

# **Farm trajectory and role of youth in rubber farms in Southern Thailand**

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*The presentation was synthesized from Ph.D. research: “Path dependence of agrarian change: an institutional economic analysis of the rubber economy in Southern Thailand “*

# Outline of Presentation

- An Importance of rubber economy in Thailand
- Overviews of agricultural transformation
- Typology of farm and farm trajectories
- Youth labors in rubber farms
- Factors influencing youth to become farmers or to leave farming
- Youth employment policies in Thailand
- Policy options
- Discussions - Q&A



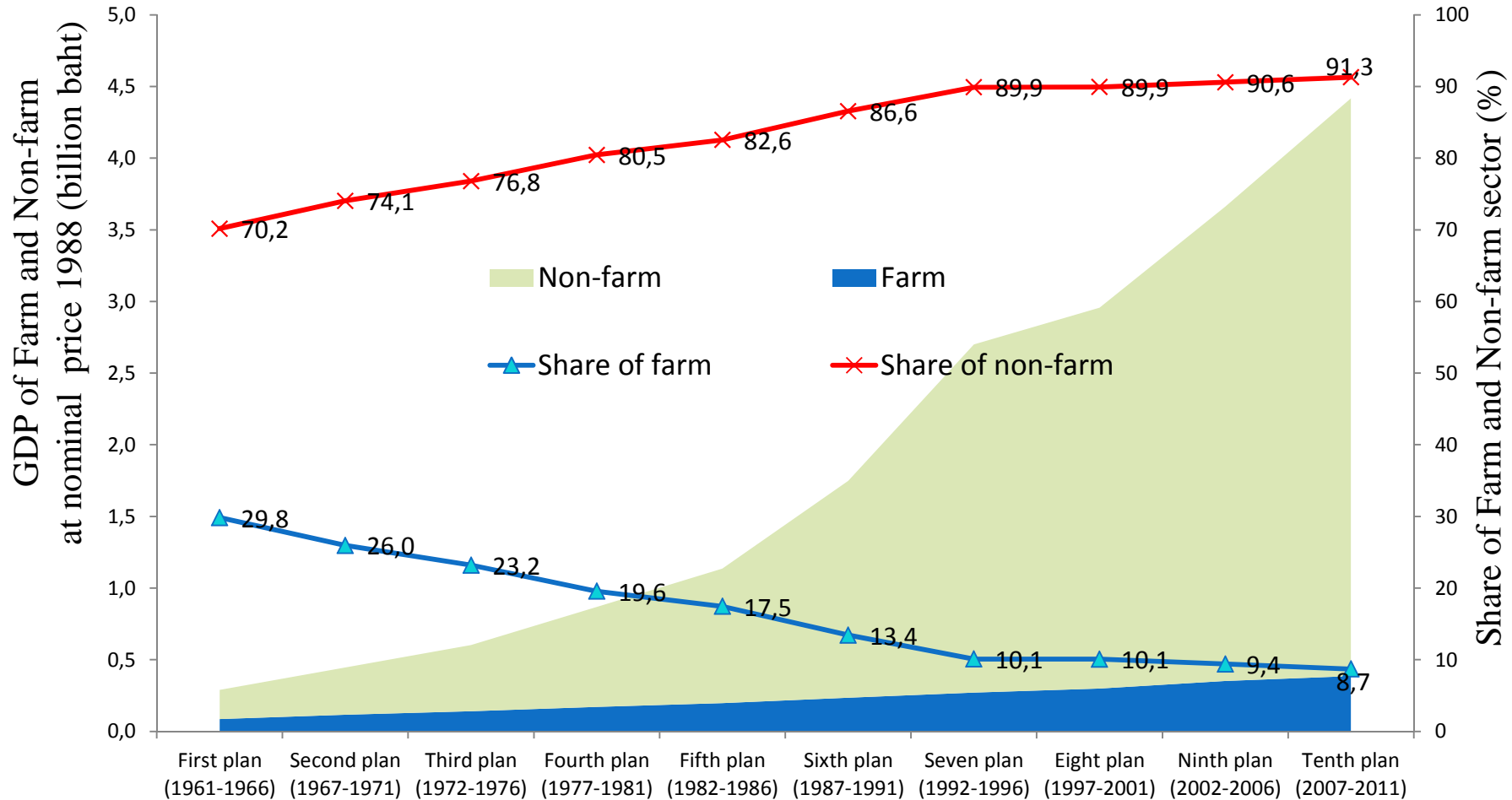
## An Importance of Rubber Economy in Thailand

- 1,56 million household or about 10 % of population (1.0 mil. southern region)
- 95% of smallholding, average landholding 1.6 ha (2011)
- The world largest rubber producer and exporter since 1991
- Rubber areas 3.0 Million ha, Production 3. 6 million tons and export of 3.0 million tons (40,56% of the world) in 2013
- Export value about 9,800 million dollar US or 23% of total agricultural export,
- Rubber is important in terms of household income, rural development, and a source of competitive advantage for social and economic development in Southern Thailand

# Overviews of agricultural transformation

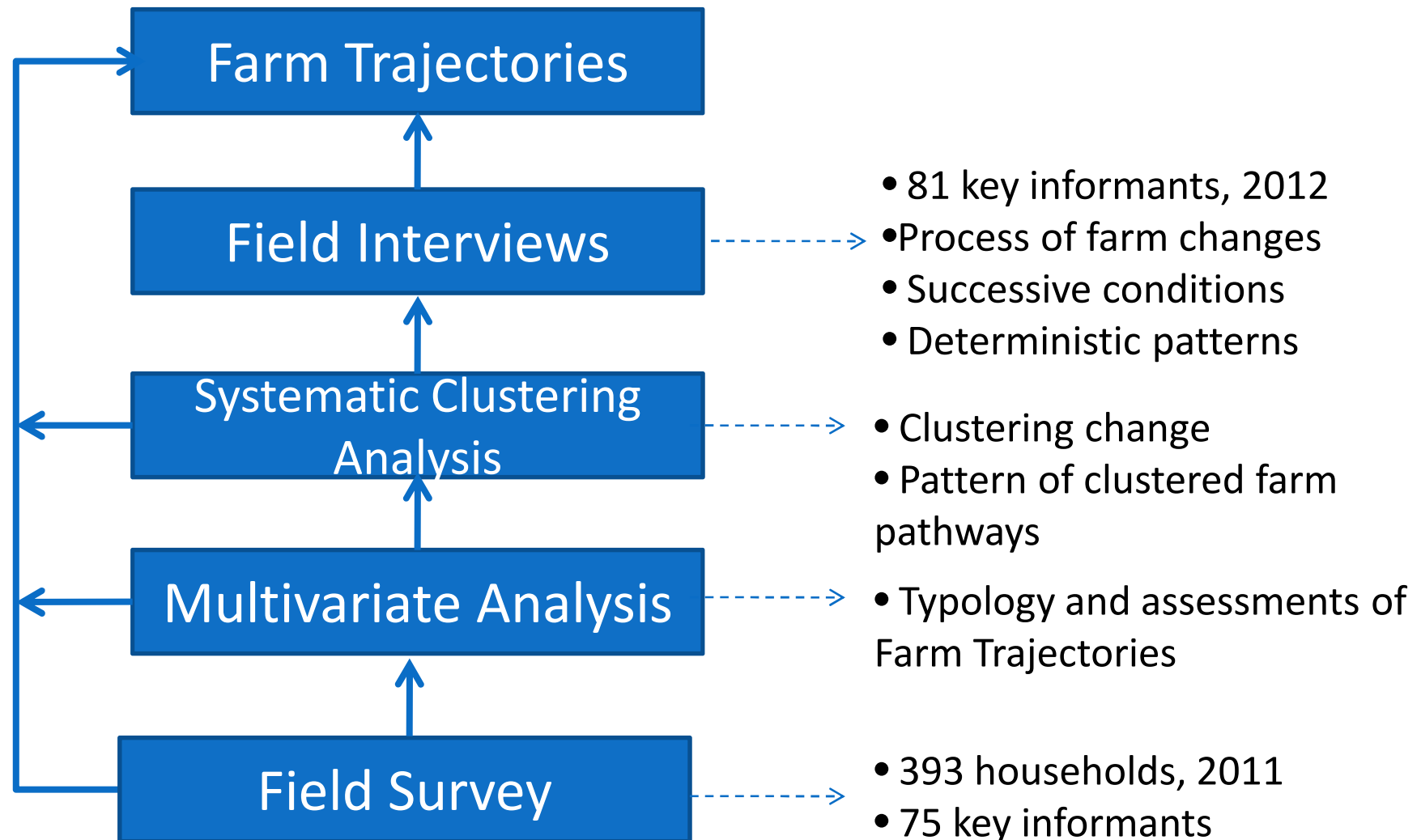
- Agriculture is engine of economic growth to the country's transformation into manufacturing based economy
- From rapid agricultural growth based on surplus of land and labor (1960s-1980) , declined (1980-2000) and continued growth through intensification and connected to high-value export (since 2000)
- Family size dropped from 5.6 in 1960 to 3.2 in 2010
- Share of farm labors 82% in 1960 to less 41% in 2012 (39.3 million)
- Average of farm size decreased from 3,8 ha in 1978 to 3,1 ha in 2013

# Overviews of agricultural transformation



GDP at nominal price 1988 according to the first-tenth NESDP

# Farm Trajectory : identification and assessment



# Characteristics of the sample

- Age of household head > 46 yrs, 62,5%
- Farm experiences > 23 yrs
- Low education: 70% with primary school
- Average of landholding: 3,31 ha
- Rubber based farming system

# Family structure of household

Group of age (year)	Male	Female	Total (%)
0-14	0.4	0.5	0.9 (20.9)
15-24	0.4	0.4	0.8 (18.6)
25-35	0.3	0.4	0.7 (16.3)
36-59	0.7	0.7	1.4 (32.6)
>=60	0.2	0.3	0.5 (11.6)
Total (%)	2.1 (46.5)	2.2 (53.5)	4.3

Items	Male	Female	Total (%)
Family member	2.1	2.2	4.3
Family member aged $\geq 15$ years	1.7	1.7	3.4 (79.1)
Attended Education	0.3	0.3	0.6 (14.0)
Farm labor	1.1	1.0	2.1 (48.8)
Nonfarm labor	0.2	0.3	0.5 (11.6)
Not working	0.1	0.1	2. (4.7)



# Five Types of Rubber Farms

Types	Percentage of farms	Cluster characteristics
Large family farm enterprise	4.1	These were the largest landholdings, used hired labor, were capital intensive, specialized in rubber plantation, with a high business orientation
Medium family farm enterprise	15.0	These were the second largest landholdings, used hired and family labor, were capital intensive, specialized in rubber plantation and moderate business orientation
Patronal farms	12.7	Farm owners were involved full-time in non-farm employment, had a small to medium landholding, depended on hired labor.
Family farms	42.7	Small landholding, used family labor
Very small farms	25.5	Very small landholding, used family labor, had high off-farm tapping area

# Six-Farm Trajectories

Trajectories	%	Characteristics
<b>Growth of large family farm (TR1)</b>	4.1	The largest endowment of both land and labor, strongly committed intensifications in production, specialization and the most productive, farm business orientation
<b>Growth of medium family farm (TR2)</b>	14.5	Median endowment of both land and labor, used hired and family labor, specialization, moderate productive, farm business orientation similar TR1
<b>Toward patronal farm (TR3)</b>	7.7	Owners work mainly for non-farm activities, a small to medium size, depended on hired labor, relatively under-specialization, resilience on farm and non-farm
<b>High structural change of farms (TR4)</b>	10.5	Small to medium holding, used hired labor and family labor, low investment, socio-economic pressures and high debt still influenced decisions and the farming
<b>Stability of family farm (TR5)</b>	38.2	Small size, used family labor, inadequately investment, specialization, less diversification, maintained farms as main income generation, and improved livelihood
<b>Declining very small farm (TR6)</b>	25.0	Very small size, used family labor, high off-farm under share-tapping, marked increase in financial stress and socio-economic pressure, and vulnerable livelihood

# Characteristics of Six-Farm Trajectories

	TR1	TR2	TR3	TR4	TR5	TR6
Landholding in 2010	151.8	45.0	28.4	24.9	14.6	7.5
Landholding in 1990	119.4	35.5	25.5	74.3	14.1	10.1
Changes of land 1990/2010 (%)	+27.1	+26.8	+11.4	-66.5	+3.5	-25.7
Farm labor in 2010	1.0	2.2	0	1.1	2.2	2.1
Farm labor in 1990	1.8	2.1	1.2	2.1	2.1	2.1
Non-farm labor in 2010	2.0	1.0	2.2	0.9	0.8	0.7
Farm Income	3,420,504	972,000	532,200	568,000	406,560	104,160
Off-Farm Income	-	-	-	-	-	218,688
Non-Farm Income	460,000	295,000	420,000	159,000	126,000	144,000
Household Income	3,880,504	1,267,000	952,200	727,000	532,560	466,848

Unit: Land: rai; Income; baht,

# Youth labors in rubber farms

	Who are the youths in the rubber farms	Working conditions
TR1	<ul style="list-style-type: none"> <li>- Elder or the last son/daughter</li> <li>- Graduated bachelor or higher</li> <li>- Representing a family council</li> </ul>	<ul style="list-style-type: none"> <li>- Farm manager/trainee</li> <li>- Engaged full-time in plantation and related business</li> <li>- Often parents worked together for raising professional farm business and related business</li> </ul>
TR2	<ul style="list-style-type: none"> <li>- Elder or the last son/daughter</li> <li>- Graduated bachelor or higher</li> <li>- Desire to work in hometown</li> </ul>	<ul style="list-style-type: none"> <li>- Both farm manager/trainee and farm labors</li> <li>- Engaged full-time in plantation and related business</li> <li>- Often parents worked together for raising specialize and capability in farm enterprise</li> <li>- In some farms, youth had only responsible to handle the related business</li> </ul>
TR3	- Absence youth in the farm	No

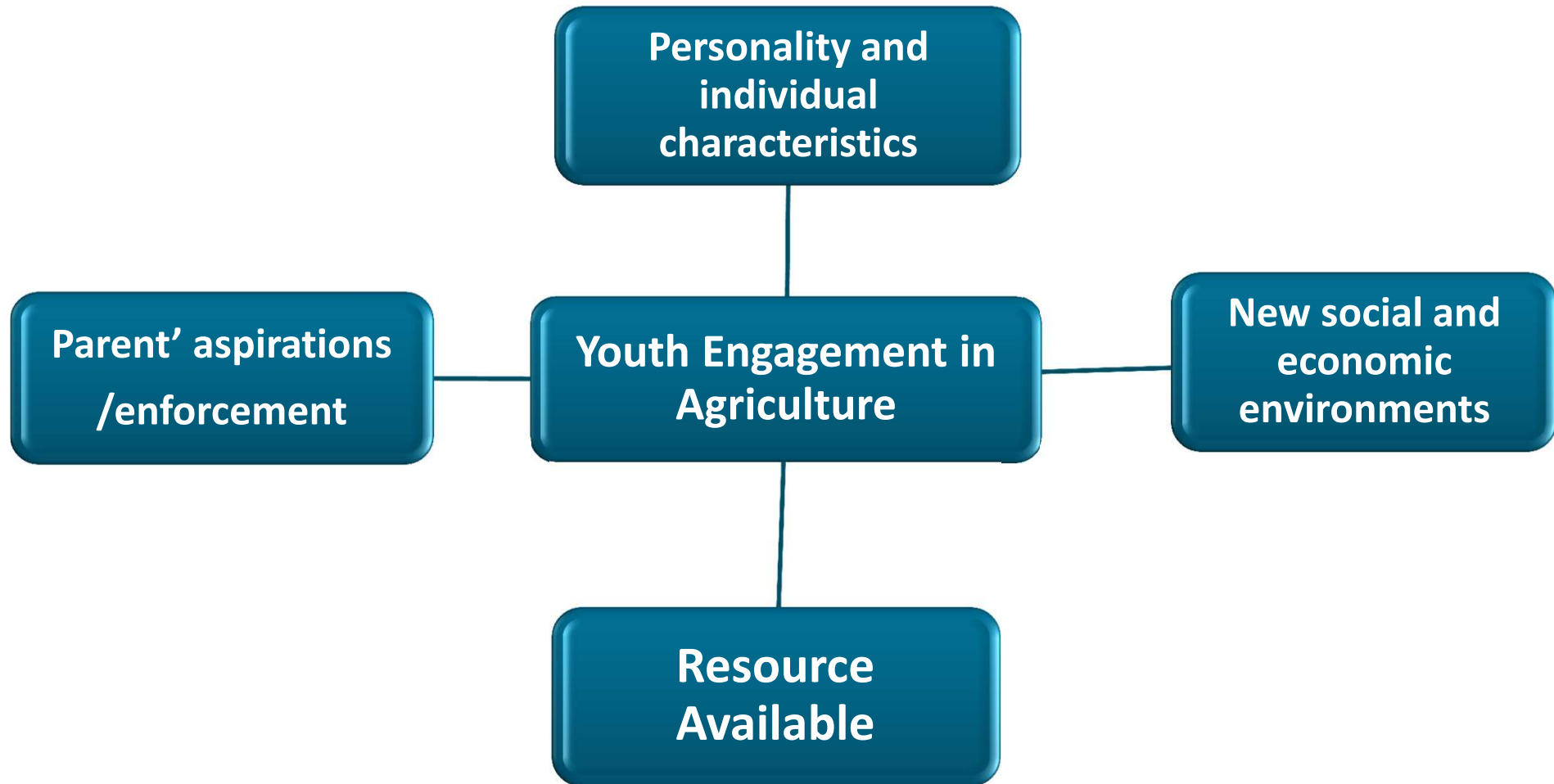
# Youth labors in rubber farms

	Who are the youths in the rubber farms	Working conditions
TR4	- Absence youth in the farm	No
TR5	<ul style="list-style-type: none"> <li>- A son / daughter who do not attend higher education</li> <li>- In a few proportions, graduated bachelor</li> </ul>	<ul style="list-style-type: none"> <li>- Engaged full-time in plantation</li> <li>- Some of them participate both on-farm and non-farm (wage labors in manufacturing and commercial)</li> <li>- Always parents worked together in plantation</li> <li>- Increasing farm diversifications</li> </ul>
TR6	- A son / daughter who do not attend higher education	<ul style="list-style-type: none"> <li>- Engaged full-time in on-farm and off-farm</li> <li>- Some of them participate both on-farm and non-farm</li> <li>- Always parents worked together in off-farm</li> <li>- Increased size of off-farm</li> </ul>

# Youth labors in rubber farms

- The youth leaved farming is higher than that of parent generation
- Some proportion of youth labor still derive their livelihood from the farm
- Youth's employment opportunities are often limited and depended on the parents ' farm pathways
- A large number of youth relied on family farm and very small farm
- Youth labor with at least high school are likely to engage in farming
- Youth farm labors could be expected an important supply of skill farm labors for the growth of rubber sector
- Youth mobility is biased toward manufacturing and the service sector

# Factors influencing youth: to become farmers or to leave farming



# Factors influencing youth: to become farmers or to leave farming

- Personality and individual characteristics
  - Education levels: attended to higher educations, less farm involvement
  - Aspiration of youth: individual desires to goal in occupation and living
- Related to education levels and career choices
- Social norm embedded and constrained occupational aspiration
  - Attitude to farming/non-farm
- Negative attitude to farm life
- Desire to be more adventurous/urban life
  - Lack of minimum professional skill and specialization in the farms



# Factors influencing youth: to become farmers or to leave farming

- Parent's aspiration and degree to which the parents stress farming or encourage to leave farming
  - Negative attitude to farming by parents and community
  - Experiences in suffer and risks in productions and price
  - Family's perceptions of small size and/or limits to growth
  - Parent's encouragement pursuing a success of career in non-farm
  - Social norm to which family has been honored for some occupations: governors, police, teachers and business
  - More independent and less control over individual behaviors and occupational aspiration

# Factors influencing youth: to become farmers or to leave farming

- Resource available to youth for farming
  - Accessibility to land only through transferred land from parents
  - Size of landholding
  - Availability of financial resources
  - Economic resources are low, youth will tend to leave farming
  - Farm enterprise established, youth will tend to farm
  - If farm is made remunerative and rewarding in term of income, profitability and farm life, the youth would be attracted to farming

# Factors influencing youth: to become farmers or to leave farming

- New social and economic environments
  - Employment opportunities: high growth of non-farm employment in the last decade that could be absorbed growing youth labors
  - Comparative real wage between farm and non-farm: high remunerative to attract youth mobility
  - Opportunities to build self-employment in the hometown
  - Growth of manufacturing in rural areas
  - Urbanization

# Youth Employment Policies in Thailand

- Increase quantity and quality of youth labor supply to meet the demand of non-farm sectors (industries and service sectors)
- Absence of youth employment policies for the farm sector
- Labor policies in Thailand (2011)
  - 1) Increasing quantity and quality of labor supply
    - Increase quality of labor supply
    - Promoted foreign labor use (Burma, Laos, Cambodia ) to take up employment in some sectors which were apparently labor shortage
  - 2) Increasing labor productivity
  - 3) Promoted an increase in real wage rate
  - 4) Labor protection and welfare

# Policy options

- The study believed that policy will be targeted on youth with farm aspirations and resource accessibility
- Improving and targeting agricultural educations and training for youth
- Promote and support youth farm/farm enterprise for the youth to be to access: agricultural extension and advisory services, financial services , inputs, and so on
- Improving youth livelihoods in rural areas: youth employment in rural areas and income diversifications
- Investment in agricultural research

***THANK YOU***  
***for YOUR ATTENTION***