Thailand: Time to Acknowledge Precarity?

Michael J. Montesano*

EXECUTIVE SUMMARY

- Earlier this year, the World Bank released this year a much-anticipated report on poverty and inequality in Thailand.

- The report notes that Thailand’s official poverty rate increased in 2016 and 2018, and in the absence of economic crises.

- Evaluation of these findings in the context of recent scholarship on the livelihood strategies of Thais with origins in the countryside suggests a link between recent increases in poverty, on the one hand, and conditions not just of economic insecurity or vulnerability but in fact of precarity, on the other.

- The economic impact of Covid-19 further highlights the need for stakeholders in and observers of Thailand to adopt perspectives on the country informed by the concept of precarity.

* Michael J. Montesano is Coordinator, Thailand and Myanmar Studies Programmes, ISEAS – Yusof Ishak Institute, and a co-editor of the forthcoming book, Praetorians, Profiteers or Professionals? Studies on the Militaries of Myanmar and Thailand (ISEAS Publishing).
INTRODUCTION

On 5 March, the World Bank released a report entitled *Taking the Pulse of Poverty and Inequality in Thailand.* This report was keenly anticipated, as the past decade has seen mounting concern over economic inequality in the country. In the event, findings concerning poverty presented in the report proved as noteworthy as the light that it shed on inequality. They indicated that 2016 and 2018 saw increases in poverty in Thailand. These increases, coming in the absence of major shocks, suggest troubling vulnerability to falling into poverty among important segments of the population. That vulnerability highlights structural issues of a kind that, in other contexts, analysts associate with conditions of precarity, though the March 2020 World Bank report does not use that term. Nor does that report draw on scholarship on Thailand’s political economy.

Despite the country’s having reported the first confirmed case of Covid-19 outside China more than six weeks before the release of *Taking the Pulse of Poverty and Inequality in Thailand,* the report fails to address the implications of the pandemic for Thailand. Nonetheless, as the country looks toward “recovery” from the economic impact of the coronavirus, both understanding the findings of the report in the broadest possible perspective and asking whether it is not time to talk about precarity in this upper middle-income Southeast Asian economy are essential.

RESURGENT POVERTY IN THAILAND

As *Taking the Pulse of Poverty and Inequality in Thailand* notes, the country has a remarkable record of poverty reduction, from an official rate of 65.2 per cent in 1988 to just 9.85 per cent three decades later. This trend has essentially eradicated extreme poverty in Thailand; “the number of extreme poor now measures in the thousands”. Nevertheless, five years during the past quarter-century have seen increases in poverty: 1999, 2000, 2008, 2016 and 2018. In contrast to the first three instances, the last two did not coincide with financial crisis or economic shock. Yet they accounted for an increase in poverty of 36.6 percent, or 10.8 million Thais, between 2015 and 2018.

Further, while the increase in poverty registered four years ago affected 52 of Thailand’s 77 provinces and was not observed in Bangkok, that of two years ago affected nine more provinces, including the capital. This broad pattern did mask variation at the provincial level. Kalasin and Narathiwat, the poorest provinces in the Northeast and in South Thailand, respectively, had lower official poverty rates and fewer poor residents in 2018 than in 2014, though the 2018 poverty rate for each province exceeded 30 per cent. Provinces on the Central Plains such as Ananthong, Suphanburi, Lopburi and Singburi, along with industrialized Ayutthaya, had significantly higher rates of poverty and significantly greater numbers of poor in 2018 than four years earlier. In the increasingly tourism-dependent Andaman Coast provinces of Trang, Krabi, Phang Nga and even Phuket, the 2014-2018 period also saw increases in poverty rates and in absolute numbers of poor residents. These results lend support to the World Bank report’s observation that “pockets of poverty” identifiable through data at the tambon or sub-district level may permit the most thorough understanding of the landscape of poverty in Thailand. Unfortunately, the map in
the report displaying sub-district-level poverty estimates, for 2015, is so small as to be useless.11

In calling attention to the increase in Thai poverty witnessed in both 2016 and 2018, the March 2020 World Bank report stresses “vulnerability”.12 It notes that in the context of stagnating incomes and consumption, particularly among lower-income households, those recent increases in poverty must serve as a warning, for they point to the possibility that Thais who have escaped poverty remain at risk of falling back into that condition.13 The report amplifies its alert by citing results of Gallup World Polls showing that in 2016, 2017 and 2018 more than 40 per cent of Thai respondents reported not having had enough money for food at some time during the year. At no time during the previous decade had those polls reported a figure of more than 20 per cent for that indicator, and in 2012 and 2013 the figure was roughly half that level.14 It is troubling enough that official data indicate that poverty rose to a rate of 10 per cent nationwide in 2018,15 as that increase in the absence of economic crisis is in itself a cause for real concern. But to focus on that rate alone might well be to underestimate the country’s poverty or “vulnerability” problem.

While Thailand has achieved upper middle-income status, the March 2020 World Bank report nonetheless notes that between 2007-2013 and 2015-2017 wages, farm incomes and remittances went from being contributors to poverty reduction to “sources of rising poverty”.16 In the latter period, households saw declines in real farm income in rural areas and in real wage and business income in urban areas.17 In explaining these developments, the report lists as “constraints to persistent poverty and inequality reduction…the low productivity agriculture sector, an aging society, low education quality, and high wealth inequality”.18

Nothing here will surprise observers of Thailand’s economy and society.19 Likewise, in a choice that can only diminish the impact of the March 2020 World Bank report, its authors have made the conspicuous decision not to engage with serious scholarship on Thailand.20 Bad luck also figured in the timing of the release of the report – at a moment when Thailand, like the rest of the world, needed to focus its attention on the immediate challenge of the coronavirus pandemic rather than on cautionary findings relating to deep underlying trends in the economy and society. In fact, however, grasping the magnitude of that challenge is impossible without both taking on board the principal findings of Taking the Pulse of Poverty and Inequality in Thailand and appreciating those findings in due context.

THAI POVERTY IN CONTEXT

Among the works of relevant, significant and recent scholarship on Thailand that the authors of Taking the Pulse of Poverty and Inequality in Thailand chose to ignore in the preparation of their report is Jonathan Rigg’s 2019 book More Than Rural: Textures of Thailand’s Agrarian Transformation.21 Rigg’s book draws on four decades of field research in the Thai provinces to crack a “puzzle”.22 The farm sector plays a smaller and smaller role in the Thai economy.23 Thai society is more and more urban. Yet the number of agricultural smallholders has failed to level off, let alone decline.24 Ties to the countryside and to the farm remain central to the lives of millions of Thais living and working far from the places
of their birth. Issues relating to agriculture figure importantly in Thai politics. How to explain all this?

Central to Rigg’s explanation of the dynamics underlying these realities are two observations. First, “two thirds of farms are too small to deliver a sustainable livelihood”. Most “farmers” in Thailand can only survive because they earn or receive off-farm income. Second, “multisited households have become emblematic of rural living in Thailand”. As “unit[s] of production and consumption and distribution and redistribution”, millions of Thai households – above all those with continuing rural links – are “spatially divided but socially coherent”.

Rigg holds that this social coherence, and the prominence in Thai society of the rurally-oriented multisited household, reflects the absence of thoroughgoing deagrarianization in the form of “large-scale extraction of rural people from the countryside and agriculture”. Of course, a process of labour extraction has occurred in Thailand; it would be impossible to account for the growth of the country’s export and tourism economies without recognizing it. What the process has failed to do, however, is sever connections between workers in those sectors and the land.

Rigg sees in this failure an adaptive mechanism. Just as the majority of farm operations in Thailand are of insufficient scale to permit their cultivator-owners to earn a living, so too does much off-farm work afford insufficient guarantees of security. That work, whether undertaken close to home or in the enterprises further afield that comprise the country’s most dynamic sectors, leaves many Thais in a condition of precarity. That is, these workers may earn too little money, enjoy the support of too fragile a social safety net, or have too little job security to forego the connection to the household farm and to the “livelihood security in an uncertain world” that access to the land brings. The goal of the mechanism in question is, therefore, adaptation to economic uncertainty, insecurity, vulnerability, and in the final analysis, yes, to precarity.

The March 2020 World Bank report on poverty and inequality in Thailand does not use that last term. Perhaps the economists who drafted it believed that their data and findings did not justify its invocation. Perhaps the institution worried about sensibilities in Bangkok. Nevertheless, contextualizing the report’s principal findings concerning increases in poverty through reference to Jonathan Rigg’s well-grounded book and its invocation of precarity suggests at least three points meriting consideration on the part of stakeholders in Thailand, its economy and its society.

First, Taking the Pulse of Poverty and Inequality in Thailand views low productivity in the Thai farm sector as an important constraint to the reduction of poverty and inequality. But More Than Rural suggests something different. The continuing “broad and recalcitrant presence of smallholder production” in Thai agriculture appears, that is, to be a consequence of economic vulnerability rather than a cause. Closely related to this point is the observed deintensification of agricultural activities on the part of precarious households that must allocate scarce resources, not least labour, among farm and non-farm activities as part of their livelihood strategies. Is low agricultural productivity in Thailand then a cause of stubborn poverty and troubling inequality, or is it a symptom of precarity in the wider economy?
Second, the World Bank report stresses that recent increases in the official rate of poverty in Thailand occurred in the absence of financial crises. Remarkably, that these developments justify concern that households remain vulnerable to falling back into poverty, it notes the association of wages, farm incomes and remittances with those increases in poverty. In other words, not only is Thailand’s precarity problem systemic – a feature of the structure of its economy. But it is also true that none of the components of the portfolio of income sources on which the country’s multisited households depend offers relief from precarity.

Third, while the March 2020 World Bank report does not explicitly address the role of informal employment in poverty and inequality in Thailand, prominent observers of the Thai economy have in fact called attention to high rates of informality in the Thai workforce for more than a decade. Rigg notes that the proportion of that workforce in the informal sector actually grew between the early 1990s and the early 2010s. But informal employment is no longer solely the lot of street vendors and the like. Rather, outsourcing and the casualization of employment make it necessary to speak of “an informal economy” in contexts like Thailand, marked by “informal-like working practices in the formal sector”. Rigg notes that some two thirds of informal workers have primary-school educations or less and that many of the older workers in this category may be on the land. These latter observations appear to confirm the point in the World Bank report concerning the importance of low educational standards as a constraint to poverty alleviation in Thailand. At the same time, Rigg’s emphasis on the range of forms that informality takes in Thailand suggests, again, a systemic or structural issue. It forces consideration of whether access to higher-quality education for younger Thais, including those from rural backgrounds, will release them from precarity, in the absence of considerable adjustment in terms of employment in the economy?

As consideration of the foregoing points makes clear, Rigg’s work, overlooked by the authors of Taking the Pulse of Poverty and Inequality in Thailand, has relevance beyond Thailand’s rural reaches, narrowly understood. It speaks to a broader concern, which he terms “a structural gulf...inherent in Thailand’s modernization path”. This gulf is characteristic of what Rick Doner terms the “uneven development” resulting from the country’s “distinctive economic strategy” of emphasizing “resource- and labor-intensive exports”. It separates the secure in Thai society from what the authors of the World Bank report might term the vulnerable. If the official poverty rate in Thailand can rise in the absence of crises or shocks, structural or systemic factors are evidently at work. The operation of these factors has consequences for more Thais than have actually fallen into poverty. And in labelling those consequences precarity, Rigg is not the first to invoke the term with reference to Thailand. Yet scrutiny of Taking the Pulse of Poverty and Inequality in Thailand suggests that the notion of precarity deserves far more currency in discussions and understandings of contemporary Thailand outside academic circles than it enjoys today. Indeed, trying to understand the impact of the shock to the Thai economy of Covid-19 without reference to precarity is likely to be futile.
PRECARITY, CORONAVIRUS AND WHAT IS TO COME

At the end of June, four months after the release of its report on poverty and inequality in Thailand, the World Bank released an issue of its Thailand Economic Monitor entitled Thailand in the Time of COVID-19. This second report forecast a 5.0 per cent contraction in the Thai economy in 2020. Three months later, the World Bank raised that estimate to 8.3 per cent. The latter estimate compared to a contraction in 2020 of 8.4 to 11.4 percent – with 9.4 percent being most likely – predicted by the well regarded Center for Economic and Business Forecasting of the University of the Thai Chamber of Commerce in early August. These forecasts pointed to considerable distress for many Thais in the near future.

While the June 2020 World Bank report does not invoke precarity in relation to Thailand, it takes as one of its main themes the impact of the coronavirus pandemic in exacerbating economic insecurity and vulnerability at the household level. Its publication thus anticipated a September 2020 Asia Foundation report drawing on workforce and small and micro enterprise surveys covering the tourism and manufacturing sectors. Though the authors of Enduring the Pandemic: Surveys of the Impact of COVID-19 on the Livelihoods of Thai People also decline explicitly to understand their findings through the lens of precarity, their report alludes in passing to the “precarious position” of business enterprises with high operating expenses. And its focus on small and micro enterprises, including those in the manufacturing sector, gives it particular resonance with the present paper. Enduring the Pandemic notes, for example, that the incomes of fully 70 per cent of the Thai workforce have fallen since the onset of the pandemic, and that this development amounts to a shock to sectors well beyond tourism – or, for that matter, exports. The report also captures the consequences of informality in the face of such a shock. Observing that 55 per cent of workers are informally employed, it finds that these workers have been especially subject to lay-offs and that they have lost the greater part of their income. These outcomes exemplify precarity itself, and they render unmistakable its reality in Thailand.

At the time of the Asian Financial Crisis of nearly a quarter-century ago, one argument had it that, for societies like Thailand, the rural sector offered a safety net; urban workers with roots in the countryside could return to the notional “village” and receive sustenance there at a time of widespread lay-offs in the urban sector. Today, as the March 2020 World Bank report finds, agriculture and work are sources of poverty; it is thus little surprise that one now hears this argument less often. At the same time, on the basis of anecdotal or “case study” data, Enduring the Pandemic reports that “micro businesses and family-run businesses, and especially those that own their premises, and operate in low-cost regions, are more likely to be able to survive over many months of near zero revenue” than businesses with higher costs and larger scale. This finding suggests that, despite shrunken demand, some rural people are doubling down on their adaptations to already prevailing conditions of precarity.

Both the July 2020 World Bank report and the September 2020 Asia Foundation report touch on prospects for “recovery” – of business activity in Thailand and of the economy as a whole – from the Covid-19 shock. Understandably, the disorientation resulting from that shock is such that these reports do not yet address the alternative forms that that recovery may take, or the desirability of restructuring Thailand’s economy for the post-pandemic era rather than merely recapturing the status quo ante. In contrast, buried deep in Taking the
Pulse of Poverty and Inequality in Thailand, with its longer-term perspective, one finds an acknowledgement of the importance of “making labor and other factor markets work more efficiently and equitably”.

This point echoes Rigg’s own attribution of precarity in the Thai economy to features of its modernization path – “processes of industrialization”, “labor market regulation” and the operation of the global economy.

Is precarity more than just a label, trendy among scholars? Is specific invocation of the term really so important? The contention here is that, in the wake of recent increases in poverty in the absence of economic crises and of the still more recent shock of Covid-19, adoption of the term in analyses of Thailand can force open perspectives on systemic and structural issues in that upper middle-income country’s society, economy and politics – perspectives that stakeholders and observers need.
bank-say-poverty-rate-in-thailand-increase/, downloaded 4 October 2020); and COVID-19 and a Possible Political Reckoning in Thailand,

5 Taking the Pulse, p. 2. On the derivation of the official household poverty line in Thailand, see pp. 3, 72-73 of the same report. The country’s National Economic and Social Development Council (NESDC) calculates poverty lines by region and by municipal and non-municipal areas in each region: Bangkok, Central Thailand, the North, the Northeast and the South. In 2018, these lines ranged from 3214 and 3088 baht per person per month in Bangkok and in municipal areas of the South, respectively, to 2249 baht per person per month in non-municipal areas of the North.
The national poverty line in that year was 2710 baht per person per month. The author thanks Tom Felix Joehnk for his explanation of these matters and for sharing NESDC data on official poverty lines.

6 Taking the Pulse, p. viii.
7 Ibid.
8 Ibid., p. 2.
9 Ibid., p. 4.
10 The discussion that follows draws on ibid., p. 8.
11 Ibid., p. 9.
12 See, for example, ibid., pp. x, 43, 56.
13 Ibid., pp. vii, 2.
14 Ibid., p. ix.
15 Ibid., p. viii.
16 Ibid., pp. vii, 65. Also see the tables on p. 83 for statistical estimates of the decomposition of changes in poverty into various sources.
17 Ibid., p. vii.
18 Ibid., p. vii.
19 In this context it is important to make clear what Taking the Pulse of Poverty and Inequality in Thailand is and what it is not. As its title states, the report is in fact an exercise in pulse-taking. Rather than new research of any breadth or depth, it draws primarily on data from the Socio-Economic Survey carried out by Thailand’s National Statistical Office. It subjects those data to extensive analysis and manipulation to examine, as noted, trends in poverty and the sources of those trends.
20 The list of references in Taking the Pulse of Poverty and Inequality in Thailand includes not a single work in the country’s national language. The report does not draw on the voluminous published scholarly literature on Thailand’s contemporary political economy in English, Thai or any other language, though its bibliography cites rather at random an unpublished master’s thesis – apparently in that first language – submitted to the Paris School of Economics; Thanasak Jenmana, “Income Inequality Political Instability, and the Thai Democratic Struggle” (Master’s thesis, Paris School of Economics, 2018). Further signalling its authors’ unfamiliarity with Thailand, the text of the report departs from standard usage in awkwardly referring to the “North region”, the “Northeast region” and the “South region”. Calling it the “National Statistics Office”, the report also repeatedly gives an incorrect English-language name for the Samnakngan sathiti haengchat, even as a quick glance at the office’s Web site reveals the correct name; see http://www.nso.go.th/sites/2014en (downloaded 10 September 2020). The report is as a general matter also poorly edited, and its presentation – font, font size, repetitiousness, division into short sections and resultant failure to develop an overarching argument,
photographs that add no value to its content and sometimes rather indecipherable figures – can only serve further to diminish its impact.


22 Rigg, More Than Rural, p. 1.


24 Rigg, More Than Rural, p. 90, notes that the number of smallholders in Thailand grew from 4.2 to 5.9 million between 1975 and 2013. Similarly, average farm shrank in size from 3.5 to 3.2 hectares between 1960 and 2013; Rigg, More Than Rural, p. 118.

25 Ibid., p. 125.

26 Ibid., p. 60; see also pp. 96, 97, 100-104, 179.

27 Ibid., pp. 97, 192.

28 Ibid., p. 191.


30 Rigg, More Than Rural, pp. 139-140, 186, 193, 216.

31 Ibid., pp. 139, 193.

32 Taking the Pulse of Poverty and Inequality in Thailand appears to use “vulnerability” in a fairly commonsensical way. Jonathan Rigg, Katie J. Oven, Gopi Krishna Basyal and Richa Lamichhane, “Between a Rock and a Hard Place: Vulnerability and Precarity in Rural Nepal”, Geoforum 76 (2016): 63–74, proposes, however, an important and indeed crucial distinction between vulnerability and precarity. At the heart of this distinction is the difference between the “inherited exposure” of “old poverty” on the one hand and the “produced exposure”, “adverse incorporation” and “immiserating growth” associated with a “new poverty” on the other; Rigg et al., “Between a Rock and a Hard Place”, p. 66. For a related discussion, also see Rigg, More Than Rural, pp. 186 ff.

33 Rigg, More Than Rural, p. 178.

34 Ibid., p. 135.


36 Rigg, More Than Rural, p. 188.

37 Ibid., p. 187; italics in original.

38 Ibid., p. 188.

39 Ibid., 216.


44 “เวิลด์แบงก์คาดพิษโควิด-19 ทำ GDP ไทยปีนี้ตก -8.3% ก่อนฟื้นตัว 4.9% ปี 64” [World Bank predicts that Covid-19 will make Thai GDP contract by 8.3 per cent before recovering with growth of 4.9 per cent in 2021], Manager Online, 29 September 2020 (https://mgronline.com/stockmarket/detail/9630000099467, downloaded 2 October 2020).

45 “หลากหลายค่า ปรับขนาด GDP ติดลบ 8.4% – 11.4%” [Chamber of Commerce adjusts GDP decline to 8.4 – 11.4 per cent], Than setthakit, 3 August 2020 (https://www.thansettakij.com/content/Macro_econ/444206, downloaded 3 October 2020).


47 Ibid., p. 18.

48 Ibid., p. 46.

49 Ibid., pp. 4, 20, 28, 29. The report’s figure of 55 per cent is lower than the 2013 figure of 64 percent given in Rigg, More Than Rural, p. 188.

50 Ibid., p. 46.

51 Taking the Pulse, p. 64.

52 Rigg, More Than Rural, p. 190.

53 For its not uncontroversial application to wealthy Japan, see Machiko Osawa and Jeff Kingston, “Japan Has to Address the ‘Precariat’”, Financial Times, 2 July 2010 (https://www.ft.com/content/359fa9a8-8545-11df-9e2f-00144feabdc0%axzz1Y0hvtOZ1, downloaded 5 October 2020). Rigg et al., “Between a Rock and a Hard Place”, p. 66, addresses the relevance of the concept of precarity to “the global South” rather than just to the late capitalist context of “the global North”. The article notes the salience of left-behind children and ageing populations to precarity in the former context.

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