

## Report on Participation in Thailand Field Research Trip 2013

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The 2013 Thailand Field Research Trip represented an important opportunity for all the participants across the land of smiles: Thailand, from south (Bangkok) to north (Chiang Mai), to consider the diversity in culture inside and outside the Kyodai-student participants group. Inside, discussions with field research trip participants everyday – particularly with Japanese, Chinese, Korean, Thai students – allowed for an important understanding of diversity in many aspects with the full support of two professors and organizers of this program. Meanwhile, outside the student participants group, its various forms of study tours and local Thai teachers, guest lecturers, students in Bangkok and Chiang Mai impact on individual participants deeply and surely.

This report aims to provide an overview of the trip and capture the key issues and points of view raised throughout lectures and study tours. It would be divided into 5 parts from points of view in economy, regional and rural development, culture and politics in a broad sense.

### **Politics of Thailand: Kingdom and Democracy**

On the surface, it seems the historic change of Thailand's politics is gradual and stable, since the King is the Head of State until now. The Prime Minister is responsible for most of the symbolic functions the King performs. In addition, several ceremonial functions are performed by the monarch as well. For example, the monarch receives foreign ambassadors and other foreign government representatives.

However, Asst. Prof. Dr. Yukti Mukdavijit introduced the whole process of politics change in a historic and academic way on the morning of August 13. According to his lecture, Post-1973 has seen as a bloody transition from military to civilian rule. Bloodshed happened here and there in Thailand. Post-1973 has been marked by a struggle to define the political contours of the state. Finally, as a result, it was won by the King. After that, fortunately, Thailand became a democratic country (apart from a brief of military rule from 1991 to 1992). In this period, Thailand suffered from the economic crisis and revived from it after 2000. But in mid-2008, a series of protests against the government was led by the People's Alliance for Democracy (PAD). The chaos finally ended in December, but argues and disputes between government and alliance for democracy still continue.

According to Assoc. Prof. Dr. Bhokin Bhalakul (Advisor to PM, Former Deputy PM and Minister of Interior, Former President of the Parliament)'s lecture on politics and security of Thailand, three major independent authorities holding the balance of power are executive, legislative, and judicial. Constitutional Monarchy with a multi-party National Assembly and an independent Judiciary.

After the lecture, in the study tour on Thai politics: The Parliament House of Thailand on August 14, we experienced the politics of Thailand we learnt from the lecture in reality. The National Parliament comprises two houses: the House of Representatives and the Senate. Citizens elect 480 members of political parties to the House of

Representatives; the political parties form a majority government and select a Prime Minister. Voters also elect 76 out of 150 of senators – one per each province. The other 74 senators are selected from amongst the candidates nominated by organizations in academic, government, private, professional and other sectors.

### **Economy Development and Regional Economic Disparity**

On the morning of August 16, lecture offered by Assoc. Prof. Dr. Sukhum Attavavutichai is on Thai economy. He mentioned economic crisis happened in 1990s, at the present time and maybe in the future. According to his lecture, Thai economy is heavily export-dependent. Considering that, I think if we take Japan as an example it can be understood better. Japan was stuck in the doldrums for two decades no matter how many monetary and fiscal policies were imposed until they made major changes and restructured the economy. Thailand shared similar situation as Japan experienced after 1990s, but now it is basking in sunny economic revival.

Particularly, Mr. Nobuyuki Ishii (Secretary-General of Japanese Chamber of Commerce, Bangkok) made an introduction on the situation of Japanese companies in Thailand on the morning of August 15. His lecture emphasizes the strategic implications of marketing in Japanese cultures. Topics include the Thai marketing environment and the competitive challenges and opportunities confronting today's Japanese marketers and a lot of foreign competitors, the cultural environment of global marketing from Thai view, the assessment of global market opportunities and the development of global marketing strategies.

Meanwhile, lecture which offered on the morning of August 17 by Dr. Tej Bunnag (Chairman of Board of Trustees at Asian Institute of Technology, Former Minister of Foreign Affairs) explores the impact of globalization and modernization on Thai economy both in the historical aspect and with a particular stress on the current state of affairs. It provides an overview of a variety of growth and development theories with application to specific countries and regions in Asia.

There is no doubt that Thailand has become a middle-income country. Assoc. Prof. Dr. Sukhum Attavavutichai also mentioned that Thai GDP per capita in real terms has tripled from 1980 to 2005. But income inequality grew markedly worse over the boom years of the 1980s and 1990s, and remains high. By contrast, neighboring countries such as Malaysia, Indonesia and the Philippines have shown trends toward greater equality.

When we talking about the regional economic disparity in Thailand, it is no doubt we cannot ignore the gap between south and north. Study tour about government policy on and current condition of trade in Northern Thailand on August 20 showed us some facts. Ms, Kwanapa Phivnil (Director, DITP Regional Office, Northern Region/Chiang Mai) made a presentation on economic changes in Northern Thailand around Chiang Mai. According to her speech, we found core products and potential products for export are totally agricultural products or from primary industry. Therefore, is not difficult to say that northern Thailand economy depends on natural resource. As a result, northern Thailand should find a sustainable way to develop. If government still keeps maintaining the status quo, it will face a growing wealth gap.

Academically, many economists have tried to explain Thailand's extraordinarily high economic disparity in two ways. First, they address the country's development strategy as a main reason. In fact, Thai governments have relied heavily on exports, first of agriculture, later of manufactures, to sustain growth. They have attracted multinational companies that have brought in capital-intensive methods which require relatively little labor, keeping wages down in order to compete against other countries pursuing the same strategy. There has been attempt to improve labor productivity or technical competence.

Second, analysts point to the low level and poor distribution of public goods, including physical infrastructure, education and social services. Education is a clear example. On August 21 study tour to the companies which located in Chiang Mai shows us some big companies (especially foreign companies) set up their own school to train their workers who had no chance to get skilled. In the same way, until recently, it was difficult for the majority of children to progress beyond the primary level, while the minority in tertiary education enjoyed quite high subsidies. Across the range of public goods, much more was invested in Bangkok than in Thailand's outlying rural areas.

### **Developing Regionalism and Challenges of Thailand in ASEAN**

Academic interest in ASEAN is on the rise, along with a growing focus on regionalism and regionalization in Southeast Asia in general. On the morning of August 17, a lecture offered by Dr. Tej Bunnag (Chairman of Board of Trustees at Asian Institute of Technology, Former Minister of Foreign Affairs) on international relations and international political economy of Thailand attracts me a lot. Dr. Tej Bunnag pointed out a conception of regionalism in a broad sense. According to the lecture, Thailand will serve as a good base for foreign investment in the Southeast Asia region because it has planned to upgrade its trans-border transportation network in order to build better connection with other countries in the region.

In addition, Dr. Kevin Downey made use of different case studies in the context of Asian markets, related to developing international marketing plans, import and export strategies, e-commerce and international marketing, and ethical issues in Southeast Asian as well as international marketing in afternoon's lecture which is called ASEAN Cooperation in Political, Economic and Socio-Cultural Dimensions.

For example, as mentioned by Dr. Kevin Downey after 1980s, China emerged as ASEAN's largest trade partner and closest collaborator. For all the ASEAN countries including Thailand, there must be wisdom to cooperate with China, while adroitly working with other major powers. Otherwise, the Philippines and Vietnam are pushing for full negotiations on the Code of Conduct as well.

### **Agricultural Growth and Rural Development**

As one of the world famous agri-business conglomerate, the Charoen Pokphand Group (CP Group) is highly competitive, diversified and specialized and its exports are very successful internationally. Absolutely, it plays an important role in word market and value chain.

On the afternoon of August.15, we have heard about the company history and marketing method of CP Group during a presentation and question and answer part with manager of international corporate communications: Mr. Viranon Futrakul According to Mr. Viranon Futrakul's presentation, CP Group currently employs over 280,000 people and invests in 15 countries worldwide generating over USD 33 Billion annually.

For that I am major in agriculture economics and rural development, and I finished my master's essay based on contract farming according to study and research in remote village in underdevelopment rural area, the final day's study tour of AC Food's contract farm August.22rd impressed me very much. We visited a local market and finished study tour to AC Foods' contract farmers in a rural area which is far away from northern urban area (Chiang Mai). Throughout our time in contract farmer's house, we have engaged in dialogue with local leaders and intellectuals who offer insights into the unique challenges of contract farmers as well as farmer's cooperation in this complex situation.

As a result of my research on cross border contract farming from China to Myanmar, in student workshop on the afternoon of August 16, I introduced the background of my research. The other participants of Kyodai-group and students from Thammasat University also shared their researches with high quality.

In general, Contract farming has been instrumental in providing growers access to supply chains with market and price stability, as well as technical assistance at present. For most of resource-poor growers, production input and farm investment on credit are often provided by contract firms. Generally speaking, after period of time, farmers gained skills, the market evolved, and a more flexible form of contract farming emerged. Today, former contract farmers can negotiate contracts based on their best opportunity. In return, contractors expect delivery of goods in specified quantities, quality and set prices.

However, small farmers lose their own land in reality. For example, in the village we visited, 100% household now related to contract farming, they plant edamame, Green bean, sweet corn and flower, most of their products are contracted. To some extent, they work for 3, 4 firms from almost 15 years ago.

Some questions such as pricing arrangements, quality standards, agreement sustain or degrade the environment should be considered. Pricing arrangement includes how prices incorporate production costs, risks and returns. Standards must be clear and specific so that firms cannot manipulate the application of vague standards. On the other hand, even though "perfect" contract farming cannot serve as a broad-based strategy for rural development. Therefore, contract farming would not able to be a country strategy.

For Thailand's case as well, during the past decades, Thailand's agriculture has diversified from mainly rice to include various cash crops including cassava, sugarcane, maize, etc., on dry land and soybean, peanut on both dry and irrigated land. Diversification was facilitated by infrastructure development during the early National Economic and Social Development Plans.

Well-coordinated contract farming systems assist development in less privileged farming sectors. Contract farming in Thailand is approaching maturity. In the early stage, the government was heavily involved in monitoring, facilitating and encouraging stakeholders in contractual arrangements. This is found in the case of potatoes in the North and shrimp in the South where growers can switch between open and contract markets. The on-going "success" of edamame contract farming demonstrates how modern agricultural methods allow farmers to forego many costly inputs, contributing to a more profitable and healthy output to some extent.

### **Buddhism and Overseas Chinese**

This trip contains serious study tours on Thai culture and gives us opportunity to visit historic sites including the Grand Palace & the Temple of Emerald Buddha, several temples and museums in Ayutthaya province and Buddhist temples in northern region besides Chiang Mai. It is my first time to go to Ayutthaya province. Mr. Ajarn. Songyote Waewhong introduced us the history and transformation of Buddhism and belief of Thai during the trip on August 18.

Before that, I have never thought about the belief of Buddha. During the study tours, I realized more about Buddhism and refresh my understanding of Buddha even though I myself was born a Buddhist.

At the same time, Prof. Dr. Shigeharu Tanabe (Social Anthropology, Director of the Japanese Studies Center, Chiang Mai University) gave us a lecture on society and culture in Northern Thailand on the afternoon of August 20. There are more than 100 kinds of relief apart from Buddhism. So even though 95% of Thailand population is counted

as Buddhist, it is hard to say Thailand is a Buddhist country.

It is said Thailand is home to the largest overseas Chinese community in the world and is also the oldest, most prominent, and well integrated overseas Chinese community in the world. The Thai Chinese business class is also dominant in the Thai finance sector. For example, the Charoen Pokphand Group (CP Group) which we visited was also founded by Thai Chinese. After 1970s's reform in China, many overseas Chinese are investing in mainland China providing financial resources, social and cultural networks, contacts and opportunities. And CP Group was the only Pioneer of investment in mainland China at that time. Most of the Thai Chinese are also keep close relationship with mainland Chinese as well as Taiwan Chinese. Thai Chinese are also well represented in the Thai political scene. And at the same time, overseas Chinese have sometimes played an important role in Chinese politics.

### **Summary**

Finally, I think the 2013 Thailand Field Research Trip is an excellent opportunity to develop myself in many ways. To put it concretely, this trip lets me appreciate a rich and beautiful culture, a long literary tradition as well as a rapidly developing economy.

First of all, this program are not simply lectures or seminars it provides a serious academic program (lectures and student workshop) coupled with enough free time to take a unique opportunity (including several kinds of study tours and interviews) to visit some of the wildly different regions of Thailand. The course is designed specifically to expose our students to various aspects of Southeast Asian culture, and to give us a better understanding of how cross cultural differences affect many aspects of doing business in a multicultural environment. Personally, this program provides me an Asian experience I won't have when visiting Thailand simply as a tourist. Secondly, all the lecturers and business related guest speakers are of high quality and have achieved a lot in they careers. Japanese student participants as well as international student participants are highly diversified in educational background. This makes the trip a perfect way to develop myself professionally as well as socially. And also important, the short-term overseas study program is organized perfectly by dedicated people.