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Title: The political response to rural social and economic sustainability: A cross-national study of Thai and Australian rural policy, 1997-2007

Journal Title: Rural Society

ISSN: 1037-1656

Year: 2012

Volume: 22

Issue: 1

Pages: 6-19

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URL: http://researchoutput.csu.edu.au/R/-?func=dbin-jump-full&object_id=38668&local_base=GEN01-CSU01; <http://rsj.e-contentmanagement.com/archives/vol/22/issue/1/article/4893/the-political-response-to-rural-social-and>

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CRO Number: 38668

The political response to rural social and economic sustainability: A cross-national study of Thai and Australian rural policy, 1997-2007

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KEYWORDS

Thailand, Australia, rural policy, politics

ABSTRACT

This article provides a cross-national examination of Thai and Australian political responses to rural social and economic inequity during the period 1997-2007 using a historical lens. It highlights different policy approaches and their philosophical underpinnings. Both the National Party and Thai Rak Thai Party shared similar policy positions. Village funds and rural community development programs were aimed at providing capital to encourage the establishment of new enterprises or partnerships in building infrastructure. In some respects they were compensatory for changes in global agricultural commodity trading conditions and an acknowledgement that markets fail producers in the rural sector. The contrast between Thai and Australian approaches to rural policy is in the philosophy of 'Sufficiency Economy'. A philosophy rejected by the Thai Rak Thai Party, Sufficiency Economy was essentially building upon long held peasant traditions.

INTRODUCTION

During the period 1997-2007, rural constituents in both Thailand and Australia perceived themselves as casualties of neo-liberal economic policy which promoted the dominance of market forces, free trade and deregulation of services. This perception grew amongst rural constituents along with a view that a neo-liberal policy framework was incompatible with rural communities reliant upon a narrow agriculturally based economy. Rural economies in both Australia and Thailand are less economically diverse (Ahmad & Isvilanonda, 2003) than their urban counterparts and their small populations with low incomes are often unattractive to businesses developing new markets for their products and services (Aslin & Russell, 2008). Without government incentives, sections of rural people believed that markets would not organically emerge in rural areas, nor would business be able to justify an economic investment into those areas (Chan, 2010). As more rural constituents began to identify problems with neo-liberalism and the widening social and economic gap between city and country, political parties in turn saw electoral currency in responding to those concerns. In particular, Australia's National Party and the Thai Rak Thai Party realised that they risked losing, or never gaining, electoral support in rural areas if they were unable to develop policies that would address market failure and ensure parity of economic and social opportunities for rural communities.

This cross-national study examines how the National Party and the Thai Rak Thai Party responded to a disillusioned electorate. It provides a brief survey of rural poverty in Thailand and Australia, illustrating a case for government intervention. The study then highlights the

policy responses intended to address rural voter concerns and highlights particular programmes introduced by the National Party and the Thai Rak Thai Party.

LITERATURE REVIEW

To date this cross-national study of the politics of Thai and Australian rural policy is the first of its kind. There is substantial literature examining the politics and development of rural policy in Thailand and Australia but each nation is treated separately. Of particular note is *Land of discontent: The dynamics of change in rural and regional Australia* (2000). Its editors, Pritchard and McManus compiled an edited collection of essays that examine rural politics and policy in Australia. However, the collection does not examine how policy or politics is informed by rural political culture nor the political currency rural electorates could control. The work does identify the factors impacting regional Australia, most notably globalisation, and therefore assists in placing rural Australia in the right context for further examination. *Sustainability and Change in Rural Australia* (Cocklin & Dibden, 2004) is another collection of essays on rural policy and shows how rural policy in Australia tends to be fragmented and highlights the need to take a more holistic approach to rural policy making taking into account social, economic and environmental factors when making policy rather than individual policy to address specific social, economic or environmental policy problems. The collected essays provide a proper context to begin examining rural policy. An important contribution to the literature on Thai politics and rural policy is an analysis undertaken by Suttree Dangnet from Chulalongkorn University. Entitled, *Populist policies in Thailand: A comparative study between Thaksin's and Democrat Party's* (sic) (2011) the work illustrates how Thaksin understood the voter mentality of the rural poor in Thailand but his greatest challenge was to break the 'patron-client' relationships that existed in rural areas and create a direct relationship between citizen and state. Other literature on rural policy in Thailand tends rightly to centre around poverty alleviation. Somporn Isvilanonda's paper *Food Security in Thailand: Status, Rural Poor Vulnerability, and Some Policy Options* (2011) addresses concerns about the increase in food prices and the purchasing power of poor rural households. In a similar approach to the Australian experience highlighted by Pritchard and McManus (2000), the study highlights the need for farmers to develop better management plans and new sources of income to offset volatile commodity markets.

Most comparative pieces between Thailand and Australia has solely focused on the Free Trade Agreement (FTA). A major work in this field is *Australia-Thailand Trade: has the FTA made a difference?* (Athukorala & Kohpaiboon, 2011) The study examines the role of the FTA and the development of bilateral trade. Essentially, the study is in the field of macro economics and its scope does not extend to 'grassroots' perceptions of FTAs. FTAs are viewed with suspicion by rural constituents in Australia and Thailand. The perception held by rural constituents is that FTAs are a facet of globalisation which domestic policy makers should compensate against.

RURAL POVERTY

Poverty and economic disadvantage in rural areas have created an urban-rural divide. In Thailand and Australia a longstanding lack of investment in agriculture and exposure to world markets have taken their toll on rural communities. Rural communities in both countries meanwhile experience a population drain as people leave the rural areas for opportunities in urban centres.

In terms of real living conditions and wages, rural people in Thailand are far worse off than those in Australia. However, such international comparisons should not be allowed to minimise the hardships suffered by Australians. On average, rural Australians earn 24% less than their city counterparts (Alston, 2000, p.29). Thirty-three of the poorest thirty-seven electorates are in rural areas (Alston, 2000, p.29). A distinct feature of poverty in Australia is that it is geographically placed. Poverty is not evenly spread. Since the Seventies, rural towns have reported a higher number of persons on social security payments and continuing economic decline (Fincher & Wulff, 1998).

As in Australia, Thailand's poverty is most severe in rural areas. In 1998, 17.3% of the population in villages had an income below the official poverty line (National Statistical Office, 1999). The north-eastern region had the highest incidence of poverty, with 24% of population below the poverty line compared to 13% for the whole Kingdom (National Statistical Office, 1999).

RESEARCH METHODS

Cross-national research methodology has been used in this study as a means to develop a better understanding of different policy and political responses to what is essentially a global problem – the sustainability of rural communities in an increasingly urbanised world. A common criticism of cross national research is the methodology asks that countries with dissimilar histories and cultures are compared and contrasted (Hoffmeyer-Zlotnik, 2005). Broadly, there are little cultural or political similarities between rural Thailand and Australia and a comparison of rural policy and politics between the two nations may initially seem unnecessary and unlikely. However, in addition to sharing some similar rural social and economic problems, the Australian Government has recently identified Asia as a policy priority. In 2011, the Australian government acknowledged a new importance in engaging with Asia and commissioned a white paper entitled *Australia in the Asia Century* (Department of Prime Minister and Cabinet). The paper is due to be released mid 2012 and will outline a number of policy directions that will be taken over the next 10 to 15 years to enhance Australia's involvement with Asia. The white paper will examine economic, environmental, political and defence implications for Australia and its engagement with Asia. The terms of reference for the white paper suggests much of the document will examine Australia and its Asian engagement from a macro perspective. The purpose of this cross national study into the politics of rural policy making is to make a small contribution to the renewed interest in Australian and Asian relations. This cross national study adopts a sociohistorical approach to frame the scope of rural politics and policy. It will use policy documents and separate studies on Australian and Thai rural policy and politics as a means to illustrate the common and different approaches used to address rural sustainability.

FINDINGS

The political currency of rural communities

Both Thai and Australian rural voters share a similar perception of politics. Both have grown disillusioned with the representation they have received and the lack of attention given to rural issues. In Australia there has been growing anger towards the National Party. Formerly

known as the Country Party, the party was traditionally viewed as the rural advocate in parliament. However, the National Party's long term coalition arrangement with the Liberal Party of Australia, a party which supports neo-liberal economics and free trade, proved costly in terms of ongoing National Party voter support. In the mid to late Nineties, rural people began to believe they not only suffered from the new economic or social policy, but had those policies implemented without explanation or acknowledgement of their concerns (McGuinness, 1998). The new and growing cynicism among voters in rural areas meant that the National Party was losing votes to independent candidates as well as to Pauline Hanson's One Nation Party. A socially conservative party with a range of protectionist economic policies, One Nation received 8.4% of the Commonwealth House of Representatives vote at the 1998 election, while in the Queensland State election of that year, One Nation won eleven seats. The National Party bore the brunt of the damage, receiving less than 5.3% of the Commonwealth House of Representatives vote, its worst ever result. The downturn in voter support was in part because the traditional rural party, the Nationals, were campaigning in rural communities with what could only be described as compensatory measures for free trade and globalisation. Independent candidates and One Nation had set out a policy platform which promised to bring rural Australia back as the economic heart of Australia. In 1998, Pauline Hanson, leader of One Nation, insisted, "Australia's rural and regional communities are key contributors to the national economy. These [rural] people and these communities play a vital role in the prosperity of this nation." Hanson then promised "to [make] rural Australia the source of national self-sufficiency". Australia, she claimed, could sustain itself in terms of minerals, energy and other natural resources, and rural Australians would continue to make these resources available to the nation (Pauline Hanson's One Nation Party, 1998). Such rhetoric reminded rural people that they had an important role to play in the nation's economy and that they were an important part of Australian society.

The Thai Rak Thai Party also found political currency in campaigning on the urban-rural divide. Since the mid to late Nineties, Thailand's standard of living had been increasing, but it was mostly in urban areas, and particularly in Bangkok. Statistics on income distribution in Thailand reveal that in 1998 the Gini coefficient, which measures inequality among levels of income, with lower coefficients indicating more equal distribution and higher coefficients pointing to greater inequality, was 0.507 for the whole nation. Bangkok's coefficient was 0.415. In rural areas the coefficient was 0.450 (Office of the National Economic and Social Development Board, 2010). This inequality was resented by rural people who complained that they had few economic opportunities or any significant social mobility (Pongsudhirak, 2009). Exploiting this divide, the Thai Rak Thai Party gained government in 2001. The party had directed its campaign at small business as well as rural and poor voters. It also used anti-globalisation and the general 'backlash' against neo-liberal policy to distinguish itself from the Chuan Leekpai Government (Hewison, 2004). Chuan's Democrat Party was seen as backing the highly unpopular International Monetary Fund position which promoted the sale of state run enterprises such as communications, transport and energy and aimed at reducing restrictions on foreign investment (Hewison, 2004). Thaksin's policies helped mobilise poor farmers into the Thai Rak Thai Party's electoral base. After Thaksin's first four-year term as prime minister, his Thai Rak Thai Party won a landslide victory in the February 2005 elections. The party won 374 out of 500 seats in Parliament, the largest number of parliamentary seats ever gained by a single political party in Thailand's history.

Since 1961, poverty alleviation in Thai rural development was distinctly monetary (Ngamwittayapong, 2003), but poverty alleviation measures under Thaksin were exceptional in the sense that they did not only link heavily to populism, but also encompassed many

aspects such as health, income generation and debt suspension. The policy came together with the idea of a ‘dual-track’ economy which implies promoting an export-oriented economy while at the same time stimulating domestic consumption. The policy came with the motto ‘kid mai - tam mai’ or ‘Rethink – Redo’. Nevertheless, the policy did not address structural issues, for instance the inequality in work opportunity and access to welfare (Phongpaichit, 2011). Thaksin’s new policy did not emerge out of a vacuum. Rather, it had economic and political rationales. Firstly, the policy responded to the needs of the poor by addressing important aspects such as healthcare and capital. Secondly, by emphasising such aspects, it seemed to ‘counter’ the policy of the opposition Democrat Party which prioritised the needs of the financial sector rather than responding to the needs of people at the grassroots level. The most popular policies included the Universal Coverage of Health Care Scheme, a 1 million baht Village Fund, One Tambon One Product (OTOP) project and a Debt Suspension Scheme for farmers, as shown in Table 1.

Table 1: Thaksin’s rural Policies and his targets (Polcharoen, 2003).

Scheme/Projects	Targets
1. The 30-Baht Health Care Scheme (now the Universal Coverage of Health Care Scheme)	More than 30 million population
2. Village Fund	Approx. 7.6 million rural population
3. One Tambon One Product (OTOP)	Approx. 18 million
4. Debt Suspension Scheme for farmers	Approx. 2.3 million of poor rural population
5. Debt Suspension Scheme for members of agricultural cooperatives	Approx. 5 million rural population

The 30-Baht Health Care Scheme, or the Universal Coverage of Health Care Scheme, has been fully implemented since 2002. The scheme guarantees universal healthcare coverage for just 30 baht (about 0.75 USD) per visit at state hospitals. The scheme ensures equity in access to quality health services. In 2006, around 84.52% of the poor benefited from the scheme. The Village Fund aimed to provide seed money to the villagers in more than seventy thousand villages nationwide to create income generating activities and social welfare projects such as strengthening the community welfare system.

The One Tambon One Product (OTOP) Project links closely with the promotion of community enterprise. It serves two purposes, namely creating income generation activities in the community and promoting export, which is in line with the dual-track economy approach. The project aims to link income generation with local wisdom which would eventually strengthen community and community welfare. Income generation in the community helps generate community wealth and improves the standard of living, strengthening the potential of communities in using local knowledge, local materials and resources to produce quality products. In 2006, there were 23,382 OTOP items nationwide selling at local and international levels.

The Debt Suspension Scheme aimed to solve debt problems of small scale farmers and to assist the farmers to accumulate savings. Farmers who were eligible for the scheme were required to have less than 100,000 baht debt. The farmers could choose one of two options. The first option was debt suspension, in which debt, and interest would be suspended for three years. After three years farmers were obliged to pay the debt including interests. For the second option, farmers engaged in debt reduction in which the government helped pay the interest. In 2001 there were 1.75 million farmers registered in the scheme. The number increased to around seven million in 2007. The scheme became a huge success and income distribution improved significantly in the first three years, though questions of sustainability emerged (Siamwalla & Jitsuchon, 2007, p.22; Poljarern, 2003).

The 30-Baht Health Care Scheme also proved a success. A study in 2006 revealed that the ratio of medical expenses to household income reduced significantly from 2.14-2.17 between 1999-2001 to 1.84, or 0.32% of household income, in 2002 and continued even two years later in 2004. A closer look at low income households found that the scheme reduced the percentage of medical expenses significantly. The scheme also reduced the number of people under the poverty line by 14% (Na Ranong, Na Ranong & Wongmonta, 2006).

With respect to the Village Fund, around 72,335, or 96.6%, of 74,881 target villages were registered in 2001. Loans from informal sources also increased as villagers had to borrow money to pay back the Village Fund. It was then concluded that the Village Fund created debts though there were cases of people who saved more. A study by the National Economic and Social Development Board (Theparak & Techapanadorn, 2003) found that the Village Fund did generate income but that household debt also increased. The study found that the average annual income of a family increased 7.2%, from 264,481 baht to 283,433 baht, whereas household expenses increased 7.6%, from 189,258 baht to 203,635 baht (Theparak & Techapanadorn, 2003). As for social impact, the Village Fund increased community participation.

In 2002, the percentage of villages registered increased to 98.2% of 75,547 target villages, of which 97.87% already received loans (Nitithanprapas, 2004). The percentage of villages in rural areas which received loans was 96.3%. Around 89.1% of members of the village fund managed to pay back on time (Nitithanprapas, 2004). The money paid back came from revenues of the activities (63%), family savings (19.1%), family's other sources of income (10.1%), and other loans (7%) (Nitithanprapas, 2004).

By contrast, the OTOP project was proclaimed a success. In 2001 before the project was implemented, the sale of product from communities was 216 million baht. In 2002 sales increased, although those who benefited from the project were often business people rather than local people or villagers. Villagers who were targeted by the policy turned out to be employees rather than potential entrepreneurs. Research in 2003 found that 67.3% of the products in the OTOP project were already on sale before the coming of the project, 20.0% were new products and 12.7% were old products that had been diversified (Bunyaratanasunthorn & Komoltha, 2009). In terms of household income, it was found that after the establishment of the OTOP project, household income increased by 14.5% and investment increased from 35.0% to 38.0% (Bunyaratanasunthorn & Komoltha, 2009). Household savings increased 5.8%, from 44,880 to 47,488 baht (Bunyaratanasunthorn & Komoltha, 2009). As for the Debt Suspension Scheme for Small Farmers, evaluation of its success through nationwide sampling found that, out of the farmers who participated in the scheme, 48.3% reported increased income (Chavavivat, 2005).

In Australia, a monetary approach was also followed by the National Party in its formation of rural policy. The National Party introduced measures to address rural concerns and attract support from rural electorates. To address the growing rural discontent, a rural summit was held in 1999 comprised of politicians and community representatives, along with sector and industry groups, who raised a range of economic and social concerns regarding the future of rural and regional Australia. The summit involved more than 500 people and resulted in four main outcomes:

- 1) That better co-ordination between local, state and federal governments would assist in creating an economic environment which would be more conducive to private sector investment in infrastructure either independent of government or in partnership.
- 2) That a foundation of rural and regional renewal be established as a philanthropic foundation, helping to provide assistance in the economic development of rural and regional areas.
- 3) A regional solutions programme was announced providing \$90 million to help regional and rural communities develop and implement locally focused solutions in building their economic and social bases. It was primarily aimed at dealing with economic stagnation or population decline due to industry restructuring and lack of development.
- 4) A series of research programmes was initiated to improve research into community development and enhance the skills of people to understand development techniques and processes (Regional Australia Summit, 1999).

In addition to the four core outcomes the Deputy Prime Minister and National Party leader, John Anderson, made a ministerial statement on improving the social and economic prospects of rural and regional Australia. The key messages in his statement were:

- 1) Equity of services – recognition that there was an imparity in health, education, social welfare and government facilities.
- 2) Economic and business development – measures needed to be created that would assist regional and rural areas develop investment strategies.
- 3) Community empowerment – programmes such as the Rural Plan, the Rural Communities programme and the Regional Assistance programme were developed to allow communities to decide their own strategies. Emphasis was particularly given to regional and rural areas experiencing stagnation or decline.
- 4) Commonwealth role – government has a significant role in regional issues (Regional Australia: Making a Difference, 2000-2001).

Specific rural policy programmes which emerged were Regional Solutions, Regional Assistance, Rural Communities, and the Foundation for Rural and Regional Renewal. The Regional Solutions programme was established in 2000 and provided some \$83 million over four years. It aimed toward working with rural and regional communities facing economic challenges, a declining population due to industry restructuring, a lack of development opportunities, or high levels of unemployment and social disadvantage. Funding was available for non-profit groups with strong support from their community or region. Grants ranged from \$1000 for small-scale projects, such as developing community plans, to \$500,000 for large-scale projects, such as community infrastructure. The Regional Assistance Program was a fund of \$12.5 million set aside for community based projects such as funding

for halls, sporting complexes or rural transaction centres that would become points of access for government services and act as portals for banking and other financial services. The Rural Communities programme operated between 1998 and 2001, providing \$22.8 million in funding to encourage diverse and innovative communications to regional and rural areas. The Foundation for Rural and Regional Renewal provided grants of up to \$10,000 to communities with a population of 15,000 or less.

According to Deputy Prime Minister Anderson, rural communities were being tested by “new technologies, unprecedented rate of social change and fast moving global markets” (2001). He argued that these challenges “are largely beyond the control of Australian governments.” In essence Anderson was acknowledging that lack of investment in rural areas, globalisation and the general population drift from the rural centres to the cities had impacted on social and economic development in rural Australia. To address these concerns and avoid political annihilation, the rural programs listed above were instigated then later compressed into one larger funding source, the Regional Partnership Programme. Anderson’s approach to improving economic and social development in rural areas was based upon creating a partnership between government and rural communities to achieve self-reliance. Government realised that each rural community was different and, accordingly, required communities to develop goals that federal resources would assist in achieving.

In some respects the rural programmes were compensatory. The national policy emphasis during the Liberal-National Party government (1996-2007) was very much orientated toward the deregulation of markets, the development of competition and free trade policy, most of which were not conducive to rural economies founded on agricultural subsidies and trade protection. For example, the Australian dairy industry was deregulated in 1999. Prior to deregulation milk pricing and supply were regulated by state and federal governments. After 1999, dairy farmers were compensated with a \$1.74 billion dairy industry adjustment programme with a further \$30 million made available in 2001. Government was aware that the removal of regulations and price certainty would negatively impact farmers and communities dependent upon the dairy industry. In the commercial sector neo-liberalism or, as it is known in Australia, economic rationalism, was a dominant mentality during this period. Consequently, banks and other commercial institutions began to shut down their services in rural communities. The Federal government addressed this problem by establishing Rural Transaction Centres in those communities affected. The transaction centres operated as a ‘one stop shop’ for accessing banking, postal, and government services. Essentially, these centres replaced a number of services which had been removed from rural communities because those services were viewed by the responsible private or public sector provider as economically unviable.

One difficulty in making comparisons between the Australian and the Thai experiences is that Australia did not follow the Thai lead and undertake comprehensive evaluation of the outcomes of its rural policies. An inquiry by the Australian National Audit Office (ANAO, 2007-2008) concentrated on administrative process, especially the approval process for grants, but did not seek to measure the policy outcomes. As Paul Collits (2008, p. 8) writes:

Evaluation is really policy learning and should form a basic part of the regional policy cycle. Yet too often [Australian] governments settle for second best — for simply accepting the accolades of being seen to care about regions, without coming back later to see if the intervention helped or not.

ALTERNATIVE APPROACHES IN THAILAND

In Thailand, Thaksin's monetary approach to rural development was regarded as a success in terms of improving the livelihoods of rural people. Nevertheless, the issues of sustainability and adverse outcomes were a cause for concern. The policies were accused of offering 'a shortcut' to wealth, promoting over-consumption and simply stimulating materialistic values. Above all, the policies have been accused of damaging the spirit of 'self-reliance' and making the poor dependent upon government assistance. Other shortfalls of the policies include lack of preparation and overlooking human development aspects. For instance, the Village Fund studies found that members lacked understanding of the principles and purposes of the Village Fund and needed to be equipped with knowledge on financial management and accounting (Matunboon & Chatchaval, 2004).

As early as 1974, the King of Thailand promoted the philosophy of 'Sufficiency Economy' as a response to rapid growth and its associated problems. The philosophy was again highlighted after the 1997 economic crisis. Through Sufficiency Economy the King advised Thai people to change their economic philosophy to cope with economic adversity and withstand economic insecurity in the era of globalisation. The important message is how to balance development and globalisation while taking into consideration the needs of ordinary people. The philosophy advocates three related tenets—moderation, rationalism and 'self-immunity' as foundations for development. The three tenets imply the importance of growth by gradual stages and self-reliance under the conditions of care and prudence in applying knowledge. Last, but not least, integrity or virtue serves as an over-riding framework. These elements overlap and interlock. In other words, the philosophy runs counter to far-fetched neo-liberal consumer capitalism. It does not reject globalisation, but rather it provides a means of survival in a globalised environment. Whereas the monetary approach encourages rural capitalism and quick upward mobility, sufficiency affirms stability and resilience and thus long-term sustainability. Where the monetary approach offers the rural poor a quick development in economic terms, Sufficiency Economy is built on a gradual development and self-reliance.

For some, the application of Sufficiency Economy remains a challenge but lessons from past economic crises, together with the philosophy's basic maxims, make the philosophy appealing to some policy makers. The Thai Government has adopted Sufficiency Economy as a guideline for the country's development plan. Interestingly, in 2007 the United Nations Development Program promoted Sufficiency Economy through the annual Thailand Human Development Report. Among many recommendations the report states that Sufficiency Economy is central to alleviating poverty and reducing the economic vulnerability of the poor. The philosophy is central to community empowerment and the strengthening of communities as foundations of the national economy, and can guide national policy to "immunize" a country against economic shocks, to craft better policy and to plan strategies for more equitable and sustainable growth (United Nations Development Program, 2007, pp.71-72).

The Sufficiency Economy movement has acquired momentum in recent years. A study of 40 villages in four regions of Thailand found common attributes among villages which apply Sufficiency Economy – interweaving elements of moderation, rationalism and 'self-immunity', as well as prudence and integrity (United Nations Development Program, 2007, pp.71-72). For instance, on the 'moderation' front, the emphasis is on responding to the needs of community rather than over-responding to market demand. This also implies integrated

farming. Moderation in consumption meantime implies abstinence from consumerism. On the rationalism front, the formation of occupational groups led to diverse income generation activities: community enterprises; reduction of production cost through sharing of expenses; application of local wisdom; establishing village savings groups and management of household accounting to name just a few. On the self-immunity front, emphasis was put on strengthening family ties and relationships among community members through various means such as occupational groups, rice bank to support the poor in the community, and participation in management of community and natural resources. Interestingly, in many villages, the Village Fund is part of the crucial source of funding for the community (Jitsanguan, 2009).

ALTERNATIVE APPROACHES IN AUSTRALIA

In Australia, the aims of government and private/community partnerships were focused on notions of self-determination and self-reliance, the idea of letting communities set and work towards their own goals. From the late Forties, if not earlier, Australian governments followed the lead of the Rural Reconstruction Commission in conceptualising farmers, not as self-sufficient yeomen, but rather as business people committed to building their share of capitalist markets (Whitford, 2010). In Thailand, by contrast, the Sufficiency Economy model marked a clear reaction against what were seen as the excesses of capitalism. In Australia, the cornerstones for sustainability of rural communities were the provision of free land for new industries, the promotion of tourism, and a range of infrastructure and community development projects. The development of ‘niche’ markets was also seen as a possible recourse for Australians. Asian vegetables, aquaculture and floriculture enterprises began to emerge (Pritchard & McManus, 2000). Yet, these enterprises had varied degrees of success and the nature of them meant markets were limited. Policy along the same lines as the Thai Sufficiency Economy philosophy would appear incompatible with the scale and nature of agriculture in Australia. For centuries Thai agriculture has had subsistence farming at its core and is so intimately bound up with the Thai world view in its social, economic and religious aspects as to be irreconcilable with Australian practices.

ACCUSATIONS OF PORK BARRELING

The creation of programs specifically aimed at rural areas was criticised by opponents of the National Party and Thai Rak Thai Party. Opposition political parties claimed rural focused programmes were simply ‘pork barrelling’, a derogatory term referring to appropriation of government spending for localised projects secured primarily to bring money to a representative’s district. However, accusations of ‘pork barrelling’ are a narrow political view that fails to take account of the severe disadvantage people in rural areas have in comparison to those in urban areas. In contemporary liberal democracy, it tends to be elites that drive the political agenda. Accordingly, those outside of the process or marginal to the national elitist agendas, such as rural people, have only the vote with which they can lobby government. The development of rural specific policy can thus be seen as a response to rural voters.

Clearly, rural policies in Thailand and Australia introduced during this period were a political response to constituencies in need. Yet, in Australia, accusations that the Liberal National Party government was simply ‘pork barreling’ shadowed the policy program. In a lead up to the 2007 election, the Labor opposition spokesman for regional development claimed there had been “massive roting and widespread corruption” (Prasser & Cockfield, 2007, p. 5). The investigation conducted by the Australian National Audit Office (ANAO) found that 73% of

the grants were from rural electorates and 77% of the approved grants went to rural electorates. However, the ANAO in 2007 noted that such figures were unsurprising given that the grants were aimed at rural communities. The accusation that it was Liberal National Party seats receiving the greater share of the grants was acknowledged, but investigators reasoned that it would have been the case because rural electorates were predominately held by the Liberal Party or its National coalition partners. While the ANAO had not found any evidence of 'rorts or corruption' the accusations were enough to smear the Liberal and National Parties. Although it was not a factor in the overall defeat of the Liberal National Party government in 2007, it did hinder its campaign.

DISCUSSION AND CONCLUSIONS

This cross national study has made a small contribution to delineating rural policy perspectives in Australia and Thailand as a means to better understanding Australia's relationship with Asia. It is a pioneering contemporary historical study that may serve as the basis for further comparative policy research between Australia and Asia. This study has attempted to expand upon the work of Pritchard and McManus (2000) by highlighting the political responses to rural policy making. It also acknowledges and contextualises further, in a cross national approach, the problems identified by Cocklin and Didben (2004) that approaches to rural policy making need to be more holistic and less reactionary to specific needs as they arise. This study contributes to the Thai rural policy literature by expanding upon the ideas of Dangnet and Chulalongkorn (2011) and the manner in which Thaksin had developed a greater relationship between the rural citizen and state through a monetary approach similar to that practised in Australia. Finally, the importance of this cross national study is that it is the first comparison of Thai and Australian rural policy undertaken at a micro level. Commonly cross national comparisons have tended to emphasise FTAs and international policy developments as highlighted by Athukorala and Kohpaiboon (2011). This study has also attempted to make some comparisons on a domestic level within both Thailand and Australia.

Apparent in both the Australian and Thai experience is a ground swell of disaffected rural voters envious of what they perceive as city-centric policies. In response to this concern, political parties, like the National Party and Thai Rak Thai Party, developed a monetary approach to rural development with a range of policies aimed at addressing rural sustainability. Both the National Party and Thai Rak Thai Party shared similar policy positions. Village funds and rural community development programs were aimed at providing capital to encourage the establishment of new enterprises or partnerships in building infrastructure. In some respects they were compensatory for changes in global agricultural commodity trading conditions and an acknowledgement that markets fail producers in the rural sector. The contrast between Thai and Australian approaches to rural policy is in the philosophy of 'Sufficiency Economy'. A philosophy rejected by the Thai Rak Thai Party, Sufficiency Economy was essentially building upon long held peasant traditions. By encouraging rural communities to first grow enough food for self-sustainability and then develop a philosophical outlook that rejects consumer capitalism, rural sustainability is not about parity of economic opportunity with urban centres but rather a matter of contentment with the status quo. However, the lure of consumer capitalism appears too great, even in traditionally minded rural communities in Thailand and certainly in Australia. The sense of inequality between city and country felt by rural voters is incompatible with expectations that those in rural communities should simply accept themselves as casualties of neo-liberal globalisation.

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