

# Transformation of Farm Villages in Central Plain in Thailand

by SHINTANI Masahiko

The purpose of this paper is to investigate the effect of the economic development on the farm households of Suphan Bri province in the Central Plain in Thailand, with an focus on the labor employment.

During the last 25 years, Thailand has become a middle-income country from a low-income country and its economy has been changed from an agrarian economy to an industrial economy. These changes in the economic environment had various influences on the agricultural sector in Suphan Bri province, including the increased wage rates.

According to the Village Basic Data Survey (Kor Chor Chor 2(Soon) Kho) for a period of 1986-2001, the following facts are observed in Suphan Bri province: the increased number of villages; the increases in wage rates; the decreases in the family size; the increased number of non-farm households in a village; the increased paddy yield per land; and the increased use of chemical fertilizers and adoption of the high yield variety and the insecticide for the purpose of increasing paddy yield per land.

Rationality of the labor input in the paddy production is investigated by using the individual samples from the firm economic survey conducted in three villages from each of the irrigated area, non-irrigated area and flood prone area in Suphan Bri province in 1987 and 1998. For this purpose, the Cobb-Douglas type production functions of paddy production are first estimated. Then, the marginal productivities of labor estimated for each sample farm household are compared with the wage rates.

Based on the full sample analysis of 1987 and 1998, rationality of labor input in the paddy production is confirmed for two thirds of the farm

households, while irrational excessive input is found for the remaining one third.

Based on the village-by-village analysis of 1998, the excessive labor input is observed in most of the farm households in Sa Ka Chome village that belongs to the non-irrigated area. Unlike the other two villages that were successful in adjusting in the economic environment, Sa Ka Chome village failed for such an adjustment. The reasons of this failure are unavailability of the combines during harvesting and threshing time, and few rainfalls that resulted in decreased annual yield per land by half. In conclusion, the investment in irrigation facilities and the introduction of the combines during harvesting and threshing time are necessary in Sa Ka Chome village.