

REVISITING AGRARIAN TRANSFORMATIONS  
IN THE GREATER MEKONG SUB-REGION:  
NEW CHALLENGES



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Editors

Chayan Vaddhanaphuti and Chusak Wittayapak

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Faculty of Social Sciences, Chiang Mai University



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# INTRODUCTION

## REVISITING AGRARIAN TRANSFORMATION

Chusak Wittayapak

Many social scientists may think that agrarian transformation has become an issue of the past, especially in the newly-industrialized Asian economies such as Malaysia and Thailand, and to some extent the Philippines and Indonesia. However, in this volume, the case studies presented highlight new challenges for agrarian transformation within the specific context of globalization. Traditionally, agrarian transition has been closely associated with the process of change taking place in the agricultural and rural sectors, as a result of industrialization and urbanization; however, I view this classical conceptualization as too unilinear, too structural and too global. In fact, agrarian transition involves the wider transformation of agrarian society as a whole, as it attempts to integrate into the world market economy.

Some scholars proclaim that rural lives and livelihoods are becoming divorced from agriculture and land, such that poverty reduction measures should be de-linked from agricultural development (Rigg 2006). Others, based on the concept of pluri-activity, insist that de-agrarianization or de-peasantization is far from complete (Brookfield 2008, Bernstein 2004). Some studies point to the flexibility and diversification of livelihood strategies, those which produce changes in the form of multiple trajectories (Rigg 2001, Yos Santasombat 2008). Renewed interest in agrarian transformation can also be seen in the World Bank's *World Development Report 2008* (World Bank 2007), which is devoted to a new and wide range of agriculture and land issues. The case studies in this volume are drawn from Thailand, where moves toward a market

economy have long been established, plus Vietnam and Laos, which have more recently developed market-led economies. Therefore, the cases here are by no means comparative, but rather reveal different development trajectories.

### *Chapter Overviews*

In this volume, **Yuki Miyake** takes trade liberalization to task, describing the uneven development created by de-regulation of the garlic trade between China and Thailand, through the introduction of Free Trade Agreements (FTAs) in 2003. She proclaims that market liberalization, in the case of Thai garlic, has in fact led to a re-regulation of garlic production, at the hands of the political movements created by globalization. Field research in Sri Dong Yen in Thailand reveals how the liberalization of the garlic trade has played out on the ground, especially in terms of the livelihoods and labor relations of small-scale producers. Faced with competition from cheap Chinese garlic, producers in the northern provinces of Thailand have had to consider many ways in which to cope, ranging from protesting to the Government and eventually accepting compensation, to switching to other cash crops and improving the quality of their products for the niche market. However, under the new forms of regulation introduced, the garlic trade is now controlled by outside agencies. Switching from garlic to potatoes, the farmers have had to engage in contract farming, as enforced by large companies, resulting in changes to the traditional labor relations.

The traditional reciprocal labor relations practiced within the garlic production business have been replaced by the hiring of Burmese labor as part of the potato production process. The post-harvest garlic processing jobs which used to hire women are no longer available, since potatoes are sent directly to the factory warehouse; thus, female workers have had to opt for poorly paid, temporary jobs to make up their losses. Miyake points out that the employment of female labor in low-wage and extended-hours jobs, once only experienced in the industrial sector, is now being witnessed in the agricultural sector. She articulates this as a form of re-regulation of agricultural labor under a regime of flexible accumulation. She compares the circumstances of the middle-aged

female members of the landless farmer groups with the small-scale garlic growers engaged in piece-work, referring to this phenomenon as the “feminization of labor”, both in the manufacturing sector and elsewhere. She calls it a “feminine-type” of labor, but a type of labor which is not carried out exclusively by women. Furthermore, the re-regulation of garlic production has also involved government intervention, including the provision of monetary compensation packages.

At the end, Miyake attempts to investigate responses to the re-regulation of garlic production by a variety of social actors involved in the neo-liberal project of trade liberalization, in order to understand the human agency within a commodity driven network. She demonstrates how garlic producers have practiced the politics of discontent, and how their responses have not been uniform but have varied according to the local dynamics of power. Although their actions have not been able to change the power structure around them, they have managed to create a space for negotiation and contestation through their everyday practices. As can be seen; therefore, the uneven development landscapes of market liberalization often create a terrain of contestation and discontentment amongst the dominated actors.

The livelihoods of traditional farming households can sometimes be disrupted by abrupt changes resulting from the construction of large infrastructures inspired by high-modernist ideology. **Tran Thi Ngoc Trinh** examines the household livelihood diversification taking place as a result of a bridge construction project in Can Tho, in the Mekong Delta in Vietnam, a project that has displaced a number of farming households from their land. Can Tho bridge is a modernization project which is part of Vietnam’s post-socialist policies aimed at facilitating market-oriented development, as executed by the one-party rule Vietnamese Government. The first part of the chapter lays out the agricultural landscapes of the Mekong Delta, where rice is planted three times annually. Although the area is densely populated and has fragmented land holdings, it offers diverse farming activities, including the growing of rice, cash-cropping, fruit tree orchards, animal husbandry and aquaculture. These vibrant agricultural livelihoods have recently encountered dramatic change, as the Hanoi government, aiming to develop Can Tho as a hub within the Mekong delta, has launched an ambitious project to build Can Tho

Bridge, linking Vinh Long and Can Tho Provinces, areas where people currently rely on ferries to reach one another.

The second part of the chapter documents the livelihood strategies of farming households when trying to cope with the shocks and stresses produced by the implementation of the Can Tho bridge project. Financial capital gained from the compensation package has differentiated the livelihood strategies of the households, and the poor and middle-income households have tended to increasingly depend on non-farm income, often taking jobs related to the bridge construction. Nevertheless, most of these farmers retain linkages with agriculture and the land for their food security. The farmers remain attached to their agricultural land despite their livelihoods having been increasingly divorced from farming, and social differentiations is now visible through the houses they live in and their material wealth, represented by the possession of electrical appliances, motorbikes and luxury goods. The disruption caused by the bridge construction project has generated shock waves which have impacted upon the households in a variety of ways, causing displacement, a loss of fertile lands and water pollution. Nonetheless, some households have seized the opportunity to diversify their livelihood strategies in order to gain from the project, especially those who are endowed with natural, financial and human capital.

It is often the norm that modernization projects implemented in rural areas tend to transform landscapes once dominated by agricultural production, into areas containing diverse livelihood strategies, resulting in greater social differentiation within local communities. Simultaneously, marginalization of the poor and disenfranchised groups creates a downward spiral, in particular for those who lack the capital resources necessary to cope with drastic change. These people are often condemned to become losers as a result of the ambition of large scale development projects.

Economic reforms in Laos, known collectively as the New Economic Mechanism (NEM), pose a new challenge for agrarian transformation in the post-socialist development era of this landlocked country. The change from a centrally-planned to a market-oriented economy, initiated from the top, has percolated down to local communities in the form of intensified agricultural production and increased commercialization of

their products. State-sponsored irrigation systems and mechanization, coupled with demographic shifts, have led to intensive land use and land tenure changes. To cope with looming land conflicts, the Lao State has instituted a series of land laws in order to recognize private property, and as part of this, customary land rights based on kinship relations have been replaced by an individual-based system. Market transactions for land are now prevalent, including rental, sales and mortgages. Land has become scarcer as the banks of the Mekong River have eroded, causing many households to lose their cultivated land.

**Sivilay Kheobountham**, whose study is situated at Ban Thin Pheer in Hadxyphong District, just outside the Laotian capital of Vientiane, examines how the farmers of peri-urban Vientiane have adapted to the unprecedented changes taking place in their economic and social lives. He points out that the most visible change in agricultural practices has been the adoption of cash-cropping, with the choice of crops grown related to market demands. Cross-border trade has also played a part in terms of the change to cash-cropping in this village. Hired labor has gradually substituted reciprocal labor relations, and in addition, livelihood diversification has taken place, covering non-farm activities both inside and outside the village. Indebtedness has also become common among the villagers, especially the poor, and the differentiation in terms of wealth levels has also increased visibly, through asset acquisition and accumulation. Capital inputs from relatives living abroad, and labor migration across the Mekong River, have directly influenced the economic landscape of the village. He sums up his chapter by arguing that state-led economic policies do not always produce desirable outcomes, but often bring unintended, negative consequences, such as uneven development patterns.

In another chapter, **Natedao Taotawin** traces the emergence of organic agriculture in Thailand and the transformations that have taken place there. Thailand is regarded as having had early experience in terms of agrarian changes, since it embraced agricultural development through the so-called 'Green Revolution'. She argues that organic agriculture in Thailand is rooted in the critiques of the green revolution, in terms of its adverse impacts on the ecosystem and the socio-economic malaise it introduced. It was initially constructed as an alternative agricultural

discourse and formed partly as a critique of mainstream development discourse during the late 1970s. It was seen as representing a 'natural' way of farming and rejected the use of chemicals, despite its reliance on scientific rationality and control. However, in the 1980s and 1990s, the discourse on organic agriculture became linked to the rise of environmentalism among the urban-based middle class, and was also influenced by green consumerism and health-conscious consumers, such as the macrobiotic movement, which in turn offered niche markets for organic farming.

By the 1990s, a sustainable discourse had replaced the one regarding alternative agriculture, due to the significant criticism attracted by the conventionalization of organic agriculture. The Thai Government, as well as NGOs, played a crucial role in this transformation. The Thai Government allocated a large budget to mainstream organic agriculture and instituted new laws. In addition, globalization of the agro-food system and the development of neo-liberal ideas led to a new form of food regulation on the consumption side, focused on food safety, health concerns and environmental impacts. However, international regulation and certification resulted in increased levels of exclusion and inequality. In response, the fair trade movement was formed to counter the new accumulation regime dominated by trans-national corporations. The Thai Government's agricultural restructuring policies shifted towards high-value food products, including organic food. The policy to make Thailand 'The Kitchen of the World' during the Thaksin Shinawatra administration was clear evidence of this shift, and this policy led to increased government funding provided to concerned units.

The organic agriculture movement has since evolved towards an institutionalization of organic agricultural production. Initially, the regulation of organic farming products was based on trust among farmers, and networks of producers and buyers. Standardization of organic agricultural products became necessary to move into line with international practices in terms of the export of agro-food industrial products. The Thai Government established the Office of Organic Agriculture Certification, Thailand (ACT), and developed standards in line with the International Federation of Organic Agriculture Movements (IFOAM). This institutionalization of organic agriculture has shaped its meaning, and influenced

the production, distribution and consumption processes. Critiques have said that organic agriculture has ceased to be an alternative movement, since it has become institutionalized. International standards have replaced the local-based systems and practices in terms of organic food regulations, and the meanings of organic farming have had to be redefined due to the international discourse on food safety.

The chapter argues further that the changing meanings of organic agriculture and the standardization of organic products represent discursive practices within the internationalization of this agricultural form – and in the context of a globalized agro-food system; one dominated by developed countries. The transformation of organic agriculture in Thailand reflects an increased engagement of the agribusiness sector, with collaboration from the Government, in order to commercialize organic agricultural products for the global market. This shift has raised concerns among critiques and NGOs over the abandonment of the sustainability and self-sufficiency principles of alternative agriculture. Moreover, small-scale farmers are often excluded, and farm inputs are increasingly being supplied by the industrial producers of bio-fertilizers.

State relations have always been an important topic of investigation in agrarian transformation, not only in terms of the long history of theoretical debates, but also the rich empirical studies carried out in various contexts. In this volume, **Nguyen Phuong Le** offers a detailed picture of the Vietnamese peasantry through its distinct historical transformations in relation to state modernization projects, from collectivization through to the de-collectivization of agricultural production. Noteworthy within this is the unique case study of Kim Thieu village, a woodcraft village, which reveals a vibrant study of state-peasant politics in modern Vietnam. She argues that Modernist ideas have always cast the peasantry as backward; as requiring state intervention. State-led development programs aimed at transforming traditional agricultural production into modern economic development first took place in the form of collectivization in the 1950s and 1960s. The second stage of this agrarian transformation was launched in the 1980s, and is known as *Doi Moi*, or economic renovation.

Nguyen Phuong Le views peasant livelihood strategies through the theoretical approach of structure and agency interactions. She looks

at the everyday practices of the villagers as an improvised strategy to cope with the Vietnamese State's structural constraints. For instance, she graphically describes the farmers' tactics in dealing with cooperative work. This shows that the farmers employ a variety of tactics in order to cope with the agricultural cooperative system. Many villagers have exploited the structural domination in place by drawing on their social capital, such as kinship ties. She points out that covert resistance to collectivization had led to a decline in agricultural productivity. In the particular case of Kim Thieu village, the farmers have been able to diversify their livelihood strategies, switching between farming and woodcarving; acting as hired labor. They do not want to undermine the system entirely, but rather manipulate the state imposed structure to their own advantage.

When introduced, the state-led economic *Doi Moi* policy triggered the de-collectivization of agricultural production, spearheaded by the 1993 Land Law, under which farmer households were allocated land use rights with secure land tenure. Sweeping economic reforms that encouraged farmers to "leave the rice field, but not the countryside", were introduced to accelerate the industrialization and commercialization of agriculture and non-agriculture sectors. This renovation policy also directly de-regulated rural labor previously tied to the land and agriculture. Since these policies were introduced, labor migration has become one element of the diversification of livelihood strategies. The international division of labor and cross-border flow of goods, services and people have also shaped agrarian change on the ground, and in the particular case of Kim Thieu woodcarving village, the new economic developments, oriented towards marketization have created flexible identities among the villagers, those who have diversified their livelihoods. Nonetheless, land remains important for them in terms of household security and cultural values. Structural changes have allowed farmers to improvise within their everyday practices in terms of dealing with new forms of regulation, applied by both the State and market.

The upland areas of Southeast Asia have long been a conflicting terrain of development and conservation. In this volume, **To Xuan Phuc** examines the contestation over forest land in Ba Vi National Park, to the northwest of Hanoi in Vietnam. This former French summer re-

treat is famous for its natural beauty. The Vietnamese Government, following International Union for Conservation of Nature (IUCN) advice, established this area as a National Park in order to preserve its biodiversity. With the ongoing debate between the preservationist and sustainable use paradigms as a background to this argument, he conducts an ethnographic study in a Dao (ethnic minority) village, one that is located inside the Park's area - designated as a buffer zone. The economic liberalization policies have provided an opportunity to open land contracts in the area, which, in turn, has led to contestation in terms of livelihood survival for the local villagers on the one side, and wealth accumulation for the elite groups on the other.

The allocation of land to individual households through land contracts has opened up a space for land grab activities to take place among those hungry for land both inside and outside the National Park. Existing unequal power relations have led to unequal access to land and rampant corruption among the park officials; with the local poor excluded from developing land contracts. Patron-client relationships within the village have formed between two agrarian classes: the land contractors and the subordinate villagers. This power landscape has allowed the elites and dominant classes to capture profitable resources and condemned the underclass to a daily struggle over land and forest resources. Forest space has become the representation of different views and values amongst diverse parties. For example, the park officials look at the Park as a place to preserve biodiversity resources, those needed to preserve the natural state; whereas land contractors think of it as a space for the accumulation of capital, and the local people treat the forest as their source of livelihood. Nature conservation measures are therefore seen by the villagers as an immediate threat to their everyday lives.

The prevailing land grabs by outsiders, elite capture by local dominant classes and widespread corruption amongst park officials, have all created discontent among the disenfranchised villagers. The author's field research reveals a range of resistance tactics being used by local villagers to contest access over forest resources and land for their cultivation purposes, and their application of the 'weapons of the weak' resonates for similar situations across the developing world

To sum up, all the case studies here offer pictures of agrarian transformation situated against the background of modernity within a given society. In development terms, the Thailand cases illustrate the deepening changes taking place within post-development debates, whereas the Vietnam and Laos cases simply reflect the potential brutality of the modernization project itself.

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# 1

## CONTESTING THE RE-REGULATION OF GARLIC PRODUCTION IN THE CONTEXT OF MARKET LIBERALIZATION

Yuki Miyake

### *Abstract*

Neoliberal theory says that deregulation of the market promotes a state's economic welfare through market efficiency, and that trade liberalization is one of the processes best used to support this. In the case of the agricultural sector in Thailand, deregulation is a challenge to trade barriers, domestic subsidies for farm products, and to government intervention, through such activities as the restriction of the use of chemicals. At the local level; however, it is not really deregulation that is experienced at all, but uneven re-regulation.

Taking the case of garlic production processes and labor formation in Thailand, after the development of a Free Trade Agreement (FTA) at the end of 2003, this paper will first attempt to show how the neoliberal idea of the liberalization of the food trade, has in fact re-regulated both the food market and the agricultural labor market. Then, it will show how garlic growers have formed a contested space against the regulations imposed by the Thai Government. Some farmers have followed the rules, while others have simply ignored them. In so doing, I will attempt to explore the assertion that in fact, trade liberalization practices under neo-liberalism result in uneven development.

## ***Introduction***

Trade liberalization is a part of the globalizing process the aim of which is to promote free trade in line with neoliberal theory, and market liberalization is one aspect of it. Taking on board the late twentieth century trend towards the development of Western style capitalism, Thailand rushed through the negotiation and conclusion of a number of bilateral Free Trade Agreements (FTAs) at the beginning of this century, and first reached an agreement of this kind with China in 2003. Neoliberal theory says that trade liberalization is a process of deregulation, that is to say, in the case of the agricultural sector, it is a challenge to trade barriers, a force against domestic subsidies for farm products, and is opposed to government intervention, such as restrictions on the trade in chemicals and their distribution. Against such neoliberal claims, opponents argue that neoliberal theory is nothing but discourse, and that its practice and use in fact increases both re-regulation and the control of local actors by the state and the market.

Following on from this critical perspective, in this paper I will first attempt to show how market liberalization under neo-liberalism has imposed new forms of regulation on small-scale farmers through market mechanisms and state intervention, and second, I will show the complex and diverse responses to it from local farmers. When scholars study global regulation practices, they often focus on the structure of governance. However, an important perspective to be considered today for the understanding of a given society, is to understand what happens at the local level in the context of such oppressive structures. Thus, taking an anthropological perspective, this work will pay attention to the local responses to forms of re-regulation imposed by the new market structure, and show that the implementation of regulation is not that simple in practice, as a result of the diverse responses of local people.

In order to pursue these objectives, I will take the case of the market liberalization of garlic production in Thailand. After the trade in garlic was liberalized through an FTA between China and Thailand in October 2003, cheaper Chinese garlic, costing about one-third the price of Thai garlic, flooded the Thai garlic market. It is said that the production of Thai garlic has been one of the Thai product sectors worst affected by the FTA. When Thai garlic farmers expressed their

concern at the liberalization of their market, the Thai Government set up a support program for the garlic growers, and provided 12,000 baht per *rai*<sup>1</sup> in monetary compensation for the cancellation of their production, but with some conditions; the local farmers had to choose a way forward based on two choices: (i) to receive Government support with conditions, or (ii) to resist 'invisible' regulation in the form of cost reductions, under free market pressures.

Among the total yield of garlic in Thailand, 90 percent is produced in the northern regions, while the other ten percent is harvested mainly in the northeastern areas, with a little coming from the central region. In northern Thailand, Chiang Mai Province produces the most, followed by Mae Hong Son Province, Lamphun Province and finally, a small amount from Lampang and Chiang Rai Provinces. Sri Dong Yen sub-district, in Chai Pra Karn District, northern Chiang Mai Province, has the biggest garlic yield of any area at a sub-district level in Thailand, and so I chose this sub-district as my main research site.

This article will be divided into four sections. The first section will outline the theoretical background, in order to argue how market liberalization has in fact re-regulated processes for the local small-scale farmers. Second, I will provide a general background to the Thai FTAs, especially the FTA with China. The third section will show how both garlic production and its market have been re-regulated, using a concrete case study. Finally, by providing complex and diverse examples of the local farmers' daily practices, I will show that the real local farming scene is not static, but is active enough to contest the larger structure of regulation.

### ***Market Liberalization as a Re-Regulating Process***

Trade liberalization under neo-liberalism spread rapidly across the world towards the end of the twentieth century, through the activities of the US-dominated International Monetary Fund (IMF) and World Trade Organization (WTO), and the development of bilateral Free Trade

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1 *rai* is a unit of land area in the Thai language; 1 *rai* being 0.16 hectares.

Agreements (FTAs). While neoliberal proponents vigorously push its principles for economic growth, opponents say that the idea of 'free trade' involves some contradictions in its very nature, due to the political and economic dimensions of the neoliberal project, and that it simply promotes further disparities in geographical and economic development (Fernández-Kelly 2007:6, Harvey 2007:23, McMichael 2004).

Free trade is trade to minimize, or ideally remove, barriers to the international exchange of goods and services, and trade liberalization, the opening of markets and domestic restructuring are all a part of the initial stages. When the neo-classical economy model appeared for the first time in the 1870s, a model that would be influential across the globe for more than a century, the free trade theory had already taken shape with the ideas of comparative advantage and survival of the fittest (Fernández-Kelly 2007:7). This model's main concern is an allocation of goods and resources through the interaction of supply and demand in the market system, as made famous in Adam Smith's concept of the 'invisible hand'. Although the Keynesian economy, or interventionism, was prevalent from the early twentieth century, during the 1970s, nationalism was seen as an obstacle to the transnational mobility of goods, money and firms, and as an obstacle to the pursuit of a more efficient allocation of global resources (McMichael 2004:152, 160). In place of the Keynesian approaches, by the 1980s neo-liberalism had gained popularity and after that time, free trade was pushed in practice more than ever before, and is still the dominant approach practiced today (Fernández-Kelly, 2007:11). The primary focus of free trade is to reduce the role of the state in social and economic affairs, which is why it is seen on the surface as a de-regulatory approach. It is thought that human well-being can best be achieved by the maximization of individual freedoms within institutional frameworks, including private property rights, individual liberty, free markets and free trade (Harvey 2007:22). To that end, the state has to create and preserve appropriate institutional frameworks, although it cannot reach beyond these tasks.

One of the most outstanding achievements under neo-liberalism has been the establishment in 1995 of a multi-national institution, the World Trade Organization (WTO) (McMichael 2004:168-169). In the 'Uruguay Round', held to discuss world trade during the period 1986

to 1994, the General Agreement on Trade and Tariffs (GATT) was first concluded. This set up several new rules for global trade, in support of trade liberalization, freedom of investment and the protection of intellectual property rights. Transnational agribusiness corporations supported GATT's deregulation challenge to remove trade barriers, domestic subsidies for farm products and supply-management policies, policies that restricted fertilizer and chemical distribution. The reasons for the deregulation were because such restrictions had previously prevented transnational corporations (TNCs) from expanding their trade, and from gaining access to low-cost producers through global sourcing and the selling of cheap products in a competitive market; a weapon against high-priced producers. The Agreement on Agriculture (AoA), which was also negotiated during the Uruguay Round and was one of the most important principles of the WTO, promoted deregulation, with the aim, according to the WTO, of promoting fairer competition and a less-distorted market sector. Within half a decade of its implementation, the average world agricultural product price had fallen by 30 percent or more, something which had a negative impact on small-scale farmers (McMichael 2004: 174-175). Other data shows that, in the mid-1990s, 80 percent of farm subsidies in the OECD countries were provided to the top twenty percent of corporate farms.

Thus, through the WTO, the world agro-food industry in the 1990s entered a period of unprecedented deregulation, by shifting its focus from aid to trade (Watts and Goodman 1997:1). McMichael (2004: 152) calls this phenomenon of globalization a political project led by 20 percent of the world's population, who are able to gain benefits through its implementation. In this sense, he continues, what is happening is not a 'free market', which sounds like a natural and neutral event, but actually the "freeing" of the markets as a political act. Furthermore, Friedmann (1993:52, in Watts and Goodman 1997:3) also argues that in the process of globalization, the giant food companies and the retailers, or transnational corporations (TNCs), regulate the production and consumption of food, that is, the agro-food economy, so that they can plan their investment and marketing strategies on a global scale. Friedmann thus calls it "private global regulation". For my viewpoint, I will call these processes of globalization "re-regulation", rather than deregulation.

While ‘developed countries’ and TNCs promote trade liberalization for their own benefit, some Third World states have also supported it. If these ‘newly developed industrial countries’ (NICs) have led the trade of industrial products, the Cairns Group<sup>2</sup> has promoted agro-exports, and Thailand has been among them (McMichael 2004:169). In the early 1980s, the absence of certain trade rules allowed the US and the European Community to give a large number of export subsidies to their farmers, and this depressed world agricultural prices. Therefore, the Cairns Group expected that trade liberalization would enhance farm commodity exports for their group as a whole, and not just for the United States.

Although the WTO was strongly promoted by the developed countries after its inception, especially the US, it has since faced difficulties in reaching any consensus, due to strong opposition from Third World countries, as well as local people’s groups, as was shown by the break-up of the meeting at the Ministerial Conference in Seattle in 1997. Such a loss of control in the WTO; however, does not mean a decline in the momentum of neo-liberalism. Since that time, neo-liberalism has continued to be promoted at regional forums such as the North American Free Trade Agreement (NAFTA) and the Association of Southeast Asian Nations (ASEAN), and through a range of bilateral Free Trade Agreements (FTAs). Free Trade Agreements (FTAs) are “agreements among neighboring countries to reform [the] trade and investment rules governing their economic intercourse” (McMichael 2004:188). Not only the US, the European Union and Japan, but also Third World countries, including Thailand, have strongly promoted them. This paper will focus on one of these FTAs; the FTA agreed between Thailand and China.

So far, I have looked at neoliberal theory at the global market level. Now, I would like to cover the analysis of labor structures at the corporate or factory level. Post-Fordism, or what Harvey (1990)

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2 The Cairns Group consisted of 19 member countries as of February 2009: Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, the Philippines, South Africa, Thailand and Uruguay.

calls "flexible accumulation", is a system used to solve the rigidities of Fordism in the labor process, that is in labor markets, products and patterns of consumption. It is a system of structural unemployment, the reconstruction of skills, modest wages and a decrease in labor union power. Its flexibility and mobility dissolves the organized labor system and forces labor to agree to flexible work regimes and labor contracts. Since its inception, part-time, temporary and sub-contract work arrangements have increased. Even full-time, permanent employees have been sought based upon their flexibility and geographical mobility. With its various problematic practices, the system of flexible accumulation might not have been expected to last too long. However, it has in fact lasted very well, because, despite the tough working conditions, workers have found multiple benefits in the system, so there has been little dissatisfaction, although most people have continued to believe that the existence of secure jobs with good benefits is better. Thus, the system of flexible accumulation has represented the practice of re-regulating labor, a move which is very strategic.

To sum up, the proponents of free trade, or the neoliberal economists and politicians, claim that trade liberalization is not only the best way to achieve strong economic growth, based on the theory of comparative advantage and the survival of the fittest, but also is consistent with the idea of individual liberty. However, it seems that the implementation of free trade has not always supported such 'liberty' in the production and distribution process, but has actually been accompanied by some contradictions in the concept.

So far, I have reviewed the theory behind trade liberalization: neoliberalism, and have applied a critical analysis to it. For the rest of this section, and with reference to these analyses, I would like to take a critical look at a real life case: the garlic trade in Thailand.

### ***The Thai FTA with China***

Since the beginning of the twenty-first century, the Thai Government has been an ardent supporter of regional and bilateral Free Trade Agreements (FTAs), and has signed agreements with China (in October 2003), India (in September 2004), Australia (in January 2005), New Zealand (in

July 2005), Japan (in November 2007) and the USA, though negotiation of this last agreement was halted due to the political instability in Thailand after September 2006<sup>3</sup>. As an admirer of neo-liberal development in Southeast Asia, Thailand's agreement with China focused on the agricultural sector in the form of the 'Early Harvest Scheme' (EHS), and implemented the removal of tariff barriers for some fruit and vegetables in October 2003, whilst hardly giving any information to its own local farmers.

The reason the Thai Government promoted this FTA, seems to align with the basic theory of neo-liberalism that I have reviewed thus far, that is, they believe in the principles of comparative advantage, survival of the fittest and individual liberty. FTA supporters felt that there were only gains to be made by the expansion of markets through the Agreement, and that if there were sectors that experienced a negative impact by the opening up of the domestic market, they should switch to production of higher value products with government assistance (Faculty of Economics, Chulalongkorn University, and Department of Trade Negotiations n.d., cited in Sajin 2007). Soon after the Government announced their plans for the FTAs with China and Australia, strong criticism was voiced, especially with regard to the potential negative impacts on Thailand's small-scale agricultural farmers. According to the Ministry of Agriculture at that time; however, although it was believed that some agricultural sectors such as dairy products and garlic might suffer a negative impact, it was expected that agricultural trade in general under the FTAs would enjoy a trade surplus; expanding trade through value (Huongnak 2006, cited in Sajin 2007: 4).

In the case of free trade with China under the EHS, it was reported in 2006, that about 70 percent of the trade surplus at that time came from vegetables. However, about 99 percent of the vegetable exports to China were taken up by tapioca (Pisanwanich 2006, cited in Sajin 2007: 6). Thus, even though the trade balance of the Thai FTA with China in the agricultural sector was positive, it did not mean that the

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3 Prior to these bilateral FTAs, ASEAN countries including Thailand had formed the ASEAN Free Trade Area (AFTA) in 1993.

whole agricultural nation gained an equal profit through the FTA, but rather that only those farmers from certain sectors were able to benefit.

In addition to tapioca, another actor or agency which has gained benefits through the FTAs with various countries, has been the Charoen Phokphand (CP) Group, the most powerful agribusiness in Thailand. In addition to increasing their exports of various fruits after the FTA was introduced, CP-Meiji<sup>4</sup> announced an increase in its yogurt and fermented milk production, in an attempt to make Thailand an export hub in Asia (Kingkorn 2006, Krungthep Turakij February 12<sup>th</sup> 2005, cited by Sajin 2007:8). The shrimp and seafood sectors were also led by one of the companies of the CP Group: the CP Foods PCL, and they achieved a 50 percent increase in exports within one year of the FTA's implementation (Witoon 2008: 4). Through the expansion of fruit exports to Australia, New Zealand and China, as well as to a number of other countries, they increased the trade surplus value by 33 percent between 2005 and 2006.

Outside of the agricultural sector, it is often said that the automobile and automobile parts sectors must have gained significant benefits through Thai trade liberalization. If we look at the trade balance with China in particular, many sectors such as shoes, leatherwear and electronic parts, in addition to automobile parts, seem to have lost out in competition with China's cheaper products, and yet, if we adopt a wider view of the Thai FTAs, the automobile and automobile parts sectors have gained much more through free trade with India and Australia; a gain enough to cover the losses in trade with other countries (Sajin 2007: 8).

While the tapioca producers, the shrimp, seafood and automobile industry sectors, as well as the CP Group, have all gained from the FTAs, it is claimed that the garlic and dairy farm sectors have been the biggest losers (Kingkorn 2006, Witoon 2008:4). According to the Office of Agricultural Economics, before market liberalization with China, large dried garlic cost 25.64 baht per kilogram on average, but after the trade liberalization agreement was implemented, the price fell sharply to 18.35 baht per kilogram. It then fell to only fifteen to sixteen baht per kilogram

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4 CP-Meiji (CP-Meiji Co. Ltd.) is a joint venture between CP Group and Meiji Japan and produces milk, fresh milk, yogurt and drinking yogurt products.

in 2005. As for fresh garlic, its price was about 8.54 baht per kilogram before market liberalization, but fell to about 6.25 baht soon after.

This is the overall picture regarding the impact so far of the various Thai FTAs on the Thai domestic economy. In the next section, I will look at how the market liberalization of the garlic industry in Thailand, has actually re-regulated the local produce and labor markets.

**Figure 1.1 Farmers Harvesting Garlic.**



### ***Re-Regulating the Garlic Production Market through Market Liberalization***

Trade liberalization may have prompted the economic development of countries as a whole, but has not guaranteed the survival of small-scale farmers in Third World states (McMichael 2004:169). In particular, small-scale local farmers who have little mobility and who have depended on state subsidies, farm credit and risk insurance have been exposed directly to volatile world prices through the process of liberalization.

Before the 1950s and 1960s in Chai Pra Karn District, independent farmers who traditionally grew vegetables for their own subsistence, or for sale near their own land, did not face regulation under a Keynesian economy. This was because neither state control nor the cash-crop economy had yet reached there in any depth, although under Thai tradition, there existed a different form of power relations and exploitation between landowners and tenants, or between patrons and clients. In the US for example, under the New Deal in the 1930s, the State intervened and regulated the market through price support and commodity programs, in order to manage a steady flow of rural to urban migration, while stabilizing farm income (Bonanno 1998: 229-30). These Fordist practices were not seen as being related to vegetable production in Chai Pra Karn. If there had been any link, it might have led to the regulation of agricultural wage labor or to regulation of the product distribution process. Thus, different from the US or the Thai industrial sector workers, who both worked under the rigidity of Fordism, farmers in Chai Pra Karn enjoyed comparatively flexible working conditions during this period.

After the production of garlic as a cash-crop became popular and increased in scale in Chai Pra Karn District during the 1970s and 1980s; however, the situation changed and this invited the first wave of regulation. Even though farmers worked independently, they were forced to join the national agro-food market mechanism for the exchange of their products.

As part of the seemingly unavoidable move toward trade liberalization, Thailand has stepped forward into a deregulated global market with other ASEAN countries, through the formation of the ASEAN Free Trade Area (AFTA) in 1993, and then with various other countries through the formation of FTAs since the beginning of the century. However, even though the Thai State has launched itself into trade liberalization, the situation for the small-scale farmers, and in particular those who are the focus of this study, the garlic farmers, has not changed. Since the garlic market was already liberalized, what garlic farmers have faced has been not a de-regulated market, but rather a more competitive yet more regulated market than before. This has been the second wave of regulation, or as I call it 're-regulation'.

Since cheaper Chinese garlic has flooded the Thai market, the more expensive and smaller Thai garlic has faced difficulties. Thai garlic farmers often say that Thai garlic is of better quality in terms of its aroma, and thus Chinese garlic cannot be a substitute for Thai. However, the reality does not support this. Garlic importing companies have vigorously imported cheap garlic from China, passing it through quality control and then selling it across various markets, including local fresh markets, modern supermarkets in the cities, as well as processing factories that use garlic as an ingredient for processed food. In comparison to them, Sri Dong Yen farmers usually sell their garlic to the market through

**Figure 1.2**  
**Garlic Hanging in front of a Garlic Farmer's House**



**Figure 1.3**  
**Garlic Cloves in Chai Pra Karn**



small-scale traders in their villages. These traders then sell the garlic to the central markets in Chiang Mai, to food-processing factories, or to bigger warehouses through their own connections. Although these traders know many buyers, it is not easy for them to compete with the larger companies, who deal with large amounts of cheap, Chinese garlic of varying quality<sup>5</sup>. Since becoming a buyer's market, with an over-supply of garlic existing in Thailand since the FTA, the farmers or traders have not had the power to negotiate the crop price. Even though they have carried out quality control so as to be competitive with the Chinese product, and have decorated the garlic in order to add value, the price has not yet reached pre-FTA levels. The garlic market has effectively been controlled and regulated by outside agencies, not by themselves.

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5 And yet, I found from my field research that the companies importing Chinese garlic are not TNCs, but small- to medium-scale companies that have traditionally engaged in such garlic trade between Thailand and China.

While the garlic growers' income has decreased due to the FTA, what has also changed has been the labor process in the field. Since the market liberalization of garlic, the Thai Government has encouraged farmers to change their production from garlic to other crops, and some Sri Dong Yen farmers have changed to growing potatoes. At first glance, the growing of garlic and potatoes may seem similar and of benefit, as long as the farmers have something to grow. In addition, the potato price was at first guaranteed by the Frito-Lay Thailand Company, the company that produces Lay potato chips, through a contract farming agreement. This would therefore seem to be better for the growers overall. However for the local wage laborers, labor opportunities in the field, as well as in post-farm processing, have not been the same.

For example, while twelve people per *rai* is the average number of laborers used in garlic planting, only four people are hired for potato planting. For the harvest, the number of laborers is similar for both forms of farming, if the farmers want to harvest the crops within a day<sup>6</sup>. Yet while some garlic farmers have maintained a traditional custom of exchanging labor and going to work with and for each other as part of the garlic harvest, for the potato harvest, such a labor culture cannot be maintained, because it is not a traditional crop for the Sri Dong Yen farmers. Instead, Burmese migrant laborers are often hired. In addition, since potatoes are sent to the storage depot of the parent company directly from the field of harvest, women have lost the opportunity for piece work as part of the post-harvest processing. In short, for the wage laborers, especially the village women, the ceasing of garlic production has meant a decrease in the availability of labor opportunities, and even a complete loss of work<sup>7</sup>. In order to recover the losses, they have come to engage more in temporary or seasonal jobs, experiencing lower wages. When we compare these changes in the form of labor to those in Harvey's flexible accumulation model, a model I reviewed in the previous section, they can be seen to demonstrate a form of re-regulation.

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6 For potato plantations, the farming contract states that the harvesting should be carried out on the day specified by the company.

7 In other districts, some farmers have changed from garlic production, to mango and orange. This has also caused a loss of work opportunities for local wage laborers, especially the women.

The re-regulation of agricultural labor has taken place, not only in the garlic field itself, but also in the post-harvest process. Referring to cases in Latin America after the early 1980s, and in sub-Saharan Africa during the late 1980s, Lastarria-Cornhiel (2006:7, 8) states that due to the significant pressure on agri-business firms to reduce their costs in light of competition, the employment of women on low-wages and working long hours increased. The same practice of flexible accumulation that has already taken place in the industrial sector in Thailand, has also happened in the agricultural sector; with a similar phenomenon being observed in the garlic villages of Sri Dong Yen.

Most middle-aged female family members from the landless families and small-scale garlic producers also participate in piece-work within the garlic processing sector, whenever they have the time. This kind of work takes place in the post-harvest season and involves drying the newly-harvested garlic, tying the garlic up into a bundle, taking off the outside skin and the roots of the garlic bulb, breaking the bulb into small cloves for sale, sorting the cloves in terms of quality, and also tying the good-looking garlic bulbs up in an aesthetically pleasing way; as decoration for sale<sup>8</sup>. During the preparation period for cultivation, work also takes place to break the garlic bulbs into small cloves, to use as seeds. The piece rate for the above activities is eight or ten *satang*<sup>9</sup> per kilo. This sounds like and is a very small amount of money. However, one female farmer told me that in one day she can make up to 200 baht or more, if she works hard. These occasionally better wages have given laborers the motivation to work hard.

It is possible to compare the piece-work witnessed here, with the labor system used in manufacturing industries during the period of "late capitalism"<sup>10</sup>. Those scholars who critically analyze the labor

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8 I have not included making garlic pickles and so on here. Such processing is carried out in large-scale factories, and is not seen in Sri Dong Yen.

9 1 *baht* comprises 100 *satang*.

10 "Late capitalism" is used, for example, by Fredric Jameson (1991), to describe the post-Fordism practices that occurred in the core countries, as well as offshore production and assembly in the periphery, under the global economic restructuring that took place during the latter half of the twentieth century.

system that has occurred during the late capitalist period highlight its characteristics, which include the use of seasonal and temporary unskilled labor working long hours under poor, unhealthy conditions, as well as the payment of low wages (Elson and Pearson 1981, Harvey 1990: 153, Ong 1991, Wolf 1992, Pearson 1998, Mills 1999). Feminist scholars call the phenomenon of the increasing use of this type of labor, the “feminization of labor” (Ong 1991, Pearson 1998). Developing this concept, I will call this type of labor ‘feminine-type labor’, by which I do not necessarily mean that it is always a female laborer doing the work, as male laborers can also be found in this type of insecure labor position, but that female laborers occupy the majority of positions. Thanks to such a positive, yet exploitative and flexible use of feminine-type labor, the price of agro-food commodities in Thailand has been kept low enough to be competitive with Chinese and other foreign produce. However, this feminine-type labor does in fact have almost the same labor structure as under Fordism, despite the names post-Fordism or flexible accumulation, and thus, as Harvey (1990) argues, actually represents a re-regulation process, not de-regulation.

As a result of the impact of falling prices through market liberalization, a female trader who I interviewed, who owns and manages a small-scale garlic warehouse in Sri Dong Yen, said that she has changed her wage rates for processing slightly, in line with the fluctuation of the garlic price. For the traders, when the wholesale price of garlic is good, it is easy to both buy and sell it. In contrast, when the price is low, they have to buy garlic at a lower price from the farmers, pay a lower wage for processing in order to decrease their costs, and yet face difficulties when trying to sell, because the price is low everywhere. The woman I interviewed said that in her small warehouse she hires Burmese laborers, not local Thai labor, because as she explained to me, the Burmese work harder and for a longer period of time in comparison with the Thais. She said, “I do not mean I pay less money for Burmese workers; I pay the same wage for Thai and Burmese workers. But if I pay the same amount, the Burmese are willing to work harder and for longer hours than the Thais, thus I hire them.” Putting ourselves in the Thai farmers’ place, the drop in the garlic price is then directly reflected through the level of daily wages paid, wages that sometimes deprive Thai farmers of labor opportunities and in the end, worsens their

livelihood. Thus for them, involvement in flexible accumulation does not mean enjoying greater individual liberties, but rather having to endure discipline and struggle, in competition with cheaper foreign labor.

As a further form of re-regulation brought about by market liberalization, the issue of direct intervention by the central Thai Government into the local garlic production process should also be mentioned. There have been several types of Government intervention in relation to the market liberalization of garlic. First, when garlic farmers protested strongly against the FTA in the face of a steep price drop in the domestic market after its implementation in 2004, the Thai Government responded by setting up a support program for the garlic growers, those who had given up growing garlic and converted their products to other fruits and vegetables, paying 1500 baht per *rai* in compensation. Later, in 2005, the amount of money was raised to 12,000 per *rai*, due to significant dissatisfaction among farmers with regard to the small size of the compensation package.

This monetary compensation; however, was provided with conditions attached. First, the compensation fee was not given for the drop in the garlic price, but for the cessation in growing garlic. This implied that the Central Government had predicted the difficulties of the Thai local garlic farmers beforehand and therefore had planned a reduction in the garlic planted acreage prior to the implementation of the FTA with China. Since this was a project of planned acreage reduction, the farmers who were provided with this compensation were prohibited from growing garlic on the relevant land plots again. In addition, not only garlic but also five other crops: shallots, onions, tangerine oranges, longan and litchi, were prohibited from being grown.

As a second strand of support for the garlic farmers, the Government also announced a guaranteed garlic price of eighteen baht in 2005 and then twelve baht the following year, as a response to strong demands from the garlic farmers. However, the conditions that came with this price promise were also the same as before; a requirement to cancel the production of garlic and five other items. Although these policies might appear to have been implemented out of good intentions; to decrease market competition among farmers, they were actually at odds with the idea of individual liberty and represented an increase rather

than a decrease in central control and regulation under neoliberal ideas.

The new crops and new farming methods which the Thai Government recommended to the ex-garlic farmers were non-traditional ones, such as potatoes, sweet corn, sweet peppers and rubber; all managed through contract farming schemes. In 2006, as part of another support program, the Ministry of Agriculture offered loans to garlic farmers at seven percent annual interest for five years, in order to help them begin contract farming within the private sector (Sajin 2007:7). However, one problem with contract farming in general, is that the production system is always strictly regulated, from quality control and the way chemicals are used, to the timing of cultivation and harvest activities.

Marsden (1997) has studied regulation in the globalized food networks and says that the private firms supported by the state, come to enforce strict quality controls on smaller family producers. They control not only the way the farmers are required to harvest, handle and pack the fruit, but also the timing of the process, so that the fruits mature upon arrival at the importing countries' markets. This is a so-called 'just-in-time' system. While the actors and agencies that define and implement these quality conditions begin to accumulate power in the food network, and the national government also increases the pressure on the quality control of export products, small-scale farmers are marginalized within the external commodity market.

Although potatoes have not been grown for export in the same way as in Marsden's case, the ex-garlic farmers in Sri Dong Yen who have begun to grow potatoes through contract farming, often complain how hard it is to deal with the rules imposed by the parent company, such as setting the date of the harvest, as well as the large crop losses experienced at the harvesting stage due to strict quality controls. The farmers are able to be flexible in their production activities to some extent, whether they have made a contract with the company or not, but they have lost their negotiation power over the selling price of the crop, and so have been pushed into a subordinate status; controlled and regulated.

In this section, I considered the argument that the neoliberal idea of market liberalization, an idea that theoretically promotes

individual liberty in trade, is in fact nothing more than a process used by the state and the market to increase their control over and to regulate local farmers. In order to compete with cheap products produced by the large corporations or with those from abroad, small-scale farmers in Thailand have to be rigid and discipline themselves in line with contractual requirements and, even though they have had to change their production processes, since they are not allowed to be mobile or flexible in their work practices, they are vulnerable to the actions of large-scale agro-food corporations. Furthermore, if the small-scale farmers have to discipline themselves within this system, so do the agricultural laborers. In the last section, I will look at how these local garlic farmers and laborers have responded to the new regulations, and in diverse ways.

### ***New Regulation as Contested Space***

When we consider the impact of market structures on local farmers in the era of globalization and neo-liberalism, it is important to identify the related actors in the market, and to reveal the power relations and politics that exist among them, departing from structuralist perspectives. The actors related to the garlic commodity chain in this case study are: the Thai State, the markets, wholesalers, retailers, traders, local officials, agricultural cooperatives, small shop sellers, consumers, NGOs, local farmers and wage laborers. Among these actors, at the macro level, while the Government claims economic efficiency within neoliberal theories, groups opposed to market liberalization, such as local farmers and NGOs, offer counter-arguments, not only on an economic basis, but also on political and cultural grounds, such as food security and biodiversity (Bilateral org., BioThai, FTA Watch, Focus on the Global South, Research Center of Apply Economy, Faculty of Economics, Kasetsart University et al. 2008). In addition, when we look at the micro level, the basis upon which garlic consumers decide to buy Thai or Chinese garlic, is not made on price alone, but also upon consideration of various cultural aspects such as taste, customs, tradition, romanticism, nationalism, modernity, class consciousness, manners, health and the environment, although these still cause heated debates within the complex area of food politics. Likewise at the distribution stages, since the trade in

garlic is being conducted amongst people, their social relations also have to be taken into account as another important cultural aspect.

A concrete example of negotiation by local farmers within the liberalization of the market took place in 2005, when small-scale garlic farmers, especially those from Mae Hong Son Province, staged a demonstration to express their dissatisfaction with the excessively low wholesale price of garlic. I have already mentioned the several kinds of support programs offered by the Government; however, these were only offered as a result of the demonstrations by the farmers, and with the help of NGOs, academics and the media.

Another example of this type of negotiation is a series of actions and movements set in motion by an alliance of Garlic Cooperatives in Chai Pra Karn District, Fang district and Mae Ai District (in Chiang Mai Province). Experiencing a steep drop in the price of garlic, these cooperatives joined forces in 2007 and petitioned the Chiang Mai Provincial Department of Commerce to take firm action to help them, such as stopping the import of Chinese garlic until at least three months after the start of the Thai garlic harvest season. In response to these actions, the Department of Commerce set up the Committee for Solving the Garlic Problem reducing the farmers' anger somewhat (at the time of writing the Committee has still not taken any clear action). The Alliance of Cooperatives has also negotiated with officials, or sometimes terrified them into accepting their demands, by saying that they will hold demonstrations in front of Chiang Mai City Hall if their demands are not met, but in general, these methods have not worked much to the advantage of the farmers. They have also been pleased to hear that the Government has said it will buy their garlic at a certain acceptable price, and at certain times during the garlic harvesting season; however, up to now, nothing has happened. Although negotiation by cooperatives like this, or by individual farmers, has not yet borne fruit, it seems reasonable to state that small-scale local farmers have not accepted the oppressive structure of market liberalization in a passive way, but have actively appealed to the Government in order to try and change the situation.

It is interesting to follow not only the local farmers' clear opposition, such as at demonstrations, but also the hidden expressions of discontent that occur in their everyday practices. I have already looked

at how the Thai Government has exercised its influence on small-scale farmers by setting up several kinds of 'support' program for them, including a monetary compensation program, a product price guarantee and the promotion of contract farming. In terms of the local farmer's response to these programs, I found the following as part of my field research.

First, some farmers have followed the Government's recommendation of cancelling garlic production and receiving the monetary compensation of 12,000 baht per *rai*. Among the farmers who have stopped growing garlic, there are those who have experienced benefits; making more money from the new crops, and also there are those who have suffered a worse outcome, due to the failure of the new crops or a decrease in the income generated from them.

Second, and in contrast to the first group, there are some farmers who have not joined the Government scheme at all, but have tried to survive by themselves under significant levels of market competition. Among them are those who have continued to grow garlic and those who have stopped growing garlic. With regard to the latter group, I was told that one reason they have not registered with the Government scheme for monetary compensation, despite the fact they have halted their garlic cultivation, is that they do not want to restrict their work practices by promising to take on the additional terms and conditions set by the Government, conditions which prohibit the growing of six kinds of crop: garlic, shallots, onions, longan, litchi and tangerine oranges, as I highlighted earlier. Among the farmers I interviewed, some farmers have begun to grow shallots instead of garlic, and some farmers have begun to grow oranges. In addition, the 12,000 baht compensation was paid only once by the Government and they feel it is not enough, as the deficit they experience through their garlic production, exceeds the drop in the price of garlic. In addition, they have had to invest money to change to the new crops, so are dissatisfied with the Government's compensation regime; refusing to take it up.

As for those who have continued growing garlic, despite both the Government's warning and the actual price drop, I found two related reasons for this behavior. First, the farmers have continued to grow garlic because they simply do not know what to grow in its place. Second,

they believe that there will be a day when the price of garlic on the market will regain its losses, and that they will then be able to make a profit, even though the situation is currently not good. In relation to the first answer, those who have continued to grow garlic seem to be mostly those farmers who have their own land; they have grown garlic for many years and know from their long experience that garlic is the best crop to grow in terms of resource conditions in the fields around Chai Pra Karn District. They believe that other crops are not as suitable as garlic in that location. The land plots where farmers have halted the growing of garlic are mostly those that are rented. For those who have rented land, it is not difficult to stop growing garlic. The second reason; the idea that the price of garlic will rebound, comes partly from a lack of knowledge regarding the FTA, under which it is impossible to close the market once it has been liberated, and partly comes from the knowledge that the market can be unpredictable and so the balance of supply and demand might change again.

I have covered two kinds of farmers so far: those who have followed the Government's scheme and those who have not. However, there are also many farmers who have taken up an ambiguous position in relation to the Government's scheme, and whose existence makes the practice complex, that is to say, there are farmers who pretend to follow the scheme and receive monetary compensation, and yet continue to grow garlic in practice. Some farmers who have stopped growing garlic in over half of their entire garlic field (such as two *rai*), have continued to grow garlic over the other half, yet still receive compensation for the whole field; in fact, I witnessed this pattern most during my time in the field. Some farmers who stopped planting garlic for the first one or two years, received their money then have returned to growing garlic again. The reason they have acted in this way is not necessarily because they want to cheat the Government out of money, but because the market price of garlic, having fallen initially, has risen again since. Since the farmers' actions are so ambiguous and complex, it is impossible for outsiders, including officials of the Agriculture Department, to know exactly in what areas the farmers grow garlic. Although official annual reports are produced which outline the planted acreage of garlic over the whole of Thailand, they always report an approximate number. Farmers I met change their planted acreage every

year based upon the market price of the crop in the previous year, and do not necessarily report this to Government officers. As I mentioned above, the land rented out for garlic planting can easily be changed in time for the next planting season. However, since it is not only the landless farmers, but also small-scale farmers who rent land for cultivation, quite a number of land plots are rented in Sri Dong Yen sub-district and the cultivated acreage keeps changing every year.

In addition to the practice of some people continuing with their garlic plantations whilst others give up, other symptoms of the monopolization of garlic production can be found. Based on a case study of the US Agricultural Adjustment Act (AAA), or the state intervention introduced in the US in the 1930s to control agro-food policy under the formation of Fordism, Bonanno (1998: 230) reports that while large-scale producers overwhelmingly benefited from state intervention, medium- and small-scale farmers were divided into two groups: those who remained in the farm sector and worked actively, and those who left the sector. Among those who remained, he continues, some farmers expanded their farms thanks to relatively low interest rates and also inflation. This meant that, under Fordism, the agricultural sector became increasingly polarized. On the one hand some farmers were “included” and on the other hand the overall number of agricultural workers and farms declined.

With respect to garlic production in Sri Dong Yen sub-district, there is still the possibility that a similar phenomenon will occur in the future. As I have mentioned already, when the income from garlic production becomes unstable due to high levels of market competition, those who give up garlic production are often tenant farmers who used to grow garlic on a few rai of rented land. On the other hand, those who are used to growing garlic on their own land, tend to grow garlic anyway, whether the price of garlic is better or worse, because otherwise they will have to leave the field idle. Once they come across a year in which the price of garlic is unexpectedly high, like in 2006, some farmers expand their garlic plantations by renting plots of land from others, and then increase the potential of their cultivatable plots by hiring wage laborers. Although it is not certain how much this phenomenon occurs, it is safe to say that over recent years, there has been a tendency towards

the monopolization of garlic plantations, in contrast with traditional garlic production patterns.

So far, I have looked at various local responses to the Government scheme, mainly in the production sphere, but it is also possible and important to look at other actors' responses to increasing labor control, and here I would like to refer to the concept of the 'female agency'. The feminist anthropologist is interested in the concept of a 'feminist agency' or 'female agency', an agency which struggles to overcome patriarchal relationships (Wolf 1992: 23, Ong 1999: 3, Ramamurthy 2000). Women are neither passive nor static, but for Wolf, to characterize most of the action and inaction of women in the Third World as resistance is also to over-compensate. Rejecting the view of women as completely passive, or of showing hyper-resistance in a dichotomous way, the concept of 'female agency' tries to "view women's actions and motivations as complex, varied, and nuanced, depending on the situation...its constraints and [the] actors involved." (Wolf 1992: 24).

Although in the previous section I showed the increasingly difficult situation faced by female wage laborers in the garlic processing sector, within the concepts of the feminization of labor and the female agency we can also find a very positive attitude in the village women. I have already mentioned that despite the small wage of around 100 baht per day, the occasionally higher wage gives women the motivation to work more and to work harder. Furthermore, as to the reason why garlic processing has become an exclusively female sphere, a female trader who owns a small-scale warehouse told me "Men cannot do this detailed and sensitive job. These works are for women." Another female farmer who had previously been hired at a different and smaller warehouse also told me about her experience working in post-harvest processing. "There was one man in our group, but that man was so slow. Oh, we became irritated, because the money was paid for the total amount of work by a group, not for the individuals on that day. So I don't want to make a group with men next time." From these words, and from the everyday practice of the female farmers, we can understand that female farmers in the garlic village are proud of, or at least very positive rather than passive, about making money through their piece work in the post-harvest processing sector.

At the start of this section I mentioned wholesalers and retailers as actors related to garlic production, but now I would like to introduce one of their more interesting actions; contestation through quality control. Thai people often say that Thai garlic is smaller than Chinese garlic, and that the taste is better in an aromatic sense. Therefore, in the Chiang Mai retail market for example, two kinds of garlic are sold: a more expensive but small Thai garlic and a cheaper, bigger Chinese garlic. This is most people's general understanding. However, when I visited a wholesale market in Chiang Mai, I found various kinds of garlic being sold at both the wholesaler and retailer outlets. At these stores, garlic is called by a variety of names, such as Thai, Inter, Khumer, Burma and Hanoi. I asked one trader, "How are Thai garlic and Chinese garlic different?" He smiled and said "This is Thai, and this is Khumer. If I mix them in this way", and he then did it, "can you tell the difference?" The garlic called Khumer looks very similar to Thai garlic, even though the Khumer version is cheaper than the Thai in terms of price. So, how can we say there is no wholesaler or retailer who actually mixes the Khumer garlic with the Thai, then sells it as Thai garlic but at a higher price? It seems almost impossible to control this behavior, except to appeal to morals, but if it does happen, then the quality control which I witnessed in the warehouse in the field of Sri Dong Yen loses its meaning.

To sum up, what I have shown here is that despite increased regulation by the market and the State through market liberalization, small-scale local garlic farmers and agricultural laborers, as well as other related actors who tend to be seen as vulnerable within a large social structure, in fact constantly contest the control exercised from above through their daily practices. Even if such contestation has not necessarily been influential in terms of changing the social structure itself, it indicates that a much larger structure is embedded into local practices, and in such a way so as not to cause too much trouble to the farmers' livelihoods. The local actors' actions are complex and diverse, and also weaken the seemingly strict regulation over them.

## *Conclusion*

Taking the case of the market liberalization of the garlic industry in Thailand, and based upon the field study of garlic farmers in Sri Dong Yen sub-district, this paper has attempted to show that, contrary to the general understanding held under neoliberal theory that the implementation of free trade is a deregulating process, market liberalization in Thailand through the FTA has not actually brought 'freedom' for many of the concerned local actors, but rather has promoted further control and regulation by the State and the market. What it has done is promote uneven development between the trans-national, large-scale corporations and both larger-scale farmers and the powerless small-scale farmers, not to mention the feminine-type wage laborers, who are an example of the 'feminization of labor' described earlier in this paper. Thus, even though the Government said that trade liberalization would be introduced for the benefit of the nation as a whole, based on economic welfare, it has not necessarily been what the locals have wanted. As long as there are relations between actors with different levels of power, then however good the framework is in theory, it is impossible to attain benefits for all, with a danger that the process of de-regulation actually introduces re-regulation. Under this scenario, as small-scale farmers have not been able to gain real benefits from the de-regulated market, they have sought Government support. However, this does not mean that the local farmers have no wisdom, or are lazy. As shown in the last section of this paper, they might have a good knowledge of agriculture, be active in their everyday practices and work hard, yet their livelihoods have not improved as a result of the new and uneven market structure. The neoliberal theory of competition, with a de-regulated market, may work if competitors have equal status, but in the realities of today's societies, since the power of the actors is not equal from the beginning, then in order to let the theory of the free market become a positive reality, proper government support for the weaker actors will sometimes be necessary.

If we consider globalization and neo-liberalism only from a structural perspective, we may end up with a view that farmers are just passive and are victims. However, once we look at the local people's actions from an anthropological perspective, it is possible to see that local people are also constantly negotiating with and contesting the large structural flows

that filter down from the top. Thanks to such local actors' unexpected actions during their everyday lives, then however oppressive and destructive to the locals neo-liberalism becomes, it does not necessarily cause expected outcomes in a straightforward manner, but rather, becomes embedded within local practice (Harvey 2007).

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