

National Report
On
Agrarian Reform and Rural Development in Thailand

Prepared by

Agricultural Land Reform Office (ALRO)
Ministry of Agriculture and Cooperative (MOAC)
Thailand

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1. Introduction

The follow-up of the agrarian reform and rural development issue is the commitment of the 2006 International Conference on Agrarian Reform and Rural Development (ICARRD). The 19th session of Committee on Agriculture has approved to organize this Conference. In preparation for the Conference, the Food and Agriculture Organization (FAO) member countries were requested to prepare a National Report for the Conference.

The goal of agrarian reform and rural development is to transform rural life and activities in all economic, social, cultural, institutional, environmental and human aspects. This paper describes the state of national policies with regards to agrarian reform and rural development. Moreover, it also presents the results and lessons learned of the government policies and the detail of the current agrarian reform and rural development program. Therefore, the specific objectives of this paper are based on the reporting format and guidance notes as follows:

- i) To promote understanding, learning and constructive dialogue to address agrarian reform, sustainable rural development, and rural poverty issue through the creation of a lasting platform of monitoring and evaluation of best policies and practices and the progress on agrarian reform and rural development; and
- ii) To share experiences, and to foster improved willingness and concrete actions by the international community, government, producer organization, civil society organizations and others to enhance international cooperation and promote more equitable, transparent and accountable access to land and natural resources.

2. Thailand in General

The Kingdom of Thailand lie in Southeast Asia with total area of 513,115 Square Kilometers (sq.km). The country divided into four regions; North, Northeast, Central and South consisting of 76 provinces where Bangkok Metropolitan is the capital.

The approximately population is 65.2 million comprising similar proportion of male and female (about 50:50). The population density is 201 persons per sq. km. Officially, about 8 million or 17.4 percent to total population is living in Bangkok and periphery. The remainders are in urban and rural areas of 75 provinces. However it is outweighed on rural side. An ethnic composition are Thai with 80 percent, Chinese with 10 percent, Malay with 3 percent and others with 9 percent (Mons, Khmers, hill tribes).

Income generation of Thai people by regions and Bangkok and vicinities is illustrated in Figure 2.1. It shows that all regions have different of income level. There are in relation to topography, promotion of economic activities concerning, location suitable for development into economic zone as well as natural resource and area's potential. The top rank of high income generation is obtained by people in the Bangkok and vicinities with total amount of 259,871 Baht or about US\$ 6,496. Because most of economic activities are concentrated in this area. However, income generation of people in the Eastern were the second rank with total amount of 222,982 Baht or about US\$ 5,574, it is because of high land are industrial development as well-know of the "Eastern Sea Board" in this area. While the lowest income generation was in the Northeastern region, people in this area got total amount of 31,351 Baht or about US\$ 784 in 2004.

Based on the Figure 2.1, Income generation can be divided into three levels as high, medium and low. The areas with high-income generation are in Bangkok and vicinities and the Eastern. The factors have influence and acceleration both areas becoming higher income level as much development of industrial zone. However, the Central and the Western regions fall into medium level of income generation due to both areas are between urban and rural area. About one third of working activities of people in the Central and the Western regions still engaged and involve in agricultural practice but other working activities are developed to be semi-economic activities due to flowing of industrial development from city area. In case of low level of income generation of people is in the Northern and Northeastern regions. The aspect of the Northern and Northeastern areas is rural area in Thailand because this area has limitation of natural resource, topography, etc for investment.

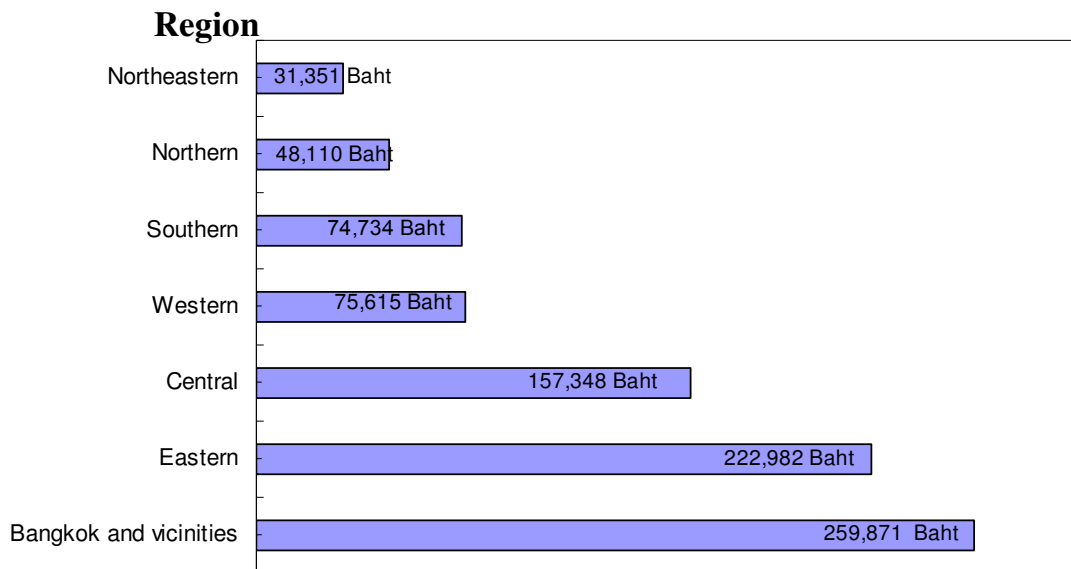


Figure 2.1: Per Capita Income by Region in 2004

Source: National Economic and Social Development Board, 2006

3. The National Economic and Social Development Plans

Thailand has launched the National Economic and Social Development Plans since 1961. The period of each plan cover five years operation. The Ninth Plan have been implementing since 2001 to present (kanchanapisek, 2005).

3.1 Summary of the Past Thai National Economic and Social Development Plans (NESDP) from First to Eighth Plans

The First Plan was implemented in the period of 1961 to 1966. It was recognized broadly that development was based on economic growth only. The plan was formulated with a single objective of accelerating economic growth only. Top-down approach was practiced in formulating the Plan. Moreover, it was focused on investment in infrastructure and social development projects utilizing "Project Analysis" technique. And this plan emphasized to accumulate "Physical Capital Assets".

The Second Plan cover in the period of 1967 to 1971. This Plan aimed to continue accelerating economic growth. However, prosperity decentralization to regions, particularly northeastern region was commenced. Social development was treated as a mean to improve economic rather than as a major objective of development. However, planning of national manpower had been taken seriously. Planning authority was decentralized to ministries. The

“Sectoral Analysis” was recommended as a guide to direct initiation of development project.

The Third Plan implemented during 1972 to 1976. This Plan focused on accelerating economic growth and more to maintaining financial stability. Social development planning as well as controlling population growth rate policy was taken into account for the first time. It was emphasizing only to reduce population growth rate.

The Fourth Plan, its period cover the period of 1977 to 1981. Due to political uncertainty, this Plan focused on general problem analysis, solutions and operational framework designation. Taken into account the result of problem analysis, suggestion were as the formulation of development plan with multi objectives was crucial for Thailand.

The Fifth Plan covered 1982 to 1986. This Plan emphasized on consistent economical growth. Project planning practice was shifted to "Programming", particularly for those plans regarding rural development and the East Coast development. Even though “Top - down approach” was in practice, planning authority was decentralized to regional and areas.

The Sixth Plan, which implemented in 1987 to 1991. This Plan aimed to achieve economical and social objectives simultaneously. Programming practice was applied to at least 10 operational plans. Bottom-up approach was increasingly valued as well as administrative system improvement and reviewing of government role on national administration.

The Seventh Plan, period was in 1992 to 1996. Sustainable development was highly recognized in this plan. Three development objectives were determined focusing on creation of equality of economic growth, income distribution, human resources development, better quality of life and environment.

The Eighth Plan covered 1997 to 2001. Its concept was shifted its development paradigm from economy-centered to people-centered development. Bottom-up approach practice was applied to this Plan to encourage people participation in planning for national development. The Plan focused on equilibrium social, natural resources and environmental development.

3.2 The current Ninth National Economic and Social Development Plan

The Ninth Economic and Social Development Plan (2002-2006) adopt the philosophy of sufficiency economy bestowed by His Majesty the King to his subjects as the guiding principle of national development and management. The philosophy of sufficiency economy, which based on adherence to the middle path, is advocated to overcome the current economic crisis that was brought about by unexpected changed under conditions of rapid globalization, and achieve sustainable development.

In order to realize the long-term shared vision of Thailand based on the philosophy of “sufficiency economy”, the Ninth Economic and Social Development Plan sets the following objectives and targets for development (NESDB, 2006).

3.2.1 Objectives

- (1) Promotion of economic stability and sustainability;
- (2) Establishment of a strong national development foundation;
- (3) Establishment of good governance at all levels of the Thai society; and
- (4) Reduction of poverty and empowerment of Thai people.

3.2.2 Targets

The target groups in this plan concern on balanced economic development targets. Strengthen the overall national economy to achieve sustainable quality growth. On the one hand quality of life and good governance are other target groups. However, poverty alleviation is urgently target of this plan. Pro-poor economic measures will be taken, together with the creation of enabling environments that enhance the quality of life of lower income groups, and empower poor people. The target is to reduce absolute poverty to less than 12 percent of the total population by 2006.

3.3 Strategy for Agrarian Reform and Rural Development

In order to achieve the aforementioned plan objectives and targets, there are seven of economic and social development strategies. Answering these, the strategies of restructuring of management for sustainable rural and urban development and natural resources and environmental management are directly response to agrarian reform and rural development. The guideline of both strategies can be described briefly as follows:

i) Restructuring of management for sustainable rural and urban development. Major targets include:

- Empowerment of communities and development of livable cities and communities. Emphasis should be placed on the development of processes that empower communities so that they can serve as strong foundations of society. Mobilizing participation of all stakeholders in community development is a priority target;
- Alleviation of rural and urban poverty through the process of public participation. Poverty alleviation efforts should be holistic in approach, not just focused on income. To this end, empowerment of the poor should be a priority. Legal and regulatory reform is needed to provide the poor with access to government services, as well as to give them the opportunity to sustainable utilize natural resources for their livelihood, without breaking laws;
- Establishment of linkages between rural and urban development. In order to distribute economic and social opportunities equitably, grassroots economies should be strengthened to provide sustainable incomes to rural people. Economic clusters linking rural and urban areas should be established. Cluster based

economic development should be consistent with the economic potentials, preferences, and functions of each area; and

- Management of integrated area-function-participation (AFP) development. Capacity building is needed to equip local administrative organizations with trained people and effective management systems in order to facilitate decentralization.

ii) Natural resources and environmental management which include major target as follows:

- Upgrade the efficiency of natural resources and environmental management in support of conservation, and rehabilitation and development of the grassroots economy. To this end, existing mechanisms for natural resources and the environmental management should be adjusted to emphasize local participation;
- Preservation and rehabilitation of natural researches. Action should be taken to protect and demarcate preservation and conservation areas in order to maintain ecosystem balance and promote land use consistent with capability and best use. A master plan for the rehabilitation of Thai coastal and marine environments should be formulated; and
- Rehabilitation and preservation of community surroundings, art and culture, as well as tourist attractions, to enhance the quality of life and the local economy.

3.4 Government Priorities

The Government of Thailand has set up its policy guideline for 2005 to 2008 in according to the 9th National Economic and Social Development Plan with particular emphasis on the poverty alleviation. The measure consist of : i) poverty alleviation, ii) human and social development, iii) restructuring the economic, iv) natural resource and environmental management, v) international economic management, vi) promotion of good governance, vii) promotion of public hearing process, viii) security of life and viiii) government policies according to the Constitution.

Change Management for the translation of the government plan into action divided into 3 levels as follows:

1. Personnel Level is to reduce the expenditure, to increase income and to extend the chance for people can access to capital, land and knowledge;
2. Community Level is to strengthen the community and utilize macro resource factor to poor people. In addition, people access to infrastructure, goods management and market system; and
3. International Level is to distribute adequate land for living and increase productivity in long term by managing land use, providing water resource and setting each produce management.

The goals of current policy are eradication of poverty, security of life and good living condition, healthy and self-reliance in community.

To response the government policies, Ministry of Agriculture and Cooperative (MOAC) is the main organization to response government policy about eradication of poverty and

rural development. Thus, main projects are setting and implementing by MOAC to response agricultural policies as follows:

- Farmer's Poverty Alleviation Scheme, which follows a political policy a target of this scheme is to eliminate the people's frustration due to their poverty within 5 years (2008) by increasing their revenue, reducing expense as well as enhancing the working opportunities. The main objective is the poverty alleviation, raising the quality of life under the balanced and economized basis of philosophy of sufficiency economy.
- Mobile Agricultural Clinic Project is initiated by MOAC which is under the Royal Patronage of H.R.H. Crown Prince Maha Vajiralongkorn Mahidol, in order to provide information and knowledge regarding agriculture to the farmers. The project emphasized on solving the urgent problems that related to crops, livestock, fisheries, soils, irrigations, cooperatives, farm accounts and laws. Many methods such as analyzing, researching, and consulting were used for solutions.
- Agro Economic Zone has set for Agro Economic Zone Plan, which is set up as "Area Approach". Implementation of the plan has applied to all country, plus nearly 7,000 Tombon (sub-districts) level, in each particular area throughout Thailand. According to the plan, "Area Approach" will respond to Thai Government Strategy that would be helping to increase ability in agricultural competitive capability. The extension on cultivation will educate to farmers how to choose the suitable plants to accompany with the resources in the area. Aiming for better field crop production, harvesting and activities of management of the farming in each area that would bring about to reduce cost and also increase more income to all farmers. Therefore, the capacity of competition has spreaded to agriculture and industry sectors. Agro Economic Zone is the most implementation key to indicate the capability of the resources in each particular area.
- Strategy to improve production in agricultural sector and investment supporting "Contract Farming" and fuel crop under Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) had been set the Strategy to improve production in agriculture sector and investment supporting "Contract Farming" and fuel crop. The strategy has cooperated in economy between four countries as following Combodia, Laos, Myanmar and Thailand. This Economic Cooperation is known in the name ACMECS which is responded to BAGAN Declaration on 12 November 2004. Under the strategy, it has determined to investing in Contract Farming 15 crops, which investors are interested in, plus fuel crop. The result of economic cooperation and strategy implementation also would benefit for all the border countries.

3.5 Policy Consideration on Land Reform

For over 30 years, Thailand has the policy on the access to land for farmers and the poor through land reform implementation carried out by the Agricultural land Reform Office (ALRO) which is a government agency under the Ministry of Agriculture and Cooperative (MOAC).

In terms of supporting the urgent policy, the ALRO's missions include land allocation for agriculture and resident for poor farmers, infrastructure and occupation development, rehabilitation and utilization of natural resource in land reform area and asset capitalization. The goals of ALRO are land allocation and land development for farmers in land reform area, access to financial sources of farmers, strengthening farmers to be economically self-reliant as well as supporting food security and increase of income for farmers in land reform areas.

Based on the current government policy consideration, ALRO was assigned to take action on poverty alleviation and social problems through appropriate agricultural land management. The key operations for poverty alleviation of current government policies are divided into seven issues that have been responding by various government agencies. Among these agencies, ALRO is responsible for natural resource and residential management by putting them on the process of land reform implementation.

4. Land Tenure

4.1 General Conditions

Thailand, with total area of 320,696,888 rai or 513,115 Square Kilometers (sq.km) consists of four regions. The large area is in the North Region covering 106,027,608 rai or 169,644 sq.km, followed by the Northeast covers 105,553,963 rai or 168,854 sq.km, the Central covers 64,938,253 rai 103,901 sq.km and the South covers 44,196,992 rai 70,715 sq.km. Total area of Thailand by region can be present in Figure 4.1.

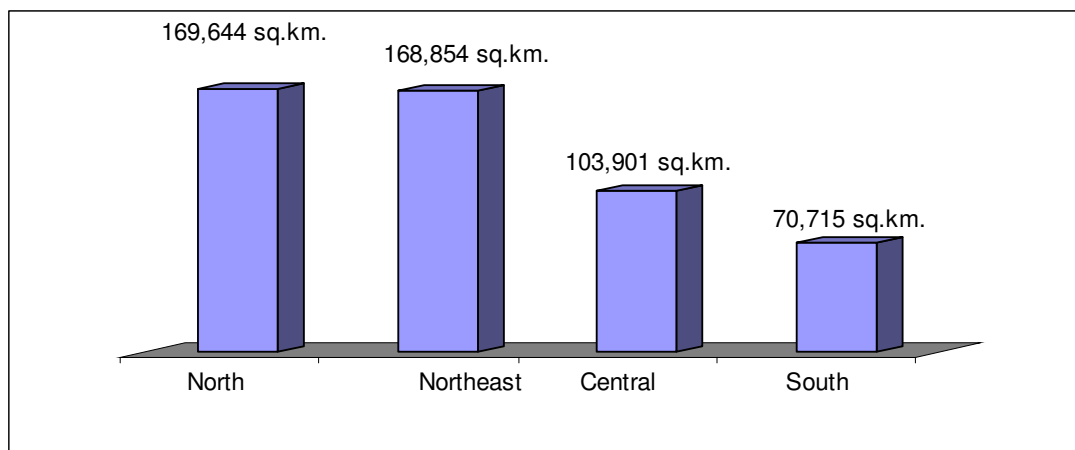


Figure 4.1 : Area of Thailand classified by Region

Source : Agricultural Land Reform Office, 2001

In terms of ownership, Chirapanda (1991) has classified the land into four main types.

They are as follows:

1. Private lands which owned by the private sector;
2. Settlement lands which are the public lands, can be classified as arable and suitable for distribution to the people mainly in the rural sector;
3. Government lands (excluding forests) which include common lands, various kinds of government lands such as army land, lands for government own use; and

4. Forest lands which are the forests including national parks, and wildlife sanctuaries.

4.2 Tenure of Agriculture

4.2.1 Acreage of Agricultural Statistics of Thailand in the whole country is classified into 3 types of land-use of agricultural land, forest land and unclassified land (including swampland, sanitary district area, municipal area, railroads, highways, public area, government – owned area etc.).

It can be seen from Table 4.1 that in 2001, with the total acreage of about 320.69 million rai, the acreage of agricultural holding was 131 million rai or 41 percent of total land. The other two types of land covered by the forest land about 100 million rai or one-third of the total land and the unclassified land with nearly 90 million rai or about 30 percent of total land.

By region, the Northeast covered largest acreage of agricultural holding accounting nearly 60 million rai of its total acreage. The North and the Central fall into the second and the third ranks for agricultural holding were about 28 million rai and 26 million rai, respectively. The smallest portion was in the South covering nearly 20 million rai of its total acreage.

Table 4.1: Land Classification by Region in 2001

Regions	Unit: rai			
	Total Area	Farm Holding	Forest Land	Unclassified Land
North	106,027,680	27,982,872	57,269,319	20,775,489
%	(100)	(26.34)	(54.01)	(19.59)
Northeast	105,533,963	57,999,229	15,811,166	31,723,568
%	(100)	(54.95)	(14.98)	(30.06)
Central	64,938,253	25,892,155	17,617,672	21,428,426
%	(100)	(39.87)	(27.12)	(32.99)
South	44,196,992	19,185,718	9,940,043	15,071,231
%	(100)	(43.40)	(22.49)	(34.10)
Whole Kingdom	320,696,888	131,059,974	100,638,200	88,998,714
%	(100)	40.86	31.38	27.75

Source: Office of Agricultural Economics, 2001

During the past decade, it was found that the agricultural land had decreased gradually. Table 4.2 shows that the acreage of agricultural land had declined from 132 million rai in 1992 to 131 million rai in 2001. However, the trend of agricultural land in both regions of Northeast and South increased gradually, while North and Central regions, its trend declined slightly. In addition, the trend of forest area during 1992 to 1999 can be seen in

Table 4.3. It was found that the forest area had declined continually and gradually from about 85 million rai in 1992 or 26 percent to 84 million rai or 25 percent in 1999.

Table 4.2: Area of Farm Holding by Region in 1992 to 2001

Unit : rai

Year	Total	North	Northeast	Central	South
1992	132,051,2009	29,110,795	57,695,746	28,011,433	17,233,235
1993	131,270,893	28,904,863	57,615,984	27,547,973	17,202,073
1994	131,833,288	29,043,522	57,736,615	27,399,027	17,654,124
1995	132,478,570	29,216,745	57,859,173	27,237,629	18,164,960
1996	131,819,506	28,893,259	57,750,567	26,824,627	18,351,053
1997	131,107,608	28,601,690	57,623,773	26,313,837	18,568,308
1998	130,393,525	28,274,892	57,429,749	25,883,514	18,805,370
1999	131,341,348	28,312,917	57,946,997	25,941,614	19,139,856
2000	131,195,913	28,133,145	58,004,285	25,886,602	19,171,881
2001	131,059,974	27,982,872	59,999,229	25,892,155	19,185,718

Source: Office of Agricultural Economics, 2001

Table 4.3: Percentage of Forest Area in 1992 to 2001

Unit: rai

Year	Forest Area	Percentage
1992	84,344,169	26.30
1993	83,450,623	26.02
1994	82,801,555	25.81
1995	82,178,161	25.62
1996	81,808,415	25.50
1997	81,441,164	25.39
1998	81,076,219	25.28
1999	80,610,219	25.13
2000	n.a.	n.a.
2001	n.a.	n.a.

Source: Office of Agricultural Economics, 2001

4.2.2 Number of Farms and Average Farm Size

Based on the statistical data in the same table during the past decade, whereas the number of farms for the whole country had increased from 5.15 million farms in 1992 to 5.70 million farms in 2001, the average farm size trended to be smaller; from 25.6 rai per household in 1992 to 23.0 rai per household in 2001.

As shown in Table 4.4, number of farms and average farm size in the whole kingdom, it was estimated that there were totally 5.70 million farms with the average farm size of 23.0 rai in 2001. The highest number is in the Northeast, more than 2.5 million farms, followed by the North, the Central and the South which account 1.30 million farms, 0.89 million

farms and 0.88 million farms respectively. In terms of average farm sizes, the largest farm size is in the Central region about 29 rai, followed by the Northeast and the South with the average of farm sizes of about 22 rai and 22 rai respectively. The smallest average farm size fall into the North at 21.5 rai.

Table 4.4 : Number of Farms and Average Farm Size by Region in 1992 to 2001

Year	Whole Kingdom		North		Northeast		Central		South	
	Number	size	Number	size	Number	size	Number	size	Number	size
1992	5,148,815	25.6	1,271,734	22.9	2,219,553	26.0	886,282	31.6	771,246	22.3
1993	5,173,826	25.4	1,271,734	22.8	248,132	25.6	877,801	31.4	779,011	22.1
1994	5,209,299	25.3	1,279,038	22.7	2,260,674	25.5	878,970	31.2	790,617	22.3
1995	5,248,815	25.2	1,293,997	22.6	2,273,549	25.4	879,835	31.0	801,434	22.3
1996	5,276,556	25.0	1,271,401	22.7	2,321,941	24.9	868,488	30.9	814,726	22.5
1997	5,301,771	24.7	1,248,485	22.9	2,367,454	24.3	857,579	30.7	828,253	22.4
1998	5,334,974	24.4	1,223,783	23.1	2,420,525	23.7	845,891	30.6	844,775	22.3
1999	5,667,506	23.2	1,297,415	21.8	2,598,537	22.3	891,383	29.1	880,171	21.7
2000	5,686,549	23.1	1,299,702	21.6	2,610,531	22.2	893,943	29.0	882,373	21.7
2001	5,702,388	23.0	1,301,667	21.5	2,621,272	22.1	895,680	28.9	883,769	21.7

Source: Office of Agricultural Economics, 2001

4.2.3 Utilization of Agricultural Land

The proportion of land use in Thailand by region could be divided into housing, an agricultural land, idle land and others. The Agricultural land in Thailand is mainly under paddy cultivation, field crops, perennial crops, vegetable and flower plantation and pasture for animal raising. In 2001, the areas for paddy cultivation, field crops growing and perennials crops were about 65, 28 and 27 million rai representing 50 percent, 22 percent and 20 percent of the total agricultural land respectively. The remaining areas were used for vegetable and flowers plantation covering 1.15 million rai or nearly 1 percent, pasture covering 0.88 million rai or about 1 percent. In addition, the proportion of an idle land covers 2.74 million rai or 2 percent and the land for other purpose cover 2.60 million rai or 2 percent.

In comparison the proportion of land use among agricultural land, the largest land use occupied by paddy field. While the smallest agricultural land was vegetable and flower plantation and pasture land.

In terms of regions, it is shown in Table 4.5 that the Northeast, the North and the Central mainly used the land for paddy cultivation accounting for 65 percent, 50 percent and 40 percent of the total agricultural land of each region respectively. Moreover, other plantations, which cover large average in these regions was field crop about 31 percent in the North, 20 percent in the Northeast and 30 percent in the Central. Only the South, where perennial crops cover large area of 14.60 million rai or 76.0 percent.

Table 4.5 : Land Use by Region in 2001

Unit : Rai

Region	Total Holding	Proportion of Land Use							
		Housing	Paddy	Field crops	Perennials crops	Vegetables Flowers	Pasture	Idle Land	Other
Whole Kingdom	131,059,974 (100)	3,628,223 (2.76)	65,220,587 (49.7)	28,241,647 7	26,584,191 (20.2)	1,152,867 (0.87)	885,625 (0.67)	2,744,835 5	2,601,999 9

				(21.5)				(2.0)	(1.9)
North	27,982,872 (100)	938,344 (3.3)	14,032,012 (50)	8,926,591 (31)	3,105,305 (11)	377,408 (1.3)	104,857 (0.3)	233,990 (0.8)	264,365 (0.9)
Northeast	57,999,229 (100)	1,400,361 (2.4)	37,932,040 (65.4)	11,652,382 (20.0)	3,353,242 (5.7)	257,903 (0.4)	518,671 (0.8)	1,857,344 (3.2)	1,116,739 (1.9)
Central	25,892,155 (100)	758,725 (2.9)	10,311,050 (39.8)	7,687,686 (29.6)	5,528,242 (21.3)	402,677 (1.5)	158,424 (0.6)	308,095 (1.1)	736,763 (2.8)
South	19,185,718 (100)	530,793 (2.7)	2,945,485 (15.3)	64,988 (0.3)	14,596,855 (76.0)	114,879 (0.5)	103,180 (0.5)	345,406 (1.8)	484,132 (2.5)

Source : Office of Agricultural Economics, 2001

During 1992 to 2001, the area of housing was increased gradually, which the agricultural land which comprises of paddy, a trend of field crop and perennial crop were decreased yearly. Meanwhile, the tendencies of perennial crop, vegetable & flowers plantation and pasture area were risen. However, a trend of idle land was decreased gradually while a trend of land utilization for other purpose was increased from 1992 to 2001 (Table 4.6).

Table 4.6 : Land Utilization in 1992 to 2001

Unit : rai

Year	Whole Kingdom	Housing Area	Agricultural Land						
			Paddy	Field Crop	Perennial Crop	Vegetable & Flowers	Pasture	Idle Land	Other
1992	132,051,209	3,461,547	68,835,616	32,975,010	20,849,471	881,726	749,713	3,319,692	1,158,434
1993	131,270,893	3,476,337	68,336,567	32,228,127	20,998,898	931,164	743,604	3,238,848	1,317,348
1994	131,833,288	3,949,454	68,320,651	32,130,516	21,638,423	937,789	751,710	3,236,149	1,323,596
1995	132,478,570	3,518,683	68,292,753	32,011,185	22,318,991	957,934	760,940	3,221,465	1,396,619
1996	131,819,506	3,516,309	67,547,556	31,119,785	23,131,363	959,523	741,965	3,151,272	1,651,733
1997	131,107,608	3,505,524	66,695,947	30,101,204	24,132,029	961,182	718,642	3,036,300	1,956,780
1998	130,393,525	3,491,908	65,914,065	29,051,965	25,079,407	961,792	693,143	2,950,814	2,250,431
1999	131,341,384	3,578,872	65,686,993	28,876,500	26,075,492	1,025,811	802,414	2,864,219	2,251,083
2000	131,195,913	3,598,823	65,412,560	28,535,387	26,350,915	1,091,015	464,891	2,796,521	2,563,801
2001	131,059,974	3,628,223	65,220,587	28,241,647	26,584,191	1,152,867	885,625	2,744,835	2,601,999

Source: Office of Agricultural Economics, 2001

4.2.4 Types of Agricultural Holding

In the year 2001, agricultural holding land in Thailand can be categorized into owned mortgaging out, rent, mortgaged in and free use. Table 4.7 shows that in 2001, of the total agricultural land, owned was nearly 93 million rai or 71 percent, mortgaged out was 15 million rai or 11 percent, rent was nearly 15 million rai or 11 percent, mortgaged in was 1 million rai or nearly 1 percent and the remaining 7.11 million rai or about 5 percent was the land under free of charge, residential holding and others.

A regional breakdown shows that, the South had the largest proportion of owned status, about 83 percent of the total farmland. The Central had the smallest proportion of about 60 percent. The largest of mortgaged out was in the North with 13.83 percent, while the proportion in the Central, Northeast and South were slightly different proportion with 11.71 percent, 10.66 percent and 9.14 percent, respectively. In contrast, the tendency of land rent in Central is large proportion about 25 percent of the total agriculture land of the region but in smaller proportion in the South with 2 percent. In the Northeast, mortgaged in is in large proportion than other regions. In addition, the farm tenure under free use was distributed in the whole country. The largest proportion was in the North about 7 percent, followed by the South, the Central and the Northeast with slightly different of 5 percent each (See Table 4.7). In terms of landless farmers, total number in the whole country was 812,254 households representing about 10 percent. The problem was more serious in the Central with more than 21 percent followed by the North and the South with about 16 percent and 11 percent respectively. While, the Northeast faced this problem only 5 percent (Table 4.8).

Table 4.7 : Type of Farm Tenure by Region in 2001

Areas	Farm Holding Land	Owner	Mortgaged Out	Rented	Mortgaged In	Free of Charge
Whole Kingdom	130,393,525 (100)	92,704,291 (71.09)	14,786,761 (11.34)	14,781,910 (11.33)	1,007,392 (0.77)	7,113,171 (5.45)
North	28,274,892 (100)	17,318,225 (61.24)	3,910,651 (13.83)	4,868,196 (17.21)	115,856 (0.40)	2,061,964 (7.29)
Northeast	57,429,749 (100)	44,644,704 (77.73)	6,124,198 (10.66)	3,142,961 (5.47)	721,462 (1.25)	2,796,424 (4.86)
Central	25,883,514 (100)	15,144,052 (58.50)	3,031,447 (11.71)	6,344,837 (24.51)	74,882 (0.28)	1,288,296 (4.97)
South	18,805,370 (100)	15,597,310 (82.94)	1,720,465 (9.14)	425,916 (2.26)	95,192 (0.50)	966,487 (5.13)

Source: Office of Agricultural Economics, 2001

**Table 4.8 : Number and Percentage of Farm Households by Group
of Holders in 2001**

Unit: HH

Region	Landless (0 rai)	Near- landless (< 5 rai)	Small (5-10rai)	Others (> 10 rai)	Total
Northern	313,268 (16.06)	553,735 (28.38)	344,955 (17.68)	739,078 (37.88)	1,951,076 (100.00)
Northeastern	159,214 (4.58)	394,914 (11.35)	780,236 (22.42)	2,145,317 (61.65)	3,479,681 (100.00)
Central	321,647 (21.65)	128,618 (12.02)	145,780 (13.63)	563,835 (52.70)	1,069,880 (100.00)
Southern	108,125 (10.71)	213,236 (21.11)	231,326 (22.19)	457,188 (45.27)	1,009,875 (100.00)
Total	812,254 (10.81)	1,290,503 (17.19)	1,502,337 (20.00)	3,905,418 (52.00)	7,510,512 (100.00)

Source: Agricultural Land Reform Office, 2001

4.3 Access to Land

Land distribution in Thailand in the past was carried out by many government agencies namely Agricultural Land Reform Office (ALRO), Cooperatives Promotion Department (CPD), Royal Forest Department (RFD), Department of Public Welfare (DPF), Department of Lands (DOL) and War Veterans Organization (WVO).

Land Allocation Programs were formulated under multiple agencies of government as follows:

- Land cooperatives were established by the Cooperative Promotion Department (CPD) with cooperatives being the main driving force of agricultural development;
- The forest village and forest community development programs aimed at allocating forest land to the farmers who in turn were expected to help in reforestation;
- The Royal Forest Department, in coping with the squatter problem, legalized the squatters by providing cultivation rights to them. These are the main land settlement program undertaken in Thailand;
- Self-help land settlements were set up by the Department of Public Welfare to help settle displaced people from flood-prone areas of dam sites and other government programs;
- The land allocation program was carried out by the Department of Lands under the Land Code;
- In case of the War Veterans Organization provided land to war-veterans and their families along with other assistance; and
- Agricultural Land Reform Program (ALRP) in Thailand has been carried out by the Agricultural Land Reform Office (ALRO) since 1975 so as to help tenant and landless

farmers. The land reform implementation area includes the private lands where tenancy problems exist and the public lands where illegal encroachment exists. The beneficiaries of the program will be provided with land plots for farming together with infrastructure development and some supporting services. The results of the land allocated among major settlement organizations and programs are presented in Table 4.9 and 4.10 hereunder (Narkwiboonwong et al , 1994).

Table 4.9: Land Allocated Among Major Settlement Organization in 2001

Department	No. of Household		Land Allotted	
	(HH)	%	(Rai)	%
Agricultural Land Reform Office (ALRO)	1,208,316	39.75	19,948,669	16.51
The Cooperative Promotion Department (CPD)	108,745	3.58	3,287,217	30.23
Royal Forest Department (RFD)	784,714	25.82	7,981,151	10.17
Department of Public Welfare (DOPW)	231,954	7.63	3,857,029	16.63
Department of Land (DOL)	703,924	23.16	7,353,319	10.45
War Veterans Organization (WVO)	1,960	0.06	44,473	22.69
Total	3,039,613	100.00	42,471,858	13.97

Source : Division of Research and Planning, ALRP, MOAC, 2544

Table 4.10 : Land Allocated Among Land Settlement Programs Classified by Region in 2001

Organization/ Programme	Whole kingdom		North		Northeast		Central		South	
	Land Allocated (rai)	No. of HH	Land Allocated (rai)	No. of HH	Land Allocated (rai)	No. of HH	Land Allocated (rai)	No. of HH	Land Allocated (rai)	No. of HH
Agricultural Land Reform Office (ALRO)										
- In Public Land	19,747,841	1,179,098	4,408,911	303,935	10,506,020	625,929	2,575,469	121,768	1,984,441	127,466
- In Private Land	473,828	29,218	162,560	8,460	6,924	560	303,397	20,090	949	108
Cooperative Promotion Department (CPD)										
- Land Cooperative	3,287,217	108,745	777,919	34,578	364,408	13,687	1,352,401	36,799	792,489	23,681
Royal Forest Department (RFD)										
- Forest Community Development Program	7,412,959	727,082	2,173,357	251,738	3,513,166	336,457	841,585	66,521	884,841	72,366
- Forest Village	568,192	57,632	95,410	13,288	304,483	29,875	154,048	13,163	14,256	1,306
Department of Public Welfare (DOPW)										
- Self-help Land Settlements	3,857,029	231,954	694,207	48,544	1,378,080	105,515	1,026,056	42,089	758,686	35,806
Department of Land (DOL)										
- ALRP under Land Code	7,353,316	703,924	1,883,105	276,825	4,060,336	321,668	1,094,171	84,792	315,704	20,639
War Veterans Organization (WVO)										
- ALRP for war- veterans	44,473	1,960	6,020	174	29,598	1,377	8,855	409	-	-
Total	42,744,855	3,039,613	10,201,489	937,542	20,163,015	1,435,068	7,355,977	385,631	4,751,374	281,372

Source : Division of Research and Planning, ALRO, MOAC, 2001

4.4 Farmers' Income and Expenditure

The comparison of farmers' income and expenditure at the national level from 1995 to 2001 is shown in Table 4.11. It is found that expenditure in each crop year was about half of case income. In comparison between farm and non-farm income, farmers earned more from non-farm, while a trend of saving is fluctuated.

Both average monthly household income and expenditure during 1995 to 2001 were also fluctuated (Table 4.11 and 4.12). Household income and expenses in capital city are highest in the country. Its trend in the Bangkok and all regions increased gradually from 1994 to 2002. The highest household income and expense is in the Central region, followed by the Southern region. Both Northern and Northeastern regions found an average amount of household income and expense are below 10,000 Baht per month.

Table 4.11: Income and Expenses of Farmers in Whole Kingdom during 1991to 2001

Unit : Baht/Household

Item	Year			
	1995	1998	1999	2001
1. Cash farm income	61,817.68	68,659.04	64,499.60	76,519.70
1.1 Crops	44,729.50	47,210.80	44,327.01	53,509.70
1.2 livestock	12,121.78	17,018.88	12,017.02	18,106.16
1.3 other	4,966.40	4,429.36	8,155.57	4,903.84
2. Cash farm expenses	32,006.11	40,721.20	37,617.0	44,392.01
2.1 Crops	19,210.09	22,148.41	24,416.33	26,659.08
1.2 livestock	7,403.54	10,298.73	7,840.60	9,604.84
1.3 other	5,392.48	8,274.06	5,360.60	8,128.09
3. Net cash farm income	29,811.57	27,937.84	26,882.07	32,127.69
4. Cash non-farm income	51,058.82	58,213.92	52,312.70	59,240.91
5. Net cash farm household income	80,870.37	86,151.77	79,197.78	91,368.60
6. Cash farm household expenses	59,721.76	59,827.93	57,541.86	59,709.13
7. Cash saving	21,148.63	26,323.84	21,655.92	31,659.47

Source : OAE, 2005

Remark : Data were provided only in the years that field surveys were conducted

Table 4.12 : Average of Household Income per Month Classified by Region

Year	Whole Kingdom		Regions									
			Bangkok ¹		Central		North		Northeast		South	
	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%
1994	8,262	-	16,418	-	8,724	-	6,260	-	5,599	-	8,014	-
1996	10,779	14.2	21,947	15.6	10,907	11.8	8,331	15.4	7,388	14.9	9,846	10.8
1998	12,492	7.7	24,929	6.6	12,643	7.7	9,779	8.3	8,546	7.6	11,461	7.9
1999	12,729	1.9	26,742	7.3	12,789	1.1	10,253	4.8	8,138	-4.8	10,953	-4.4
2000	12,150	-4.5	25,242	-5.6	13,012	1.8	8,652	-15.6	7,765	-4.6	11,186	2.1
2001	12,185	0.5	24,365	-3.5	12,807	-1.6	8,930	3.2	8,281	6.6	10,914	-2.4
2002	13,736	12.7	28,239	15.9	14,128	10.3	9,530	6.7	9,279	12.1	12,487	14.4

Source : Socio-economic Survey Report of household, 2005

¹ : Bangkok include periphery

% : Ratio of growth rate change

Table 4.13 : Average of Household Expenses per Month Classified by Region

Year	Whole Kingdom		Bangkok ¹		Central		North		Northeast		South	
	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%
1994	7,567	-	13,667	-	7,587	-	5,956	-	5,632	-	7,513	-
1996	9,190	10.2	17,419	12.9	9,510	10.0	7,043	8.7	6,661	8.8	8,793	8.2
1998	10,389	6.3	19,820	6.7	10,861	6.9	8,209	8.0	7,237	4.2	9,676	4.9
1999	10,238	-1.4	20,284	2.3	10,266	-5.5	8,388	2.2	6,988	-3.4	8,997	-7.0
2000	9,484	-3.8	19,582	-3.5	10,389	1.2	7,318	-12.8	6,546	-6.3	9,268	3.0
2001	10,025	1.8	18,850	-3.7	10,941	5.3	7,395	2.1	6,888	5.2	9,597	3.5
2002	10,889	8.6	21,087	11.9	11,227	2.6	7,747	4.8	7,550	9.6	10,701	11.5

Source : Socio-economic Survey Report of household, 2005

¹ : Bangkok include periphery

% : Ratio of growth rate change

4.5 Poverty and Indebtedness

An average household of debt was increased continually from 1994 to 2002 in whole country. Bangkok citizen hold the biggest debt with amount of 157,730 Baht per household. Its amount has increased gradually everywhere in Bangkok and regions. An average amount of debt in four regions was in the range of 57,000-77,000 Baht per household, while it is over 82,000 Baht of the countrywide. (Table 14.4)

Table 4.14 : Average of Debt per Household Classified by Region

(Unit) : Baht

Year	Whole Kingdom		Bangkok ¹		Central		North		Northeast		South	
	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%	Baht	%
1994	31,387	-	68,530	-	38,919	-	22,538	-	18,085	-	24,707	-
1996	52,001	28.7	122,307	33.6	46,046	8.8	39,234	31.9	36,204	41.5	37,875	23.8
1998	69,674	15.8	131,740	3.8	64,887	18.7	58,682	22.3	56,011	24.4	53,685	19.1
1999	71,713	2.9	115,711	-12.2	63,407	-2.3	73,013	24.4	60,329	7.7	57,123	6.4
2000	68,405	-4.6	126,527	9.3	69,579	9.7	56,199	-23.0	52,494	-13.0	54,136	-5.2
2001	68,279	-0.2	133,660	5.6	62,555	-10.1	63,977	13.8	47,549	-9.4	54,250	0.2
2002	82,485	20.8	157,730	18.0	76,278	21.9	57,535	-10.1	66,034	38.9	76,124	40.3

Source : Socio-economic Survey Report of household, 2005

¹ : Bangkok include periphery

% : Ratio of growth rate change

5. Programs for Agrarian Reform and Rural Development

Thailand is an agricultural country and the greater part of the population is engaged in agriculture, hence land is an essential factor in the development of national socio-economic conditions. Unfortunately, Thailand tenure systems have caused inequitable distribution of income. As the result, a greater number of farmers are poor and get into debt. They mostly become tenants and landless farmers. Poverty is therefore widespread in rural areas. In addition, the population continues to increase at a rapid rate with reflection to scarce land resources. Recently, the government program namely the Nationwide Poverty Registration Program was formulated to identify the problems urgently. As one of the most serious problems is landless and inadequate of agricultural land, the number of registered people was about 2 million in the case of landless while the number for inadequate agricultural land was more than 1.5 million (ALRO, 2005).

To solve these problems, the Agricultural Land Reform Act was promulgated and the Agricultural Land Reform Program has been conducted since 1975.

5.1 Agricultural Land Reform Program (ALRP)

Definition of land reform

Land reform in the 1975 Agricultural Land Reform Act is taken to mean. “Redistribution of land for farming and residential uses by allocating state land or, land purchased or expropriated from landowners who do not themselves cultivate or who own land in excess of what is stipulated by the Agricultural Land Reform Act of 1975 to farmers who are landless or do not have sufficient land for cultivation, and to farmers’ institutions by means of lease and sale. In doing as, the state will provide supporting services such as resource development, marketing facilities as well as public utilities”

Land reform in the Thai context

Reform of the land tenurial structure in Thailand has the following objectives :

- (a) To convert the tenants and the landless to owner-operators.
- (b) To provide landownership to squatters in public lands, and
- (b) To ensure fair share between tenants and lessers.

Land is acquired from the private land domain, voluntarily through direct purchase and, involuntarily through expropriation, from large and absentee landowners. It is then leased or sold on amortization basis to tenants, marginal and landless farmers. In the public land domain, land is earmarked for distribution to the poor. The option is either to lease or to buy from the government at a discount rate. Eventually, the land reform beneficiaries are encouraged to buy the land, so that they can become full landowners. In cases where land reform does not and cannot apply, efforts will be made to ensure that both tenants and landowners get a fair share from leasing arrangements. This is in recognition with the fact that leasing exists and cannot be eliminated by land reform or even by any legal means.

Reform of the production structure has the principal objectives as follows :

- (a) To attain optimal farm size,
- (b) To prevent land fragmentation, and

- (c) To increase agricultural productivities.

Farm size in terms of the amount of landholding should be small but economically efficient. Land fragmentation should be prevented for fear that farm size may fall below the optimal level. Land is to be devoted to produce more intensively. Crop diversification is also recommended, instead of mono-cropping.

In so doing, reform of the supporting services structure aims to achieve the following objectives :

- (a) To ensure that farmers receive supporting services as needed, including social and economic, Infrastructural facilities, and
- (b) To upgrade the standards of living among farmers.

It should be reiterated here that supporting services, if they are to be of any help, must be available and accessible to those in need. The need arises from the production process and also from within the farm households (such as health, education and domestic water consumption).

Objectives of land reform

With the above definition in mind, the objectives of land reform are revised to fit with the ALRO's mission. The following of objectives are:

- 1) To distribute land to farmers according to the Agricultural Land Reform Act;
- 2) To enable farmers to access capital resources;
- 3) To strengthen and self-development to farmers in Land Reform area; and
- 4) To increase the perennial plantation, food resources and income generation.

5.2 Land Reform implementation

The implementation of land reform in Thailand consists of three main phases : preparation, land distribution and development activities. It is these phases to which we now turn.

▪ Preparation phase

With regards to the preparation for land reform implementation, primary and secondary data are collected and analyses in order to select potential land reform area. It should be emphasized here that land reform law takes effect only in the Land Reform Areas (LRA's). In private lands, the basic criteria used are the amount of rented land, the number of tenants and the level of farm productivities. Areas with high tenancy rates and low farm productivities will receive greater attention than others. In public lands, in which data are relatively scarce, pre-feasibility studies are also carried out, covering a wide range of subjects such as topography, geography, location of existing infrastructures, climate, rainfall, farmers' institutions, as well as social conditions in the area. The basic criteria for selecting land reform areas in public lands are the size of land held by farmers without land use permits or any kind of land documents, and land classification itself. If land is classified as that for conservation purposes, it must not be used for farming purposes. The pre-feasibility studies offer only rough guidance, because there is a time constraint on the land reform decision-making process. But they are quite adequate for the purposes of planning and identification of development activities. In the preparation phase, land reform

implementation in public lands also requires cadastral surveys. After the selection of suitable areas is submitted to, and approved by the National Land Reform Committee (NLRC), the ALRO will proceed to declare them as LRA's by royal decree.

- **Land distribution phase**

The land distribution phase involves partitioning of land into lots and allocating them among farmers. The public lands belong, by law, to the government; hence there is in principle no need to purchase or expropriate. In practice, compensation is paid to squatter families for acquisition of excess land, which is then sold to poor farmers. On the other hand, the private lands have to be purchased or expropriated for subsequent redistribution. Compensation is paid at the rate established by the NLRC. The mode of payment is both in cash and bonds. After land acquisition, farmers are selected and allocated with land plots. In private lands, they are required to pay annual installments to the government for the purchase of land. The same principle applies to the case of public lands. Land reform beneficiaries are required to pay rent and can even buy land from ALRO. The purchase price depends on the length of time the beneficiaries have cultivated the land. However, it has not been determined in actual money terms, and the farmers because the latter for all purposes regards land as already their own.

- **Development phase**

The development phase of land reform implementation can take place before or after land redistribution, depending on the type of activities concerned. For example, agricultural extension may be carried out, regardless of the final rearrangements of land plots. But any major on-farm infrastructure which could benefit directly absentee landlords would likely increase their reluctance to sell the land for the purposes of land reform. Activities as such will be conducted after land acquisition. Under this phase, development activities include agricultural extension, agricultural credit, water resources development land consolidation, development, and public utilities. While it is imperative that agricultural development must accompany land redistribution, these activities are by no means an end in themselves. They must continue in the broader national economic development context.

Based on the current policy consideration, ALRO was assigned to take action on solution of the poverty alleviation and social problems by utilizing appropriately agricultural land management. The key operations for poverty alleviation divided into seven issues that have been responding by multi governance organizations. Inside ALRO, out of seven issues as one; natural resource and residential management has been implementing by putting them on the process of land reform implementation.

5.3 Implementation and Results of the ALRP

Sufficiency economy philosophy and sustainable development strategies which stated clearly in the Ninth Plan (as mentioned earlier). It aims at alleviation of poverty and the upgrading of the quality of life are highly applicable to the development strategy of "The Agricultural Land Reform Office" (ALRO) very well, as the major responsibilities are:

- 1) **Land allocation:** ALRO conducts land allocation for farmers under the Agricultural Land Reform Act. The land is from both public and private land.

2) **Development:** ALRO undertakes agricultural infrastructure development in land reform area by supporting the construction and maintenance of access road and water resources to enhance the better of farmers living and the capacity of water use for consumption and agriculture.

3) **Increasing income:** ALRO carry out an improvement of agricultural production structure, establishing Agricultural Land Reform Cooperatives, providing agricultural credit and production inputs, developing and supporting on-farm and off-farm occupation. In addition, ALRO enable farmers to participate in natural resources and environment conservation in communities. Thus ALRO co-operates with related agencies in improving farmers' standard of living according to the existing local conditions of each area and farmers' needs.

Since establishment of the ALRO in 1975, land allocation cover in 69 provinces all over the country. The total of land reform area declaration in both public and private land is totally about 52 million rai of which illustrated in Table 5.1 and 5.2.

- **Public land**

Public land is the lands belonging to the government which include forest lands, common lands and government – used lands. Most of the public lands particularly forest lands are encroached upon for farming. Moreover, land transaction and transfer without land certificates have been made among the squatters themselves. So far the government has attempted to deal with these crucial problems by means of land settlement, thus making certain squatters to be legal landholders. Hence, it is not surprising that for the time being some parts of public lands are converted into private lands. At the present, the operation of public land in the whole kingdom have been allocating for 1.49 million households covering area of 24.94 million rai. In each region, Northeastern is highest region in the operation of declaration area with 26.26 million rai and land allocated area with 12.85 million rai as well as higher number of households were distributed to 0.761 million households. While, the South is lower region than other in total of land reform area declaration and land allocated areas. For more information of land reform implementation progress on the public land which classified by regions since beginning to present in Table 5.1.

Table 5.1 : Land reform Progress Implementation on the Public Land Classified by

Region since Beginning to 2005

Region	Declaration Area (Rai)	Land allocated Area	
		(Rai)	No. of Households
Whole Country	51,316,399	24,940,832	1,493,413
North	11,209,556	5,783,831	393,556
Northeast	26,256,867	12,852,027	761,381
Central	7,949,827	3,618,055	168,908
South	5,900,149	2,686,910	169,568

Remark; Data update to October 11, 2005

- **Private land**

In terms of Land tenure in private lands is identified by ownership and leasehold. The holders with ownership basis may have title deeds or temporary land certificates. For leasehold, the holders must pay rent to the landlords or do not have to pay any kind of rent depending on the agreement made between them. In the agricultural sector, tenancy problems frequently occur in certain private lands and aggravate rural poverty. Moreover, the study on land policy conducted by TDRI (1985) indicates that holdings without title deeds or legal land certificates are still prevalent especially in remote areas. As far as the tenancy problems and land ownership problems are concerned, the government has included the private lands into the Agricultural Land Reform Programme (ALRP). At the present, the operation of private lands in the whole kingdom have been allocating for 30,419 households covering area of 0.470 million rai. In each region, the Central region holds the highest land allocated area which cover 0.295 million rai. Moreover, numbers of households in the Central were distributed to 20,676 households, which is higher than other. While, the South has lower land allocated area. For more information of land reform implementation progress on the private land which classified by regions since beginning to present in Table 5.2.

Table 5.2 Land reform Progress Implementation on the Private Land Classified by Region since Beginning to 2005

Region	Land allocated area (Rai)	Number of Households
Whole Country	470,189.259	30,419
North	124,053.01	8,842
Northeast	9,357.292	789
Central	295,461.212	20,676
South	950.144	112

Remark; Data update to October 11, 2005

Source : Agricultural Land Reform Office, 2005

Achievements of land reform implementation can be summarized in Table 5.1, illustrating the three types of activities of land allocation, development activity and access to credit. The two former activities have been set up and followed as major activities in land reform implementation process while the latest is the special project formulated to help poor people or small farmers access to capital. Since the main financial support source the Bank of Agriculture and Agricultural Cooperative (BAAC), application for loan requires collateral. In the case, farmers in land reform areas can use the ALRO certificate as individually collateral.

**Table 5.3 : Summary of Project Implementation and Land Reform Progress,
as of the end of fiscal year 2005**

Type of Activities	Performances
1. Land Allocation (Public and Private Land)	1.43 million farmers
2. Development Activity	
- Construction of transportation roads	7,177.14 kms.
- Construction of digging canals	460.03 kms.
- Water resources for agriculture	3,145 units
- Water resources for consumption	13,172 units
- Road rehabilitation	18,696.52 kms.
- Setting up Agricultural Cooperative namely Agricultural Land Reform Cooperative	158 co-operatives 71,995 members
3. Access to credit	
-Under asset capitalization project (incorporate with BAAC) (As of September 2005, one year operation)	176,909 farmers or 2,050.63 million baht

Source : ALRO, 2005

5.4 Related Projects for Agrarian Reform and Rural Development

There are some other projects, which have been implementing to poor people such as:

5.4.1 The Project under Royal Initiatives

Since 1969, when His Majesty the King visited a hill tribe village in Chiang Mai, a province in the North of Thailand. Having learnt that the hill-tribe farmers could earn as much from producing peach as from opium, he started and funded the Royal Projects using his own funds in 1969.

Later, apart from his majesty's own funds, the government, as well as public and international organizations, joined the King in contributing more funds to the Royal Project Foundation.

In 1995, the Royal Project Foundation funded a large number of development programs and projects, which have benefited 295 villages and 14,109 rural households. Of the three key development areas of the Royal Projects, the area focused on marketing-related activities involves research and development on post-harvest loss prevention, transportation, and packaging, processing and marketing.

Some of tree activities that are worth mentioning in terms of agro-industry development are those of the research and development in processing of food and other farm produce. The prime objective of the program is to manage the surpluses produced, while increasing their value added through appropriate processing. In addition, other income-generating products in particular handicrafts, are also included. For this, three food processing plants have been constructed, two in Chiang Mai and one in Chiang Rai. A marketing outlet of

these processed fruits and food from the Royal Projects has been registered in both Bangkok and Chiang Mai under the brand name of “Doi Kam”.

5.4.2 The Traditional Folk Arts and Crafts Program

H.M. the Queen of Thailand has long been organizing a program that has provided rural villagers all over the country with training in the skills of traditional craftsmanship. The program, known as Silapacheep or artistic profession, also provides seed money for the rural villagers to obtain necessary inputs for the handicraft products and a guaranteed market for them. Among the hundreds of handicraft items produced, the outstanding ones are the luxurious lady handbags made of a water grass called in the vernacular “Li Pao.” These are now a highly valued export item from which rural women have earned much more than they have from any agricultural product.

5.4.3 Poverty Alleviation Project (PAP)

As the start of this project, the Government allocated some of the budget to the villages and assigned the responsibility to the Ministry of Interior (MOI) for the implementation through the Community Development Department. Thus, the Poverty Alleviation Project has been implemented since 1993.

The support to target households and village committee are by educating, monitoring, supervising, evaluating and reporting. In term of benefits of the project are both direct and indirect to the poor households under poverty line, which was lower than 15,000 Baht at that time. It aims to:

- i) To have a fund for occupational investment in the villages;
- ii) To provide the poor people with an opportunity to have a loan without interest;
- iii) To increase more income for the poor people so as to improve the quality of their lives;
- iv) To create responsibility and sympathy toward one another in the village; and
- v) To strengthen the village committee potential and to empower the local organizations (decentralization).

Consequently, PAP implemented and covered in 18,634 target villages with 808,741 of borrowing households and total amount of loan investment of 5,367.147 million Baht. In comparison of the net income and loan investment, it was evaluated and found that the net income of households increased to about 26 percent during 1993 to 2001 (Paewboonsom, 2003).

5.4.4 Poverty Eradication Center

The Poverty Eradication Center is to serve as the core agency to integrate plans projects activities and funds for all related government units, local administrative organizations, private organization and people’s organizations, in the fight against poverty. The main objective is to tackle poverty in a holistic manner.

The Government had announced the poverty alleviation policy as a national agenda. It launched a nationwide poverty registration program to allow people all over the country

to register their grievances with authority since 2004. According to the outcome of the registration program, more than eight million people came up to register with a total of 12 million problems. People in the program were divided into seven categories: landless people, the homeless, illegal business operators, needy schoolchildren and students, those who have fallen victim to dishonest schemes, debt-ridden people, and those wishing to have their own house.

A report prepared by the National Poverty Eradication Center shows the progress of the Government's efforts to tackle poverty that among the problems raised by registered people, the most serious one was the debt problem. About five million people registered the debt problem, around 2 million registered the landless, about 0.25 million needy schoolchildren and students registered the problem of financial support for their studies, and about 91,000 people stated that they had fallen into dishonest schemes. Moreover, the number of the registered jobless and homeless people was 6,521. Almost 6,500 people registered problems concerning illegal businesses. More than 1.3 million people registered other problems.

Poverty eradication centers have been formed at various levels to take charge of the caravans. The cabinet instructed the Bangkok and provincial poverty eradication center to arrange mobile units, comprising representatives from related agencies to help ease the hardship of local people. At the provincial level, in particular, the officials will come from labor, education, agricultural offices, military units, police stations, local administrative organizations, private organizations and people's organizations.

Poverty eradication caravans are being arranged to help solve poverty problems across the country. The Cabinet approved guideline for poverty eradication caravans arranged by the National poverty Eradication Center. The caravan project comes after the nationwide poverty registration program. Its objective is aiming to bring all types of government services that can be offered to local people to help ease poverty problems at the grassroots level. The project is in line with the Government's road map against poverty, which is divided into three phases. The first phase implemented in 2004. The operation was to involve analysis of poverty problems and guideline for solving the problem. The second phase is implementing since 2005, its period covers to 2006. This phase aims to involve the easing of people's hardships and other related issues. And the third phase which will carry out from 2007 to 2008. This phase prepares to call for sustainability in tackling poverty and other related problems.

5.4.5 Asset Capitalization Project

An Asset Capitalization Project has been formulated since 2003. Its duration of project covers five years. The objectives and mandate of assets capitalization can be defined in four boarder areas; i) to formalize and legitimize various types of asset as a step towards creating access to the capital market, ii) to create value from the registered assets, iii) to develop database that will be instrumental in ensuring a transparent framework for transaction and iv) to make a necessary preparations for the long term measure for assets capitalization.

However, policies relate to the assets capitalization of which concern and emphasize on :

- To expedite the process of registration of land rights, contracts and various types of permits on assets which can be capitalized as well as verification of the authenticity of such document;
- Create opportunities holders of the rights, contracts, permits to use such rights to provide access to capital, emphasis being placed on small holders and small scale business;
- Revise the current system of data on assets and valuation procedures to ensure accuracy, transparency well as fair treatment to all parties concerned;
- Introduce a management system for land as well as other types of assets that are appropriate within the current socio-economic context to minimize return.

The types of assets are covered by the policies which mentioned earlier comprising land and property, leasing and hire-purchasing contracts, permits to utilize public lands and other licenses or permits, intellectual property and machines. Main activities and target groups under implementation of the project are Nor Kor Insurance, sign Memorandum of Understanding with financial institution, loan application target, loan approval target, credit line target, target group career training and map section adjustment.

In the procedure of the project, the following approaches are;

- Expedite the process of registration of land right, contracts and various types of permits on asset as well as verification of authenticity of such document;
- Improve the current map and information database;
- The criteria for approving loans by the financial institution will take into account both the credibility of the applicants as well as the feasibility of the project and asset to be used as collateral. Valuation procedure thus have to be both accurate and fair;
- The policy cover to types of assets. The first are assets owned by individual, which can be used as collateral such as titles, registered machines, and intellectual properties. The second are asset, which are not owned by individuals, but individuals have a degree of claims but which are not recognized by financial institution as collateral on ground that these are recognizable claims only under specific laws.
- Agreement with financial institutions are separated the division of responsibilities among public financial / institution are: i) the Bank for Agriculture and Agricultural Cooperative (BAAC) for land assets, ii) the Investment Financial Corporation of Thailand and the Small and Medium Enterprise Bank of Thailand (SME Bank) for machinery and intellectual properties and iii) the Government Saving Bank, the Government Housing Bank and Krung Thai Bank for leasing contracts. Those public financial institutions have to make preparation on the following aspects: the amount of credit (to support the policy) personnel responsible for valuation and training.

6. Conclusion

According to Programs for Agrarian Reform and Rural Development mentioned in section 5, it is obvious that all programs are related to the National Plans and Policies of the government of Thailand. They are also keeping up with the goal of Agrarian Reform and Rural Development at international level which aims to eradicate poverty.

Sufficiency Economy Philosophy initiated by His Majesty the King of Thailand was adopted in several programs. In terms of access to land for rural poor, Thailand has applied the Sufficiency Economic Philosophy and Sustainable Development to a number of programs especially in Agricultural Land Reform Program and Poverty Alleviation Program. Both programs aim to eradicate the poverty and the upgrading of the quality of life of people in rural areas.

Landlessness is the major cause of poverty. In rural area, especially in agriculture sector, land is the primary source of production, income generation, and socio-economic status of rural people. Agricultural Land Reform Programme is a mean for proper management in natural resources through land allocation and development activities. In so doing, the landless and small farmers are able to have land for cultivation and provided with some supporting services.

Other projects are also in line with agrarian reform and rural development. Most of them aim to bring all types of government services to local people to help ease poverty problems at the grassroot level.

However, it cannot be said that all program and projects reach achievement. Some are successful at a certain level and others are still on the process. Efficiency of implementation is certainly affected by several factors both internal and external. Population increase, income gap, limit of land, high demand of world food consumption, environmental degradation, etc. are among those factors. Therefore, concerted efforts of parties concerned will be needed to fulfill the goal of agrarian reform and rural development.

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