

CHAPTER 7

CONCLUSION

As a part of the seemingly unavoidable trend of trade liberalization, Thailand 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 FTAs at the beginning of the 21st century, including vegetable trade with China in 2003. When the Thai State 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 have changed.

When I view garlic production in Dong Pa Sak Village, trade liberalization of garlic that was launched without any information in advance, is regarded to have provided a certain shock to the village. Garlic farmers had gradually improved their agricultural technology with both insiders' and outsiders' effort for three decades, increasing yields marginally. It took a few generations to reach the current stage. Since efforts of improving production efficiency could not solve the problem of price fluctuation of the product, some farmers had reduced size of garlic planted acreage in the end of 1990s with a support of the government, although the scale of reduction was small, limited in Chiang Mai Province. Through constant efforts, the farmers had seen the possibility of certain stabilization in the garlic industry in Thailand before the beginning of 2000s. It was such timing when trade liberalization had launched and changed domestic market structure of the garlic commodity in a top down manner.

In order to understand contemporary agrarian transition in Northern Thailand with newly launched trade liberalization as a driving force, this research first asked the reason of the trade liberalization of garlic in Thailand in addition to its impact on the local agricultural villages; second, it examined the reason why small-scale Thai garlic farmers persisted in garlic production in the face of lower priced Chinese garlic

as well as of the government recommendation of its reduction; third, it also explored how the garlic farmers coped with such structural change.

In this chapter, I show the main findings of this research, theoretical discussion, and policy recommendation.

7.1 Research Findings

In this section, first, I focus on trade liberalization of Thailand, and clarify how it was promoted in practice. Second, I pay attention to the local level of garlic farmers, and show their coping strategies to survive through the hardest period as garlic farmers. Third, after explaining the complex situation of wage labor structure and its process with the concept of feminization of agricultural labor, I suggest their exploited, and yet active character as important supporters of garlic persistence. Lastly, bringing our focus to the linkage between the macro to the micro, I consider how Dong Pa Sak farmers persisted in garlic production despite forced structural change in domestic garlic market.

7.1.1 Trade Liberalization as State Mechanism: From Deregulation to Re-regulation

Trade liberalization is one process of neoliberal globalization, under which reduction of the role of the state in social and economic affairs is promoted with respect for individual freedoms, turning around from Keynesian interventionism before 1970s. It aims for free flow of goods and services from one nation to another through tariff reduction, removal of non-tariff barrier and so on. Based on the theory of comparative advantage and survival of the fittest, it is believed to bring economic prosperity to the country as a whole.

However, what was found through the study of trade liberalization of garlic in Thailand is that trade liberalization was not market driven at all, but rather promoted under the government's strong initiatives for the sake of state welfare, and increased

the government involvement to the distribution and production sites after all. On this point, free market is an act of “freeing market” as McMichael (2004: 152) points out. In other words, trade liberalization can be regarded as a state mechanism, with economy being “embedded” in politics (Polanyi, 1957).

The government intervened in the domestic garlic industries through promotion of several new forms of regulations: reduction of garlic production; prohibition to return garlic production; prohibition of production of other five kinds of crops; registration of garlic field size; and introduction of potato contract.

Partly as a consequence of the critique from academics and NGOs that trade liberalization would devastate Thai garlic industry, the government also expected a negative impact of it on Thai small-scale garlic farmers. Thus, on the one hand, the government categorized garlic as a sensitive product under the FTAs and set up quota as a non-tariff barrier there. It means that tax is imposed if import of garlic exceeded the volume set up as a quota. On the other hand, since the amount of import of garlic jumped up from almost zero before trade liberalization to the amount that corresponds to one-third of Thai garlic production despite the non-tariff trade barrier, as a domestic agricultural policy, it promoted reduction of the garlic production level, targeting as much as 40 percent of the reduction in planted land size.

When it comes to the increase of garlic import volume after trade liberalization, traders are usually expected to act in a way to maximize their profit. However, in this work, it was found that they imported Chinese garlic despite 57 percent of tariff barrier for the garlic outside of the quota. The tariff rate outside of the quota was same as before implementation of FTAs, and the reason that the import of garlic had considerably increased despite the same tax rate should be outside of the economic account. In addition, it was also expected that some traders were still associated with smuggling of garlic, whose amount was not in the official record. So far, there is no clear explanation by experts why foreign garlic is imported so much despite import barrier. On the contrary, in terms of economics, they have to conclude that the increase of Chinese garlic import is unrelated to the FTAs. However, as I looked at several related statistics in Chapter 2, the sudden increase of garlic import

after 2002 is related to trade liberalization even though it is out of quota of the FTAs at least indirectly, in the manner to give impetus for traders to import foreign garlic into Thailand.

Since huge amounts of Chinese garlic had flown into Thailand through trade liberalization, the market in Thailand was flooded with garlic, and the price dropped steeply. Thai garlic farmers sought the support of the government, and the government had to intervene in garlic industry in the way to reduce garlic planted acreage by giving compensation fee to farmers. As a result the Thai garlic market had stabilized for a several years. However, it again faced a problem of market saturation in 2008 due to both increase of domestic production and of import. Since garlic farmers in Chiang Mai petitioned the government for the support, the government again subsidized 300 million baht in total to the garlic farmers of the whole country, although it only tentatively relieved the farmers' debt in relation with garlic production. After trade liberalization, the mediation of the government in Thai garlic industry has rather increased than decreased. In this way, state- and market-led trade liberalization had intervened local agricultural process.

Another regulation that was brought along with the program of garlic production reduction is to prohibit cultivation of certain crops and to register size of cultivated garlic field every year. As a condition to receive compensation for the cancelation of garlic production from the government, the government prohibited the farmers from growing six kinds of crops and fruits including garlic in the region. The government set up such a rule because the six crops selected often faced a problem of price drops and dead stock just like garlic as a result of oversupply. Yet, for the farmers, restriction of producible crops meant a loss of individual freedom, contrary to neoliberal trend and they did not prefer such conditions. Therefore, when the government launched a support program to provide some amount of compensation for farmers who cancelled garlic cultivation, while some farmers joined the program, other farmers did not.

With respect to field size registration, the farmers obediently go to register the size of their garlic production. It is partly because they think that the government may

provide its support to garlic farmers based on this field size record in case of any crisis or disaster in garlic industry in the future. However, to collect data of crop field size in detail like this by the government had never been conducted before in Si Dong Yen region. It can be a starting point of centralization of control of garlic industry in Thailand, and is a good example of increasing regulation on the occasion of trade liberalization.

Lastly, potato production under contract was often recommended instead of garlic cultivation. However, contract farming is the system to bring “standardized technologies” of the world market to the local farming, and for that reason it increases the “private and state control over production” (Watts, 1994b: 70). In other words, it caused a shift in agricultural labor process of garlic village from free farm operator to un-free employee under contract. Without knowing the theory behind, farmers learned the increase of regulation and control and loss of freedom or self-decision making power through their own involvement of contract farming. Many of garlic farmers did not prefer form of contract despite guaranteed price system. Thus, farmers who experienced two kinds of labor form, free entrepreneurs and un-free employers under contract, went back and forth between them after trade liberalization.

In summary, contrary to neoliberal theory that trade liberalization is deregulation process, its practice in local was ‘re-regulation’ process as Harvey (1990) suggests, causing a shift in agricultural labor process from agricultural entrepreneur to agricultural employers. Therefore, the process of trade liberalization is not a decrease of state role but its increase, enough to be regarded as state mechanism.

7.1.2 Garlic Farmers’ Multiple Coping Strategies

Along with the sudden increase of cheaper garlic imports from foreign countries, the garlic price of domestic market dropped steeply, and garlic became unattractive commodity for farmers in terms of monetary profit. Despite it, many farmers persisted in garlic production in Si Dong Yen region because of its freedom in farm management as is argued in the former section. I found several farmers’ coping

strategies behind their persistence. These strategies included: diversification of crops, diversification of work into off-farm, cost reduction, rotation of capital, and enlargement of farm land.

First, insecurity of garlic farmers' livelihood had increased through trade liberalization, and the main strategy for farmers to cope with the insecurity was to increase sources of income as is recognized many other places already (Goodman and Redclift, 1982; Kearney, 1996; Eder, 1999; Riggs, 2001, 2005; Yos, 2008). In agriculture, Dong Pa Sak farmers have diversified kinds of crops and way of farming so as to supplement the risk of failure. In addition to garlic that holds a high-risk, high-return nature, they grows potato, sweet corn, peanuts and so on under contract, and some green vegetables and fruit trees that can be regarded as middle-risk, middle-return, or low-risk, low-return crops, depending on kinds of crops and farmer's skill. Since only agricultural income is neither enough nor secure, some farmers have also engaged in off-farm works including selling small goods, working as drivers, seasonal construction labor etc. I call these farmers who associate themselves with both on-farm and off-farm work, flexible farmers following to flexible peasant (Yos, 2008).

Not only male members of a family, but also many female family members, who worked only at family farm or as exchange labor in the past, and had begun to join wage labor after 1980s (Anan, 2000), also engaged in both on-farm and off-farm works, and in both paid and unpaid work. Women were sometimes easy to find works, such as selling of foods or small goods in addition to agricultural wage labor, spending very busy time every day. For these flexible ways of working of both men and women, people may think that total working time of farmers should be same after all. But, in fact, the diversification of crops and works makes farmers' works busier and harder than the past livelihoods of farm family.

Although diversification of work in on and off-farm brought better livelihoods to garlic farmers to some extent, it does not mean that they are satisfied with that, but they are constantly struggling for more stable lives especially in the face of a more fragmented livelihood than ever with fluctuation of garlic prices in the era of trade

liberalization.

A second strategy to cope with increased insecurity in garlic production is to reduce investment cost. Reducing the cost of agricultural fertilizers and chemicals or the cost for seeds is easy to conceive but difficult to put into practice. Thus, what many farmers did is not to return money for the goods that they bought on credit. Since garlic production requires intensive labor, its labor cost is also high. In addition to the effort to reduce the wage even slightly, a method that became popular in the face of garlic crisis was to join an exchange labor circle. There are a couple of ways of decreasing the investment cost, yet since the small-scale garlic farmers usually invest as few funds as possible, it is not easy to see the benefit from this strategy.

In relation to the diversification of crops, rotation of capital is raised as the third strategy for the farmers as a measure to the unstable industry. The problem of debt has been one of the crucial issues among Thai small-scale farmers in Thailand for more than 10 years. It is not an exception for garlic farmers, but is rather a main reason for farmers to withdraw from garlic production. At the same time, however, the garlic farmers who manage to find the funds to invest in by using his/her money and without taking out a loan from banks. They have a certain amount of capital, but are not necessarily enough money to be categorized as rich. They have rather just realized how to manage their money by rotating it among several crops, after learning from the past hard experience of using the most earned money to pay off the debt. To use his/her own money to invest is accounted as an effective strategy in particular for garlic production that requires high investment and that is therefore accompanied by high risk.

Lastly, expansion of cultivable field is observed as the fourth strategy for former landless, or small-scale garlic farmers. Since it is true that the more they cultivate the land, the more they can make a profit through diversification of crops including larger-scale garlic production, it is good strategy to enlarge his/her farm land by renting or purchasing it, if the land access is not difficult for farmers. The emergence of landless farmers who newly buy crop fields was introduced in Chapter 4. I recognize this phenomenon as a good strategy for small-scale garlic farmers, at

the same time I should mention that this tendency is causing land control concentration and exclusion of some other farmers. After all, for the farmers, who actively diversified their work into on- and off-farm on rented land like this, the prosperity is possible through farming even landless.

In conclusion, multiple means of coping strategies of small-scale garlic farmers in the unstable market era were found through this research. Although each strategy is raised here separately, they are in fact interrelated with each other in a way to bring synergetic effects. With combination of these strategies, many farmers stay in garlic production contrary to popular belief of their decline, in garlic villages in Si Dong Yen region.

7.1.3 Complex Form of Feminization of Agriculture

While some small-scale garlic farmers have survived trade liberalization so far in Si Dong Yen region, there were also people who received more negative impact of it than others in the region, whose phenomenon is expressed by feminization of agricultural labor.

Feminization of agricultural labor has two dimensions: Physical increase of female labor, and symbolic feminization of garlic wage labor in terms of worsening labor conditions. For the first, physical increase of number of women in the field, although its tendency has been found many places of Northern Thailand today, yet some specific process of Dong Pa Sak Village in relation with trade liberalization was also found in the research. First, due to unique characteristics of garlic production of the necessity of intensive female labor in planting, harvesting, and processing, the number of female worker who engage in garlic production had been originally a lot in comparison with other crop production. At the same time, however, since garlic industry brought certain profit for successful farmers, there had been many men who associated themselves in agriculture in Dong Pa Sak Village in comparison with other Northern villages where many men left farming. Thus, as a result of two different reasons, both women and men had been actively engaged in garlic production in Si

Dong Yen region.

After trade liberalization many small-scale farmers reduced garlic production scale, if not abandoned it following the promotion of the garlic reduction program of the government. As was often the case among farm families that stopped cultivation of land of their own, both male and female family members looked for wage labor. While women remained in agricultural fields and worked as wage laborers, men often found better paid, off-farm work such as construction. As a result the ratio of women to men in farming increased. In addition, even among the farm families that continued garlic cultivation, the more insecure the livelihood became, the more female family members came to work as agricultural wage labor for the second source of income. This also raised female ratio in the field.

The second phenomenon of feminization of wage labor in garlic production, I use the word femininity in labor system in a symbolic way, implying the worse working conditions than popular wage work for men in the village. They are worse in terms of low wage, long-hours and lack of job security. When the garlic price had dropped, to decrease the investment cost was also common countermeasure among garlic cultivators, and it was the wage laborers who suffered a loss, especially in the time when the cost for agricultural chemicals raised dramatically. Three payment patterns were recognized in the village: payments based on a time basis (either hourly or daily), payments based on a contract for a certain workload (*mao* in Thai), and piece rates. Basic daily wage rate of Chai Pra Kan District was 120 baht for woman and 140 baht for man in 2005 and after. They were a comparatively cheaper wage rates in comparison with other regions of Northern Thailand, and were left unchanged until 2010 despite increases of daily expenses.

Furthermore, the garlic growers, or hirers of wage labor preferred payment by *mao*, a group contract for fixed amount of work, because it could raise work efficiency while the wage cost could be minimized. For the payment at piece rate was also the wage even reduced at the worst year of 2008. In short, in any payment pattern, working condition stayed same or worsened after trade liberalization. However, due to power relation, wage labor had to accept it without negotiation power, although it was

eased to some extent through social relations.

So far, what women of garlic farm families and wage laborers had suffered more negative effects of trade liberalization than those having more power, was discussed, but those people were not always passive. In fact, they often held positive attitude toward low wage work, which was expressed in this research as active female agency. They worked harder so as to receive wages, earning as much as possible when being hired by the form of piece-rate, and were delighted with the wage despite its small amount, or they were proud of their skill in planting or quickness in processing, in comparison with others. Although their poverty or lack of choice is exploited in the neoliberal era of competitive economy, they are at the same time showing very positive attitudes toward work as well as daily lives.

The more complex situations of wage laborers of Dong Pa Sak Village was recognized along with a phenomenon of global feminization of agricultural labor, which indicates increasing migrant labor. The arrival of increasing migrant labor itself is not a result of trade liberalization. Yet, the increasing employment of migrant labor is related to the recession of garlic industry through trade liberalization. The most possible reason for garlic growers to hire migrant labor should be because it is cheaper than local Thai labor. However, such a case was not recognized much in garlic production; firstly because the wage rates of Thai and migrant labor were same in the village, and secondly because garlic growers preferred skillful local Thai women. On the one hand, if the small-scale garlic growers hired migrant labor, it was because of shortage of local Thai labor. The local Thai, especially, male labor left agricultural fields to work at other types of jobs, looking for better wages. On the other hand, when I look at large-scale garlic producers, farmers tended to hire migrant labor in a contract basis of a certain period with lower wages. Whether employers are small-scale farmers or large-scale ones, since they hire the migrant labor as an alternative labor force to local feminine-type labor, the form of employment is again feminine. In other words, the employment of migrant labor is continuation or increase of femininity in wage labor market in garlic village.

Furthermore, since the large-scale producers shows gradual increase, while the

number of small-scale producers shows tendency of decrease recently, if the phenomenon went on more, employment of migrant labor might increase more, while local labor loses opportunity of work. It causes marginalization of local labor, especially of women. In Si Dong Yen Sub-district, people have an original problem of lack of alternative choice in off-farm work, except for construction, which is mostly male field. Thus, it is difficult for women, especially of 40-years-old and up and of low educational background, to find off-farm work.

Feminist literature from China indicates that the feminization of agriculture occurs in China for women aged between 26 to 45 years old partly because they send their husbands to off-farm work without special skills of their own (Zhang et al. 2006: 23-25). A similar analysis is applicable to local women wage laborers who work in garlic production in the Si Dong Yen region. Therefore, harder situation is expected for local female wage labor despite persistence of garlic production after trade liberalization. Here I can find the complex form of feminization of agricultural labor system in garlic villages.

7.1.4 Shifting Labor Control, Negotiating Change and Persistence of Garlic Production in the Era of Trade Liberalization

I discussed how Thai state increased its regulation and control in the wake of trade liberalization, causing a shift in agricultural labor system from entrepreneur to agricultural employee in the first section. In this section, I would like to show how the farmers persisted in garlic production despite economic and political pressure of its reduction and cancellation.

When the conclusion of Free Trade Agreements with China and launch of Early Harvest Scheme was announced in Thailand in June 2003, many people, both the supporters and the opponents of trade liberalization predicted the disappearance or at least the decrease of garlic cultivation in Thailand. Contrary to such predictions, however, the real practice was the persistence of about two-thirds of garlic production in 2008 in comparison with the one before trade liberalization. Several reasons why

garlic farmers adhered to or finally returned to garlic production were found through the research.

First, what garlic farmers had been already selected, well-trained, and determined through the long years of market competition is raised partly as a result of garlic as a crop of high risk and high return. Trade liberalization and the inflow of cheaper Chinese garlic to the domestic market have changed the relationship between garlic production scale and the price of commodity. Despite reductions of domestic garlic yield, imported garlic filled the market, caused oversupply in it, and kept the price stay low. Yet, Si Dong Yen farmers who had an experience of garlic production for a couple of decades had a spirit to get through it with multiple coping strategies as I looked at in the second section. Although market became more competitive through trade liberalization, the change was regarded as not bringing so much difference from the former restricted trade in terms of local practice.

Next, lack of off-farm work options for the villagers in the region is also another reason of the garlic farmers' persistence. There are only three factories within the sub-district (18 villages), and they do not hire many workers. Under the theory of survival of the fittest in neoliberalism, Thai garlic lost a competition with a Chinese one. However, in terms of the theory of comparative advantage, garlic industry might be the one that should be protected in Si Dong Yen region, lacking alternative income opportunity. This is especially true for the villagers about 40 years old and up, while the younger villagers have more choice in work because of the higher educational background.

Furthermore, for the garlic production that is always accompanied by risk of loss, the introduction of new crops including potatoes through contract as supplementary crops made possible for farmers to continue garlic production. Although the farmers knew that high dependency on risky garlic was not good in terms of the stability of their livelihoods, they did not know how to get out of it. Therefore information of new crops was something that they very much awaited. When they were told that the potato is the best crop for the weather of Si Dong Yen by the government officials and some companies, they seized on the new commodity.

The farmers' action of going back and forth between garlic and potato stems from the shifting process of labor control between free farm operator and un-free farm employee after trade liberalization. Although potato production through contract was introduced as an alternative crop to garlic, many farmers dissatisfied with its production form that brought increasing regulations and loss of freedom in spite of its guaranteed price. Many of them returned to garlic production despite its increased risk and decreased opportunity of high return because they felt that the labor form is also an important factor in their agricultural work in addition to economic profit. In combination with unsuitableness of the soil for potato cultivation and the necessity of high investment for potato despite its less profit than garlic, potato could not become a real substitute for garlic in Si Dong Yen region although it became a crop to grow along with garlic.

Although the trade liberalization and new way of farming brought an opportunity to improve their farming situation for some farmers, it also brought new risks for some ones. When cheaper Chinese or foreign garlic was imported, Thai garlic revealed lack of competitive power on the market at once. When the garlic price came to fluctuate as before while production cost only went up, the garlic farmers' livelihood became insecure once again. Those who could not survive through hard period as a result of increasing debt gave up garlic production. When I consider that non-garlic farmers only occupy 19 percent of the total farmers in Dong Pa Sak Village, while the other 81 percent are garlic farmers (Figure 5.1 in Chapter 5), most farmers who stopped garlic production ceased farming itself after all and became wage laborers, retired, or began to engage in some off-farm work. Since to succeed in off-farm work is not an easy task for middle-aged, ex-farmers either, the hard livelihood is predicted for the farmers who gave up farming.

Lastly, among the farmers who persisted in garlic farming and struggled for its better market despite the government recommendation of reduction, their actions of negotiation and contestation against state-led trade liberalization was clearly observed through the research. In the face of the price drop and dead stock of the garlic, garlic farmers organized a couple of demonstrations, sent petitions to, and negotiated with

the government so that they could continue the garlic production. The government responded to it first by promoting reduction of garlic production, and second by distributing some funds to the garlic COOPs for example. Furthermore, as a way of contesting the increase of regulation and control by the government, many farmers returned to garlic production a few years later despite their registration in the government reduction program to prohibit the act, needless to add non-registered farmers. These farmers' action indicates that despite the strong force of change from the outside, local farmers still hold decision making power in their hands based on their own will.

7.2 Theoretical Discussion

The past high levels poverty of the rural village stemmed from remoteness or lack of access to resources. In recent years, however, it has been seen to be created by the development process or by market integration (Rigg, 2005: 190; Hirsh, 1990). Under this perspective, critical scholars and practitioners also recognize trade liberalization as a new source of poverty. Although trade liberalization brought negative impacts including price drop or market saturation as was demonstrated in this work, it is too hasty to make a decision that trade liberalization is a source of local poverty because the real local practice is neither simple or passive but more active, diverse and complex. Therefore, in view of trade liberalization as a new driving force of agrarian change, it is important to draw attention to the local process confronted with structural change.

Before I go to the main subject, I would like to mention two characteristics of the garlic villages that are considered as important issues in the agrarian study. First, it has already been a long time since the importance of off-farm work in the rural Third World has been pointed out in agrarian literature (Goodman and Redclift, 1981; Kearney, 1997; Eder, 1999; Riggs, 2001, 2005; Yos, 2008). However, I would like to confirm that income from farming is still main income for garlic farmers in Dong Pa Sak Village. The category of farmers whose main income is from farming, occupies

41 percent of the village population including seven percent of non-garlic farmers (Table 3.4 in Chapter 3). In the meantime, the wage labor – mostly for agriculture in the case of Dong Pa Sak village – occupies 28 percent. Furthermore, from the data in Table 3.3, only one quarter of the farm families have associated with off-farm work. Therefore, the dependency of the small-scale garlic farmers on the off-farm work is not high in the Dong Pa Sak village.

Second, in the literature on agrarian transition, Rigg (2001, 2005) points out the de-linkage between landholding and improving livelihoods. This work also supports his argument, although the background of the assertion is different. Basic argument of Rigg is that landholding has lost its importance because today's farmer has other income sources from off-farm work. In this research, however, many landless farmers are found successfully persisting through production of garlic and other crops on considerably large size of rented land such as 10 *rai* or 20 *rai*. A main reason that makes this phenomenon possible is in today's easy accessibility to land in comparison with the past as a result of decrease of farm population in the village in addition to the existence of unutilized land by the remote capitalists.

The *Taking Southeast Asia to Market* (Nevins and Peluso 2008) is interested in various commoditization processes in Southeast Asia through neoliberalism and globalization. Among them, Li (2008) shows that the original villagers in a National Park, who tend to be seen as people with a nature friendly way of livelihood, are in fact interested in market-oriented production of cacao. With a case that a woman cleared land and tried to plant cash crops, she argues that it is not a claim for customary land, but for “an entitlement to land as a basis for livelihood in the context of a market economy” (Li 2008: 127).

In the same manner, Si Dong Yen farmers seem to make an effort to survive actively choosing some cash crops as their commodity. When they were introduced the potato by the government officials and some companies, many of them began to produce it as a new commodity as I showed in the former section. To put it another way, contrary to the wide prediction, trade liberalization was regarded as an opportunity to enlarge their farm activity for some farmers rather than as a risk.

Opposing the critical scholars' view that Thai garlic farmers would disappear as a result of trade liberalization, Walker (2009, 2007a, 2007b) argues that farmers in his research village were willing to cancel garlic production and to shift to farming of peas through contract, being driven by the trade liberalization. The reason farmers got tired of garlic production was because "the more we work the poorer we get" (Walker 2007a). I agree with Walker on the point that trade liberalization became a good opportunity for Thai garlic farmers who constantly struggled for stable livelihood in market structure, to readjust again to extremely competitive market structure as a professional farmer. However, Si Dong Yen garlic farmers are different from farmers in Walker's village in that they did not choose to shift from risky garlic to seemingly stable contract farming in a simple manner either, but they kept garlic production as a crop, while diversifying to contract farming.

Contract farming is the meeting point between industrial sector of the First World and agricultural sector of the Third World (Watts 1994a: 25). Just like the global manufacturing industries rely on multiple outsourcing through industrial subcontracts under the form of flexible accumulation, Third World agricultural producers are integrated into industrial enterprises "through contracting, standardized technologies and outputs for the world market, and non-equity forms of private and state control over production" (Watts 1994b: 70). This new forms of integration in the era of flexible accumulation generated agro-food industries or new agricultures – non-traditional exports, high-value grain/feed substitutes, and the livestock, hog, and poultry industries in the Third World –, and the process of how this is formed is called "agro-food restructuring" in McMichael's (1994) term.

Under the growing competition among manufacturing industry, some capitalist enterprises decentralized vertically, letting small contractors produce manufactured parts and components distributed through the network (Watts 1994b). The enterprise prefers subcontracting forms so as to reduce risk in product markets. These are applicable to agro-food industry as well. Plantation enterprises and estate may "subcontract to capitalist or peasant outgrowers as a risk-reduction mechanism; agribusiness may use specialty subcontracts for high-quality vegetables and fruits in

order to disperse risk and exploit cheap and 'self-regulating' peasant farmers; and 'progressive' peasants may operate their own dense networks of subcontracts, serving as growers and brokers of fresh produce" (Watts 1994b: 254). After all, contract farming is an industrialization of agriculture or a form of flexible accumulation in agro-food industry, and there, "plants and animals are produced on land in relation to complex and changing profit conditions under global capitalism" (Watts 1994a: 33).

In the case of Si Dong Yen, one possible reason for garlic farmers' complex choices and practices – going back and forth between garlic and potato, being entrepreneur and the employee through contract – is because they know from their experience that to survive in a capitalist economy or neoliberal market, in particular, is not so easy. Thus, the majority of garlic farmers in Si Dong Yen region took up diversifying crop production into other untraditional cash crops through contract farming, in addition to garlic.

Although this work focuses on small-scale garlic farmers, the actors' diversity in nature such as total landholding size or numbers of crop to grow was pointed out in Chapter 3. As I looked at multiple strategies of farmers, since actors are diverse, their reactions to trade liberalization including coping strategies are also various. Although farmers who persist in garlic production hold a majority in the villages in Si Dong Yen region, it is also true that some farmers gave up garlic production after trade liberalization. Based on my field survey, the case and analysis of Dong Pa Sak Village are applicable to Chai Pra Kan District, Fang District, and Mae Ai District at largest. Contrary to Si Dong Yen region, Walker (2009) reports a village whose majority transferred from garlic production to contract farming of a certain beans in Chiang Mai Province. "Multiple trajectories" are recognized even among the original small-scale garlic farmers of the same village through the field research, let alone in other region (Hart, 1997).

Lastly, in respect to the relationships between economy, politics and society, Polanyi (1957: 57) argues, "instead of economy being embedded in social relations, social relations are embedded in the economic system." In other words, economy used to be embedded in or guided by political and social relations in the past, but as

capitalist economy spreads, the relationships has reversed, and an “embedded economy” became a “market economy” (Polanyi, 1957), such an argument coincides with neoliberal theory. While appreciating Polanyi’s insight, however, Nevin and Peluso (2008: 15) argue, “commodities continue to be shaped by non-market social relations.” When I look at the practice of garlic farmers who have not necessarily relied on new agricultural management system but still maintained traditional way of management of garlic production including labor process, it also supports Nevin and Peluso.

In conclusion, if I study globalization and neoliberalism only from a structural perspective, I may end up with a view that local farmers are just passive toward and victims of market structural change. However, once I 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 larger structural flows coming down from the outside. As a result of such local actors’ unexpected actions in their everyday lives, then however oppressive and destructive to the locals neoliberalism is, it does not necessarily cause a negative outcome in a straightforward manner, but is rather “embedded” within local practice, and even becomes opportunity (Polanyi, 1957: 57; Nevin and Peluso, 2008: 15).

7.3 Policy Recommendation and Suggestion for Future Study

Since this work studied the impact of trade liberalization on small-scale garlic farmers in Northern Thailand, I would like to state some opinions as policy recommendation on trade liberalization.

After trade liberalization, local garlic farmers took direct action and organized several times of protest against trade liberalization. While to organize protests is often the popular way for lower class to directly demand from the government in Thailand, the Thai government also gets accustomed to cleverly temporize with them. Such negotiations are often observed in Thailand not applying only to the cases of trade liberalization. However, if the government did not tackle with these problems

seriously, it does not solve anything. There should be more good institution to deal with various problems of the nations without their taking up the direct actions.

To pay attention to the small-size stakeholders not only to the large enterprises would be a common recommendation for the implementation of trade liberalization. I would like to suggest strict information disclosure and explanation to the people. In the case of this study, what trade with China would be liberated was not well noticed in advance, but it was done in a top-down manner. Many farmers do not understand what trade liberalization means. They think the steep rise of agricultural chemicals is one of the outcomes of trade liberalization, for instance. Some of them think the import of garlic can be stopped the government despite trade liberalization. The decrease of the garlic import is possible as trade barriers, and in fact garlic has been protected by setting up quota of import in Thailand. Yet, these systems should be well noticed to the local farmers of direct stakeholders so that they can decrease uneasiness and confusion, and that they can think of proper coping strategies.

With regard to garlic imports, it is strange that the import of garlic has increased a lot after trade liberalization despite existence of quota to protect domestic garlic farmers. Since this research focused on the local process of the garlic villages, it has limitation in terms of how the garlic import has increased; the traders imports out of quota, or they are smuggled products. The capture of smuggled garlic was on the news sometimes, but if the garlic smuggling is rampant in Thailand, it should be strictly regulated as farmers demand.

In relation to wage laborers, particularly women, aged from 35 to 55, are expected to face a problem if garlic production has reduced in Si Dong Yen region. Just like the past shutting down of a garment factory in a neighboring town of Bangkok, Thailand, this means a large number of female workers will lose job. But since female agricultural labor is not recognized as worker independently in Thai society, or their processing job is categorized in informal work even if ever recognized, they do not have any compensation. They are not only unrecognized by the government, but also overlooked by researchers and NGOs. This is a different from female workers in formal industrial sector such as clothes factory where female

workers at least had an opportunity to raise a voice and claim a right as workers. Thus, the rights of agricultural wage labor should also be recognized in Thailand.

Lastly, as a suggestion for the future study, Chai Pra Kan District and Fang District in Chiang Mai Province is the very interesting region for the study of agricultural activity including agrarian transition in Northern Thailand. Different from other regions that often transferred from farming villages to the commuter towns of Chiang Mai city or handicraft villages, many villagers in Chai Pra Kan and Fang District still engage in farming. It is partly due to the fertile land, suitability of the climate for farming and the remoteness from the large city. However, the changes of the agrarian village, even slow and belated, are still observed these days. Therefore, the continued observation is sought for understanding of agrarian transition of these regions.