

# Thailand overview

Sopon Naruchaikusol

## Context

With agriculture contributing over 25% of gross domestic product (GDP) in the 1970s, Thailand’s economy largely depended on rural systems. However, in the ensuing decades, this proportion declined substantially to 11.5% in 2014, with only 32% of the workforce being employed in the sector by 2015 (Sakdapolrak et al. 2016) and dropping to 8.5% in 2021 (NSO 2022).

In addition, the agriculture sector has faced a range of wider challenges due to declining natural resources amid a growing climate change impact (UNDP 2010). Rural households dominated by small-scale family farms cultivating cash crops (e.g., sugarcane, cassava, maize and rubber) face the

challenge of seeking other sources of income, mainly off-farm. Migration has been a common strategy for rural households to pursue, both as a way of adapting to changes in agricultural production and prices, and land pressures, and to seek income diversification (Huguet et al. 2011; Rigg et al. 2014).

Labor migration has become an important strategy to address growing household needs for access to education, healthcare and other services that are not available locally or unaffordable based on agricultural income alone (Rigg et al. 2020). Men dominate Thailand’s legal immigration flow, yet the number of women migrating for work overseas has recently increased significantly, primarily through unauthorized channels. The top three destinations are Taiwan, South Korea and Israel.



Farmers work in their rain-fed paddy fields in Mae Chaem district, Chiang Mai province, Thailand (photo: Sopon Naruchaikusol).



Migration as a livelihood diversification strategy helps individuals cope and adapt to adverse conditions. Although labor mobility through migration offers multiple advantages (e.g., remittances and higher education), it also negatively affects sending communities (e.g., agricultural labor outflow and social effects on demography and families left behind). For instance, rice sowing, either by hand or machine, has been adopted as a coping mechanism to save labor and investment costs. However, there are also instances where remittances have contributed to crop

diversification and increased mechanization. Aside from crop production, other activities like pig farming and chicken breeding add to household livelihood strategies.

To explore these various interrelationships between migration, labor mobility and their implications for the agrarian sectors, and socioeconomic conditions of migrants and their families, the AGRUMIG project team researched two sites in Thailand (Table 1).

Table 1. Study site and migration context.

Site	Features of an agricultural economy	Percentage of HHs with seasonal migrants (%)	Destination for seasonal migrants	Percentage of HHs with long-term migrants (%)	Destination for long-term migrants	Percentage of HHs with returnee migrants (%)	Percentage of male and female migrants (%)
Ban Chai	Natural salt pan leads to low soil fertility due to sandy and salty soils. Small-scale farming (sugarcane, tobacco, rubber, cassava, rice) combined with high levels of internal and international migration are the primary sources of livelihoods.	3%	Berry picking in Sweden and Finland  Seasonal agricultural labor	51%  Abroad 19% Internal 32%	Domestic migration: Bangkok 53% Phuket 25% Chonburi 49% Samut Prakan 22% International migration: Singapore 8% Taiwan 19% South Korea 45% Israel 12.5% Finland 1.5% Norway 1.5%	41%	68% male  32% female
Mae Suck	Mountain or upland areas: ethnic communities (e.g., Karen and Hmong).  Traditional rotational cultivation (upland rice) and cash cropping. Major crops are potatoes, coffee and maize.  Lower mountain areas: local Thai communities.  Major crops are maize, and upland and paddy rice.	Low seasonal international migration	Mae Chaem and Chiang Mai		Domestic migration: Chiang Mai, Bangkok, Phuket  International migration: China, Hong Kong, Taiwan, Malaysia, Japan, South Korea, Israel, Qatar, England and Australia	70.5%	63% male 37% female

## Findings

The findings point to significant rural change due to rural out-migration but with specificities in each site. Livelihoods in Udon Thani (Ban Chai Subdistrict) are primarily centered on small-scale farming (e.g., rice, sugarcane, tobacco and rubber plantations). Rice broadcasting has been adopted to save labor and investment costs. Limited alternatives for off-farm labor opportunities exist as there are no factories and the next major city center is far off. Other sources of income are the production of handicrafts and construction labor.

Chiang Mai (Mae Suek Subdistrict) is in an important watershed area and forest reserve. Land title deeds are not permitted in mountain areas. There have been transformations in land use with a shift from traditional rotational cultivation, especially of upland rice and traditional crops, toward cash crops such as maize and potatoes. There are high levels of internal migration, especially to work for tourism businesses such as elephant

camps, souvenir shops, restaurants and hotels, and as tour guides. Only limited alternative off-farm labor opportunities can provide enough income in rural areas. At the same time, there is an emergence of specialized production of handicrafts and construction work.

Another source of income is related to ecotourism and elephant conservation. The lack of alternative off-farm labor opportunities and the need for higher income because of rising living costs, including healthcare and education, were often mentioned as reasons for migrating.

Migration can contribute to social inequality in several ways. Households with international migrants enjoy a higher living standing because international migrants can send larger remittances than domestic migrants (Table 2). However, when migrant children are left behind and taken care of by grandparents, their behavior is often identified as challenging, affecting their social life and learning abilities.

**Table 2.** Average remittances and percentage allocation by household.

Site	Average remittances received per household	Allocation (%)
Ban Chai, Udon Thani	Distribution by internal and international migrants:  Households with international migrants: Annual mean: THB 255,000 (USD 7,258)  Households with internal migrants: Annual mean THB 71,991 (USD 2,049)	Children's education and upbringing 35.73%, household consumption 22.70%, pay down debt 4.94%, farm investment 5.39%, healthcare 7.64%, house construction and renovation 4.49%, buy car/motorbike 2.70%, buy agro-machinery 0.90%, buy new land 0.67%, new business investment 0.67% and saving 12.58%
Mae Suek, Chiang Mai	Households with international migrants: Annual mean: THB 257,523 (USD 7,330)  Households with internal migrants: Annual mean: THB 26,975 (USD 767)	Household consumption 26.09%, parental and child care 21.74%, pay down debt 15.22%, buy car/motorbike 13.04%, house construction and renovation 10.87%, saving 6.52% and farm investment 2.17%

Financial remittances help pay for fertilizers, seeds, hiring costs for equipment and new crop investments (e.g., in rubber plantations and sugarcane). Improvements in water management include irrigation systems and buying assets, including land, houses, vehicles and agricultural machinery.

In terms of migration impacts, mobility has brought knowledge, ideas, skills and networks. These include new crops and agricultural practices (e.g., greenhouses and organic farming), and new managerial and financial skills, as well as languages (e.g., English and Chinese). Access to information and institutional support has helped with an online market for goods and soft loans. New business models initiated by returnees and migrants include a Korean language school, ecotourism, a new restaurant and drone services. As shown

in Table 2, there is a gulf in earnings between domestic and international migrants. In both situations, credit availability means that some poorer households can access lucrative overseas work, but they will generally take longer to save as a greater share of earnings will be spent repaying loans.

Similarly, a common concern of returnees is the debt from loans they received accessing Thailand's Loans for Overseas Labor Migration Project. High interest rates sometimes make it difficult for many returnees to free themselves from this financial burden. Those who mortgaged land worry they might lose it if they do not earn money from other sources. Further limitations concern the discontinuation of promoting such loan schemes by the banks since they are less beneficial to them compared to other types of loans.





A returnee in Udon Thani province brought back a new business model after working in Japan and used social media to promote and sell Japanese rice products. Farmers and visitors go to this learning center that is promoted by the provincial agriculture office in Kut Chab district, Udon Thani province, Thailand (*photo: Sopon Naruchaikusol*).





Alternative farm income from the cultivation of cucumber in the dry season in Nakhon Thai district, Phitsanulok province, Thailand (photo: Sopon Naruchaikusol).

In the case of Thailand, while some migrants bring back agricultural knowledge (e.g., irrigation techniques from Israel or farm management from Japan), most skills and knowledge migrants acquire during their experience are highly specialized (e.g., in electronics manufacturing) and are often unused when they return home.

## Policy issues

There are several key intervention areas the Thai government should consider in response to migration challenges. These include the following:

### **The first intervention area is pre-departure training and protection under various agreements and programs.**

Pre-departure training covers three major topics, including i) travel preparation, ii) living and good manners (culture), and iii) privileges and protection. On the plus side, this covers health and accident insurance, legal support, travel and repatriation cost and top-up money. On the negative side, it does not cover undocumented or irregular migrants.

Bilateral agreement programs were started in 2004. These include factory, construction, agriculture and services. There is a language skills test requirement and a criminal record check. For migration to South Korea, the Employment Permit System (EPS) program was started in 2008. EPS aims to reduce documentation processes and procedures. Thai labor has been recognized as honest and hardworking. More recently, undocumented migration has been in significant

decline. For Taiwan, the Direct Employment program was initiated in 2010. Under a bilateral agreement with Israel for work on ‘moshavs’ and ‘kibbutzim’ (cooperative farmers’ villages and agriculture communities), Thai migrants who have never worked in Israel before the program receive THB 80,000 (EUR 2,220) for their airfare, employment management costs and insurance. The Thailand-Israel Cooperation on the Placement of Workers (TIC) initiative was launched in 2012. In addition, there is a Technical Intern Training Program in Japan with an internship duration of three years plus a monthly salary without a management fee.

### **The second intervention area is the Young Smart Farmer (YSF) Program.**

YSF aims to enhance the capacity of young farmers (from 17 to 45 years old) to fulfill development objectives in the agriculture sector. The pros of the program are the diverse skills and knowledge shared between young and older, more experienced farmers. The cons are the limited number of migrants and returnees involved in the program. Thailand’s YSF initiative is also hindered by weak implementation that has contributed to benefits not reaching the farmers and returnees.

**The third intervention area is the reintegration project to promote and share successful examples of Thai overseas migrants and returnees under which they can apply the knowledge and experience gained from abroad and invest remittances in agriculture and rural development.** The pros are related to the exchange of experience between returnees and potential migrants.





Returnee migrants exchanging experiences with a successful returnee at his organic farm during the AGRUMIG returnees workshop in Udon Thani province, Thailand (photo: Sopon Naruchaikusol).

The challenges include limited information sharing and budget support (only five provinces per year). The TIC bilateral program has led to Thai migrants securing a job in the agriculture sector in Israel and developing their skills and knowledge in agriculture. Further, migrants brought their knowledge and skills in sowing, irrigation and fertilizer application back home to apply to their own farms.

**The fourth intervention area is the loan schemes to support Thai overseas migrants.** Three government banks (Krungthai Bank, Government Savings Bank, and Bank for Agriculture and Agricultural Cooperatives), under agreement with the Department of Employment (DOE), offer loans with 7% to 8% interest to documented labor migrants. The pros include this system helping shut out loan sharks and prevent land loss. The cons include limited information sharing, offering the loans only to documented migrants and requiring land as collateral.

Challenges of migration policies include labor shortages and mechanization. There is difficulty in accessing returnees since there are no official records of returnee migrants. In addition, skipped generation households and inequality in support from the government between regular and irregular migrant households, with the latter not eligible. There are also shifting household inequalities (where there is no migration, either internal or international) in sending locations and mismatching of labor demand and supply in popular migration destinations such as South Korea. Precarious working conditions in migration destinations are also challenges, including safety, social protection and mental health.

A lack of communication between agricultural and migration policy stakeholders is also notable. Some migrants are considered outsiders when they return home, and migrant skills on their return may not match the domestic jobs available.

Other challenges include the limited access to potential returnees to help connect them with the DOE's returnee reintegration program. Additionally, data on returnees and their social remittances are inadequate. The TIC initiative has led to human rights violations due to power imbalances between the governments of recruiting and sending countries, highlighting the need for cooperation between sending and destination countries. Thailand's DOE has a limited budget to begin the returnee reintegration project and because of this, only a few migrants can avail themselves of the program's benefits.

The DOE returnee reintegration project is not widely known and is considered a short-term or ad hoc project which impedes its functioning. People are less aware of Thailand's Loans for Overseas Labor Migration Project, which propels them to turn to private loan schemes or loan sharks. The latter are also easier to access since, unlike banks, they require little paperwork.

Findings from the DOE's returnee reintegration program highlight the necessity to create a systematic and strategic approach to help with the transfer of migrant skills and knowledge to enhance their qualifications so they can earn a decent salary in Thailand. Returnees hope this program will allow them to convert their working experience into a certificate that they can use when applying for jobs.



## References

Huguet, J.W.; Chamratrithirong, A.; Richter, K. 2011. Thailand migration profile. In: Huguet, J.W.; Chamratrithirong, A. (eds.) *Thailand migration report 2011. Migration for development in Thailand: Overview and tools for policymakers*. Bangkok, Thailand: International Organization for Migration (IOM). pp.7–15.

NSO (National Statistical Office). 2022. *Statistical yearbook Thailand 2022*. Bangkok, Thailand: National Statistical Office, Ministry of Digital Economy and Society.

Rigg, J.; Promphaking, B.; Le Mare, A. 2014. Personalizing the middle-income trap: An inter-generational migrant view from rural Thailand. *World Development* 59:184–198. <https://doi.org/10.1016/j.worlddev.2014.01.031>

Rigg, J.; Phongsiri, M.; Promphaking, B.; Salamanca, A.; Sripun, M. 2020. Who will tend the farm? Interrogating the ageing Asian farmer. *The Journal of Peasant Studies* 47(2): 306–325. <https://doi.org/10.1080/03066150.2019.1572605>

Sakdapolrak, P.; Naruchaikusol, S.; Ober, K.; Peth, S.; Porst, L.; Rockenbach, T.; Tolo, V. 2016. Migration in a changing climate: Towards a translocal social resilience approach. *DIE ERDE - Journal of the Geographical Society of Berlin* 147(2): 81–94 (Climate and Migration: Perspectives from Social and Cultural Geography).

UNDP (United Nations Development Programme). 2010. *Thailand human development report*. Bangkok, Thailand: United Nations Development Programme (UNDP).



Returnee migrants exchanged experiences of working overseas in the AGRUMIG returnees workshop in Udon Thani province, Thailand (photo: Sopon Naruchaikusol).





Tobacco is cultivated by migrant families in some communities to gain income in the dry season in Ban Dung district, Udonthani province, Thailand (photo: Sopon Naruchaikusol).

#### AGRUMIG Policy Brief Series

This policy brief is one in a series of briefs produced as part of the AGRUMIG project.

#### Author:

Sopon Naruchaikusol, Raks Thai Foundation, Bangkok, Thailand.

#### AGRUMIG Project

The project titled **AGRUMIG ‘Leaving something behind’ - Migration governance and agricultural & rural change in ‘home’ communities: Comparative experience from Europe, Asia and Africa** proposes an integrated approach to migration governance to address the two-way relationship between labor mobility and changes in agriculture and the rural sector. Migration creates challenges for rural ‘sending’ communities in low- and middle-income countries, yet it can also be transformative. The project engages in a comparative analysis of seven countries (China, Ethiopia, Kyrgyzstan, Moldova, Morocco, Nepal and Thailand) to identify the economic, institutional, cultural and agroecological factors which shape these relationships. It will identify the range of governance interventions that can harness migration to stimulate sustainable, gender equitable growth in agriculture, and reduce the distress associated with migration.

**Donor:** European Union (EU) Horizon 2020 Framework Programme (H2020) under grant agreement number 822730

(Call: Towards forward-looking migration governance: Addressing the challenges, assessing capacities and designing future strategies)

**Project website:** <http://agrumig.iwmi.org>

**For more information on the project, contact:** Angela Haynes, School of Oriental and African Studies (SOAS), University of London, UK ([ah121@soas.ac.uk](mailto:ah121@soas.ac.uk))

This project is part of the MARIS (Migration, Agriculture and Resilience: Initiative for Sustainability) network (<http://maris.iwmi.org>)

