

# Debt Reconstruction, Career Development and Farmers Household Well-Being in Thailand

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**Abstract**—Debts reconstruction under some of moratorium projects is one of important method that highly benefits to both the Banks and farmers. The method can reduce probabilities for non-profits loan. This paper discuss about debts reconstruction and career development training for farmers in Thailand between 2011 and 2013. The research designed is mix-method between quantitative survey and qualitative survey. Sample size for quantitative method is 1003 cases. Data gathering procedure is between October and December 2013. Main results affirmed that debts reconstruction is needed. And there are numerous benefits from farmers' career development training. Many of farmers who attend field school activities able to bring knowledge learned to apply for the farms' work. They can reduce production costs. Farmers' quality of life and their household well-being also improve. This program should apply in any countries where farmers have highly debts and highly risks for not return the debts.

**Keywords**—Career development, debts reconstruction, farmers household well-being, Thailand.

## I. INTRODUCTION

THE first debts reconstruction which is named moratorium project has been promoted since roman orthodox. The main purpose is to prevent non-profits loan. Because of farmers always have a highly risks to some productions failure. It is not because of they do not have skills. Rather it is because weather, insect, herb, flooding, drought, soil fecundity, and so on. For example, farmers always have debts when they facing with un-appropriate season such as the weather have been drought, flooding, and severe cold for a long period of times [1]. In addition, some farmers borrow money from their landlord to by some agricultural equipment [2]. But they cannot return the debts within times. Therefore, number of farmer's household debts has been increased [1]. The phenomena are clearly seen in every country. Moratorium is one of methods that have been employed to solve this non-profit loan issue. The landlord expected that their farmers able to save some money to return the debts after this duration have been finished.

Farmer is one of Thailand poorest population. Their product is not only rice, but also cassava, sugar cane, maize, Para rubber, palm trees, and some of vegetables. Normally they can produce one time a year because lack of irrigation system. There are not many zones that able to produce more than 2 times. Informal debt is one of major source of finance. The

Bank of Agriculture and Agricultural Corporative (BAAC) have been established about 50 years. The goal is to support farmers to have some formal source to borrow money. Speaking about farmers, their risks, in fact, is not only because of soil quality, weather, drought, insect, herb, but also equipment and funding. Most of Thai farmers nowadays are under in debts. Averages of farmers' debts are about 54,000 Baht per household per year. 80 percents of their debts is borrowing money from BAAC, and the other source is from some commercial banks and informal sectors.

In 2011, the Thailand recent government has some special policy to help farmers. It is named a moratorium project. The duration of this current moratorium is 3 years (2011-2014). The main criteria for debts reconstruction is reduce some interests. Farmers can do investment on their land, and have some saving income during this reconstruction periods. They needs to return the debts to BAAC after the duration finish which is in 2014. Interesting farmers is able to participating in this program. Major requirement is that they should not have debts with the BAAC greater than 500,000 baht. Everyone who is participating in this program needs to involve in debt reconstruction and career development activities. For this project, it is approximately about 75 percent of farmers who have debts with BAAC joint this program. Likewise, there are around 25 percents of Thai farmers do not participating with this program. There are 2 reasons. Their debts are above 500,000 baht. And the other reason is that their debts are less than 100,000 baht. They want to clear their debts as fast as they could. In addition, some says that they do not want to follow some obligations after participate the moratorium project. And they strongly confirm that they do not want to attend some of debts reconstruction and career development program. They consider this project is not important to them. They rarely considering about some benefits that they will receive after the training finish.

## II. FARMERS CAREER DEVELOPMENT IN THAILAND IN 2013

Between May and August of 2013, Thailand nationwide has some career development training for farmers. The goal of this activity is to initiate farmers to have some secondary occupation, and can produce some more activities to have some saving. The final of this project aims to help farmers able to save some money and can return the debt within 3 years during moratorium term. The training is around 3 days. The BAAC supports not only transportation, stipend, but also accommodation. Farmers have to come by themselves. They can request some help from their son or daughter when they

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could not come because of have some urgent business, and under illness. Major course is to train famers how to do some household accounting. This course has believed that it able to reduce some unnecessarily household expends. They are drinking alcohol, smoking cigarettes, gambling, etc. The instructors mostly are a local wisdom who successfulness in their careers. Some of them are farmers who used to very poor. But they are better of nowadays after practicing by following some sufficiency economy project. For example, some of these farmers are having mix-agriculture activities in their farms. They not only doing some rice paddy, but also raise some domestic chicken, have some catch fish porn, growing some lemon grasses on the bank of the fish porn, panting some vegetables that can harvest within short duration such as about a week or so. Besides, some instructors are vocational school teachers. These people are recruiting from some criteria. They should have some experiences in teaching some vocational courses, have some "field schools" that can be shown to farmers who are trainees. The language use during training class and field schools is local dialects. Thus, everyone here is from local. The curriculum is strongly designed for appropriate of area, person, but also considering on geography, soil quality, weather etc. [4], [5]. However, some curriculum that has been used in everywhere is in Table I as follows.

TABLE I  
CURRICULUM FOR FARMERS' CAREER DEVELOPMENT TRAINING

Item	Course	Instructor
1	Basic of sufficiency economy	Expert from local
2	Basic money management and method for household accounting	Expert from vocational school
3	Basic business planning and data management	Expert from local
4	Basic method for increasing production, technique how to reduce cost, method to increase income	Expert from local
5	Live planning, business planning, community finance planning	Expert from vocational school
6	Group production planning, community networking, marketing	Expert from local
7	Individual and household quality of life	Expert from local
8	Some cash crops planting methods	Expert from local
9	Some vegetables planting modes	Expert from local
10	Some animal husbandry methods	Expert from local
11	Some local wisdom to grow some short term vegetables etc	Expert from local

### III. DATA AND RESEARCH METHODOLOGY

The purpose of this article is to examine some effects of debts reconstruction and career development in Thailand on farmers' quality of live and their household well-being after participating in this training activity. In addition, measuring some satisfaction of farmers regarding to this program is one of this important study. Data employed here is a mix research designed method between quantitative national surveys under multi-stage stratifies random sampling and a qualitative study. Gathering data procedure was conducted by the Institute for Population and Social Research, Mahidol University between October and December of 2013 after the training has been

finished. The number of sample for quantitative study is 1003 cases. All of them are famers who attending recent Thailand moratorium program years between 2011 and 2014. While qualitative method compose of focus group discussions (9 groups: 8 person per group), small group discussion( 9 groups: 4 person per groups), in-depth interview with some famers who is involving in this project, local wisdom experts, course instructors, BAAC officers, and some farmers who did not attending this activities ( approximately about 20 persons). Criteria for recruiting farmers and other key informants for this qualitative study is that, for those who are participating in the program, they should involve in all training activities, live in training zone, and close to filed school, able to attend every sessions. While those who do not attend. They need to be a famer who participating in a recent moratorium project, live in training zone. Rather, they refuse to attend the training. They do not think that the training will provide them a new knowledge and benefits. In addition, they will also receive some networks from friends who come to this training as well.

For this training, the major groups of participants are males. More than 60 percents are aged between 30 and 59 years old. About 83.5 percents are married. Around 79.2 percents finished primary level of education. There are not many of them finished high school. 53.6 lives in nuclear family which is compose among them and their family member. Almost 80 percents of them live in the family size approximately about 3 to 5 persons. More than one thirds is a rice field farmer. Then the rest are animal husbandry farmers, planting palms trees, Para rubber, maize etc. Table II below describes some important characteristics of sample size for quantitative study.

From Table II below, besides rice filed famers, venders and some of grocery store owner at village level are one important customers who having debts with BAAC. Therefore, the percentages round up is quite high when compare to the rest of any agriculture occupation. It is about 22.4 percent among this group.

### IV. RESULTS

Considering on farmers who participating in this training activities, empirical evidence shows that there are about 60.1 percent of them bring knowledge that received, and use in their daily life. While there are about 39.9 percent do not use that knowledge. Because it is quite complicate for them to do. Further, they think that they do not have time to apply, and look after. They cannot manage the time to focus on carefully. Starting new project seems having highly risks for them. They need to spend their time for their current activities which is their major occupation. Otherwise, their business may have some problems after all i.e. number of production may not reach their goal and standard [3], [6], [7]. However, all of those who attend the training are much satisfied with every process that has been organized. The total score is about 4.3 from total 5 scores which are very much satisfied.

TABLE II  
BASIC CHARACTERISTICS OF SAMPLE SIZE WHEN CONCENTRATE ON DEBTS  
RECONSTRUCTION AND CAREER DEVELOPMENT IN THAILAND

Characteristics	Frequencies	Percentages
Gender		
Male	536	53.4
female	467	46.6
Age groups		
Less than 30	11	1.1
30-49	336	33.5
50-59	313	31.2
60 and over	343	34.2
Marital status		
Single	16	1.6
Married	838	83.5
Widow	113	11.3
Divorce	17	1.7
Separate	19	1.9
Education		
No education	43	4.3
Primary level	794	79.2
Secondary level	67	6.7
High school, vocational school		
Certificate	75	7.5
University/college	12	1.2
Household type		
Nuclear family	538	53.6
Extended family	465	46.4
Family size		
Alone	45	4.5
2-3	401	40.0
4-5	382	38.1
6 and up	175	17.4
Type of agricultural occupation		
Rice	303	30.2
Cassava	54	5.4
Maize	65	6.5
Sugar cane	23	2.3
Para rubber	82	8.2
Palm	78	7.8
Tobacco	62	6.2
Fruit trees	21	2.1
Animal husbandry		
Major occupation not famers	90	9.0
i.e. venders etc	225	22.4

#### A. Usefulness of Knowledge and Ability of Application

Focusing on those who bring knowledge to use and apply for their daily life (60.1 percents). The multiple choices from structured questionnaire confirm that 55.5 percents of them apply household accounting method to use. And they have found that the method is very useful. They can reduce some costs that are not necessarily to spend. These are alcohol consumption, cigarettes smoking, gambling, spending for some snacks, pop soda, energy drink, wake-up pill, etc. Besides, 54.6 percents bring knowledge earn apply to reduce some household cost. Method that they use is that they produce some dishes washing jell, hair shampoo, short periods vegetables growing that can be consumed within household and sell to nearest market, etc by themselves. Likewise, another important issue is they can apply to reduce some of their production costs. For example, some of them saying that they able to produce some organic fertilizer, bio-diesel, understanding how to manage the farm. 34.5 percents of these

persons affirm that they can reduce farm production costs. In addition, there are about 21.0 percents starting some new secondary career. And they found that some income generation activities can improve their household income. These career are flogs raising, mushroom rising, domestic chicken raising, etc. Last but not at least, 13.4 percents apply to increase their production activities. The major method is adapting some technique that learns from training to their farms and its work very well. Table III here shows some results that related to some benefits after applied some knowledge's earn from training and use in household and farms.

TABLE III  
PERCENTAGES OF FARMERS WHO APPLIED KNOWLEDGE'S EARN FROM  
TRAINING TO THEIR DAILY LIFE

Not use 39.9 percents	Use 60.1 percents	Yes	No	Total
	Household accounting	55.5	54.5	100.0
	Reduce household expenditure	54.6	55.4	100.0
	Reduce production costs	34.5	64.5	100.0
	Start new secondary occupation	21.0	79.0	100.0
	Increase farm production	13.4	86.6	100.0

#### B. Quality of Life and Household Well-Being Improvement

The other important goal of this study is to measure some impact that can be happened toward to farmers' quality of life and their household well-being. Structured questionnaire which is using some of Rensis Likert's scale were used. There are 5 scales here. They are 5=very much improved, 4 much improved, 3 improved, 2=rarely improved, and 1=least improve. These questions have been asking twice i.e. before attend and after attend. The purpose is to compare some percentages that can be improving. Further, some of qualitative interview that focus on quality of life and household well-being after applying some of knowledge's earn from training to their household and farms are used.

Empirical evidence showing that most of knowledge' earn highly effect on farmers occupation and their works. The percentages of increasing among this topic are about 3 percents. The other high percentages of increase are their psychological issue. It is about 2.9 percents increase. Household well-being is also increased about 2.8 percents. Score for community relation has been increased as well. It is about 2.7 higher than before attend this training [7]. Table IV below shows this outcome.

#### V. CONCLUSION

The main results here confirm that it is necessarily to have some debts reconstruction towards to farmers who have some money management problems. And the moratorium project is one of a very good method that can be used in Thailand. The

process is very useful to reduce probabilities to have some non-profits loan among them. In addition to moratorium program, career development project among farmers who participating this activity is needed. Empirical finding from this study confirm that many farmers have been improved their household income. Their household well-being has been improving as well. For example, many of them say that, some of stressfulness that they used to have has been reduced. Experiences that they learn from field school able to help them practicing with their farms. Number of activities can be created at their farms i.e. farm management can help them reduce some cost of production. Importantly, applying some household accounting method is very useful among them [7]-[9]. This procedure teaches them to understand which one is important to and which one is needed to be refused. Thus, it is important to use famers career development accompanies with any of moratorium project.

TABLE IV

PERCENTAGES OF INCREASING AMONG IMPORTANT INDICATORS COMPARING BETWEEN FARMERS WHO USE AND WHO ARE NOT USE WHEN LOOK AT SOME SCORES FROM SELECTED INDICATORS

Criteria of measurement		Percentages Increased	
Item	Indicators	Farmers who use	Farmers who not use
1	Occupation and work improve	3.0	1.3
2	Individual Psychological issue, more relax, less stressfulness	2.9	1.4
3	Household well-being improve	2.8	0.9
4	Relationship to other community member improve	2.7	1.3
5	Farmers' individual physical health improve	2.0	0.9
6	Household income improve	2.0	0.4
7	Family member i.e. son, daughter etc educational improve	1.9	0.1
8	Dwelling unit has been improve	1.5	0.5

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