

# Ultra-Poor Revisited: A Case of Southern Thailand

Sirirat Taneerananon

**Abstract**—This paper presents the results of a study of the ultra-poor in the south of Thailand, revisited after 10 years since the original study in 2000. The original study was conducted in four provinces. The first two namely Phatthalung and Nakorn were chosen to represent the Thai Buddhists and the others, Satun and Pattani were chosen to represent the Thai Muslims. For this study, only the results from the three provinces except Pattani are reported as it was difficult and dangerous to conduct fieldwork in Pattani due to the continued unrest in the area since 2005.

The objectives of the study are to find out the changes of the poverty situation after 10 years and to see the impacts of the poverty reduction projects implemented by the government on the poor. The research methodology used both quantitative and qualitative methods. The same villages in the four provinces studied in 1999 were again chosen. In each village, five ultra-poor people and heads of the villages were interviewed. The results show that the poverty situation of the ultra-poor groups has not changed much since they lacked the basic key factor to get themselves out of poverty: The ownership of land. Their chronic poverty situation has been passed on from the last generation. In the province of Phatthalung, the ultra-poor have improved in terms of economic situation because of the big increase in the price of rubber. However, the same could not be said for other provinces. Even though the government's projects have not reduced the poverty directly, the projects have significantly contributed to the improvement of the quality of life of the poor and the people in the areas.

**Keywords**—Poverty, Southern Thailand, Ultra-poor.

## I. INTRODUCTION

SINCE 1997 the poverty situation in Thailand has become one of the national issues during the time of the government headed by the then Prime Minister Thaksin Shinawatra. This coincided with the policy of the World Bank, United Nations and governments in various countries which determined to eradicate poverty out of the world. In Thailand, there were several projects set up to eradicate poverty such as Thirty-baht Universal Health scheme, Village fund, Poverty Fund, One Tambon, One Product project (generally known as OTOP). After several studies on poverty conducted by NESDB, Thailand Research Fund, The World Bank, Asian Development Bank, the poverty –reduction projects had materialized during the second term of Prime Minister Thaksin Shinawatra. These included the Enlistment of the poor, the Fish Bank, the Poor's Housing. The Poverty Tracking study to investigate corruption and ensure that the government's assistance and resources reached the poor were carried out based on the World Bank model to ensure the poor were really the beneficiaries. After the coup d'état in 2006, the

attention on poverty policies and poverty reduction faded to the background as the occurrence of internal politics, political differences, oil crisis, world economic crisis had diverted focus from the continuity of poverty reduction projects.

The ultra-poor study in southern Thailand was carried out in 1999 as a regional project of the nationwide Project on the Ultra-poor in Thailand funded by the Thailand research fund (TRF). The results showed that there was prevalence of poverty among the Thai Muslims in the lower south of Thailand. Factors that caused poverty were employment opportunities and abilities to work, lack of capital and resources, debts, high fertility and problems from children. However, the strong sense of community is deep rooted in the south and significantly contributed to reduce the severity of poverty problem. Furthermore, the study also came across sudden poverty resulted from the falling prices of agricultural produces and rubber, which is the major economic crop of southern Thailand [1].

From then on, the poverty situation in Thailand has received more attention and the poor have their income and quality of life improved. However, not all assistance has reached down to the poor. Despite all the short comings, the number of the poor people dropped down from 11.5 million in 1999 to 9.6 million in 2009 which were approximately 20%. But the income per capita has almost doubled, for example, for Phatthalung province, one of the poorest provinces in the south; it went from 29,353 baht in 2001 to 47,898 baht in 2005 [2], [3]. The overall improvements could be attributed to booming tourism, the high price of rubber, and the benefits from decentralization efforts of various Thai governments starting three decades ago.

The unrests in the lower south of Thailand since 2005 have made the poverty situation in the south more special and sensitive. The map of poverty and the ultra-poor study show that pockets of poverty were deep rooted in the three border provinces in the lower south and Satun province where the small scale fishermen were one of the poorest groups. The unrest situation has disrupted the normal way of everyday life and obstructed the poverty reduction projects and other development projects from reaching down to the poor, thus deterring government efforts to alleviate the poverty.

The world economic crisis in 2008 and the oil price crisis have had direct impacts on the poor. Since the Ultra-poor study conducted in 1999, it is important that the poverty situation should be revisited after a decade in order to study how the situation has changed, after the poverty reduction projects have been implemented in the areas. The results of the study will be useful in providing future directions in poverty reduction policies.

SiriratTaneerananon is Associate Professor of Sociology with Faculty of Liberal Arts, Prince of Songkla University, Hat Yai, Thailand 90112 (e-mail: sirirat.ta@psu.ac.th).

## II. OBJECTIVES

1. To study the poverty situation in southern Thailand over the 10 years period from 1999 to 2009.
2. To assess impact of the poverty reduction projects of the government on the poor in southern Thailand especially the target groups.
3. To obtain the data and monitor the situation of poverty in southern Thailand to use for planning and policy.

## III. CONCEPTUAL FRAMEWORK



Fig. 1 Concept of the study

## IV. SCOPE OF THE STUDY

Purposive Sampling was used to choose 4 provinces selected for research on the Ultra Poor in the south in the 1999-2000 study which was classified as poor under the criteria of national per capita income. For the upper south, two provinces namely Phatthalung and Nakorn Si Thammarat were chosen to represent the Thai Buddhists and for the lower south, the province of Pattani and Satun were chosen to represent the Thai Muslims. For each province, four villages were chosen and in each village, five to six poorest persons were selected from the village's list of the poor. A total of 347 samples from 65 villages, together with the village leaders were selected for interviewed, 52 leaders were interviewed from 65 villages.

## V. RESEARCH METHODOLOGY

The research methodology used both quantitative and qualitative methods. Questionnaires were used to interview the poor, village leaders and government officials. For qualitative method, the in-depth interview and the focus group discussion were used. SPSS program and content analysis were used for quantitative and qualitative data respectively.

## VI. RESULTS

Due to problems in collecting fieldwork in Pattani province, focus group and in-depth interviews could not be carried out in the province because of the continued unrest situation since 2005. Thus, the results presented in this paper will be mainly from the other three provinces: Phatthalung, Satun and Nakorn Si Thammarat.

Overall results from fieldwork survey, discussions with the poor and the village leaders as well as observation of social and economic conditions of the three provinces show that the poverty situation within the last 10 years has improved. This was due to the impacts of various development projects which the governments have invested in the development of the country at the village and national levels especially the infrastructure development such as roads, water supply, electricity, telephones and reservoirs. In some provinces where rubber was the main agricultural produce, the farmers have

higher income from the big increase in rubber price over the last 4-5 years (from 13 baht in 1999 to 129 baht in 2011). The high rubber price helped raise the economic status of the rubber planters who experienced sudden poverty in 1999 when rubber price fell extremely low. Another important finding is the change of occupation of the poor in the studied areas. In Phatthalung, some poor farmers have changed from rice farming to rubber planting or to work more as hired laborers. In 1999, the poorest groups of the Ultra poor were the rice farmers and the small-scale fishermen. The rice farmers also earned more from laboring jobs than rice farming which was their primary occupation.

Over the past ten years, the situation for the small-scale fishermen has not improved much due to the continuous depletion of marine resources and the rising price of petrol which makes it very costly to go fishing and not getting enough in return [4].

According to the village leaders, numerous poverty reduction projects from the government have changed the poverty situation to the better in many directions. Even though some projects did not directly result in increasing the income of the poor but they helped elevate the quality of life of the poor. The standard of living of the villagers has thus improved. The village leaders were satisfied with the projects that allowed people to have decision making power and participated in the projects. But some expressed opinions that the government had not directly responded to the needs of the poor. The government had not consulted with the poor before launching the projects. And there were no serious follow-ups on the projects [5].

Better roads are the key infrastructure that helped improve the quality of people's lives. Some villages visited after ten years have improved significantly in terms of physical conditions. Roads also enabled the transport of agricultural produce to the market easily and improved the health of the villagers as they could go to hospital easier and quicker. The only problem remains is the quality of the tap water which needs to be redressed urgently.

Quantitative results of the three provinces, 261 households and 994 persons, show that the majority of the poor, 81.6 % remain nuclear family. Only 16.5 % have two families in one household. The sex ratio in the household is 1:1. The poor who live by themselves make up 11.9% and most households have 4 members. The age distribution comprises: 0-14 years old 29%, working age 15-60, 53.1% and 60 years old and more 17.9%. When compared with 1999 (Table I) the number of the aged has increased (1999= 10.7%, 2009= 17.9%). Another difference is the level of education of the head of households. There is an increase at the secondary levels education from 3.6% to 9.9%. For occupation, 35.2% reported having no occupation but the majority 42.9% are general laborers in agricultural and non-agricultural sectors which is quite different 10 years ago when most (31.5%) had agricultural occupation as secondary occupation. It shows marked decrease in agricultural occupation among the poor. As far as marital status is concerned, the number of singles (8.8%) increase and the married (56.7%) decrease. The

divorced (6.5%) and widowed (28%) increase from the last 10 years. There is an increase in the use of birth control within the last 10 years and the use of condoms which did not exist in 1999 became a method that 13.75% of the poor use. But the most popular method is the pills, 41.25% use them. The number of disabled members of the poor households increased from 8.9% to 18.8% during the past 10 years. Moreover, the

numbers of the chronically ill persons increase for one ill member per one household from 35% to 49.8%. The survey also found two households which have three chronically ill members (Table II). The poor households have increased numbers of toilets with septic tank from 79.6% to 87% and those with no toilets decrease from 17.6% to 9.6%.

TABLE I  
NUMBER OF THE ULTRA-POOR BY AGE DISTRIBUTION

Age range(year)	Nakorn	Satun	Phatthalung	Total		Percentage	
				1999	2009	1999	2009
under 15	93	98	97	370	288	30.9	29.0
15 - 60	179	191	158	701	528	58.5	53.1
above 60	55	53	70	128	178	10.7	17.9
Total	327	342	325	1199	994	100.0	100.0

TABLE II  
NUMBER OF HOUSEHOLDS WITH CHRONICALLY ILL PERSONS

Number chronically ill	Nakorn	Satun	Phatthalung	Total		Percentage	
				1999	2009	1999	2009
None	23	44	42	142	109	57.7	41.8
1 person	51	44	35	86	130	35	49.8
2 persons	10	4	6	16	20	6.5	7.7
3 persons	1	0	1	-	2	-	0.8
Total	85	92	84	244	261	99.2	100
Average no. chronically ill per household	0.87	0.57	0.56	0.48	0.67	-	-

The housing conditions of the poor have improved in terms of physical condition and the materials used for construction. There are less numbers of one-story wooden houses with high floor above the ground, from 57.3% in 1999 down to 39.8% in 2009. There are more one-story brick houses with concrete floors, from 12.6% to 23.4%. What is noted is the roof which changed from thatched or corrugated iron roof to tiles, 73.6%. The estimated value of the houses has also increased for price range 50,000 baht to 100,000 baht from 17.5% in 1999 to 33.3% in 2009. All these figures indicate that there are improvements in terms of income of the poor over the past ten years. However, house ownership shows slight increase but the land ownership has fallen. Landlessness among the poor has increased from 56.3% to 67.4% as well as the size of land owned. In 1999, there were 29% of the poor who owned land 1-5ra; in 2009, it has gone down to 22.2%.

As far as income is concerned, there is an increase in income of the poor households. In 1999, the income range was 10,000 baht – 75,000 baht per year but in 2009, there are 88.5% of the poor whose income range has gone up from 20,000 baht to 100,000 baht or more. The poor also have less expense in agriculture, lower than in 1999 but most of the expenses (94%) are for living. However, as most are not farmers but laborers so the expenses in agriculture are naturally less. The average income of households in Satun and Phatthalung provinces have gone up considerably; for Satun from 52,767 baht to 85,252 baht per year; and Phatthalung from 46,997 baht to 103,869 baht which is almost double thanks to the high price of rubber in recent years. Still, the net income of the three provinces is not much different (Table III).

TABLE III  
AVERAGE NET INCOME PER HOUSEHOLD PER YEAR (BAHT)

Items	Nakorn		Satun		Phatthalung	
	1999	2009	1999	2009	1999	2009
Average income	69,058.54	68,723.88	52,767.25	85,252.46	46,996.95	103,869.60
Average expenditure	67,402.54	72,948.13	44,668.96	76,506.78	33,449.32	83,521.31
Average net income	1,656.00	-	8,098.28	9,227.41	13,547.63	19,909.70

However, the poor households in 1999 and 2009 have more expenses than income exceeding by 46.9% and 38.3% respectively. When considering their debt burden, 50% were in debts in 2009 compared to 65% in 1999 (Table IV). The difference is that in 2009 the debts are more in the formal systems (Bank of Agriculture, Village Co-operatives) than the informal systems (Middlemen, relatives and neighbors) like those in 1999. So their sources of loans come from institutions like banks and Village co-operatives rather than middlemen, relatives and friends. Nonetheless, the poor have been active members of Village Funds as indicated in the 1999 study because in the south of Thailand the Village Fund has been strongly established long before other regions in Thailand. It is obvious that the poor has received the financial assistance from the government agencies, increasing from 8.9% in 1999 to 66.3% in 2009.

TABLE IV  
NUMBER OF IN-DEBT HOUSEHOLDS

Debt	Nakorn	Satun	Phatthalung	Total		Percentage	
				1999	2009	1999	2009
In debt	43	49	39	160	131	65	50.2
Not in debt	42	43	45	86	130	35	49.8
Total	85	92	84	246	261	100	100

For the health insurance, 98.5% in 2009 have Health insurance cards from the government. 50% of the poor households live not far from the good roads, within 10-100 meters. This is because more roads have been constructed in the past ten years. The poor' drinking water come from tap water (27.6%) and rainwater 28%. More than half (54.4%) now have tap water compared with only 10% in 1999 when the majority used water from shallow wells. 95% of sampled households have electricity. The poor watch television more in 2009, 57% compared with 37% in 1999 but read less newspapers than in 1999. For their spare time, 53.3% just rest, doing nothing, 33% watch television or listen to the radio.

Question to the heads of households regarding the chances of getting out of poverty, 33% answered that they could, 60% could not, and 7.7% said they were not poor. This is different from 1999 when 56% said they could get out of poverty. In 2009, the poor list problems in their agricultural occupation as follows: 1. Lack of landownership 2. Unstable weather conditions 3. Lack of capital for investment. In 1999, their

problems were: 1. Depletion of natural resources 2. Lack of agricultural equipment. 3. Pests and plants disease. For non-agricultural problems in 2009, they were 1. Health 2. Expenses exceeding incomes 3. Lack of landownership.

The numbers of years the poor have been in poverty range from 1-5 years up to 20 years, for the 1-5 year group, there are 62.9 % in 2009, less than the 78.6% stated in 1999. For those who have been in poverty more than 20 years, there are 16.9% and 15.6% in 2009 and 1999 respectively. Thus, there are those who can be considered as having been in chronic poverty. Looking at Table V, the causes of poverty in 2009, the first is landlessness 24.1%, second is short of cash, 10%, the third is no regular jobs and irregular income, 8.8%, and fourth, poverty caused by the burden of having children, 6%. Compared to the causes in 1999, the first cause of poverty was no employment, low-paid employment, 25.2%, lack of assets, 18.7%, children, 13.8%, health and lower agricultural price, 8.5% each.

TABLE V  
CAUSES OF POVERTY

Number	Year 2009	Percentage	Year 1999	Percentage
1	Lack of land ownership	24.1	No jobs/low income	25.2
2	Expenses exceed income	10.0	No assets	18.7
3	Unstable jobs	8.8	Children	13.8
4	Children	6.1	Health	8.5
5	Health problems	5.7	Low farm price	8.5
6	No education/ No skills	5.7	Too many children	7.3
7	Ill member in family	5.0	Expenses exceed income	7.3
8	Disabled member in family	4.6	Widowed/ divorced	6.9

As far as causes of poverty are concerned, lack of assets which is landlessness comes first in 2009 whereas in 1999, no employment and small income came top of the list. In 1999, causes of poverty from having children and poor health are similar to the situation in 2009. However, falling price of agricultural produce is an important cause in 1999 when the rubber price went down drastically from 44 baht to 13 baht per kilogram, creating "sudden poverty" among the rubber planters. But causes of poverty from children and health seem to exist among the poor in both periods. The difference is that in 2009 one of the causes of poverty is having the ill and the disabled members in the family which this was not the cause mentioned in 1999 (Table V).

## VII. DISCUSSION AND CONCLUSION

This paper presents the quantitative results from the 2009 study of poverty situation in 3 southern provinces of Thailand. The purpose is to revisit the poverty situation after ten years

since the 1999 study to assess the changes brought about by the poverty reduction projects of the Thai government. From the results, the causes of the poverty remain unchanged which are the lack of assets, lack of employment because of no capital, knowledge and skills, poor health and burden from having ill members in family and children to look after. The ultra-poor still exist in chronic poverty which they have inherited from the last generation. The economic change has not affected the poor so much as they lack the basic factors to respond to the changes. The projects from the government to develop the areas have not reduced the poverty directly unless they are the projects that generate income. However, these projects have helped improve the quality of life of the poor. The projects that are specifically and directly designed to improve the economic conditions of the ultra-poor would seem to be the answer in getting them out of poverty.

ACKNOWLEDGMENT

This research received financial support from the Prince of Songkla University and Faculty of Liberal Arts' Research Funds Budget Year 2011. The author is grateful for the two supports. The author is thankful to the ultra-poor in the villages for their kind cooperation, the local leaders, government officials, and local government offices in Nakorn Si Thammarat, Satun and Phatthalung for their generous help, advice and contributions.

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