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Thailand, Factor 19 Foreign Aid

Thailand: Properly Utilizing International Aid to Build a Sustainable Economy

The Kingdom of Thailand has an agriculture based economy and has been a very reliant receiver of foreign aid. However, the foreign aid is being invested into manufacturing rather than agriculture, so as the country economically develops, the individual farmers are left behind. With political instability and favor being given to larger farms, it is hard for an individual to make an income. For these reasons, foreign aid must begin to start boosting the smaller farmers instead of crushing them with the hand of industry.

Thailand is such a unique country because of its history and geography. It was the only Southeast Asian country not be colonized by a European power, meaning all the influence for its farming is from Southeast Asia. Thai people migrated from southern China to Thailand approximately 2,000 years ago, bringing a staple to their diet: rice. Rice is a major component in Thai food, so it is produced greatly, making Thailand a leading world exporter of rice. The farmers producing the rice are integral to the economy, and their needs, at a physiological and economic level, must be addressed.¹

Another important aspect of Thailand's geography is its location in a pocket of countries who have a moderately low to moderately high percentage of people who are undernourished.² This means that regional contributions cannot be enough if individual countries are unable to even provide enough for themselves. Collaboration in the Association of Southeast Asian Nations (ASEAN) leads these countries have a stronger say in international politics, however, it is not always enough to attain the assistance they require. This is shown by practically all of Southern Asia having a malnourishment problem.

One way Thailand addresses it's issues with malnutrition is through foreign aid. Thailand receives foreign aid from many countries and has an especially close relationship with Japan. For Japan, official development assistance (ODA) used in Thailand is the model they use for upper middle-income countries, so it is especially important for Thailand's utilization of foreign aid to be effective.³ Despite Thailand's strong ties to China, China does not contribute ODA to Thailand.⁴ Another significant contributor to Thailand is United States. The United States' policy is different from Japan's because it does not specifically focus on Thailand, rather on all ASEAN countries. It's most beneficial investment is in workforce development to ensure families have enough money to survive.⁵ Although this helps individuals, it does not specifically help farmers. Many other countries, such as Australia, specifically donate money to Thailand.

An important contributor of foreign aid to Thailand is the United Nations (UN). All member states of the United Nations are supposed to give 0.7% of their gross national income (GNI) to ODA. This money is used to help countries develop and relieve disasters. The UN's 2030 Agenda for Sustainable Development emphasizes a variety of subjects directly related to creating long lasting solutions to Thailand's food security. However, Thailand is not one of the countries

that the UN's World Food Program works with.⁶ An organ of the UN that works in the field of food insecurity is the Food and Agriculture Organization (FAO) of the United Nations. The FAO recommended the Save and Grow approach to cereal grain farming which integrates sustainability into farms. Thailand has adopted this method of farming in addition to a food waste reduction program in collaboration with the FAO. It has helped to work to end food insecurity and malnourishment.⁷ Although the UN works to implement long lasting solutions, a primary role of the UN is to provide emergency relief to countries if they are suffering a disaster, like famine.

Similarly, the European Commission's aid has been geared toward food assistance and health care but also toward refugee crisis and other emergency humanitarian support. However, the food assistance is generally used for emergency situations rather than development of sustainable agriculture.⁸

The influence of foreign aid in Thailand is especially important because of the transition to manufacturing from agriculture as the main economic source. It was during the 1980s that Thailand transitioned from a primarily agricultural economy to a primarily manufacturing one, and the percent GNI reliant on agriculture continues to shrink, even as the overall GNI grows. However, this does not mean that agriculture is unimportant. It is a quintessential source of rural income, raw materials, and the labor force.

An aspect of Thailand's agricultural economics is the change in products being produced. Crop production has historically been the largest contributor to the economy in Thailand, especially rice growth. However, with changing demands toward cheaper, more durable, and processed products, the livestock industry has grown along with goods requiring manufacturing, such as canned fruits and processed meats. The manufacturing aspect of food has made processed food the fastest growing component of Thailand's exports. However, rice continues to be important. Even as diets are changing towards being more protein heavy, rice is integral in livestock and human diets.⁹

Additionally, the food processing sector, which relies on agriculture, is considered a globally competitive sector for Thailand. This is part of the mechanization of Thailand's agriculture. Thailand's Department of Agriculture has set five mandates to work toward, two of which have to do with farm mechanization.¹⁰ Although mechanization is an effective way to increase productivity of farming, especially rice farming, it is unrealistic to believe that small farmers will have the resources to mechanize their farming. However, mechanization is not necessary for farms that only produce enough for their families or their small village. Alternatively, small farmers that produce for a larger scale can cooperate with the government, private sector, or other farmers which would allow them to share equipment.¹¹ This way mechanization can be accomplished without widening the gap between the small and large scale farmers. Mechanization has to be monitored, though, because it may be more damaging to the environment and contribute to climate change.

Climate Change's effect on the agriculture sector is great because of changed average temperatures, extreme weather, and rising sea levels, etc. Rising sea levels are especially dangerous for low sea level countries like Thailand because they will go underwater. Steps have

been taken to reduce climate change, like the notable Paris Climate Agreement. However, clean energy technologies must be a part of foreign aid spending to ensure a truly sustainable economy. By teaching and implementing clean energy technologies, Thailand will not be contributing to climate change, and there will not have to be a dramatic change in the countries agriculture when climate change becomes an even larger issue.

The effect of the economy on small, rural farmers in Thailand is very direct. There are 4.7 million farm households with an average farming family being 3.95 people per household with an average income of about 5,692 US dollars. Many of them live in poverty and are malnourished because of their significantly lower incomes than other workers. For the most part, they are concentrated in the North and Northeastern parts of the country which are primarily rural. Furthermore, the poorest of the poor consume half of all the food they produce, making it much harder for them to sell for profit. They are also not being aided as much by the government. These farmers are often working on non irrigated farms, which is not the lead research being done into rice, so they are not given the information on how to increase their yield as effectively while larger scale farmers are able to produce, and earn, even more money.

Attempts at helping farmers in the past have failed because they do not help small scale farmers. The Market Organization for Farmers, which was supposed to distribute fertilizer and lower transportation costs, would have been a great program. However, only irrigated farms could access this program. Fertilizer price and production cost grew, and small farms were paying more and yielding just as much. Another point against these farmers is that high production costs have the largest impact on rural households- causing their food price index to increase by 16.9%, over 4% higher than the next highest category, poor households. They are also more susceptible to non-rice cost increase.¹² In summary, the production cost of products has increased very greatly, and it is making it much harder for small scale farmers to make money.

Another attempt to help farmers that has failed was the government's pledging policy which aimed to increase the price of rice and eliminate the middleman in rice selling. It gave rice farmers the opportunity to sell their rice to the government and receive higher compensation than they would get from other sellers. However, the farmers that benefited the most from this scheme were larger scale farmers, not the small farmers who needed it the most. This lack of consideration of the small farmer is a problem that the government must learn to combat and create policy so small farms receive equitable amounts of aid. One way to achieve this is through foreign aid going towards helping create agricultural policy.¹³

There are a lot of issues facing Thailand that relate to hunger, and one way to address all of them is to consider the foreign aid being given to alleviate Thailand of these problems. For Thailand to be "the Kitchen of the World," foreign aid must be funneled into projects that will yield the best results. These projects also must be comprehensive and create the most sustainable solutions. Most of the development in Thai agriculture has been done to decrease production cost and increase output, and much of this has been because of partnerships with agribusiness firms- domestic and foreign. However, increasing the economy of Thailand, which motivates many countries, forces many issues like the ones mentioned above to be dealt with.

First and foremost, communication between nations, non-governmental organizations (NGOs), and the private sector must occur. These three tiers of aid must work together if an impact is going to be made. If an NGO is funding research into non-irrigated rice farming and the government of Japan is doing the same, communication has to occur. Once they understand each other's projects, the efforts should be pooled because a large amount of money can go further than many small amounts. Before starting new projects, like minded groups should discuss an area to focus on and pool their ideas into one project so it has more funding and more can be done to help the people of Thailand. This may decrease moral because it will take longer for these projects to plan, however, they will be more sustainable and help a greater number of people.

To corroborate with one of Thailand's focus of mechanization of agriculture, some groups should assign themselves to aid mechanization. They should be researching both the physical machines, but also how the mechanization affects every person in Thailand. Mechanized agriculture will affect a family farm much differently than a major international exporter of rice, and not researching how it will affect all groups will lead to policy and development that is not effective and hurts a pocket of Thai people, and possibly people around the globe. This research should also include the environmental and economic sustainability of the mechanization. Once the initial research has been done, the groups should work with the government to write the policy so the research is implemented correctly and sustainably, with the most effective, sustainable, and inclusive ideas being the only ones in the laws. After the policy has been created, the foreign aid should be used to implement the mechanized agriculture and teach the farmers how to correctly use the new technology to maximize efficiency. Farmers should always have the option to not use the new technology, however, they should be informed of how the technology would affect them in the moment and in the future. This way, farmers can understand what they are doing and how it would change their lifestyle. Finally, once the mechanization has been implemented to the extent that farmers wish to implement it, periodic checks should be made by the group to ensure that it is being used responsibly and efficiently.

The benefit of this slow but sure process is the most sustainable and effective changes to reduce hurting certain groups, which are usually the small farmers or the poor families. This also does not render Thailand permanently reliant on the donor because the policy and technology will have already been implemented in their policy and people. The periodic checks would start with every few months at the beginning, but wean off to every few years as the technology and knowledge spreads. The purpose of the check ins is to ensure the implementation of government policy and technology is continuous and to help mend the process where it needs aid. This process would take many years and cost a lot of money in foreign aid, but it would transform Thailand into a great global competitor and create the best lives for people who are usually hurt by the government's policies.

A similar plan should be executed for developing agricultural manufacturing, making sure to research how these new technologies and policies will affect rural culture in Thailand, and whether it is intelligent to implement such technology. When helping the government create policy, the policy should not be written for them, the facts and what the facts mean in effect should be explained to the people in Thai government, and the individuals in government who make the policy should write the policy so it best fits with Thai culture. By just showing the

research done by the group to the government officials and having the officials write the policy, it will be better culturally adapted to the people of Thailand. When this occurs, people may consider the government to be only a puppet to the international works occur in the shadows. However, by making the process clear and not hiding any details of international involvement, the skeptics will not have anything to hold against the government.

Another necessary topic foreign aid must address is climate change. Climate change is a very difficult issue to handle, especially when leaders of extremely prominent nations like the United States deny the existence of it. However, leaders do not always speak for their people, and where money is not being given by the government, NGOs and the private sector can fund work to combat climate change. A way to work for change is to implement clean energy into countries, and especially the agriculture sector which is so specifically impacted by global climate change. Researchers can identify specific practices that are only adding to the problem of climate change, and they can suggest ways to change those practices to officials at a local level. By communicating with local officials, the suggested practices can be adapted to the specific local culture and implemented most effectively. Through funneling foreign aid specifically into climate change, the most action can be done to combat this global issue, and stop its harmful effects on the agriculture of small farmers who need their crops to support their family and village.

Finally, all the research and development that is being done should be clearly communicated with the Thai government and with all groups involved, down to the smallest village government. The successes and failures that come out of the use of foreign aid should also be clearly communicated at international organizations like the UN and regional organizations like ASEAN so similar implementation can occur across the globe and bring the global south out of its reputation as less developed.

When the foreign aid is being used to fund such long term policies, immediate problems seem less urgent, and people may feel like they are being ignored. However, emergency assistance will be given by organizations like the UN if there is a desperate, immediate need for short term hunger relief. To combat the lack of support from the people of Thailand, small scale, consumer friendly campaigns about the work being done can be distributed to the people of Thailand and the research done and progress made will be transparent and reported to the people every step of the way.

Thailand is in a special situation as a quickly developing, yet underdeveloped country. For it to develop into a sustainable, first world country without losing its unique diet and history, the foreign aid it receives must be funneled to the proper sectors and communication must occur.

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