

## **Reasons for Being in Debt and Their Solutions: Case Study of Thai Farmer Intellectuals in the Central Region**

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The objectives of this research were: 1) to study reasons for being in debt and their solutions based on farmer intellect in the central region of Thailand and 2) to seek suggestions on being debt-free for graduate students in agricultural extension to prepare for their careers, strengthen their careers and create networking. Triangular techniques were utilized with documentary analysis, in-depth interviews and observations in the locale of five farmers who managed and provided consultations to successfully solve debt problems and were honored by the Office of the Education Council of the Ministry of Education.

Research findings revealed that 1) debts were caused by forgetting ways of past living, forgetting self-realization, surrendering to obstacles, relying on mono crops only and neglecting local wisdom. Application of Sufficiency Economy Philosophy to life, application of Islamic principles to develop a community, management of resources, wise use of household expenses and income, and the formation of groups for community businesses were effective to alleviate debt problems. 2) Suggestions for career preparation by applying the Sufficiency Economy principles, the support of government policies to solve debts, the support of families to encourage children to return home to work and the development of curricula upon learners' self-realization, wisdom and practicability were also revealed. To strengthen students' careers, academic institution should emphasize student potentiality, promotion of work and group work, support of group leaders, and empowerment of the community. Students should develop their capacity, have honest leaders to coordinate with other networks, have group coalition with good intentions, and establish career learning centers to create networking.

**Key words:** debt solution, local wisdom, farmer, Sufficiency Economy, household bookkeeping

### **Introduction**

Thai local wisdom on agriculture places importance on produce consumption and emphasized unity for helping one another. Unfortunately, agricultural trends have changed with globalization and have emphasized sales. Such changes result in debts among agriculturists to purchase necessities such as farming tools, chemical fertilizers and pesticides with the hope to

yield more produce for sales and gain profits to overcome debt. Reports of the socio-economic and agricultural labor survey crop year 1995/1996 to crop year 2007/2008 (Division of Farm Household Research, Office of Agriculture Economics, 1996, 1999, 2002, 2005, 2007, 2008) indicate that survey results on overall farm households and farm size in Thailand in 2007/2008 were 5,782,108 households with an average size of household of 4.11 persons/household for a total

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of 23,764,463 agriculturists. In the central region, survey results for 2007/2008 showed that there are 863,525 households with an average 4.26 persons/household for a total of 3,678,616 agriculturists or 15.48% of all agriculturists in the country.

When considering the amount of agricultural households of the whole country that are in debt and size of debts during 1995/1996 to 2007/2008, the size of debts for agriculturists per household has increased. The size of debt was 24,672 Baht/household in 1995/1996, but debt size increased sharply to 53,885 Baht/household in 2007/2008. When the size of debt of agriculturists of the whole country and the debt of agriculturists in the central region were compared, the debt per household of agriculturists in the central region in 1995/1996 was 40,072 Baht/household but increased to 54,651 Baht/household in 2007/2008. This reveals that the household debts of agriculturists in the central region are higher than the whole country during 1995/1996 to 2007/2008.

Research on Principal Thoughts and Practices for Debt Solutions of Farmers in the Western Region of Thailand revealed that the local wisdom of Thai agriculturists has explicit principles and substantial practices to solve debt problems. This region is a good model of the adoption of HM King Bhumibol's Philosophy of Sufficiency Economy for debt solutions and effective management. Therefore, thorough analyses of Thai farmer intellect in the central region amid the trends of development in industry and information technology is challenging to learn how these local intellectuals successfully find debt solutions and give advice to other people.

Therefore, the objectives of this research were : 1) to study reasons for being in debt and their solutions among farmer intellectuals in the central region of Thailand as role models in agriculture, natural resources, environmental management, village funds, community businesses, value-added from agricultural produces and alternative medicines and herbs, and 2) to seek suggestions for being debt-free to graduate students in agricultural extension for preparing to pursue their careers, to strengthen their careers and create networking.

### Principles and Practices of Sufficiency Economy Philosophy

HM King Bhumibol has foreseen the risk of Thai society and economics that rely heavily on external

factors in the midst of rapid changes and trends of globalization. He has warned Thai citizens to realize the importance of the Philosophy of Sufficiency Economy that leads to sustainable development. He also has emphasized that development must start from "self-reliance" and helping one another to strengthen oneself and the community. As such, we can then extend the development of networking to external communities with security and sustainability.

### Principles of Sufficiency Economy Philosophy

There are three main principles of the Sufficiency Economy Philosophy (Department of Community Development, Bureau of Social Development, Bangkok Metropolitan, 2008).

**1. Moderation** means to be moderate in one's own needs based on financial and social status, the environment and culture. It also means not spending too much or too little, and not taking advantage of oneself or others.

**2. Reasonableness** means to make reasonable decisions based on academics, law, morals and culture while considering all aspects thoroughly, including strengths, weaknesses, opportunities and threats. This will enable well-rounded decisions.

**3. Self-Immunity** means to be prepared for the effects of rapid change in economics, society, the environment and culture, both domestically and internationally, in order to adapt, manage and handle risks in a timely manner.

### Practices of Sufficiency Economy Philosophy

There are three main factors that should be practiced for Sufficiency Economy.

1. Good morals – An individual, family, organization and community that adopts the Philosophy of Sufficiency Economy must first have good morals and honesty beginning with childcare in the family, discipline at school, ethics from religion and self-practice.

2. Knowledge application – The appropriate application of knowledge and technology in planning, implementing and well-rounded decision making.

3. Diligence – One must have endurance, be cautious and use intellect.

Therefore, anyone can adopt the Philosophy of Sufficiency Economy from one's "internal aspirations," which are to have awareness, faith, value and application from oneself and this extends to the family,

community, society and country.

### Results of practicing Sufficiency Economy Philosophy

There are three main results that are derived from practicing the Sufficiency Economy Philosophy.

1. **Economy** – People do not over-spend or over-invest. They think and plan rationale, morals, immune practices themselves with risk management that is appropriate and timely.

2. **Mindset** – People are emotionally strengthened, grateful, diligent and have good consciousness, ethics, are secure, generous, sharing and value the benefits of the community.

3. **Society and culture** – People help one another, enhance relationships, live in harmony, strengthen family, community and country, and promote unity in the country to overcome anger, hatred and survive crises.

Results of practicing the Philosophy of Sufficiency Economy are the basics of understanding debt and solutions for agriculturists that adopt the Philosophy of Sufficiency Economy as a way of life and overcome their debts.

### Materials and Methods

This research is a synthesis of knowledge on causes of debt, their solutions and recommendations for graduate students in agricultural extension for preparing to pursue their careers.

**Targeted groups** comprise five local intellectuals that have been recognized from the Office of the Education Council of the Ministry of Education as follows:

1. **Mr. Liam Budjanta**

A local intellect on Funds and Community Business, Batch 5 Year 2005 (B.E. 2548) resides at Sanam Chai Khet District, Chacheng Sao Province. His outstanding work is in forming business groups, such as savings group, rice bank, fish bank, community forest and seedling cultivation group.

2. **Mr. Somchai Samantrakul**

A local intellect on Resources and Environment Management, Batch 2 Year 2002 (B.E. 2545) resides at Nong Chok District, Bangkok. He is a leader in the Islamic faith that solved debts by health and sanitation in the family, created income generating activities, promoted savings, reduced costs and lived sufficiently.

3. **Mr. Boonleat Thaithupoon**

A local intellect on Agriculture, Batch 3 Year 2003

(B.E. 2546) stays at Sam Pran District, Nakhon Pathom Province. He is a researcher on the complete process of mushroom cultivation from cultivation, processing, selling and training to the public.

4. **Abbot Sudhammanart**

A local intellect on Thai Medicine and Herbs, Batch 1 Year 2001 (B.E. 2544) resides at Plak Mai Lai Temple, Nakhon Pathom Province. He initiated herb forests with a compilation of knowledge and herbs for a self-reliant community.

5. **Mrs. Pranee Sawatdang**

A local intellect on Nutrition and Produce Processing, Batch 5 Year 2005 (B.E. 2548) lives at Buhha-monthol District, Nakhon Pathom Province. She solved her debts through produce processing in compliance with the Food and Drug Administration (FDA) and also offered free training to the public.

### Data Collection and Analysis

This study utilized Triangular techniques to collect data and relevant documents, voice-recordings and transcriptions of in-depth interviews with five local intellectuals and field studies on the occupations and activities of local intellectuals.

Data analysis was performed through explanations to the following research questions:

1. What are the causes of debt?
2. What points are outstanding on the principal thoughts and practices of local intellectuals that solved their debt problems?
3. What preparations are necessary for graduate students in agricultural extension to pursue their careers?
4. What guiding principles strengthen career development of graduate students in agricultural extension?
5. What guiding principles create networks in career development for graduate students in agricultural extension?

Finally, all interviews were carefully analyzed and returned to local intellectuals for verification of the accuracy and completeness of the information. Knowledge synthesis was done by reconciling contents of the interviews and field studies with other documents to make conclusions.

### Results and Discussion

#### 1. Causes of debt for farmers

Findings of this study revealed four main causes of

debt for farmers.

**1) Forgetting the traditional way of life and own identity.** Globalization leads to consumerism and becoming attached to superficial happiness and comfort that are unnecessary for livelihood. As lifestyles change, people strive to consume food from outside their community rather than within their community. This causes reliance on other communities and unnecessary expenditures.

**2) Easily discouraged when faced obstacles.** Allowing other people to dictate one's life when one should lead their own life instead, leads to gambling, increased expenditures, results in conflicts and quarrels within the family, and poor health and increased medical expenses.

**3) Single commercial crops.** Emphasis on commercial crops causes reliance on outside communities because after produce is sold, agriculturists must buy all products and produce.

**4) Neglecting local intellect.** Neglecting local intellect results in giving importance to outside communities such as outside funding or loans for household expenses and business investments, such investment may enable business mobility. However, relying on outside communities causes people to neglect local intellect and not put this intellect into beneficial use.

This research corresponds to studies by Thongben (2000) and Division of Farm Household Research, Office of Agriculture Economics (2008) that reported debt problems of agriculturists as a result of change in economy and society as well as reduced income from agriculture. When compared to the income of areas other than agriculture, agriculturists lack confidence and security in agriculture careers. Therefore, they neglect local intellect and rely on outside communities.

## **2. Principal thoughts and practices for debt solutions**

There are five main ways to reach debt solutions.

**1) Living according to Sufficiency Economy.** Making plans in life is very crucial. A local intellect said that one must assess him/herself in doing business, according to his/her capacity. As for the agriculture sector, small farmers should manage risk by growing various crops for household consumption. If crops more than consumption are yielded, then the remaining crops can be sold for income generation.

**2) Living according to Islamic faith.** Local people in Kok Fad Sub-District, Nong Jok District practice Halal and Toiyeban. For example, eating clean food,

conserving and living in a good environment means clean space for living and for farming, clean water for household consumption and clean air for good health. All three factors are related to good hygiene for community members so that health problems are reduced and lead to a happy lifestyle.

**3) Effective resources management.** Using the 4 Rs for effective household consumption includes re-using, recycling, reducing and repairing resources.

**4) Household bookkeeping leads to debt solution.** Bookkeeping of income and expenditures for all family members and analyzing results together are crucial for debt solution, determining what expenses can be avoided and what expenses are necessary. What expenses can family members reduce, and what activities create income for the family such as vegetable gardening, fish rearing and herbs growing will also be considered.

In an in-depth interview Budjanta (2009) stated, "If you want to know yourself, you must find a way for self-learning. A simple way to do so is to review your household bookkeeping everyday. You'll see by yourself, I have analyzed my bookkeeping and promised myself to quit doing farming. All kinds of crops I will quit and will sell everything to get money. Because no matter how hard I work, I won't make enough money. I only have little piece of land. After that, I grow everything I eat, and I eat everything I grow. I do rice farming, and fish, duck and chicken rearing. My debts are cleared up. How? Well, because I eat what I grow and I can't possibly eat everything up, so I sell what's left, and keep saving. I made a good plan to pay off my debts. It's just that simple, but was very difficult."

**5) Setting up a community business and principal thinking.**

Findings from the analyses of bookkeeping at the household and community levels enable good planning and management for community businesses, such as community mills, community forests, fish banks, to share food in the community, savings groups to raise funds and these management strategies return benefits to members through scholarship funds, life support and environment funds to help one another live happily in the community.

In an in-depth interview Samantrakul (2009) indicated, "Living by the Philosophy of Sufficiency Economy corresponds to Islamic principles in emphasizing simple, clean environment, saving, not too extravagant, not too boastful, which will result in diligent





**5. Guidelines to create networks in agricultural extension.** There are four guidelines to help create networks in careers for agricultural extension graduate students.

**1) Self-development.** Self-development could start with oneself by finding work, using intellect, developing appropriate technology and being moral. Aside from obtaining knowledge, one should also develop skills that are important. For example, forming groups to write proposals enables students to help farmers form groups and ask for funding from the government. This can be done by integrating knowledge into planning, marketing and market forecasting.

**2) Good leader.** A good leader must be honest, sincere, dedicated and fairly share benefits with members. This leader must be able to plan, work and seek solutions together with group members. Additionally, he/she has an important responsibility to collaborate with other networks.

**3) Forming groups.** Once groups are formed with one's heart and soul, the groups will be strong to negotiate with others and have clear paths to achieve goals.

**4) Building learning centers.** Local intellects that were the targets for this study are good examples of building learning centers during their careers. They have established the following centers: 1) Knowledge center of Mr. Liam Budjanta located in Sanam Chai Khet District, Chacheng Sao Province, 2) Agricultural Technology Transfer and Service Center situated in Nong Chok District, Bangkok, 3) Medical Plant Learning Center, at Plak Mai Lai Temple established in Kamphaeng Saen District, Nakhon Pathom Province and 4) Complete Cycle of Extension and Mushroom Cultivation Training Center located in Samut Prakarn Province.

These knowledge sources ensure that by helping one another, sharing benefits, and collaborations the means for debt solutions are reached. This study indicates an ideal graduate student of Kasetsart University as the university needs to produce students that have knowledge, ability, morals and can find solutions to social problems (Public Relations, Kasetsart University, 2006). Therefore, it is important that current students collaborate with alumni to create strong networks after graduation.

## Conclusion

This research had the objectives: 1) to study reasons

for being in debt and their solutions for farmer intellectuals in the central region of Thailand and 2) to seek suggestions on being debt-free for graduate students in agricultural extension for preparing them to pursue their careers, to strengthen their careers and to create networks.

Research findings revealed that 1) reasons of being in debt are based upon forgetting traditional ways of life and ones' own identity, becoming easily discouraged when faced with obstacles, relying on single commercial crops and neglecting local intellect. To alleviate debt problems living according to the Sufficiency Economy Philosophy, living according to Islamic faith, effective resources management, household bookkeeping leading to debt solutions, setting up a community business and a principal thinking from small to large. 2) Suggestions for career preparation by following a Sufficiency Economy lifestyle, strengthening agriculture by government policies, encouraging children to return home to work, and developing curricula to enable students to know themselves, become able to think and to work. In addition, suggestions to strengthen careers including building capacity for students, promoting work and group formation, supporting a group leader and strengthening the community were also presented. To create networking in career, students should be able to develop themselves, have a good leader, form groups and build career learning centers.

## Recommendations

We propose the following recommendations for debt solutions based on this research.

**1. Self-analysis for debt solutions.** Forgetting self-realization by valuing consumerism and materialism puts farmers in a debt cycle. Self-analysis is to look back at oneself, using and extending local intellect. For example, using local resources wisely and caring for local resources such as plant seeds, animal breeds, forests, upper watersheds and soil conservation will enable natural resources to be bountiful and balanced. Also, one should give priorities to crops for household consumption and for hygiene within the family and communities. Leftovers from household consumptions can then be sold to generate family income.

**2. Problem analysis.** One should categorize wants and needs before decision making. We can wait for wants, but needs are a must. By analyzing problems

prior to getting into debt, one must thoroughly think through how the debt will affect their lives, family and community, how can such debt be paid off, who will be responsible for the debt pay off, what will be the property to guarantee for debt, how long is the debt duration, what is the worst situation if debts cannot be paid off, and whether they as a debtor can take such risks. In short, a thorough analysis by using knowledge, information, conscience and intellect is necessary before making a decision.

**3. Living a Sufficiency Economy lifestyle.** The Buddhist teaching, “Being in debt is tremendous misery” applies here. By deciding to be in debt, one enters a cycle of misery. Diligence, honesty, sincerity, self-reliance and sharing are good qualities of debtors. This is done through good practice, good thinking and good rationale. Following the middle path and not causing trouble for other people will lead to debt pay off.

**4. Household bookkeeping.** Household bookkeeping is a tool that reflects behavior of household expenses and summarizes the income and expenditures of everyone in the family. Everyone must agree which expenses can be compensated with activities they can do by themselves. Family income should show the source of income, time to receive income and amount of income received that can be used in planning to generate more income and time to pay off debt.

**5. Forming savings groups and welfare for the community.** Savings are an income before expenditure to guarantee the community members have savings each month. Such savings should be returned as welfare benefits to members in the form of tuition fees for children, occupational equipment for members, medical fees, funeral costs and cultural promotion activities. These welfares serve as a helping hand within the community before seeking external help.

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