age population)*	..	111	109
Male	..	112	112
Female	..	110	106



KEY ECONOMIC RATIOS and LONG-TERM TRENDS

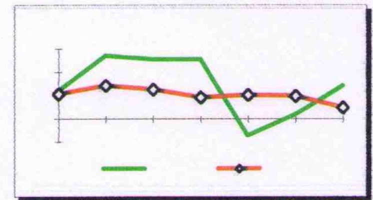
	1988	1998	2007	2008
GDP *(US$ billions)*	61.7	111.9	247.1	272.4
Gross capital formation/GDP	32.6	20.4	26.4	28.9
Exports of goods and services/GDP	33.0	58.9	72.7	76.6
Gross domestic savings/GDP	31.2	36.3	34.1	31.6
Gross national savings/GDP	30.0	33.2	32.0	29.0
Current account balance/GDP	-2.7	12.8	6.3	0.6
Interest payments/GDP	2.5	4.4	0.7	0.7
Total debt/GDP	35.2	93.8	25.0	23.8
Total debt service/exports	20.2	18.0	8.1	7.2
Present value of debt/GDP	..	..	23.7	21.7
Present value of debt/exports	..	..	31.0	25.7

	1988-98	1998-08	2007	2008	2008-12
(average annual growth)					
GDP	6.9	5.0	4.9	2.5	1.7
GDP per capita	5.7	4.0	4.2	1.8	-0.2
Exports of goods and services	11.3	7.5	7.8	5.1	1.1

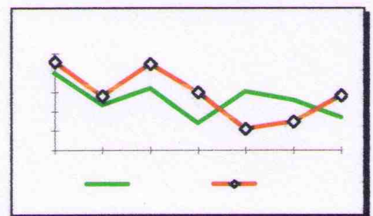


STRUCTURE of the ECONOMY

	1988	1998	2007	2008
(% of GDP)				
Agriculture	16.2	10.8	10.7	11.6
Industry	34.6	39.6	44.7	44.2
Manufacturing	25.8	30.9	35.6	34.9
Services	49.2	49.6	44.6	44.2
Household final consumption expenditure	58.8	52.6	53.7	55.9
General gov't final consumption expenditure	10.0	11.1	12.2	12.4
Imports of goods and services	34.4	43.0	65.0	73.9



	1988-98	1998-08	2007	2008
(average annual growth)				
Agriculture	0.8	3.0	0.9	3.5
Industry	9.2	6.2	5.9	3.3
Manufacturing	9.9	6.6	6.3	3.9
Services	6.6	4.2	4.8	1.3
Household final consumption expenditure	6.4	4.6	1.7	2.8
General gov't final consumption expenditure	5.9	4.4	9.7	4.6
Gross capital formation	4.6	7.4	0.9	7.1
Imports of goods and services	9.1	8.8	4.4	8.5



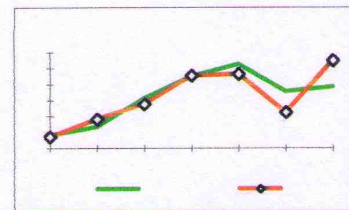
Note: 2008 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

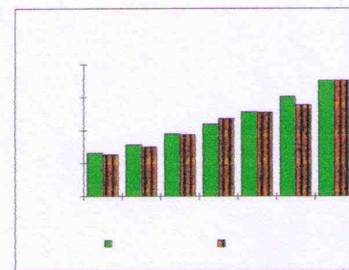
PRICES and GOVERNMENT FINANCE

	1988	1998	2007	2008
Domestic prices				
(% change)				
Consumer prices	..	8.0	2.2	5.5
Implicit GDP deflator	5.9	9.2	3.6	3.8
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	..	19.6	20.3
Current budget balance	..	..	0.5	2.6
Overall surplus/deficit	..	..	-1.3	0.1



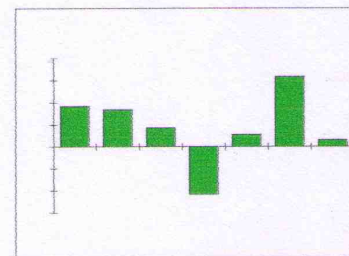
TRADE

	1988	1998	2007	2008
(US$ millions)				
Total exports (fob)	15,781	52,877	151,258	175,232
Rice	1,378	1,319	5,640	6,792
Rubber	1,080	2,098	3,467	6,204
Manufactures	10,091	44,974	136,148	156,436
Total imports (cif)	20,286	40,643	138,477	175,060
Food	1,055	885	2,181	2,739
Fuel and energy	1,535	3,406	25,725	37,094
Capital goods	7,952	13,046	35,812	42,478
Export price index *(2000=100)*	..	..	307	340
Import price index *(2000=100)*	4	..	311	350
Terms of trade *(2000=100)*	..	..	99	97



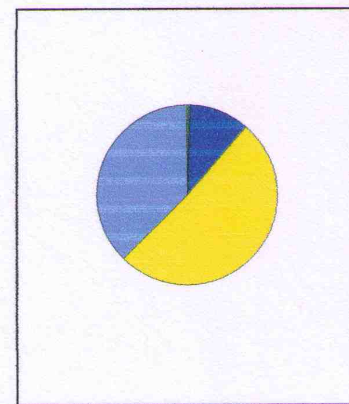
BALANCE of PAYMENTS

	1988	1998	2007	2008
(US$ millions)				
Exports of goods and services	20,428	66,092	181,619	208,632
Imports of goods and services	21,337	48,622	162,917	203,633
Resource balance	-908	17,469	18,702	4,999
Net income	-982	-3,594	-6,960	-8,072
Net current transfers	236	415	3,939	4,770
Current account balance	-1,654	14,290	15,681	1,697
Financing items (net)	4,220	-12,557	1,420	23,060
Changes in net reserves	-2,566	-1,733	-17,101	-24,757
Memo:				
Reserves including gold *(US$ millions)*	7,112	29,536	87,455	93,369
Conversion rate *(DEC, local/US$)*	25.3	41.4	34.5	33.3



EXTERNAL DEBT and RESOURCE FLOWS

	1988	1998	2007	2008
(US$ millions)				
Total debt outstanding and disbursed	21,710	104,917	61,738	64,798
IBRD	2,616	2,111	63	65
IDA	111	96	66	62
Total debt service	4,384	12,748	15,322	16,557
IBRD	874	296	290	3
IDA	1	3	4	4
Composition of net resource flows				
Official grants	95	81	154	147
Official creditors	-327	1,096	-1,175	-242
Private creditors	456	-1,450	5,568	-1,333
Foreign direct investment (net inflows)	1,105	7,315	11,233	9,835
Portfolio equity (net inflows)	444	289	4,264	-4,594
World Bank program				
Commitments	160	715	0	0
Disbursements	111	498	2	2
Principal repayments	603	181	278	3
Net flows	-493	317	-276	-2
Interest payments	272	118	16	3
Net transfers	-765	199	-292	-5



The World Bank Group: This table was prepared by country unit staff; figures may differ from other World Bank published data. 12/9/09

A6.2 Thailand Data Profile

Thailand Data Profile	2000	2005	2006	2007
World view				
Population, total (millions)	60.67	63.00	63.44	63.83
Population growth (annual %)	1.0	0.7	0.7	0.6
Surface area (sq. km) (thousands)	513.1	513.1	513.1	513.1
Poverty headcount ratio at national poverty line (% of population)	..	..	..	..
GNI, Atlas method (current US$) (billions)	122.02	170.39	189.95	217.35
GNI per capita, Atlas method (current US$)	2,010	2,700	2,990	3,400
GNI, PPP (current international $) (billions)	303.43	423.77	463.15	503.07
GNI per capita, PPP (current international $)	5,000	6,730	7,300	7,880
People				
Income share held by lowest 20%	6.1	..	..	..
Life expectancy at birth, total (years)	68	70	70	..
Fertility rate, total (births per woman)	1.9	1.8	1.8	..
Adolescent fertility rate (births per 1,000 women ages 15-19)	46	43	42	..
Contraceptive prevalence (% of women ages 15-49)	79	..	77	..
Births attended by skilled health staff (% of total)	99	..	97	..
Mortality rate, under-5 (per 1,000)	13	8	8	..
Malnutrition prevalence, weight for age (% of children under 5)	..	..	7	..
Immunization, measles (% of children ages 12-23 months)	94	96	96	..
Primary completion rate, total (% of relevant age group)	..	..	..	..
Ratio of girls to boys in primary and secondary education (%)	..	102	104	..
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	1.4
Environment				
Forest area (sq. km) (thousands)	148.1	145.2	..	..
Agricultural land (% of land area)	39.2	36.4	..	..
Annual freshwater withdrawals, total (% of internal resources)	..	..	..	..
Improved water source (% of population with access)	97	..	98	..
Improved sanitation facilities, urban (% of urban population with access)	94	..	95	..
Energy use (kg of oil equivalent per capita)	1,229	1,588	..	..
CO2 emissions (metric tons per capita)	3.3	..	..	..
Electric power consumption (kWh per capita)	1,503	1,988	..	..
Economy				
GDP (current US$) (billions)	122.73	176.42	206.70	245.82
GDP growth (annual %)	4.8	4.5	5.1	4.8
Inflation, GDP deflator (annual %)	1.3	4.6	5.0	3.4
Agriculture, value added (% of GDP)	9	10	11	11
Industry, value added (% of GDP)	42	44	45	44
Services, etc., value added (% of GDP)	49	46	45	45
Exports of goods and services (% of GDP)	67	74	74	68
Imports of goods and services (% of GDP)	58	75	70	64
Gross capital formation (% of GDP)	23	31	28	30
Revenue, excluding grants (% of GDP)	..	21.1	20.2	..
Cash surplus/deficit (% of GDP)	..	2.5	1.9	..
States and markets				
Time required to start a business (days)	..	33	33	33
Market capitalization of listed companies (% of GDP)	24.0	70.8	68.3	79.8
Military expenditure (% of GDP)	1.4	1.1	1.1	1.4
Fixed line and mobile phone subscribers (per 100 people)	14	61	75	91
Internet users (per 100 people)	3.8	11.6	13.3	21.0
Roads, paved (% of total roads)	99	..	..	..
High-technology exports (% of manufactured exports)	33	27	27	..
Global links				
Merchandise trade (% of GDP)	107	129	126	120
Net barter terms of trade (2000 = 100)	100	93	92	..
External debt, total (DOD, current US$) (millions)	79,720	51,625	55,233	..
Short-term debt outstanding (DOD, current US$) (millions)	14,880	16,014	17,812	..
Total debt service (% of exports of goods, services and income)	16.3	13.6	9.4	..
Foreign direct investment, net inflows (BoP, current US$) (millions)	3,366	8,048	9,010	..
Workers' remittances and compensation of employees, received (US$) (millions)	1,697	1,187	1,333	1,635
Official development assistance and official aid (current US$) (millions)	698	-165	-216	..
Source: World Development Indicators database, September 2008				

Source: http://devdata.worldbank.org/external/CPProfile.asp?PTYPE=CP&CCODE=THA

A6.3 National income

(Millions of Baht)

	1999	2000	2001r	2002r	2003r	2004r	2005r	2006p
Compensation of Employees	1,455,086	1,541,412	1,602,367	1,671,353	1,786,334	1,927,134	2,073,106	2,245,146
Income from Unincorporated Enterprises	1,342,791	1,401,120	1,441,558	1,494,876	1,657,843	1,912,299	2,089,957	2,312,942
Income from Property	300,701	256,066	233,654	231,019	240,884	220,416	233,780	287,536
Savings of Corporations and Government Enterprises	133,736	311,602	314,184	338,879	303,380	337,337	332,226	422,115
Direct Taxes on Corporations	114,231	154,673	159,117	183,756	233,304	285,049	369,306	414,031
Corporate Transfer Payments	10,971	12,481	12,451	12,576	14,163	15,987	17,504	18,022
General Government Income from Property and Entrepreneurship	61,300	48,122	57,285	60,747	68,419	62,675	87,575	106,154
Less : Interest on the Public Debt	48,624	55,643	60,234	74,734	88,537	82,970	91,230	98,467
Less : Interest on Consumers' Debt	35,352	34,596	32,692	34,743	40,851	47,514	55,923	76,525
National Income	**3,334,840**	**3,635,237**	**3,727,690**	**3,883,729**	**4,174,939**	**4,630,413**	**5,056,301**	**5,630,954**
Net Domestic Product at Factor Cost	3,461,276	3,712,111	3,861,229	4,072,166	4,417,872	4,921,445	5,400,315	5,953,107
Net Factor Income Payment from the Rest of the World	-126,436	-76,874	-133,539	-188,437	-242,933	-291,032	-344,014	-322,153
Net National Product at Factor Cost	**3,334,840**	**3,635,237**	**3,727,690**	**3,883,729**	**4,174,939**	**4,630,413**	**5,056,301**	**5,630,954**

Source: http://www.nesdb.go.th/econSocial/macro/gdp_data/mainaccount.htm

A6.4 Basic Social and Economic Statistics of Thailand

Population, mid-year (millions)	62.4
GNI per capita (Atlas method, US$)	2,550
GNI (Atlas method, US$ billions)	158.8
Population (%, average annual growth, 1998-04)	0.7
Labour force (%, average annual growth, 1998-04)	0.8
Poverty (% of population below national poverty line)	10
Urban population (% of total population)	32
Life expectancy at birth (years)	69
Infant mortality (per 1,000 live births)	23
Access to an improved water source (% of population)	85
Literacy (% of population age 15+)	93
Gross primary enrollment (% of school-age population)	96

(average annual growth)	1984-1994	1994-2004	2003	2004
GDP	9.6	2.2	6.9	6.1
GDP per capita	8.0	1.5	6.2	5.5
Exports of goods and services	17.3	7.2	7.0	7.8

Source: http://devdata.worldbank.org/AAG/tha_aag.pdf

A6.5 Thailand Poverty Data

Poverty	
	2004
Income share held by lowest 10%	3
Income share held by lowest 20%	6
Poverty gap at $1 a day (PPP) (%)	1
Poverty gap at $2 a day (PPP) (%)	6
Poverty headcount ratio at $1 a day (PPP) (% of population)	2
Poverty headcount ratio at $2 a day (PPP) (% of population)	32.5

Source:
http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20394878~menuPK:1192714~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html
http://devdata.worldbank.org/wdipdfs/table2_5.pdf

A6.6 Gross Provincial Product at Current Market Prices: Chiang Mai

(Millions of baht)

	2003	2004	2005	2006	2007
Agriculture	14,721	11,556	13,888	15,535	17,021
Agriculture, Hunting and Forestry	14,544	11,378	13,616	15,307	16,784
Fishing	177	177	271	228	237
Non-Agriculture	74,791	81,638	86,902	94,801	100,999
Mining and quarrying	564	636	744	868	940
Manufacturing	9,970	10,030	9,733	11,043	11,823
Electricity, Gas and Water Supply	1,856	2,077	2,179	2,444	2,577
Construction	5,805	6,260	6,730	7,089	7,379
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	14,480	15,719	16,743	17,878	18,596
Hotels and Restaurants	8,802	10,161	11,037	12,281	13,209
Transport, Storage and Communications	6,545	7,284	7,500	8,451	8,579
Financial Intermediation	3,399	4,025	4,066	4,730	5,382
Real Estate, Renting and Business Activities	4,115	4,277	4,455	4,678	4,832
Public Administration and Defence; Compulsory Social Security	6,645	7,202	8,047	8,606	9,151
Education	7,760	7,988	9,756	10,649	12,065
Health and Social Work	3,829	4,822	4,647	4,782	5,156
Other Community, Social and Personal Services Activities	808	927	1,021	1,046	1,036
Private Households with Employed Persons	214	230	244	256	276
Gross Provincial Product (GPP)	**89,512**	**93,194**	**100,790**	**110,336**	**118,020**
Per Capita GPP (Baht)	**57,591**	**59,669**	**64,220**	**69,985**	**74,524**
Population(1,000 persons)	**1,554**	**1,562**	**1,569**	**1,577**	**1,584**

Source: http://www.nesdb.go.th/Default.aspx?tabid=96

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