



The Asia Foundation

THAILAND'S INEQUALITY: MYTHS & REALITY OF ISAN

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ABBREVIATIONS & ACRONYMS

BACC – Bank for Agriculture and Agricultural Cooperatives

BOI – Board of Investment

GDP – Gross Domestic Product

GPP – Gross Provincial Product

GRP – Gross Regional Product

NESDB – National Economic and Social Development Board

NESDC – National Economic and Social Development Council

OPP – Out-of-Pocket

OTOP – One Tambon, One Product

UHC – 30-baht Universal Healthcare Coverage scheme

UNESCAP – United Nations Economic and Social Commission for Asia and the Pacific

Village Fund – One Million Baht Village Fund



မြန်မာ့နိုင်ငံ

PREFACE

Inequality is one of Thailand's greatest domestic challenges. In part, this challenge is a product of Thailand's success. By 2011, after decades of rapid growth that began in the 1960s, Thailand had reached upper middle-income status. Today, the Kingdom is facing challenges that typically afflict higher income countries—rising costs of production that discourage investors, an aging workforce, and outdated infrastructure. But in many ways, rising inequality is the most serious challenge.

There is considerable debate about inequality in Thailand, and this includes disagreements over its severity. In 2018, the Bangkok Post labeled Thailand the most unequal country in the world, based on data from the Credit Suisse Global Wealth Databook. However, it is important to note that this finding was based on wealth inequality (as opposed to income inequality), and that the data were more than a decade old.¹ Many experts point to Thailand's declining economic growth as the central challenge, and argue that public investments and policies should focus on Thailand's more productive sectors and regions to help the Kingdom emerge from its looming "middle-income trap".

Although some claim that government policies have caused inequality to rise, there is clear evidence that the Thai Government has made significant efforts to address the problem. Over the past 15 years, successive Thai administrations have acknowledged the problem of inequality, and instituted wide-ranging policies and programs to improve the lives of those who are being left behind.

By some accounts, Thailand has been a moderate success with regard to reducing inequality. According to the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP), between 1990 and 2014, Thailand's Gini Coefficient shows that income inequality actually declined by 38%.² World Bank data show that Thailand's 2017 Gini Coefficient of 36.5 puts it in the middle of the group of Association of Southeast Asian Nations.³

Despite this mixed picture on overall inequality trends, the country faces a major challenge in *regional disparities*. There has always been a wide gap between the thriving Central Region and regions on the periphery, and this remains true today. Many economists argue that the imbalances between regions are a natural outgrowth of economic development because new industries and other investment usually cluster in regions with well-connected roads, seaports, and airports; reliable electricity and telecommunications; and higher skilled labor. In some ways, regional disparities benefitted Thailand's economic development. From

1 Bangkok Post. 2018. "Report: Thailand most unequal country in 2018".

2 UNESCAP. 2018. *Inequality in Asia and the Pacific in the era of the 2030 Agenda for Sustainable Development*.

3 World Bank. 2017. "Gini Index: Thailand."

the 1960s to the 1990s, the export-oriented manufacturing economy in central Thailand attracted low-cost migrant labor from the lagging peripheral regions, giving Thai exports a major competitive advantage.

However, regional disparities are no longer benefitting Thai manufacturing, as they once did. Due to rising wages, Thailand's manufacturing sector is much less competitive today, and instead lower-wage countries such as Cambodia, Bangladesh, Indonesia, Myanmar, the Philippines, and Vietnam are now attracting the low value-add manufacturing that once fueled Thailand's rapid economic growth. To counter this, the Thai Government has prioritized moving up the value chain in both the manufacturing and services sectors, by promoting investment, innovation, and a better educated and trained workforce. Most of these government efforts to increase Thailand's competitiveness in higher value-added sectors are concentrating in the coastal regions, particularly the Eastern Economic Corridor and Bangkok.

The most important consequence of regional disparities in Thailand has been political instability. For the past 15 years, Thai politics have been transformed—and buffeted by—political conflicts arising from regional disparities. Beginning with the government of Prime Minister Thaksin Shinawatra (2001–2006), there have been ongoing struggles between political forces representing the interests of lagging peripheral regions, and the more conservative public sector, military, and political groups centered in Bangkok.

Thailand's recent political struggles have had a detrimental impact on the whole country. Over the past 15 years, Thailand has faced debilitating political divisions and instability, with repeated street protests, three constitutions, two military coups, and seven changes of government and prime minister. If Thailand is going to advance to high-income status in the coming decades, it must find a workable solution to resolve the problems caused by regional disparity.

To help cast more light on Thailand's regional disparities and find solutions to them, this study focuses on Isan, Thailand's Northeast—the country's most populous and poorest region. This report argues that while Isan's people have seen modest improvements in their lives and incomes, they are still struggling to make a decent living, and they are vulnerable to economic shocks. Most households in the region still rely on non-irrigated agriculture for their primary income. As a result, most of the roughly 8 million farmers in Isan continue to have low crop yields due to poor soil and unreliable rainfall.

Thus, more than any other segment of Thailand's population, the people of Isan must rely on government programs to survive. This reliance has made them become discerning assessors of government policies and programs, and increasingly engaged in politics. In many ways, the responses of the 1,400 people who participated in this study show that people in Isan are very grateful to the government for its social welfare and income support programs, and especially grateful

for better education and free healthcare. However, this study also shows that people's expectations of government can be unrealistic and self-defeating in some cases, which is apparent from the widely-held assumption that government should ensure good crop prices, and that diversification from growing rice is not necessary.

Over the last 15 years, the government policies and programs that have benefited people in lagging regions have often been criticized for being "populist". However, this term is politically charged, and implies that the benefits which the government provides to poorer people, and to poorer regions, are purely vote-getting measures. Also, the accusations and debates about populism distract from addressing the real issue of how to integrate lagging regions into the national economy, which is so critical for moving beyond Thailand's political divisions.

There is some good news, however, as it appears that Thailand's political discourse is beginning to stop assuming that redistributive policies and programs are only vote getting measures. In the 2019 election, nearly all political parties put addressing regional disparities into their platforms, and all proposed initiatives to improve poorer people's livelihoods and expand the social safety net. To address the challenges in the Northeast, the current government of Prime Minister Prayuth Chan-ocha has introduced new initiatives to improve infrastructure and services and create local jobs through setting up new industrial zones. There also appears to be greater political consensus that the policies and programs that are designed to better integrate the Northeast, and address Northeasterners' challenges, are a legitimate use of government resources, and not simply a ploy to win elections.

The challenge now for Thai leaders is how to find the best mix of programs and policies, and stick to them. In the coming years, the government must carefully monitor and evaluate the results of its policies and programs, and the lessons learned, and then make adjustments whenever needed.

The first objective of this report is to help inform those who are currently working on, and debating how to resolve regional disparities. Through focusing on the challenges, conditions, and views of a large sample of people in Isan, this report seeks to move beyond partisan debates about the causes of inequality, and present new data about the impact of inequality, and the extent to which government measures are reducing it. Our second objective is to improve government policy makers' and political leaders' understanding of Northeasterners, and counter the common, deeply negative, and unfair stereotypes applied to Northeasterners.

In Bangkok and other regions, many are poorly informed about Isan and the people who live there. For example, many believe that Northeasterners prefer to receive government handouts, rather than work. They also assume that there is no future in Isan, and that young people must migrate to Bangkok if they want good prospects. Another prominent stereotype is that people in Isan are unso-

phisticated and lack the knowledge and interest to engage in policy debates. Many of these stereotypes and assumptions are based on lack of exposure to the realities of Isan, and even fabricated or embellished by those seeking to discredit Northerner's legitimate concerns.

However, this report is not a sentimental defense of the region and its people, but rather it is an evidence-based articulation of the real-life problems, dilemmas, and survival strategies used by people struggling to keep up. For this reason, this study is based on a rigorously conducted and analyzed household-level perception survey of 1,400 people in Isan that is statistically representative of the whole population, within a small margin of error. In addition, this survey was supplemented with in-depth interviews and focus groups, as well as an extensive review of decades of studies and other literature about Isan. The research, which took place from August 2017 to April 2019, is one of the largest studies ever conducted by the Foundation over its 65-year history in Thailand.

In conclusion, we hope that this study helps to inform the policies and programs of government and also demonstrates that Thailand's stability and prosperity is intimately tied to improving conditions and opportunities in the Northeast. The best-case scenario for all Thais is to ensure that Isan becomes a productive and prosperous region, which will help to fuel Thai economic growth through higher, value-added agricultural and industrial production, and that Isan develops a labor force of well-educated, trained, and motivated young people.

Finally, the authors of this report hope that it will help Thai government policy-makers, national leaders, and local leaders in Isan to find a realistic pathway toward helping the people of Isan to achieve the prosperity they deserve.





INTRODUCTION

Although poverty has declined in Thailand over decades of high economic growth, inequality remains greater than in most East and Southeast Asian countries⁴. As economists observed from the 1970s until the eve of the 1997–1998 Asian Financial Crisis, rapid economic growth occurred primarily in Bangkok and a few other cities in the central region, but little improvement took place in the rest of the country. Thailand’s wealthiest people have benefited the most from economic growth, and this has increased their control over financial resources, as well as the amount of land they own. And, today, there is quite clear evidence that inequality has risen in key areas such as education, health, and political participation.

Isan, Thailand’s Northeast region, which is the subject of this report, is the country’s largest and most populous region, and has the lowest per capita income. According to the National Statistical Office, the average income per month in Bangkok is 45,707 baht; at the national level, the average income per month is 23,839 baht; while in Isan, the average income per month is only 19,802 baht.⁵ Of Isan’s 21.95 million people (33% of Thailand’s total population), only 4.45 million live in urban areas, and the rest are rural, and work primarily in agriculture. More than a third of Isan’s workers (7.8 million people) earn their living from agriculture, while 2.516 million people work in services, and only 783,000 people work in industry.⁶

Although the region is a major producer of agricultural products, poor soil and lack of irrigation make farming a challenge, as does the fluctuation of crop prices. In the Asia Foundation’s 2018 Isan Perception Survey, which is summarized in the report, interviewees said more industrial jobs are needed in Isan to enable people to stay closer to home.

Isan has long been a significant force in the country’s socio-economic and political development. As Isan has the largest group of eligible voters, the region plays a pivotal role in determining the outcome of national elections. Thus, no study of contemporary politics in Thailand could be complete without a thorough understanding of Isan’s people and their perceptions on public policies. Given that there are few formal enterprises in the Northeast, and most people lack stable employment that provides benefits such as health insurance and a pension scheme, the majority of people rely on government programs such as the 30-baht Universal Health Coverage scheme, Village Funds, and debt relief programs. This makes the provision of these government social welfare schemes enormously important for improving the quality of life in Isan.

4 Sondergaard et al. 2016. “Thailand – Systematic Country Diagnostic: Getting Back on Track – Reviving Growth and Securing Prosperity for All”.

5 NSO. 2017. “Average Household Income per Month at the Provincial Level 2002–2017”.

6 NESDB. 2018b. *Report on poverty and inequality in income from regional perspectives in Thailand*.

Due to entrenched poverty, the Northeast has a long history of grassroots struggle in the form of rebellions, a communist insurgency, and social action to stop government development projects. From 2006 to 2014, when Thailand was divided by polarized politics and frequent mass demonstrations, a large percentage of the protestors were from Isan, and members of the “Red Shirt” movement.⁷

Currently, there are two opposing views of Isan. One depicts the region as the driest, poorest, and most disadvantaged part of Thailand—a view that is captured well in the following quote from Kampon Boontawee’s 1988 classic novel, *A Child of the Northeast*.

In Bangkok, the very world ‘Isan’ is almost a metaphor for poverty. For centuries, Isan has been baking under a merciless sun, growing steadily drier and poorer—with just enough rain, just enough good years along the way, to give its people an unshakable faith in the power of prayer, hard work, and virtue to extract blessings—or, if not blessings, then pity—from the fickle spirits that control sky, earth, water, life and death (cited in Fry and Kempner, 1996, p. 345).⁸

This quote illustrates the biased perception that Isan is a hopeless place, and that its people are poor, uneducated, superstitious. Such deeply ingrained perceptions have led Bangkok’s middle class to hold a disparaging view of Isan, and to see its people as “unsophisticated peasants” who can be easily manipulated by politicians.⁹ This compelling negative view has dominated Thailand’s development discourse for decades, and also influenced academic research. Since the 1960s, a number of studies have examined the poor economic and social conditions in the Northeast in order to understand people’s political grievances.¹⁰

In contrast to the long-standing negative views of Isan, studies conducted over the last 20 years suggest that the population’s political consciousness has grown significantly. As a result of the devolution of national authority under the 1997 Constitution, public awareness has risen countrywide about the importance of politics in everyday life, and this is especially so in Isan. Now, many of those who study and comment on Thai politics depict Isan as a vibrant region, with a large population of politically-aware, empowered, and active citizens who are calling for democratic transformation. Rather than portray Isan’s people as passive, docile, and obedient, today Northerners are depicted as “cosmopolitan villagers” who, as a result of migrating to make a better living, are aware of global

7 The Red Shirt movement, known formally as the United Force for Democracy Against Dictatorship (UDD), is a political coalition that formed in 2006, after a military coup overthrew the government of Prime Minister Thaksin Shinawatra. The Red Shirts comprise a wide cross-section of Northerners, ranging from rural and urban grassroots Thaksin supporters in both the lower and “emerging middle-class”, to left-wing academics and political activists.

8 Fry and Kempner. 1996. “A Subnational Perspective for Comparative Research: Education and development in Northeast Brazil and Northeast Thailand”.

9 Keyes, C. 2014. *Finding their voice: Northeastern Villagers and the Thai State*.

10 Ibid.

issues, and knowledgeable about, and eager to engage in democratic governance and policy debates.¹¹

Although Isan's people have become aware of geopolitical and cultural dynamics, they never lose the connection with their villages. They continue to send remittances back to their communities to improve family housing and welfare, and they contribute to the local Buddhist temple.

¹¹ Ibid.



METHODOLOGY

While a number academic studies have helped shine a light on the significant social, economic, and political changes taking place in Isan, they have some limitations. Most research has been qualitative, anthropological, and focused on very small geographic areas, and a few specific issues, and these studies have not provided a broad picture, or analyzed the links between the different dimensions of change.

In contrast, this survey by the Asia Foundation (the Foundation) is representative of the entire population of the Northeast (within a margin of error of +/- 5%), and includes in-depth data from qualitative interviews. It also used a mixed methods approach that combined quantitative as well as qualitative research, and applied the rigor and analysis that policy makers and development agencies require to better understand Northeasterners' views on their economic, social, and political conditions; how these conditions impact their thinking; and how Northeasterners' views compare with those in the rest of the country.

From November 2017 to February 2018, the Foundation conducted a household perception survey in Isan to provide greater understanding of inequality in Thailand. The survey used a structured questionnaire, as well as semi-structured face-to-face interviews to study how underdevelopment impacts the dynamics of democratic change in Thailand.

The 1,400 households included in this study were randomly selected from 100 sampling units or villages across 43 *tambons* (sub-districts), in 18 *amphors* (districts), and six provinces. In order to compare the underlying dynamics in relatively richer and more urbanized provinces, with poorer and more rural provinces, the gross domestic product varied in the provinces chosen for the study. Thus, the provinces studied were randomly selected from a stratified sample that met two criteria. First, the provinces were selected according to their geography and their level of economic development. Second, the provinces were selected to achieve political balance, which meant that their voting patterns were considered to ensure adequate variation in political party preference. Based on results from the 2011 general election, provinces in southern Isan appear have more variation in political party preferences, as their parliamentary seats were held by several different parties. In northern and central Isan, all of the seats were won by a single party. As indicated in Table 1, the Foundation randomly selected six Northeastern provinces based on their geographic location, and their level of economic development (gross domestic product – GDP) and out of this group chose six for the study:

Table 1: Isan provinces categorized by their gross domestic product (GDP) and geographic location

Higher GDP Provinces	Lower GDP Provinces
Northern and Middle Isan: Loei, Nong Khai, Udon Thani , and Khon Kaen	Northern and Middle Isan: Nong Bua Lamphu, Sakon Nakhon, Bueng Kan, Nakhon Phanom, Chaiyaphum, Maha Sarakham, Kalasin, Roi Et , Yasothon, Mukdahan, and Amnat Charoen
Southern Isan: Nakhon Ratchasima	Southern Isan: Buriram , Surin, Si Sa Ket , and Ubonratchanthani

Note: Bold indicates provinces randomly selected for survey enumeration.

Source: 2018 Isan Perception Survey.

The Foundation's perception survey, which examined the following six topics, yielded significant insights into what Isan people think about issues ranging from the availability and quality of government services, to the state of the economy:

- *Public mood and outlook*: What did people think about the general direction of the country? What changes were taking place in their locality? Had their family's condition improved or was it getting worse?
- *Economic outlook and opportunities*: What were people's views on the economic prospects for Thailand as well as for their local community? What were people's economic aspirations? Which barriers did they face with regard to improving their economic circumstances, including barriers related to infrastructure, credit and debt, migration, and remittances?
- *Expectations of the state*: What did people think were Thailand's governance issues? What were people's expectations and level of satisfaction with regard to governance and political participation?
- *Public welfare and assistance*: How easily could people access social welfare and assistance schemes, and how did they benefit from these?
- *Society and education*: What were people's perceptions of the general direction of social change, the quality of schools, and the consolidation of small village schools?
- *Information*: How did people access and consume information? To what extent were people exposed to other cultures?

This study's qualitative component comprised semi-structured interviews, focus groups, and observations of more than 160 informants. In addition to analyzing the quantitative data to derive descriptive statistics, the qualitative data were analyzed to capture common themes and the differences between them. The results of these analyses were then triangulated with the current literature on Isan's development. This mixed method research allowed the Foundation's study team to understand Isan people's perceptions of their livelihoods from a macro as well as a micro perspective.



HOW TO READ | Graphic 1: DEMOGRAPHICS IN ISAN

SIZE OF CIRCLE :
Percentage of survey participants

CIRCLE FRAME :
Each demographic covers 1,400 survey participants

GENDER

A Male	49%
B Female	51%

AGE

A 18-19 years old	4%
B 20-24 years old	10%
C 25-29 years old	9%
D 30-39 years old	20%
E 40-49 years old	22%
F 50-59 years old	17%
G 60-70 years old	11%
H Over 70 years old	7%

MONTHLY HOUSEHOLD INCOME (BAHT)

A 5,000 or less	25%
B 5,000 - 8,000	22%
C 8,000 - 10,000	12%
D 10,001 - 15,000	16%
E 15,001 - 20,000	7%
F 20,001 - 25,000	5%
G 25,001 - 30,000	4%
H 30,001 - 50,000	6%
I 50,001 - 60,000	1%
J 60,001 - 100,000	2%
K More than 100,000	1%

HOUSEHOLD SIZE

A 1 person	4%
B 2 people	11%
C 3 people	20%
D 4 people	26%
E 5 people	20%
F 6 people	11%
G 7 people	5%
H 8 people	2%
I 9 people	1%

MARITAL STATUS

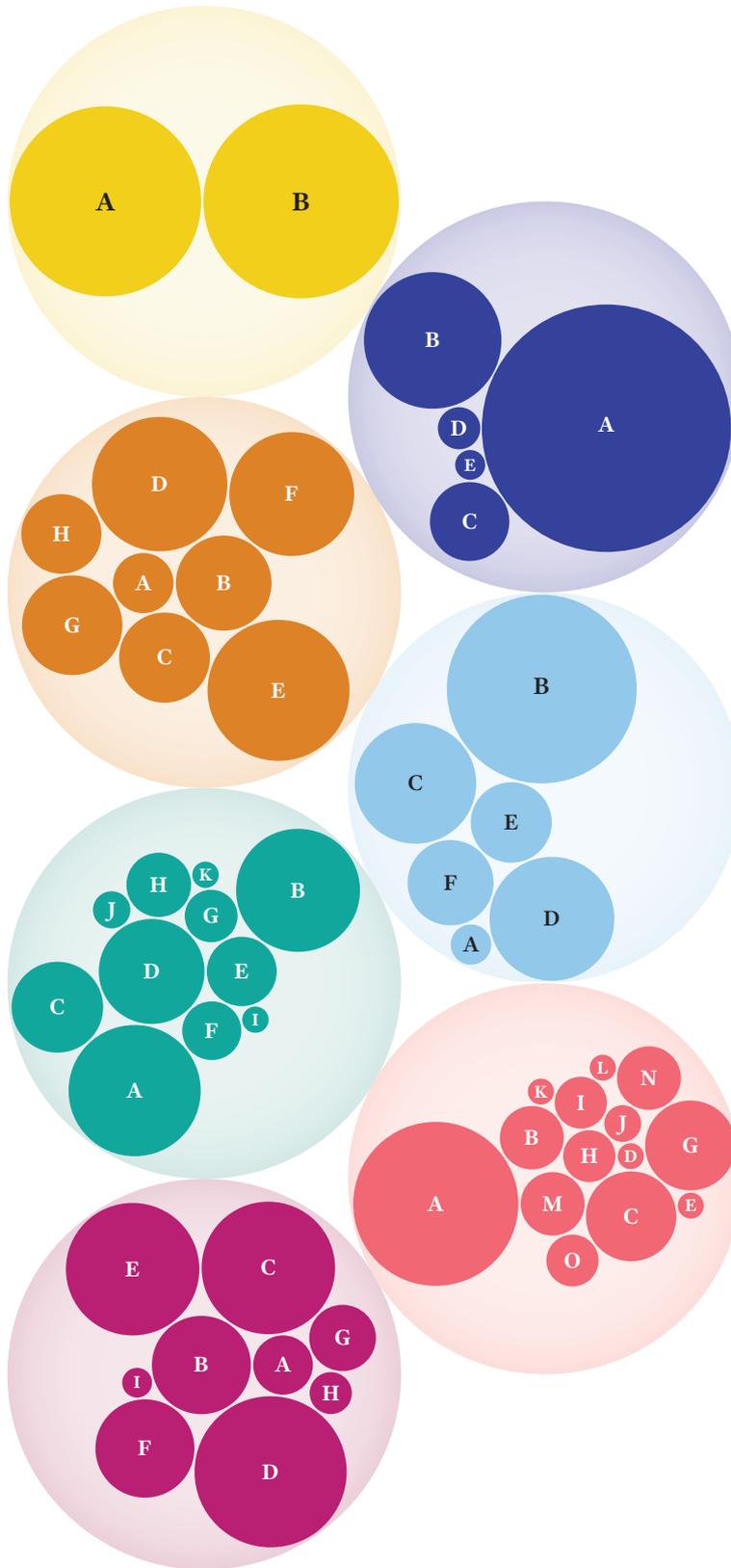
A Married	69%
B Single	21%
C Widower	7%
D Divorced	2%
E Separated	1%

EDUCATION

A No formal education	2%
B Primary school or below	44%
C Junior high school	18%
D High school	19%
E Diploma / Vocational college	8%
F Bachelor's degree	9%
G Master's degree	0%

OCCUPATIONS

A Rice farmer	40%
B Agricultural worker	6%
C Construction : unskilled worker	12%
D Construction : skilled worker	1%
E Industrial : skilled worker	1%
F Industrial : unskilled worker	0%
G Peddler / Merchant	12%
H Business owner / entrepreneur	4%
I Civil servant	4%
J Employee of private company	2%
K Teacher	1%
L Service worker	1%
M Housewife	6%
N Unemployed	6%
O Student	4%



DEMOGRAPHICS IN ISAN

Key Demographics

Gender: There were almost equal numbers of male and female respondents (49% were male and 51% were female).

Marital Status: The overwhelming majority of respondents were married (69% were married and 21% were single).

Age: Respondents ages ranged from 18 to 70. During data collection, it was challenging to find respondents who were 18 or 19. Therefore, survey enumerators made extra efforts to find survey respondents of these ages so that their views were included. The majority of respondents who were at home were age 40 to 49, and mostly grandparents who were taking care of their grandchildren.

Education: The majority of respondents (44%) had primary education or less, 18% had attended junior high school, and 19% had a high school diploma.

Income: The largest number of respondents (59%) had an income of less than 10,000 baht per month; 25% had an income of less than 5,000 baht per month; 22% had an income of 5,000 to 8,000 baht per month, and 12% earned between 8,000 to 10,000 baht per month. To better understand the poverty dynamics within the sampled households, the perceptions of those earning less than 10,000 baht per month were analyzed separately.

Household Size: In Isan, most of the time, several generations usually live in the same household, and households are usually larger than four people. In the case of survey respondents, 65% lived in households with more than four people.

Occupations: A total of 40% of respondents were engaged in the agricultural sector, and 6% in some type of agricultural job. The occupations of the rest of respondents varied, and included construction workers, civil servants, and housewives.

NINE KEY FINDINGS FROM THE STUDY

Finding 1: While the overall poverty rate has declined in Isan over the years, the Foundation's perception survey shows that the *majority of people still struggle to make ends meet* due to their declining income and rising cost of living. The majority of respondents think that the country is going in the wrong direction, and because of their economic hardships, *their biggest concern is the state of the economy.*

Finding 2: Although the majority of respondents' incomes are falling, *people are resilient, optimistic, and they believe that they will survive.*

Finding 3: *The vast majority of Isan people own land,* but this has not necessarily helped them to earn more. In rural areas and poorer provinces, land ownership rates are higher, and the amount of land owned is larger, but lack of water, poor soil, and low-quality inputs reduce productivity, incomes, and household wellbeing. To understand this, a study should be conducted to take a closer look at how people manage their land.

Finding 4: *Debt is the biggest problem in Isan.* Of total survey respondents, 88% are in debt, and this varies depending on their location and occupation. The amount of debt ranges from 10,000 to more than 1 million baht, and the majority of respondents took out their loans to invest in their land, and pay for necessary household expenses.

Finding 5: The study shows that *migration trends are reversing,* with fewer people migrating to Bangkok than previous statistics indicate. Today, respondents overwhelmingly feel that they want to stay closer to home. This is likely due both to the traditions and the lifestyle of Isan people. Although pressures to migrate continue, these are fewer than before. Respondents indicate that lack of employment opportunities is the main driver of migration.

Finding 6: *Respondents want more manufacturing opportunities closer to home.* This relates to the migration issue as there are not enough good jobs locally. Half of respondents (51%) think greater industrialization will help Isan to develop.

Finding 7: Analysis of both quantitative and qualitative data indicates that people are generally *satisfied with local educational opportunities* at the primary, secondary, and tertiary levels. Most students from Isan aspire to attend top universities in the region (Khon Kaen University, Ubon Ratchathani University, and Suranaree Technology University) rather than the elite schools in Bangkok.

Finding 8: *Government social policies have an enormous impact on people's lives and outlook.* Survey respondents consistently noted the important role that government programs play in improving their livelihood and wellbeing, and that the most important program is the 30-baht Universal Health Coverage scheme. This is because respondents were largely informal sector employees, and government policies provide them with a safety net, and greater economic stability.

Finding 9: Survey responses indicated that *people in Isan are fully engaged in political life* and want to have a say in the policies that play a role in their lives. The view that people in Isan are unsophisticated peasants is a myth.





LESS POOR, BUT STILL STRUGGLING

Although the poverty rate in Isan has declined from nearly 5.7 million people in 2007 to 2.4 million people in 2016, the findings from this study illustrate that people in Isan still struggle to make ends meet. Issues such as stagnant income, limited productivity of land, and increasing debts aggravate local economic difficulties. Respondents report that it is harder to find jobs with adequate economic returns, while the cost of living and agricultural investments continue to increase.

HOW TO READ | Graphic 2: VIEWS ABOUT THAILAND'S DIRECTION



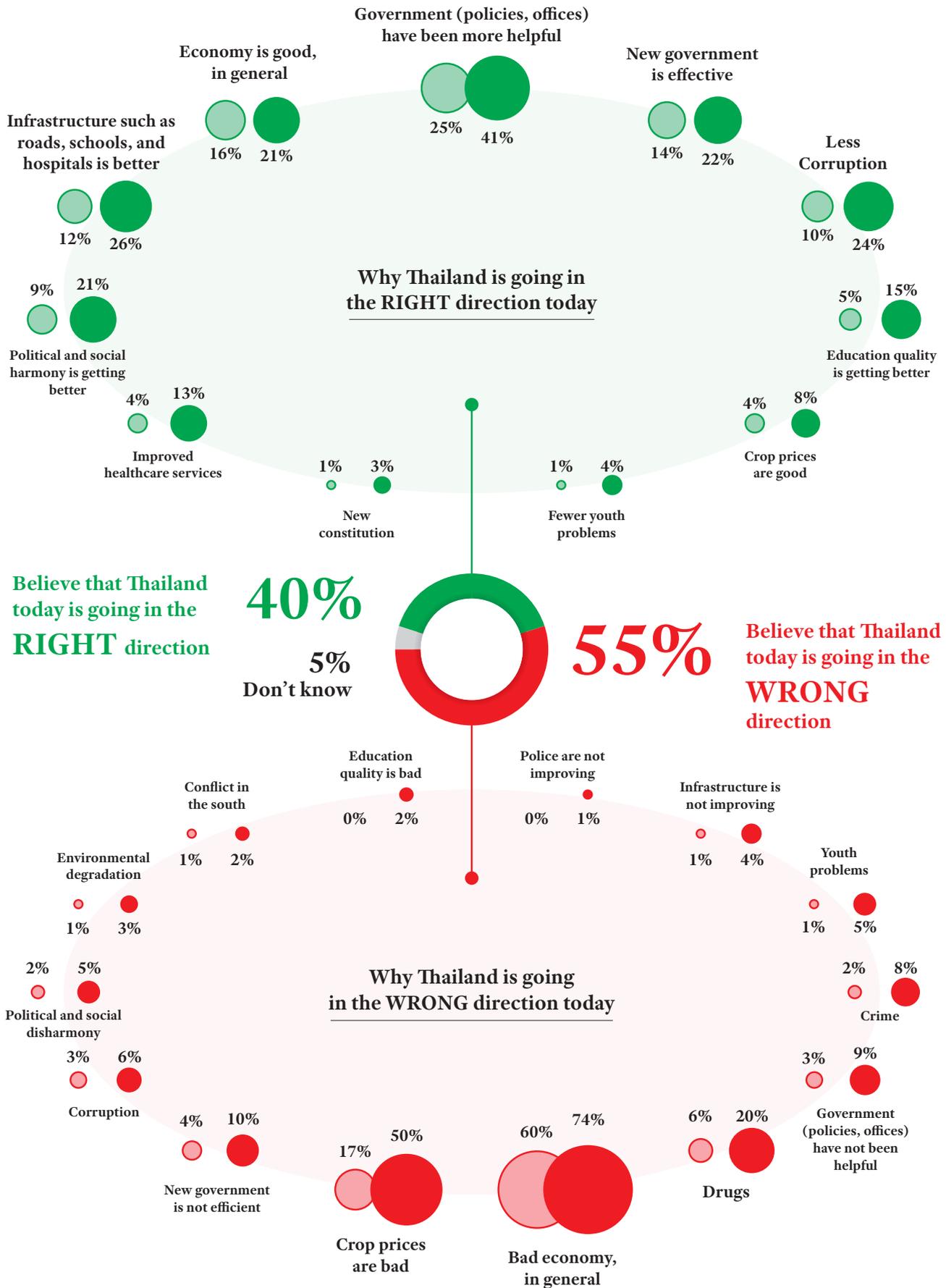
SIZE OF CIRCLE :
Percentage of
survey participants



LIGHTER COLOR :
Percentage of
FIRST responses



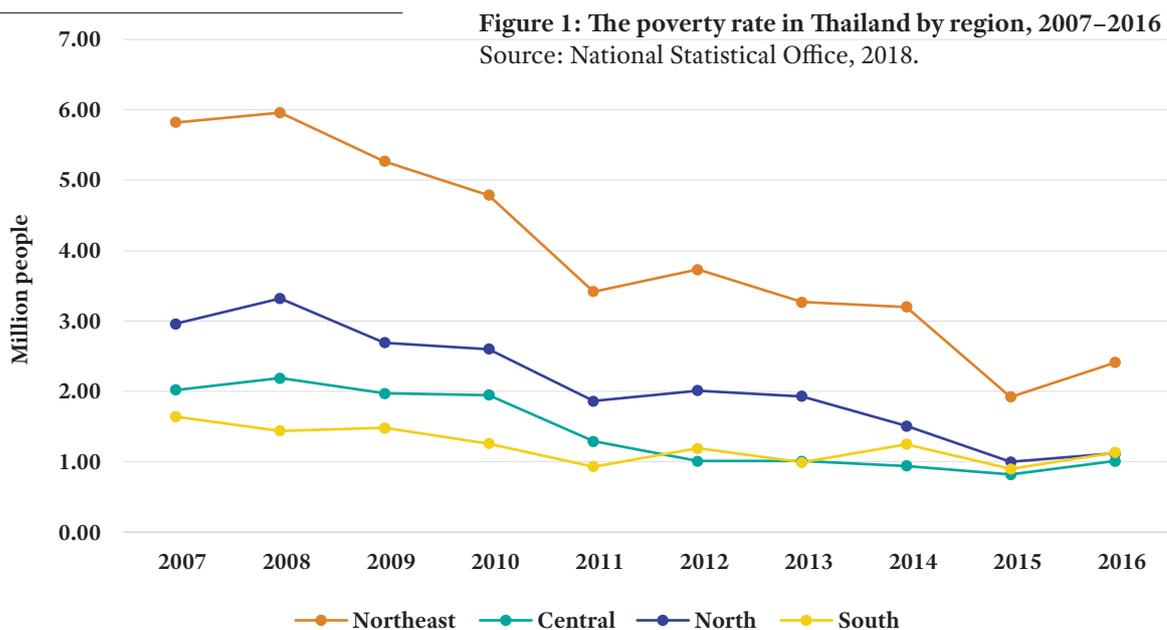
DARKER COLOR :
Percentage of
SECOND responses



VIEWS ABOUT THAILAND'S DIRECTION

Finding 1: The poverty rate is lower but rural people in Isan are still struggling.

Isan has long been depicted as drought-ridden, and deprived, but while the Northeast's GDP remains lower than that of other regions in Thailand, the poverty rate overall has declined. While Isan's total economic output is 9.7% of Thailand's total GDP, poverty statistics show that over the decade from 2007 to 2016, the Isan Region did considerably better. In 2007, nearly 5.7 million people in Isan had an income below the poverty line, but by 2016 this number had dropped to around 2.4 million people.¹²



Although Figure 1 shows that poverty has declined across Thailand, including in the Northeast, a closer look shows that Isan has lagged behind other regions. Isan continues to be the region with the highest poverty rate,¹³ the lowest average income, and the lowest regional economic output. For example, in the Central Region, average monthly earnings per individual are nearly double those in Isan (12,818 baht per month in the Central Region, versus 6,790 baht per month in Isan). The average income nationwide is 9,409 baht per month.

¹² NSO. 2018. *Poverty rate in Thailand by region over 10 years (Million people)*.

¹³ Ibid.

Table 2: Average monthly household income (Baht)

Source: National Economic and Social Development Board (2018), and the 2018 Isan Perception Survey.

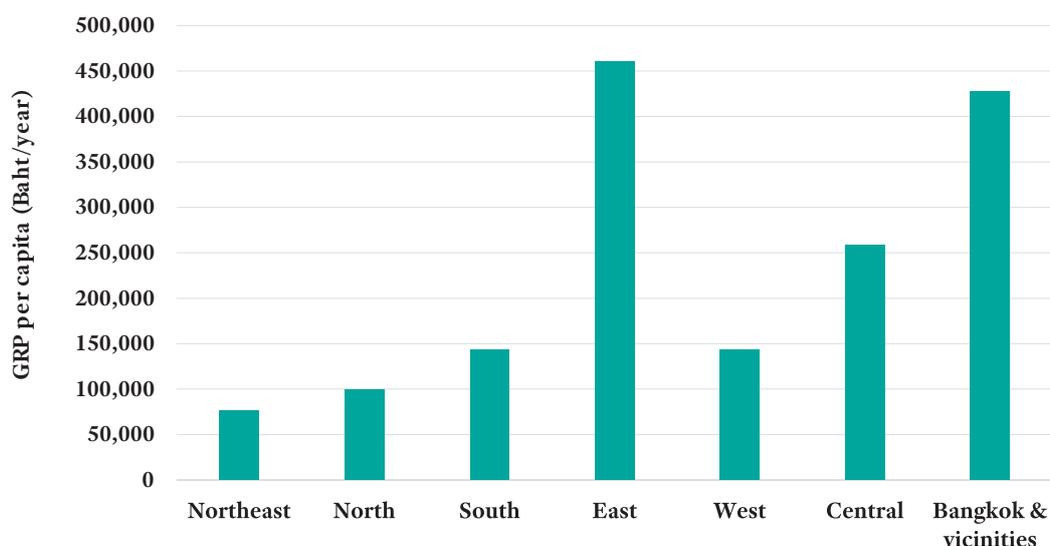
Thailand: National Statistics*	26,915
Weighted Estimate from the Survey Results	
Total Northeastern	14,067
Poor Provinces	12,656
Rich Provinces	16,952
Adults living in NE Urban areas	23,687
Adults living in NE Rural areas	11,619

Data from the Foundation's 2018 Isan Perception Survey (Table 2) illustrate how adults' incomes vary depending on whether they are living in the richer or poorer provinces of Isan. The former earn as much as 16,952 baht per month, while the latter earn 12,656 baht per month. There is also a discrepancy between respondents in urban and rural areas of Isan. Those living in urban areas earn as much as 23,687 baht per month, while those in rural areas earn only 11,619 baht per month.

These data are consistent with those for Thailand's gross regional product (GRP). In 2016, GRP data show that Isan had the lowest GRP compared to Bangkok and other regions, and that the difference was particularly compelling when Isan's GRP of below 100,000 baht per year was compared to that of the East Region, and Bangkok and vicinity (above 400,000 baht per year). This wide discrepancy in income has negatively impacted the livelihoods, health, and wellbeing of people in Isan.

Figure 2: Gross regional product (GRP) in Thailand's regions, 2016

Source: National Economic and Social Development Board, 2018b.



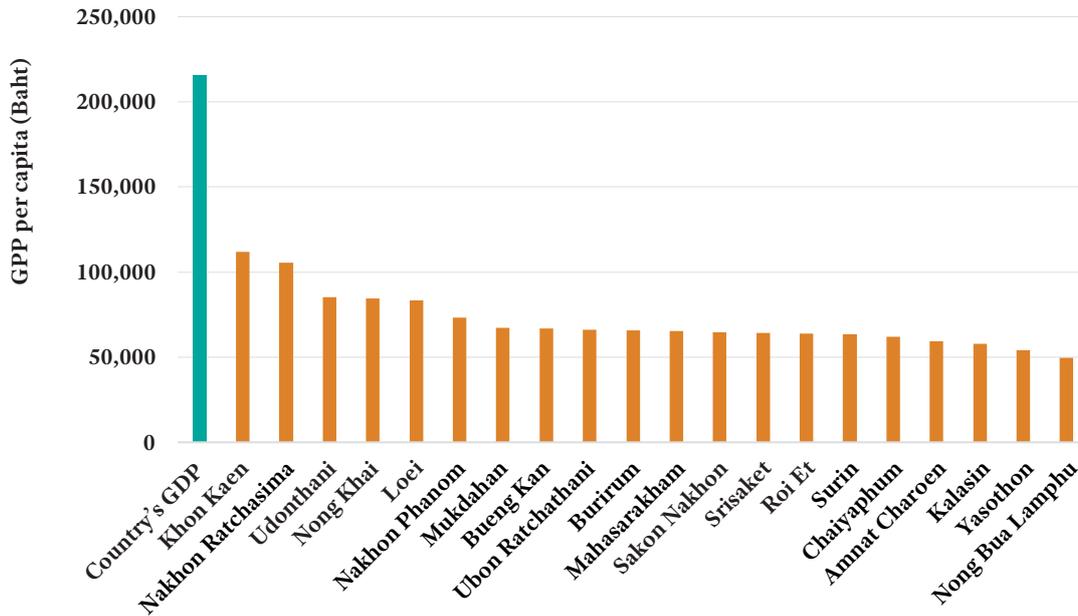
Inequality is also rising between different provinces in Isan. While some provinces such as Khon Kaen, Udon Thani, Ubon Ratchathani, and Nakorn Ratchasrima are booming, and their cities are becoming cosmopolitan, other Isan provinces such as Kalasin, Nakorn Panom, Buriram, and Amnatchareon are among Thailand's 10 poorest provinces, and continue to be excluded from the growing wealth in the region.¹⁴ To illustrate the widening inequality gap within Isan, when the GRPs of Khon Kaen, Ubon Ratchathani, Udon Thani, and Nakorn Ratchasrima are combined, they account for 42% of region's total GRP.¹⁵

14 NESDB. 2018b. *Report on poverty and inequality in income from regional perspectives in Thailand*.

15 Ouyyanont. 2017. *Isan Economic: Development and Changes*.

Figure 3: Gross provincial product (GPP) in Thailand’s Northeast Region

Source: National Economic and Social Development Board, 2018c.



The graph in Figure 3 shows that the GPP in Khon Kaen and Nakorn Ratchasrma is higher than in other Isan provinces, demonstrating the disparity between provinces in the region. Also inequality within Isan is not just between provinces, but between districts within a province. Khon Kaen is a case in point. Despite the capital being a cosmopolitan city, it has growing pockets of severe poverty such as Mitrapap.

Looking at the figures and table above yields significant insight into what goes on in Isan. Although on a macro level, the region has been doing relatively better over the long term, each province varies in this regard. Also, despite improvement over time, individuals still perceive themselves as struggling to make an adequate living. Graphic 2, depicting respondents’ views on Thailand’s direction, show that people have mixed opinions about whether their lives are improving or not. Some 40% think that Thailand is generally moving in the right direction. When asked for two reasons why Thailand is doing well, the majority of respondents (41%) attributed positive outcomes to the Universal Health Care scheme and programs that improve their livelihoods. A total of 26% cited better infrastructure such as roads, schools, and hospitals; and 21% cited the good economy. Some respondents (21%) said that the better political situation is a positive sign and reason to be optimistic.

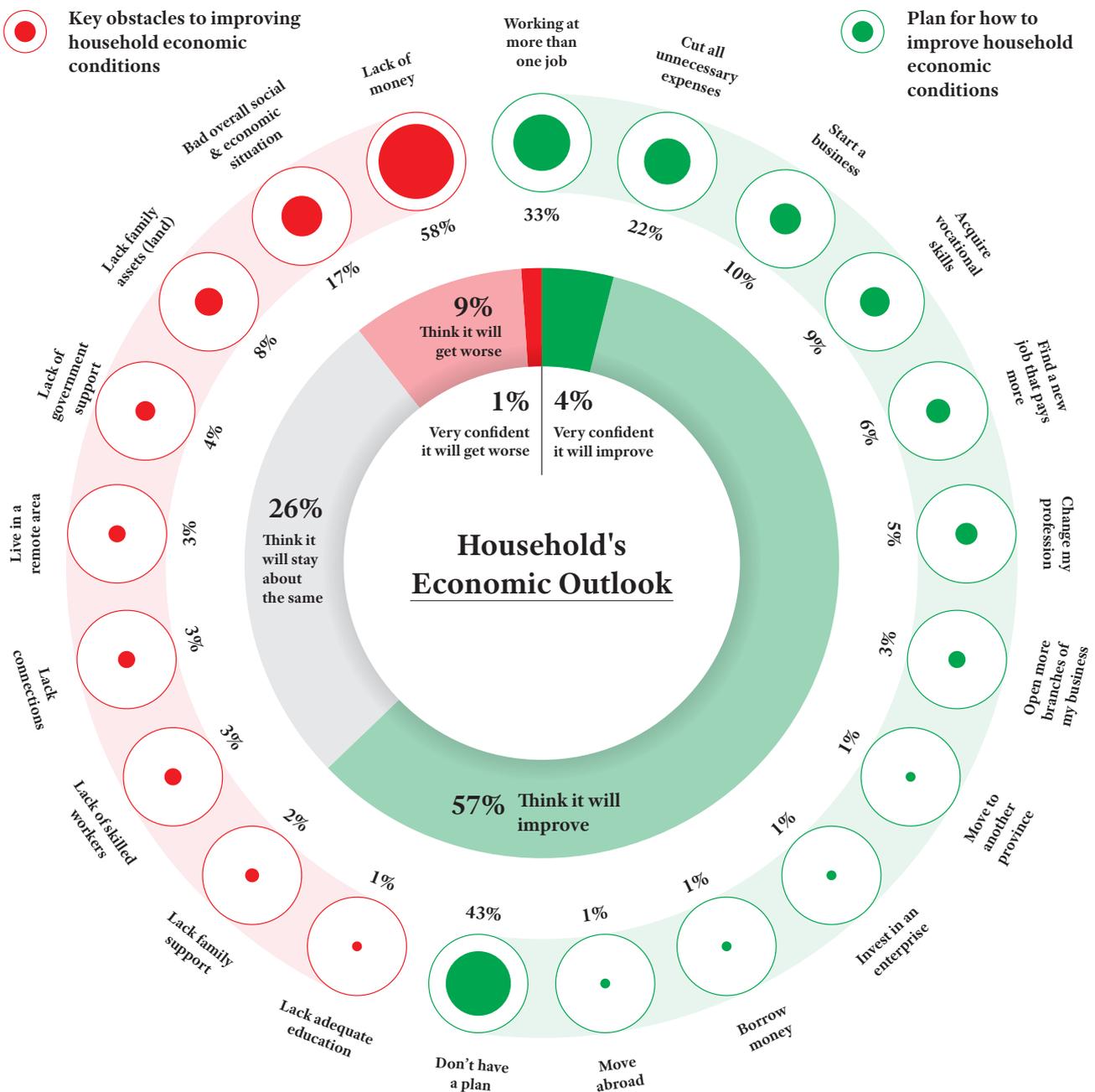
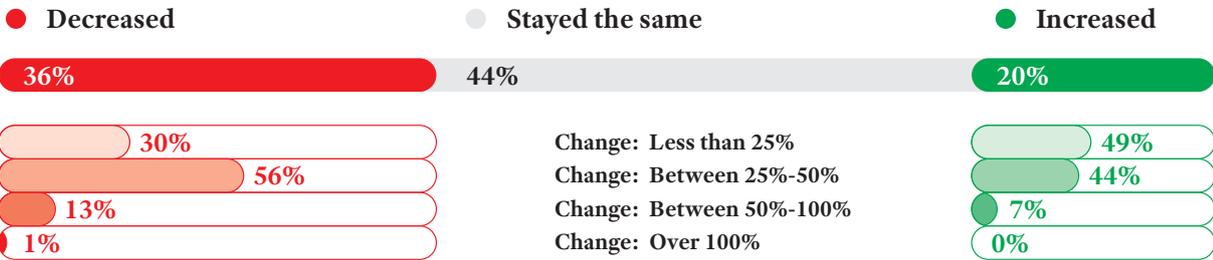


However, the answers on the economy improving or deteriorating were mixed. More than half of respondents (55%) believe that Thailand is going in the wrong direction and the poor economy is the reason for this. They also believe that fluctuating crop prices signal a serious problem for the country. A closer look at the data shows that where respondents live influences their opinion on crop prices. While only 15.9% of urban respondents identified fluctuating crop prices as a problem, 58.3% of rural respondents cited this issue.

HOW TO READ | Graphic 3: CHANGE IN HOUSEHOLD INCOME

SIZE OF CIRCLE :
Percentage of
survey participants

How has household income changed in the last few years?



Weighted (N=16,981,429)

CHANGE IN HOUSEHOLD INCOME

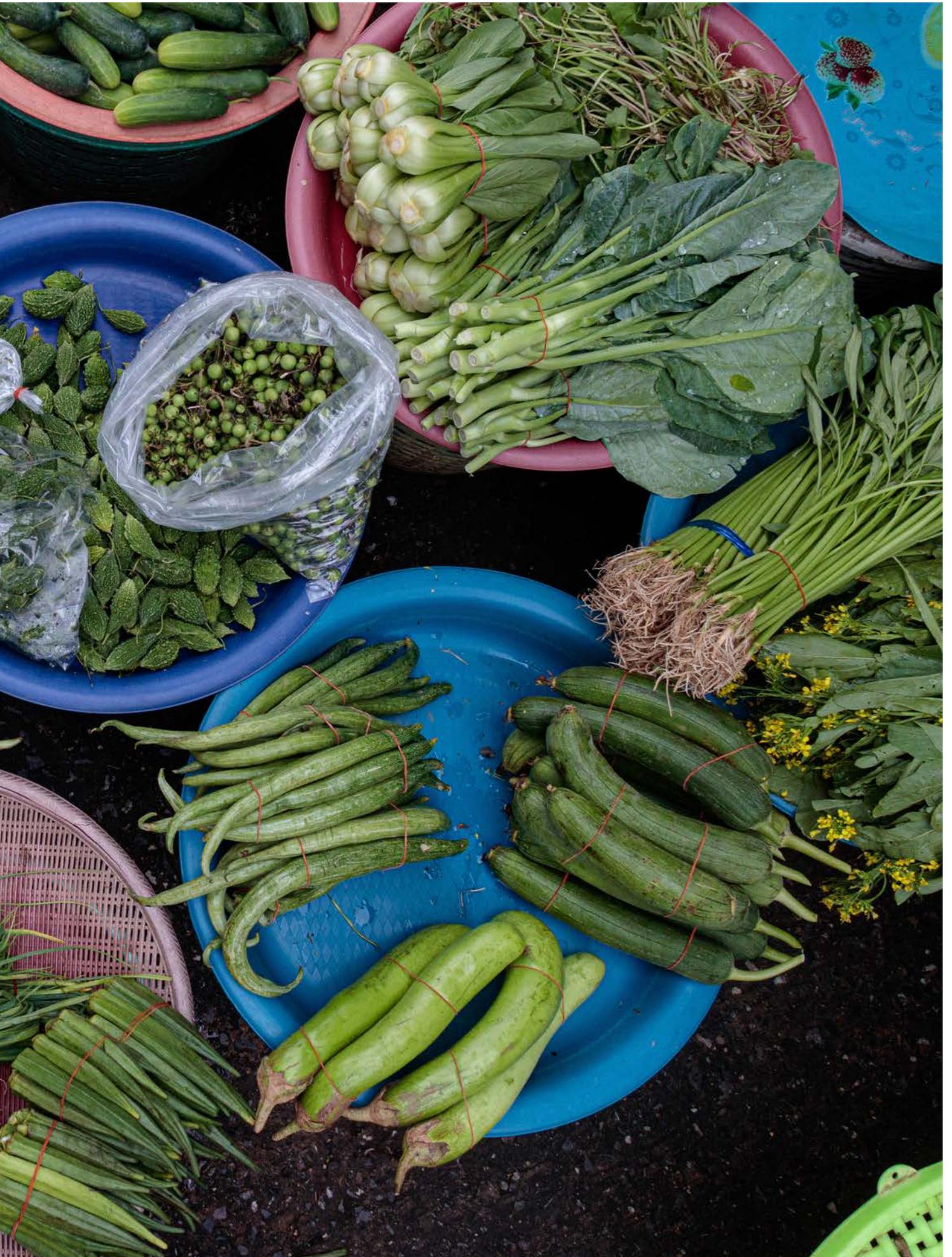
Finding 2: Although the incomes of most respondents remain stagnant, they are optimistic about the future.

Graphic 3 shows that 44% of respondents said that their annual income remained the same over the past year. Of the 36% of respondents who said that their annual income had declined, 30% said the decline was less than 25%, 56% said the decline was 25% to 50%, 13% said the decline was 50% to 100%, and 1% said the decline was more than 100%. These responses correspond to the previous graphic (Graphic 2), which shows that when asked whether Thailand was going in the right or wrong direction, 55% of respondents said that the country was going in the wrong direction. Influencing this view is the declining economic performance of the Northeast. However, despite this situation, 20% of respondents stated that their income had increased (from less than 25% to as much as 100%).

Despite their personal negative financial situation, respondents' perception of the future was rather optimistic: 57% of respondents thought that their situation will improve, and 4% were very confident that it will improve. About a quarter of respondents (26%) thought that their situation will remain the same, 9% thought it will get worse, and 1% were sure that will get worse.

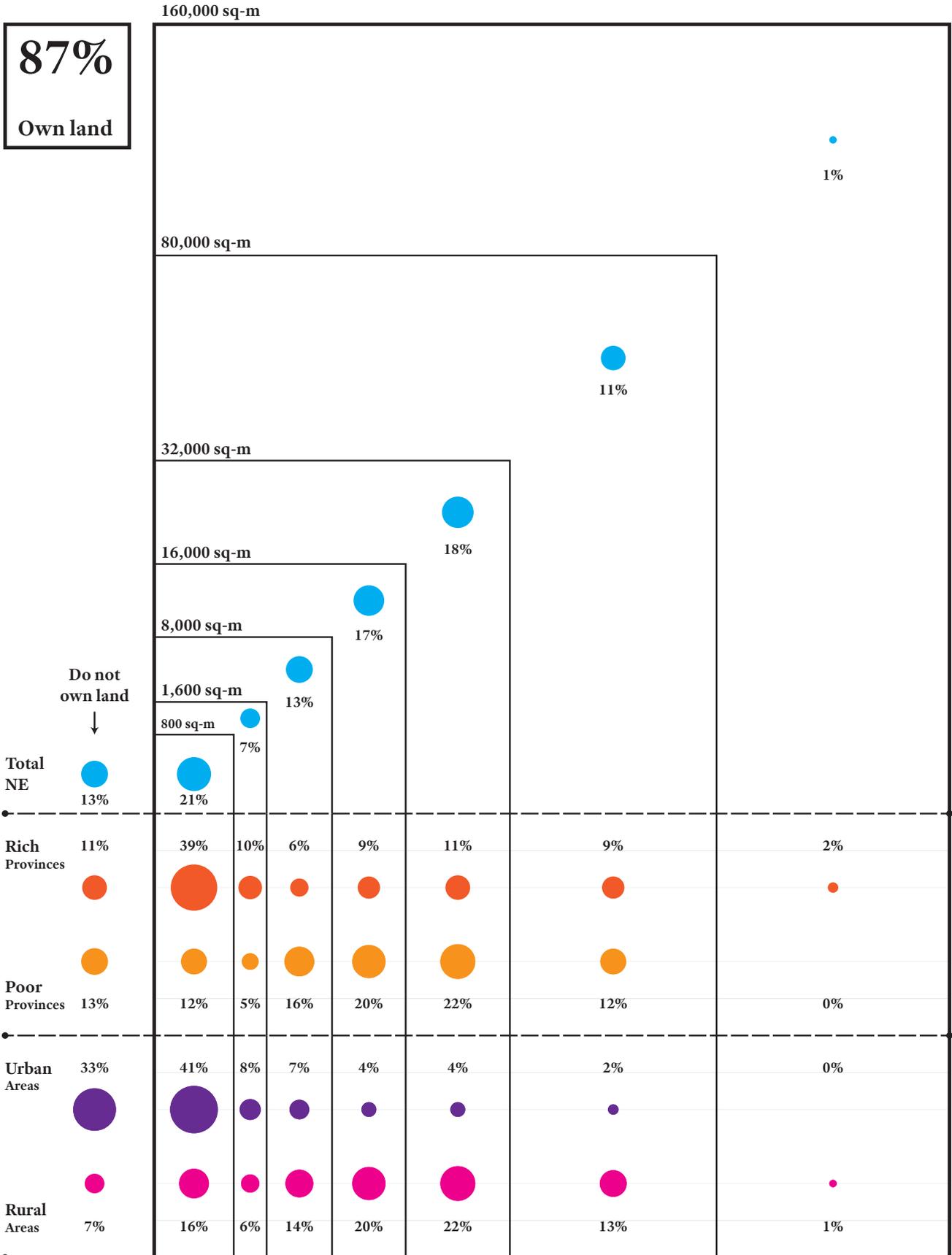
When asked what they will do to improve their situation, 33% of respondents said they will get a job, 22% said they will reduce their unnecessary spending, and 43% said they have no plan for improving their situation. The majority of respondents (58%) said they believe that the main obstacle to achieving their financial goals is insufficient income. In addition, 17% said that the overall economy is negatively affecting their situation, 8% said their lack of land negatively impacts their situation, while only 4% said that government policies have a negative impact on their livelihood. This last response is interesting as Isan people rely significantly on government social welfare programs, and this response illustrates their positive view of the government's impact on their wellbeing.





Finding 2: Although the incomes of most respondents remain stagnant, they are optimistic about the future.

HOW TO READ | Graphic 4: LAND OWNERSHIP IN ISAN



LAND OWNERSHIP IN ISAN

Finding 3: Most people own land, but their land is not very productive.

Understanding Isan requires understanding how people's livelihoods have changed from subsistence farming to joining the cash economy. For centuries, Isan's farmers produced for family consumption, but produced little, if anything, extra. If they had surplus produce, they bartered this with neighbors. Although the region's subsistence farmers are not as desperately poor as many in Thailand's mainstream believe they are, Isan's subsistence farmers are unable to save and invest this capital to improve their production.

Today, the majority of people in Isan (7.8 million) continue to work in agriculture, while 783,000 work in industry, and 2.516 million work in services.¹⁶ This point is crucial as although it is commonly assumed that most poor people are poor because they lack land, in the case of Isan, land ownership, alone, is not enough to ensure a better livelihood.

The Foundation's survey shows that 87% of people in Isan own some land. Only 13% of survey respondents were landless, while the rest own property ranging in size from fewer than 800 square meters to a maximum of 80,000 square meters.

Land ownership is a major difference between urban and rural people in Isan. Of those living in urban areas, 33% own no land, and of those who own land, their piece is usually small (41% of urban respondents own a plot of fewer than 800 square meters). In contrast, in rural areas, only 13% of survey respondents are landless. Of rural people who own land, the amount varies from 800 square meters to a maximum of 80,000 square meters.

There are four reasons why land ownership in Isan does not ensure a sufficient livelihood. First, Isan's sandy, saline soil is not good for agricultural production. Second, Isan lacks adequate water for farming. Although almost 60% of the region

¹⁶ NESDB. 2018b. *Report on poverty and inequality in income from regional perspectives in Thailand*.

is cultivated, only 10% of farmland is irrigated.¹⁷ The Foundation's survey shows that at least 55% of farmers depend on seasonal rain, and this dependency is greater in Isan's poorer provinces. In rural areas, 68% of people depend on rain-fed farming for their livelihood. The survey also shows that only a small number of people have created a reservoir for storing rainwater. Unlike other regions of Thailand, where better soil and reliable irrigation enable commercial farming, in Isan subsistence farming continues.

The third factor limiting the development of profitable farming in Isan is lack of capital to invest in improving the productivity of farmland. This investment includes buying up-to-date machinery for cultivation and harvesting, inputs to improve the quality of soil, and hiring labor to help with planting, harvesting, and packaging produce for market. Even a well-functioning 10-family cooperative in Khon Kaen has limited machinery (a shared tractor and reaper, a small rice mill, and equipment for vacuum sealing the milled rice).

While mechanized farming, good quality fertilizer and other inputs, and reliable water supply could help farmers to achieve better production, they lack the money to finance these improvements. With regard to hiring labor, since the government set the 300-baht minimum daily wage in 2013, the cost of labor in Isan has risen and neighbors are no longer as willing as they were, traditionally, to take turns helping each other with farm work. The Foundation's survey indicates that 38% of farmers say that their costs have risen, and that this has worsened their economic situation. Along with the higher cost of labor, agricultural inputs such as seed, fertilizer, and pesticides, have also risen in price.

Survey respondents have high, and arguably, unrealistic

17 Floch and Molle. 2009. "Water traps : the elusive quest for water storage in the Chi-Mun river basin, Thailand".

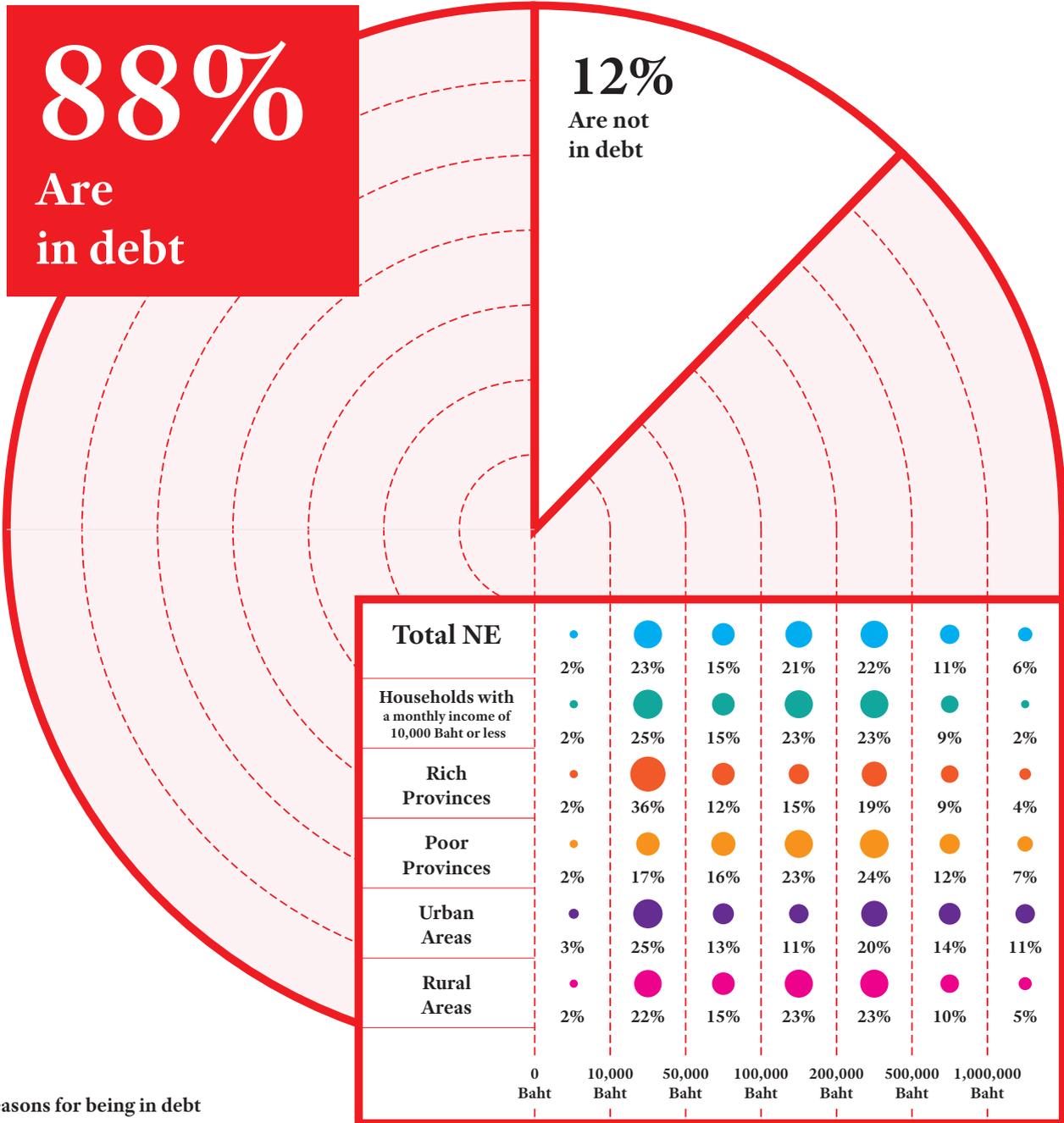
expectations of the government's ability to set crop prices. Many of those interviewed by the Foundation said that they believe that the government can improve rice prices in international markets, as the government has the authority to set prices. This illustrates the important role that rice prices play when Isan voters cast their ballots in an election. This finding is quite concerning because the government cannot control international prices for rice and other produce on a sustainable basis. Despite this reality, many Isan farmers continue to believe that the government can make a difference in what they earn from growing rice and, thus, these farmers lack the incentive to diversify their production to produce with more stable prices. As a result, millions of Isan farmers continue to be vulnerable to fluctuations in international rice and rubber prices.



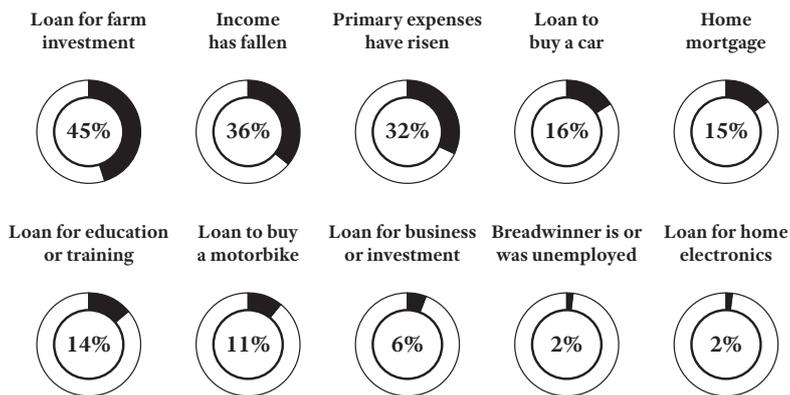
Finding 3: Most people own land, but their land is not very productive.

HOW TO READ | Graphic 5: DEBT IN ISAN

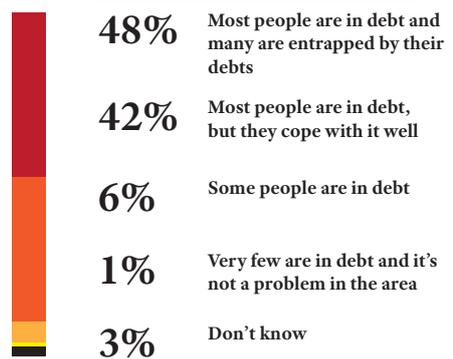
SIZE OF CIRCLE : Percentage of survey participants
 DONUT GRAPH: Percentage of survey participants



Reasons for being in debt



Assessment of local debt levels



Weighted (N=16,981,429)

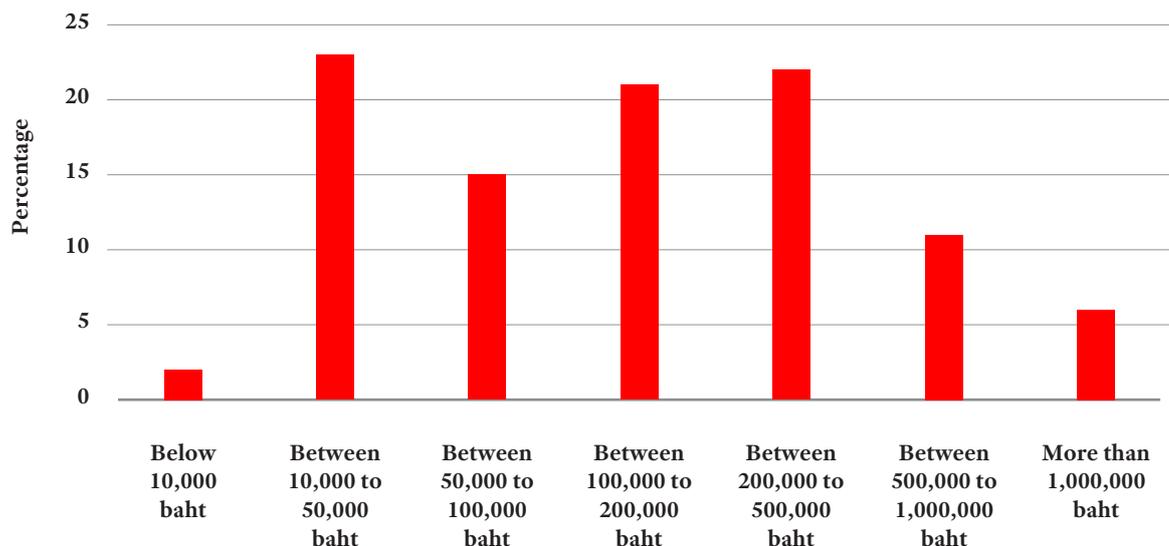
DEBT IN ISAN

Finding 4: Isan has extremely high levels of household debt.

Over the last few decades, records show that the average debt per household in Isan, and across the rest of Thailand, has been increasing. In 1996, the average debt per household in Isan was 36,204 baht,¹⁸ and by 2002, this had risen to about 60,000 baht, and around 80,000 baht in the rest of Thailand. Since then, the average debt per household in Thailand has risen to nearly 160,000 baht. The high debt level in Isan is of particular concern as it negatively impacts a large number of people (more than 3.5 million households, which is about a third of all the Thai households with debt).

Figure 4: Levels of debt in Isan and the percentage of households affected

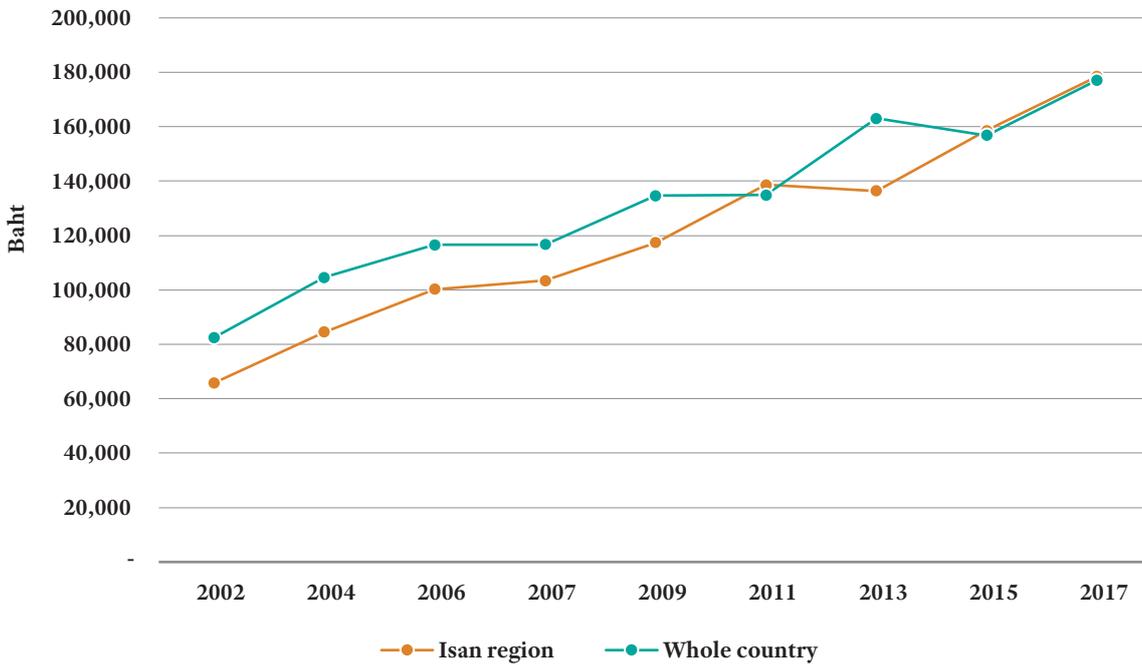
Source: 2018 Isan Perception Survey.



18 Ouyyanont. 2017. *Isan Economics: Development and Changes*.

Figure 5: Changes in average household debt in Isan between 2002 and 2017

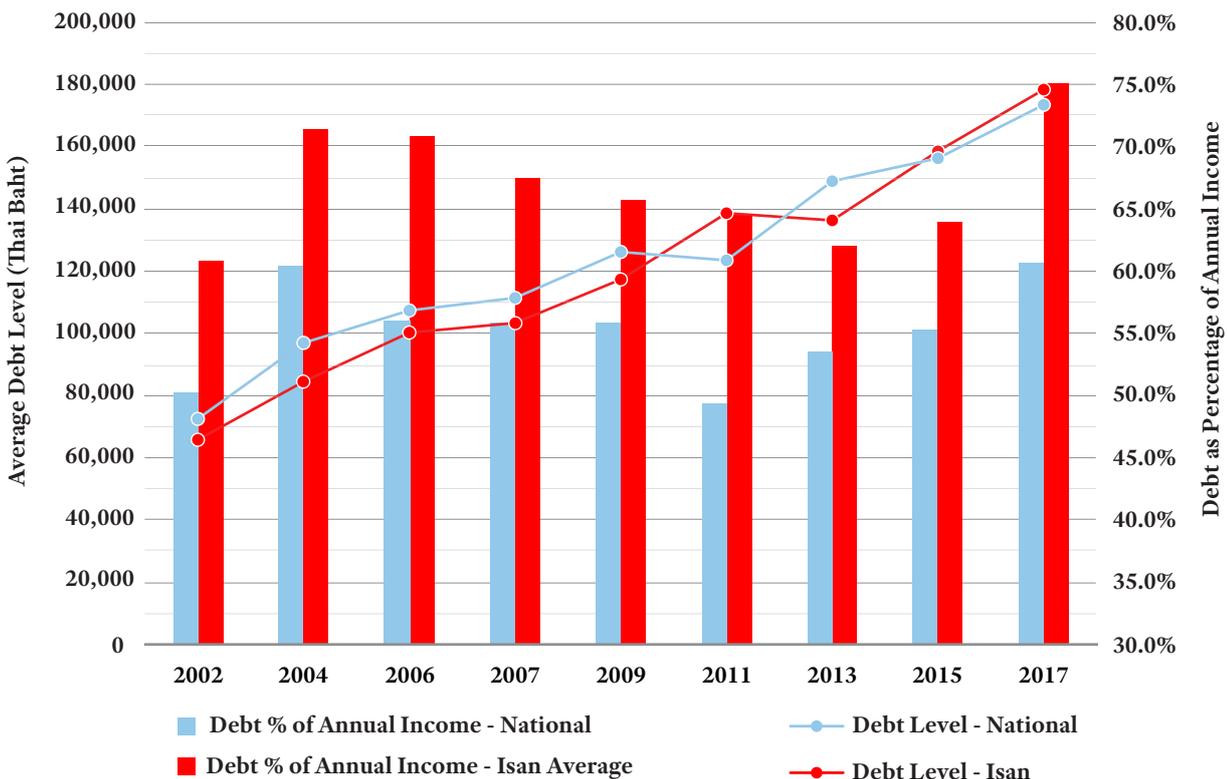
Source: National Statistical Office, 2017.



The graph in Figure 6 shows the average household debt in Isan as a percentage of income, and compares this to the national average for household debt.

Figure 6: Average household debt-to-income ratio in Isan, in comparison with the national average

Source: National Statistical Office, 2017.





The government's statistics on debt match the results of this study's survey: 88% of survey respondents reported having household debt, and 89% of the indebted respondents indicated that they have a low monthly income (10,000 baht or less). The survey also found that the size of household debt ranged from 10,000 to 500,000 baht. For example, in the richer provinces in Isan, 36% of indebted households owed less than 50,000 baht, and the percentage of households owing more than a million baht had declined to 4%.

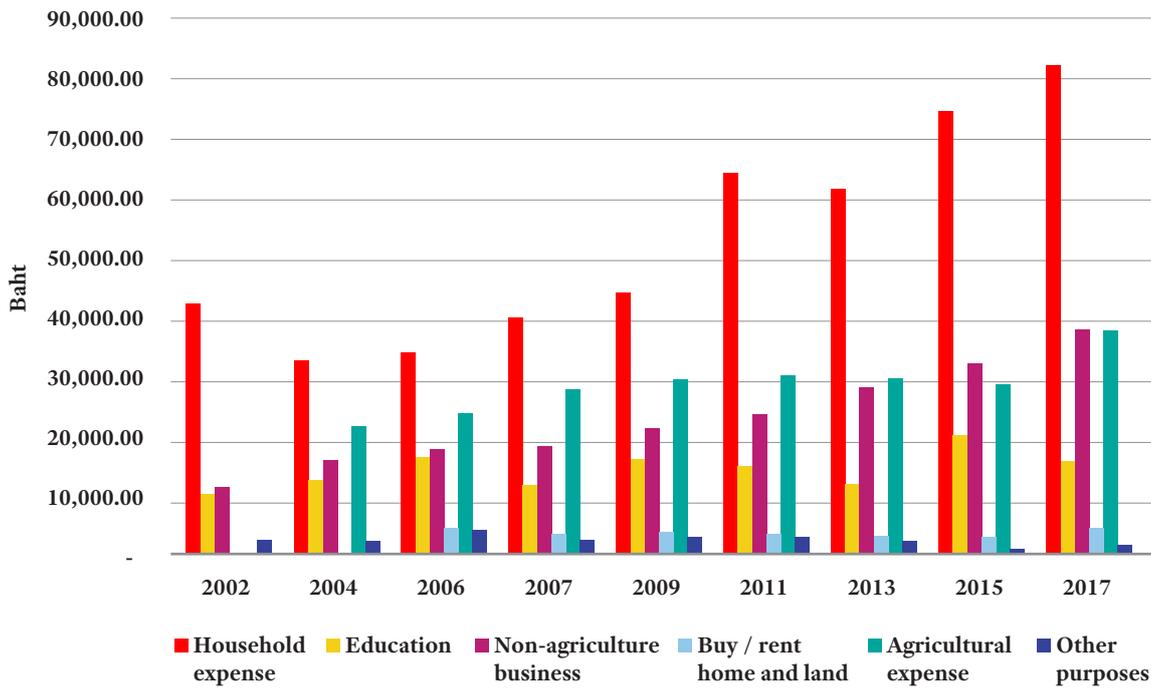
The reasons people gave for being in debt varied: 45% took out loans for farming purposes, 36% took out loans because their income had fallen, and 32% took out loans because their income was not covering primary expenses. When Graphic 5 on debt is reviewed together with Graphic 3 on the limited growth in income, it is clear that people in Isan are struggling to make ends meet.

Although people in Isan may have escaped absolute poverty, and the total number of poor people in the region has declined, intertwined problems remain with regard to having an adequate, reliable income that ensures family wellbeing.

In some provinces such as Loei, Nakorn Ratchasima, and Surin, the percentage of debt is well beyond 70% of earnings, and as much as 100% of earnings.

Figure 7: Causes of debt in Isan, 2002 to 2017

Source: National Statistical Office, 2017.



Over the years, demand has grown for the Thai government to step in and help eradicate poverty. In 2001, the government responded with the One Million Baht Village Fund (Village Fund), which is available in 70,865 villages across Thailand, regardless of whether the community is poor or not.¹⁹ All survey respondents said they have used the revolving Village Fund, and that it has played a crucial role in improving their family’s economic situation. More than half of survey respondents (52%) approved of this program, which allows each family to borrow 20,000 baht, at an annual interest rate of less than 5%, and as low as 0%. Respondents say they have used the loans for a number of requirements, including agricultural inputs, household consumption, and children’s education. Before a borrower can get another loan, he or she must repay the 20,000 baht they have borrowed. The Village Fund allows farmers to get the financing they need without paying a high interest rate.

¹⁹ NESDB and World Bank. 2005. “Thailand Northeast Economic Development Report.”



HOW TO READ | Graphic 6: ECONOMIC SITUATION LOCALLY



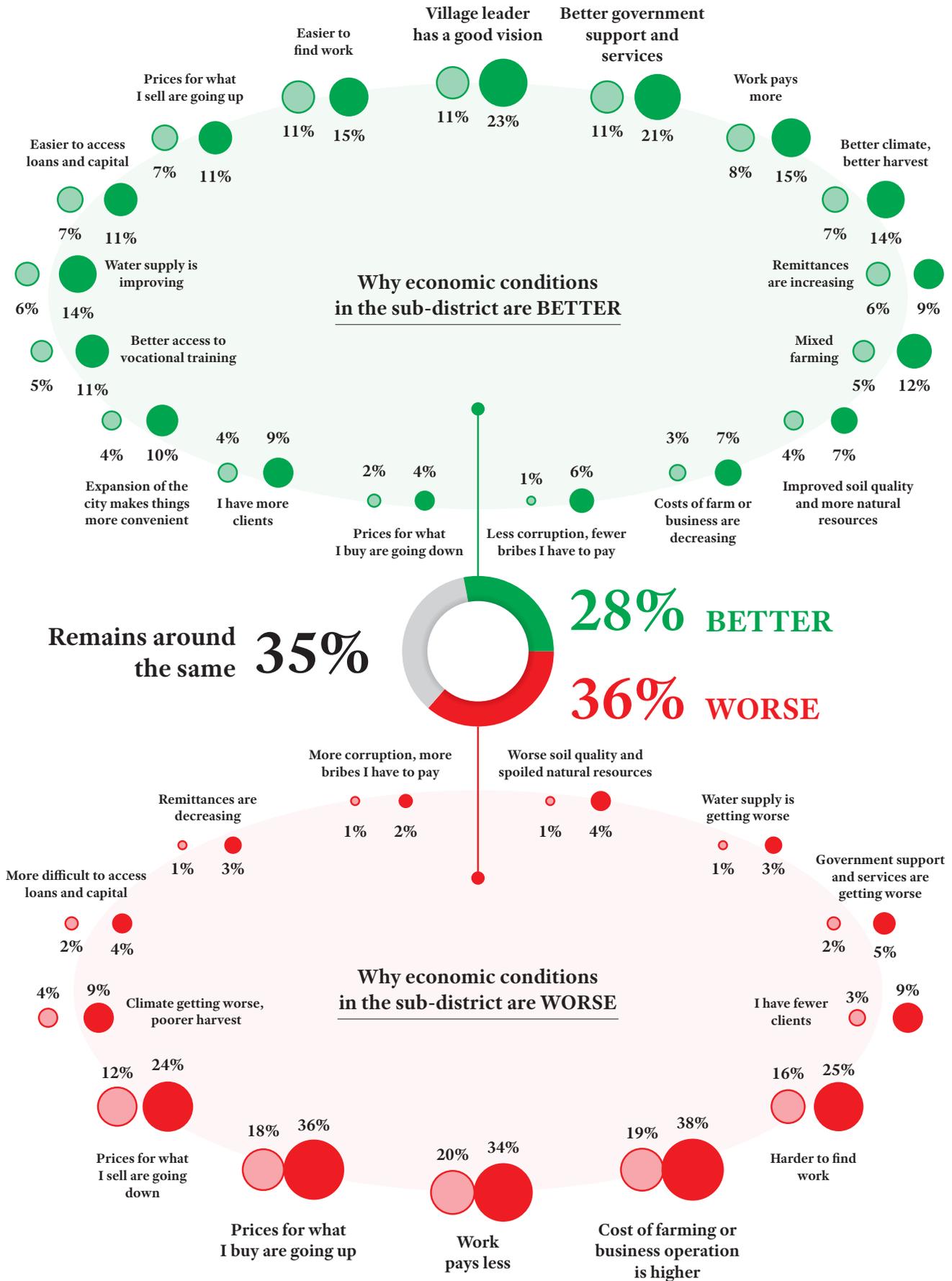
SIZE OF CIRCLE :
Percentage of
survey participants



LIGHTER COLOR :
Percentage of
FIRST responses



DARKER COLOR :
Percentage of
SECOND responses



ECONOMIC SITUATION LOCALLY

People face different levels of difficulty in their locality. In Graphic 6, it shows that 36% of the respondents think that the economy in their locality is getting worse because the costs for their farm or business are rising (38%), household goods are becoming more expensive (36%), work pays less (34%), and it is harder to find employment (25%).

However, 28% of respondents remain optimistic about the economic future in their locality. This is either because the village leader has a good vision (23%), there is better government support and services (21%), or work pays more (15%).



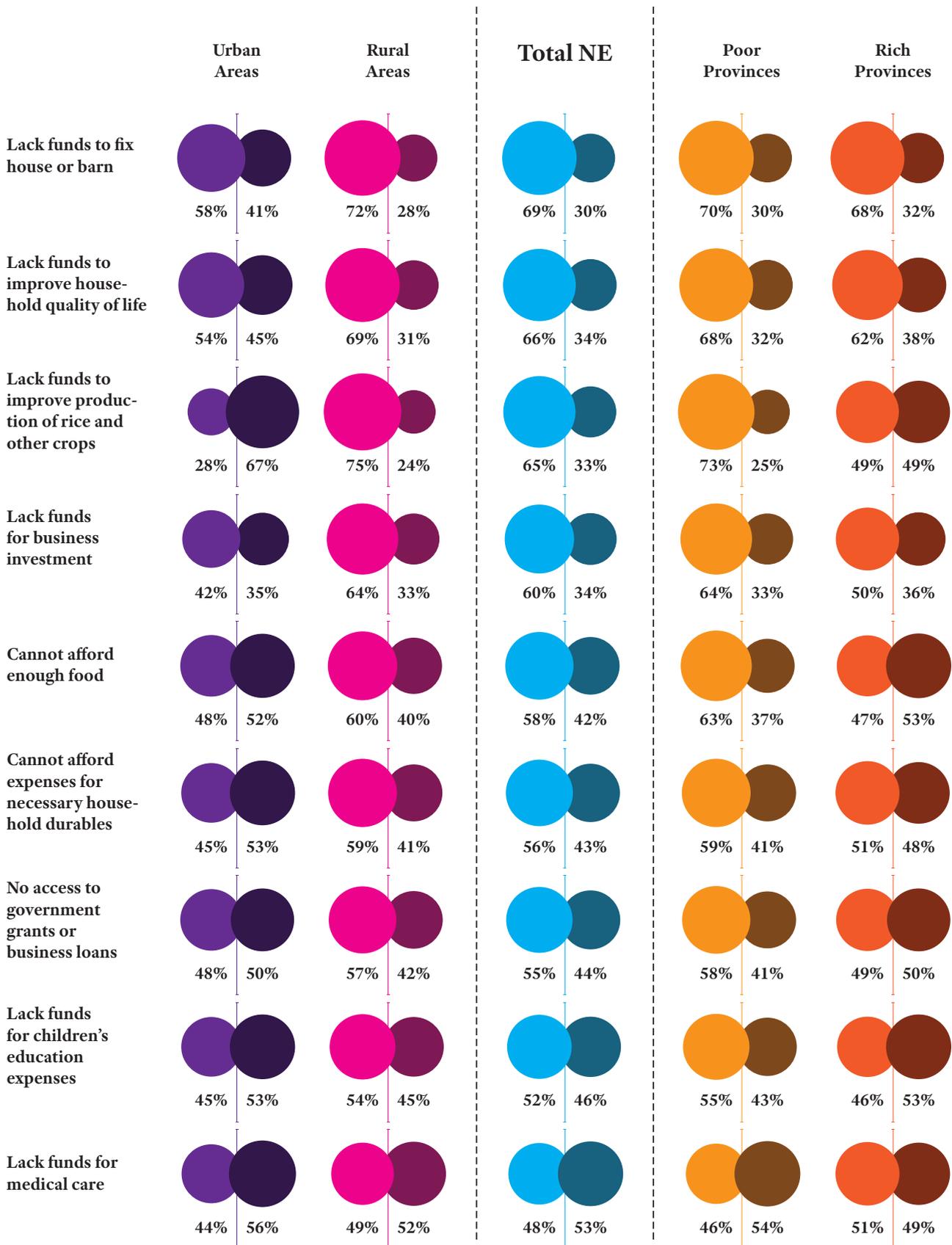
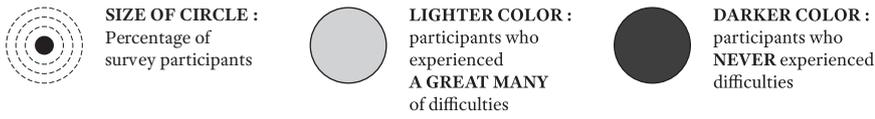
Finding 4: Isan has extremely high levels of household debt.





Finding 4: Isan has extremely high levels of household debt.

HOW TO READ | Graphic 7: DIFFICULTIES IN ISAN



Weighted (N=16,981,429)

DIFFICULTIES IN ISAN

Graphic 7 maps out the difficulties that people face, and compares results from different localities. These data show that people living in rural areas and poorer provinces suffer more than their counterparts in urban areas and richer provinces. The results from rural areas and poorer provinces are also worse than the overall average for the Northeast. This shows a clear urban-rural difference. Of those living in rural areas, 75% cannot afford to invest in their rice fields or other types of farming, 72% lack the money to fix their houses and agricultural storage facilities, and 69% cannot afford the things that provide a better quality of life.



Finding 4: Isan has extremely high levels of household debt.

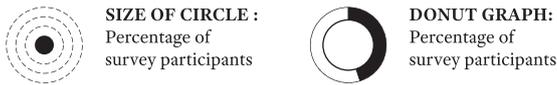


ISAN IS HOME

Throughout this study it has been overwhelmingly apparent that the farmers, workers, and students of Isan want to stay closer to home. This view is supported by the trend of declining migration from Isan to Bangkok and other provinces. Students also prefer to pursue higher education close to their community. With this increasing appetite to remain in Isan, greater investment and job opportunities are crucial.



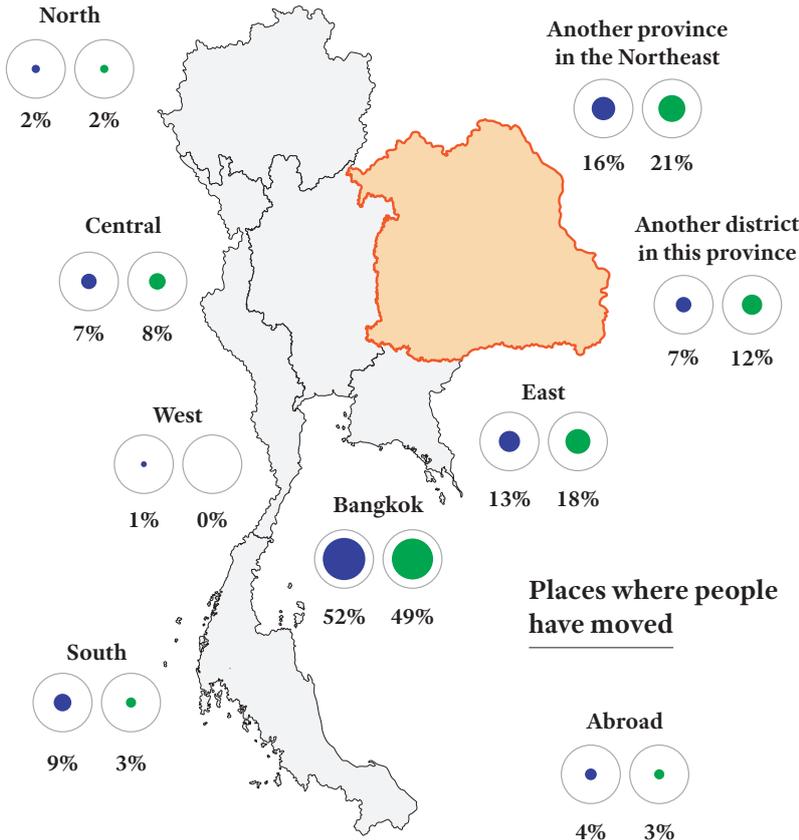
HOW TO READ | Graphic 8: MIGRATION



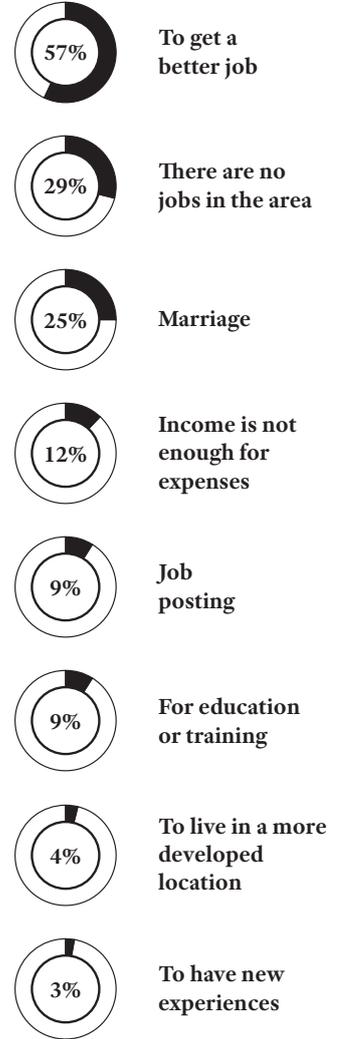
Have you ever lived outside this district for more than 1 year?



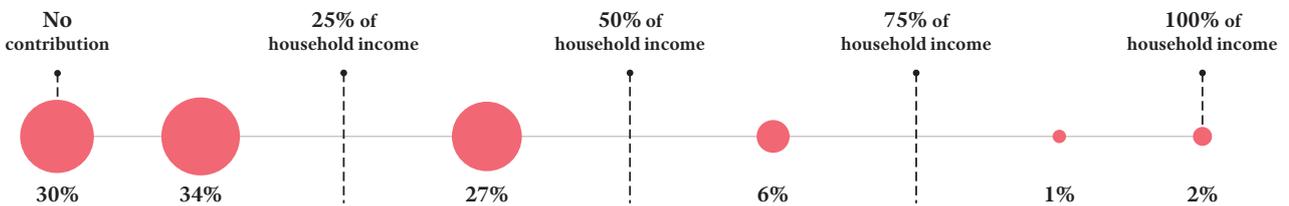
Has anyone in the family moved to live in other locations?



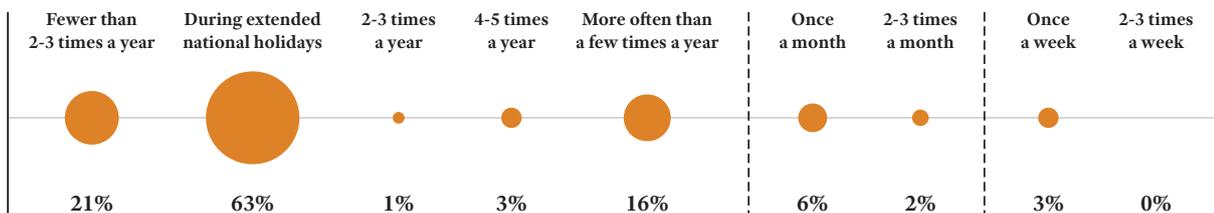
Reasons for migration



Contribution of remittances to your household income



How often do family members living elsewhere visit home?



MIGRATION

Finding 5: Fewer Isan people are migrating now to other parts of Thailand.

For a long time, Bangkok was seen as the center of the country, and Isan was at the periphery. Given its poor agricultural productivity and lack of job opportunities, Isan cannot provide enough jobs for its growing working age population, and this has led to millions of Northerners migrating for work. Studies on internal migration have shown that, on average, between 35% and 70% of Isan's workers migrate to the capital. It has been estimated that between 1965 and 1970, alone, at least 200,000 Isan people migrated for jobs in Bangkok's industrial and service sectors, and between 1980 and 1990, at least one million Isan people made the same move. Bangkok's modern, urban lifestyle was also more appealing than Isan's traditional lifestyle.

Remittances play a crucial role in Isan. More than a quarter of respondents (27%) said remittances contribute from 25% to 50% of their household income, 34% of respondents said remittances contributed less than 25% to their household income, and 30% said their household receives no remittances at all.

This study's interview data show two other major changes in migration patterns: high school, undergraduate, and graduate students in Isan increasingly prefer to enroll in higher education institutions that are closer to home. Students now prefer to attend Khon Kaen University or another post-secondary institution in Isan, rather than move to Bangkok for post-secondary education or training. The Foundation's survey also shows that students are more interested in becoming entrepreneurs in Isan, rather than office workers in Bangkok. These findings indicate that young people in Isan no longer have negative perceptions of their region and now consider it a place of opportunity.





Finding 5: Fewer Isan people are migrating now to other parts of Thailand.

VIEWS ON INDUSTRIALIZATION

Finding 6: A high percentage survey respondents (74%) support industrialization in Isan.

Three significant stories are worth noting about industrialization and economic development in Isan. First, the industry and services sectors now play an important role in Isan's economic development. These sectors currently account for 79.2% of Isan's annual gross regional product (GRP) of 1,051,998 million baht. However, this GRP is a great deal lower than the annual GRP of Central (7,487,503 million baht).

Table 3: A regional comparison of GRP for Thailand's agricultural and non-agricultural sectors

Source: National Economic and Social Development Board, 2018b.

Regions	Total Production (Million Baht)			GRP per capita	Population (thousands)	Structure of GRP	
	Agriculture	Non Agriculture	Total			Agriculture (%)	Non Agriculture (%)
Central	184,265	7,487,503	7,671,769	343,871	22,310	2.4	97.6
East	168,717	2,236,550	2,405,267	432,712	5,559	7.0	93.0
North	278,444	790,138	1,068,582	93,058	11,483	26.1	73.9
Northeast	275,920	1,051,998	1,327,918	70,906	18,728	20.8	79.2
South	245,875	830,064	1,075,939	145,355	7,402	22.9	77.1
Total	1,192,671	12,480,180	13,672,851	203,356	67,236	8.7	91.3

Investment in Isan, including industrial investment, continues to target the agricultural sector. The larger industrial investments are in rice mills and factories that produce sugar from sugar cane. Most small factories are producing food, drinks, and textiles.

Second, the majority of factories are found in Isan's four largest provinces: Nakorn Ratchasima, Khon Kaen, Ubon Ratchathani, and Udon Thani. Investment in these four provinces accounts for 71% of Northeast investment,²⁰ with Nakorn Ratchasima, alone, accounting for 36.4% of total investment, which is equivalent to all the industrial investment in the rest of Isan. For the electronics industry, 98.8% of the factories operate in Nakorn Ratchasima.²¹

Table 4 shows the number, and dominant types of companies in Isan that have Board of Investment promotion, including tax concessions and other benefits, and the table also shows the uneven distribution of these companies across the region.

Table 4: Companies in Isan with Board of Investment promotion and their location

Source: Board of Investment (2014), cited in Wheway and Punmanee (2017).

Province	Companies Promoted by the BOI	Dominant Types of Companies
Amnat Charoen	0	None
Bueng Kan	4	Electricity generation from solar power
Nakhon Phanom	5	Hotels
Sakon Nakhon	5	Transportation
Yasothon	6	Rice grading and food production
Kalasin	8	Electricity generation from biomass
Loei	11	Iron ore mining and rice drying & storage facilities
Maharakham	13	Garment production
Mukdahan	13	Rubber production and electricity generation from biogas
Nong Khai	16	Electricity generation from solar power
Nong Bua Lamphu	19	Pork production
Sisaket	19	Rice grading and garment production
Roi Et	21	Electricity generation from biomass
Chaiyaphum	32	Electricity generation from solar power
Surin	48	Chicken production and rice grading
Udon Thani	53	Rice grading
Ubon Ratchathani	63	Food production
Buriram	79	Chicken production
Khon Kaen	111	Solar panel production
Nakorn Ratchasima	462	Production of automotive products

²⁰ Ouyyanont. 2017. *Isan Economics: Development and Changes*.

²¹ Wheway and Punmanee. 2017. "Global production networks and regional development: Thai regional development beyond the Bangkok metropolis?"

Almost a quarter of survey respondent (23%) stated that they believe industrialization will bring better employment opportunities to Isan. Although the majority of respondents assume that industrialization will take place in richer provinces and urban areas, 55% of respondents in poorer provinces, and 52% of respondents in rural areas want industrialization in their provinces in order to improve the economy and job opportunities. The government's plans to build large-scale infrastructure in the Northeast such as roads, bridges, and power generation facilities was positively received by survey respondents as they believe that the government has not adequately invested in infrastructure.

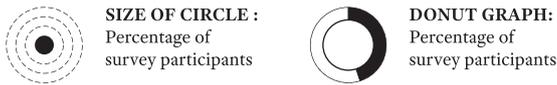
The vast majority (74%) of survey respondents were supportive of more industrial development in Isan, primarily because they believe this will increase job opportunities. A small minority (7%) qualified their support by saying that new industries must follow government regulations, and be fair to locals. Only 18% of respondents did not support industrialization, with (13%) specifically citing concerns about environmental degradation. This was a surprisingly low disapproval rate, given the longstanding view in Isan that industrial development has resulted in environmental degradation. For example, forests have been cut to create reservoirs for dams, and chemicals used in factories have polluted water supplies. Respondents believe that although industrialization is needed to move Isan forward, environmental laws and regulations must be followed, and environmental impact assessments must precede the development of industrial zones in order to ensure that these will not have a negative impact on agriculture or the natural environment.



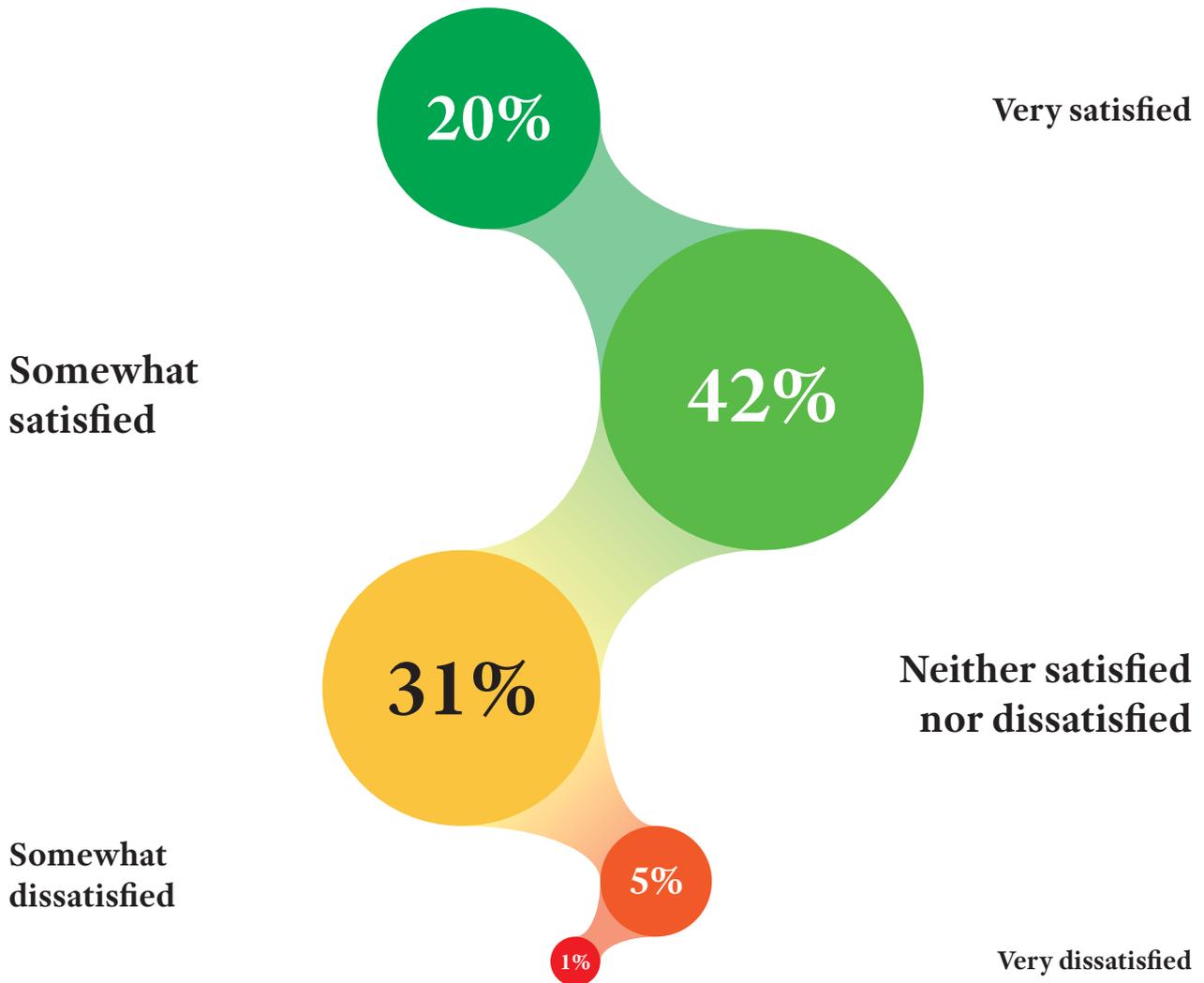


Finding 6: A high percentage survey respondents (74%) support industrialization in Isan.

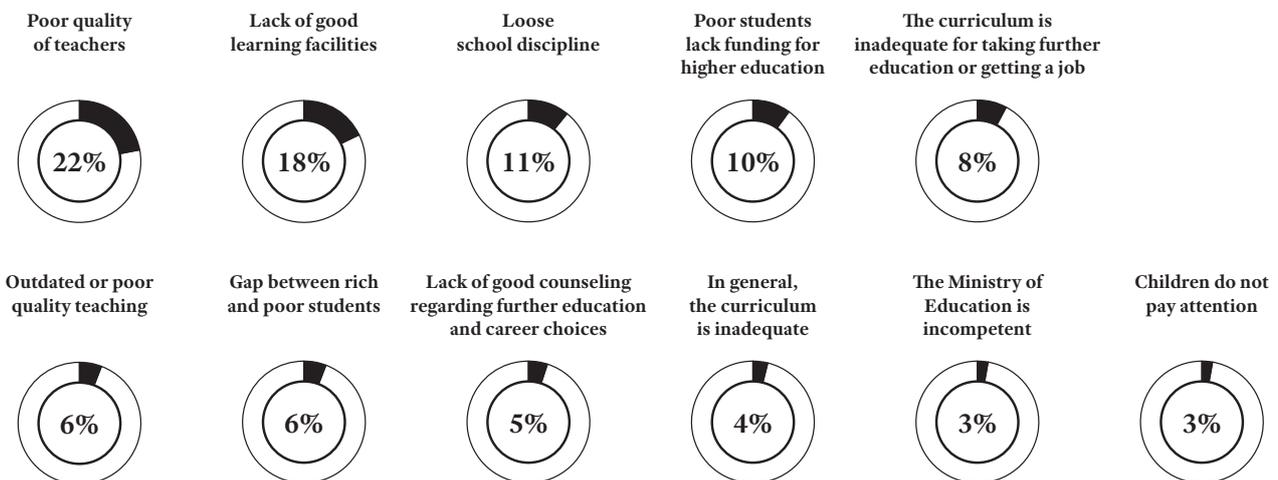
HOW TO READ | Graphic 10: LOCAL EDUCATION



Satisfaction with local education



The main problem with education that needs to be addressed



Weighted (N=16,981,429)

LOCAL EDUCATION

Finding 7: Most Isan people are satisfied with educational quality.

Isan has benefited significantly from educational expansion at all levels, and especially from the expansion of higher education. However, such expansion came rather late in comparison to Bangkok (Khon Kaen University was built 50 years after Chulalongkorn University in Bangkok). As a result of the Private Education Act of 1969, and aid from the United States, there are 53 higher education institutions across Isan, and these are located in almost all the provinces. Of these institutions, 36 are public universities, 10 are private universities, and 7 are community colleges. Isan's higher education institutions such as those in Khon Kaen, Mahasarakam, Nakorn Ratchasima, and Ubon Ratchathani attract a large percentage of the region's students, and these institutions contribute to local economic development and empowerment.²² The development of higher education in Isan coincides with the growing trend to send children to higher education institutions in the region, rather than keep them on the family farm.

The Foundation's survey shows that with the increasing importance of paid employment in Isan, farmers are beginning to view vocational education as the best option for their children. This differs from previous studies in which respondents thought that attending a prestigious university was the only route to individual success. Now, as a result of the growing population's need for off-farm employment, and the availability of both universities and technical and vocational institutions, as this study shows, Isan farmers are more practical, both in seeking post-secondary education for their children, and in the type of institution they choose.

This change in educational aspirations, which corresponds with the changing economic landscape in Isan, and the growing middle class, is especially important given that 49.9% of working people in Isan only have a primary education.

²² NESDB. 2018a. *Northeastern Development Plan in 12th the National Economic and Social Development Plan (2017-2021)*.

The Foundation's survey indicates that 20% of parents are very satisfied with the education system in their locale, 42% are satisfied, 31% are ambivalent, 5% are somewhat dissatisfied, and 1% are very dissatisfied. These survey results, which indicate that more than 60% of parents are satisfied with their children's educational opportunities, are backed up by the positive responses of the students who were interviewed for the survey.

As Isan's young people have had more education than previous generations, they tend to have more employment options. They can work in the Northeast or move to another part of the country. However, in contrast to the longstanding trend of going to Bangkok or abroad to work, this study's interviews showed a paradigm shift with regard to migration. Students and other young interviewees expressed an overwhelming desire to work "closer to home", rather than go to Bangkok or leave Thailand for employment. For example, students from Khon Kaen University said they chose that university so that they could be near home and that when they graduate, they hope to work close to home. Interviewees with this response included PhD students in the sciences who aspire to launch a technology start-up in Isan.

However, these students also reported that it is very hard to find modern employment in Isan. Although this young generation differs from the majority of those interviewed in Isan, their responses show that views on development in the region are changing. For decades, the only path to modernity for people in Isan was going to Bangkok. Now Isan graduates from Bangkok and Isan universities want to return home to be with their families, and take care of their parents. Now that they have more education, these young people can choose to settle in their hometown and pursue a modern, non-agricultural career.²³

However, as is the case in the rest of Thailand, Graphic 10 shows there are continuing problems with the education system. These include the lack of quality teachers, lack of quality learning materials, and lack of student discipline.

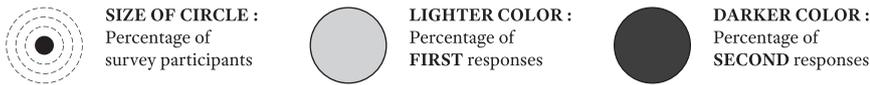
23 Evans and Jancik. 2012. "Regional development – The engine for Thailand's future growth".



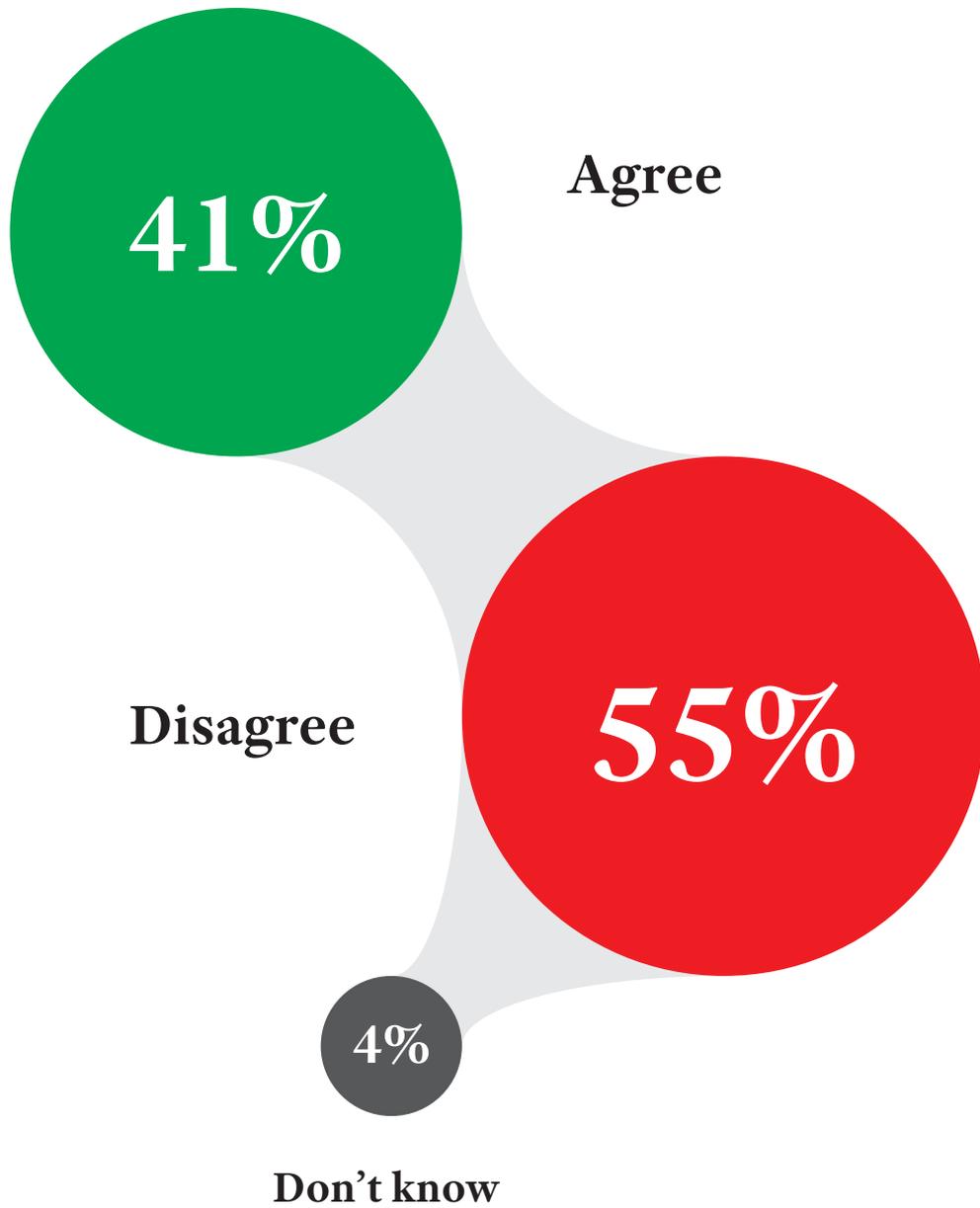


Finding 7: Most Isan people are satisfied with educational quality.

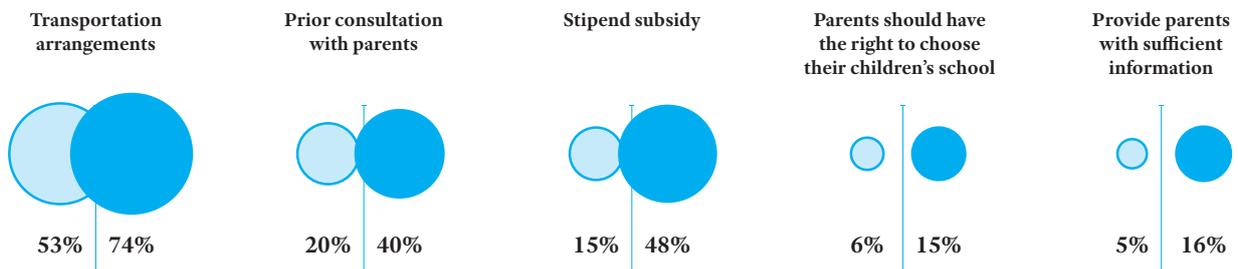
HOW TO READ | Graphic 11: SMALL SCHOOLS CONSOLIDATION POLICY



Many experts have argued that the government needs to merge small schools into larger schools. Do you agree with this policy?



Things which would make the Small Schools Consolidation Policy more acceptable to you?



Weighted (N=16,981,429)

SMALL SCHOOLS CONSOLIDATION POLICY

One policy area of concern to Isan people is the government's proposal to consolidate small schools in the region. Currently, the "Small Schools" policy is the most important issue dividing people in urban and rural areas in the Northeast. In each village, there are small schools with 30 to 100 students, but due to their size, these schools lack sufficient teachers, textbooks, and other learning materials for each grade. In many cases, one teacher is responsible for teaching all the subjects and all the grades. This prevents teachers from giving individual attention to students, and from providing in-depth instruction on the subjects.

The government has looked at these problems, and proposes to close down or consolidate village schools. In the Foundation's survey, when respondents were told "Many experts have argued that the government needs to merge small schools into larger schools. Do you agree with this policy?", 41% of respondents agreed with consolidating small schools, while 55% disagree. This is shown in Graphic 11.

This coincides with the trend in Isan that people prefer to send their children to larger, urban schools because they believe that these are better equipped and teachers are well trained. Each district's town has a large school that attracts qualified teachers, and a large number of students.

The Small Schools issue has opened up a debate about access to quality education. The success of small schools is that they serve remote villages and they develop basic literacy. However, as discussed above, the drawback of small schools is that they cannot provide high quality education. Due to this deficiency, small schools are unable to educate all students so that they reach their full potential. That is why the government has proposed consolidating small schools. Policy makers argue that if small schools are consolidated, there will be more students, schools will have a larger budget for teachers and learning materials, and this will improve the quality of education for everyone.

A significant trade-off, however, is that if the small village schools are closed, the distance to a larger school will be greater, which will increase the time spent travelling to school, and the costs of transportation. These factors will be important disadvantages for students from poor families.

It is for these reasons that 55% of Isan survey respondents disagree with the Small Schools policy. When this percentage was disaggregated, 56% of rural respondents disagreed with the policy, and 58% of respondents in the poorer provinces disagreed with the policy. Further analysis of the data shows that 74% of the population would accept the consolidation of small schools if good transportation was provided.





Finding 7: Most Isan people are satisfied with educational quality.

NOT SO UNSOPHISTICATED

In the past, literature on Isan described people as unsophisticated peasants who are docile, obedient, and uneducated. However, the Foundation's study shows that Northerners are politically savvy and well aware of their rights and political participation. When asked how government welfare policies and schemes impacted them, they were articulate and outspoken. The 30-baht Universal Health Care scheme is the most popular policy. They also said that they want the government to be responsive, transparent, and accountable.

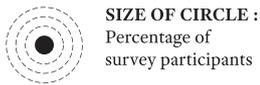




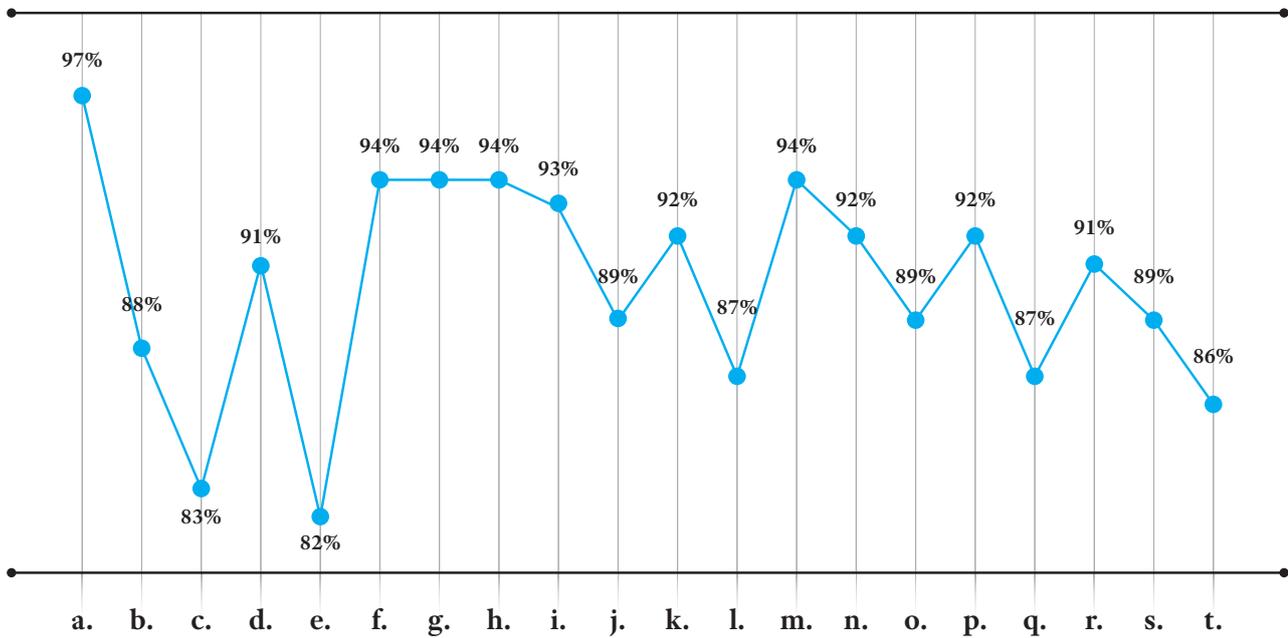
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HOW TO READ | Graphic 12: PUBLIC WELFARE SCHEMES AND SERVICES

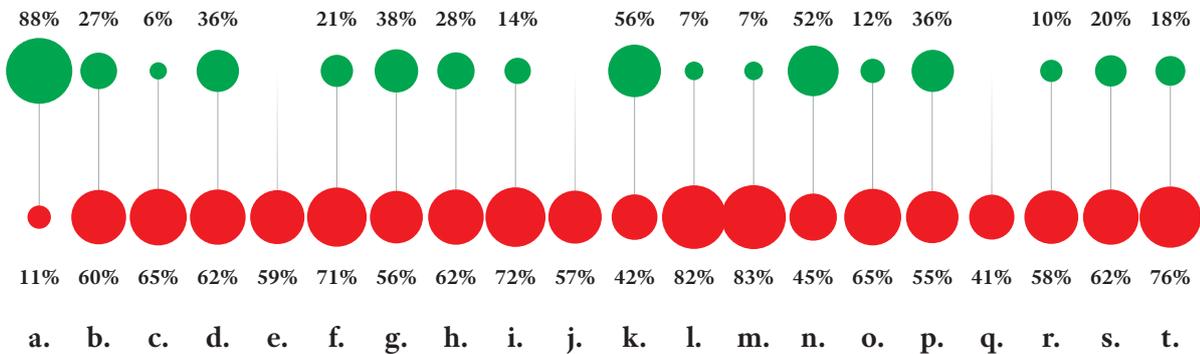


Satisfaction with public welfare schemes and services



Public welfare schemes and services

● Have used
● Aware of, but have not used



- a. 30-baht Universal Healthcare Coverage (UHC) scheme
- b. Social Security Scheme (Regular)
- c. Social Security Scheme (Voluntary)
- d. Monthly Stipend for Low-income Seniors
- e. Public Elder Care Centers
- f. Education Loans
- g. National School Lunch Program
- h. Free Electricity for Residences with Low Consumption
- i. Free Train Service
- j. SME Loans

- k. Poverty Subsidy Scheme
- l. One Tambon, One Product (OTOP)
- m. Stipend for Persons with a Disability
- n. 1 Million-baht Village Fund
- o. 5 million-baht Sub-district Fund
- p. BAAC General Loans and Loans for Poor Farmers
- q. BAAC's "Smart" Farmer Loans
- r. BAAC's Debt Relief for Farmers Who Die or Become Disabled
- s. BAAC's Debt Moratorium Scheme
- t. Rice Subsidy Scheme

PUBLIC WELFARE SCHEMES AND SERVICES

a. 30-baht Universal Healthcare Coverage (UHC) scheme

The UHC scheme was set up by the government in 2001 to provide access to comprehensive healthcare for Thais who are not covered by another government scheme. The Ministry of Public Health implements the scheme.

b. Social Security Scheme (Regular)

The regular social security scheme is implemented by the Ministry of Labor under Section 33 of the Social Security Act (B.E. 2533), and applies to people between 15 and 60 years of age who are employed by a formal enterprise with one or more employees, which pays for the scheme.

c. Social Security Scheme (Voluntary)

The voluntary social security scheme is implemented by the Ministry of Labor under Sections 39 and 40 of the Social Security Act (B.E. 2533), and covers self-employed and informal sector employees who pay for the scheme themselves.

d. Monthly Stipend for Low-income Seniors

If not already receiving other state benefits, the elderly in Thailand are entitled to a monthly subsidy that is based on their age. Also, elders with a low income who have registered for the Government Welfare Registration Program, receive an additional monthly subsidy based on their income. This additional subsidy is provided at two levels: 1) those with an income below 30,000 baht per year will receive a top-up of 100 baht per month; 2) those with an income between 30,001–100,000 baht per year will receive a top-up of 50 baht per month. The Ministry of Social Development and Human Security manages this subsidy.

e. Public Elder Care Centers

The Ministry of Social Development and Human Security provides environmentally sustainable housing for the elderly. This is based on Thailand's tradition of respecting and supporting society's elders.

f. Education Loans

A revolving fund provides loans that enable students to pursue post-secondary education. To be eligible for a loan, a student must: 1) lack funds to continue their education; 2) study in a field that is needed for Thailand's development; and/or 3) study in a field that has a shortage of workers or is specifically promoted by the Student Loan Fund. Eligible expenses include tuition fees, living expenses, and other necessary study-related costs. The Ministry of Finance manages the loans.

g. National School Lunch Program

The Ministry of Education implements the school lunch program to ensure that Thai children are healthy and achieve the growth that is normal for their age. To prevent malnutrition, the program ensures that Thai students of all ages eat a nutritionally healthy lunch.

h. Free Electricity for Residences with Low Consumption

Residences with electrical systems that are less than 5 amperes, and which use no more than 50 units of electricity per month, are entitled to free electricity. The Ministry of Interior is responsible for this program.

i. Free Train Service

Thai identity cardholders are entitled to free trains in a number of locations in Thailand, including trains travelling to several major cities in the Northeast. The Ministry of Transport operates this program.

j. SME Loans

The Ministry of Finance provides loans to people who are self-employed or operating a small business such as a shop, or a motorcycle taxi or delivery service. Loans are also provided to groups of housewives participating in a community enterprise, and to contractors providing a service. Loans are for a maximum of 50,000 baht per person.

k. Poverty Subsidy Scheme

The government provides a subsidy for people with an income of less than 100,000 baht per year and who have registered for the Government Welfare Registration Program. Support includes free public transport, free electricity and water supply if usage is below a certain level, a stipend for marginalized groups, and free accident insurance. The Ministry of Finance is responsible for this program.

l. One Tambon, One Product (OTOP)

OTOP is a local entrepreneurship stimulus program that supports the production of goods made by local people in Thailand's 7,255 tambons (sub-districts). The program, which is managed by the Community Development Department (CDD), under the Ministry of Interior, encourages villages to improve the quality and marketing of local products by selecting the village's best product, which can then use the OTOP logo and slogan to market its products.

m. Stipend for Persons with a Disability

Persons with a disability, who are officially registered with the government, can receive a subsidy of 500 baht per month from the local authority. This stipend is provided by the Ministry of Interior.

n. 1 Million-baht Village Fund

Launched in 2001, the 1 Million-baht Village Fund provides this amount for each village to stimulate the local economy by attracting new enterprises such as those that process or package produce. The National Village and Urban Community Fund Office manages the program.

o. 5 million-baht Sub-district Fund

A 5-million-baht grant is offered to each sub-district to implement a project that contributes to, or promotes, better living conditions for people in the community. The Ministry of Interior manages the program.

p. BAAC General Loans and Loans for Poor Farmers

The Ministry of Finance provides loans to individual farmers through the Bank for Agriculture and Agricultural Cooperatives (BAAC). To take out a loan, a farmer must be registered with the BACC, and submit a proposal to a BAAC credit officer at the local BACC branch or field office explaining how the loan will be used. The credit officer helps farmers to register with the BACC and develop their loan proposals.

q. BAAC's "Smart" Farmer Loans

The BAAC makes loans for capital investment to help BACC-client farmers who apply innovative thinking and technology to their farming process.

r. BAAC's Debt Relief for Farmers Who Die or Become Disabled

The BACC's Mob Rak Deposit insurance policy provides some financial compensation if a BACC borrower dies or becomes disabled. If the death or disability is caused by an accident, the policy holder will receive 100% of the policy's compensation.

s. BAAC's Debt Moratorium Scheme

The Prime Minister's Office operates a debt moratorium scheme through the BAAC. The period of the debt moratorium varies, depending on the farmer's circumstances. For example, the rice farmers whose crop payments from the government were delayed in 2014, were allowed to stop repaying their BACC loan for six months; and the rice farmers whose crops were damaged or destroyed by floods in 2017 were given a loan repayment moratorium, and a lower interest rate on their loan.

t. Rice Subsidy Scheme

The Ministry of Commerce buys rice from farmers at a fixed rate that is much higher than the global market price. This program is known as the rice "pledging" or "mortgage" scheme.

Finding 8: Universal Health Coverage helps lessen the burden of healthcare costs.

Survey results also show that the national policy of providing a social safety net is important for people’s welfare in Isan. As the majority of people in Isan are farmers, unlike workers in formal enterprises, they have no healthcare, job termination, pension, injury, or death benefits. As a result, the national government’s policies that provide a social safety net in Isan are crucial for people’s wellbeing. The most obvious of these is the 30-baht Universal Health Coverage (UHC) scheme, the second is the poverty-subsidy scheme, and the third is the One Million Baht Village Fund.

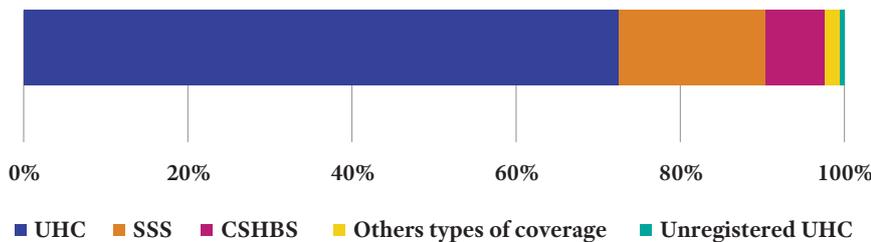
The Universal Health Coverage (UHC) scheme, also known as the “30-Baht Scheme,” was initiated in 2001. It provides healthcare for all Thais who are not covered by a healthcare scheme. The program funds virtually all treatments for acute and preventative care, and it covers a wide range of chronic care, as well as cancer treatments, long-term dialysis, and organ transplants.²⁴

The UHC scheme is the most widely used government social safety net program in Isan. In total, 97% of survey respondent said that they are highly satisfied with the health scheme, and that it has a significant impact in reducing the region’s levels of poverty and inequality. The percentage of survey respondents who benefited from the UHC scheme is higher in the poorer provinces of Isan than in the provinces that are better off: 92% of survey respondents benefited in the poorer provinces versus 81% in the richer provinces. A similar difference could be seen between rural and urban survey respondents: 92% of respondents in rural areas used and benefited from the UHC scheme versus 74% of respondents in urban areas.

24 NHSO. 2017. *Handbook for the Insured*.

Prior to the UHC scheme, only 20% of Thais had adequate health coverage. Those who did have coverage were primarily employees of formal enterprises; people covered under the Social Security Scheme (SSS); civil servants and their immediate family, who were covered under the Civil Servant Health Beneficiary Scheme (CSHBS); and those who could afford to pay for a good private health scheme. Prior to the launch of the UHC scheme, 80% of the Thai population had no coverage, they were covered by an inadequately funded scheme, or they could afford the prohibitive, out-of-pocket (OOP) payments for healthcare.²⁵ Given that most Isan people work in agriculture or informal employment, and prior to the UHC scheme they had no access to health coverage, the scheme has significantly improved their lives.

Figure 8: The shares of population covered by different types of health coverage
Source: National Health Security Office, 2018.



Note: Universal Health Coverage (UHC); Social Security Scheme (SSS); Civil Servant Health Beneficiary Scheme (CSHBS); and Unregistered with the UHC.

As of 2017, 99.95% of Thais had some form of health coverage, and 72.84% had UHC coverage. The 0.05% of citizens who had no health coverage were entitled to UHC coverage, but had yet to register for it.²⁶ Since the launch of the scheme, government data show that the number of people using the healthcare system has increased, and the largest increase has been people who are low-income, unemployed, and/or chronically-ill. Previously these groups made limited use of the health system as they could not afford the high cost.²⁷ In 2016, based his review of health system data, the then Minister of Public Health, Dr. Piyasakol Sakolsatayadorn, remarked that “the UHC is decidedly pro-poor.”²⁸ Overall, data suggest that the UHC scheme improves healthcare accessibility for those in

25 Gruber et al. 2014. “The great equalizer: Health care access and infant mortality in Thailand”.

26 NHSO. 2017. *Handbook for the Insured*.

27 Paek et al. 2016. “Thailand’s universal coverage scheme and its impact on health-seeking behavior”.

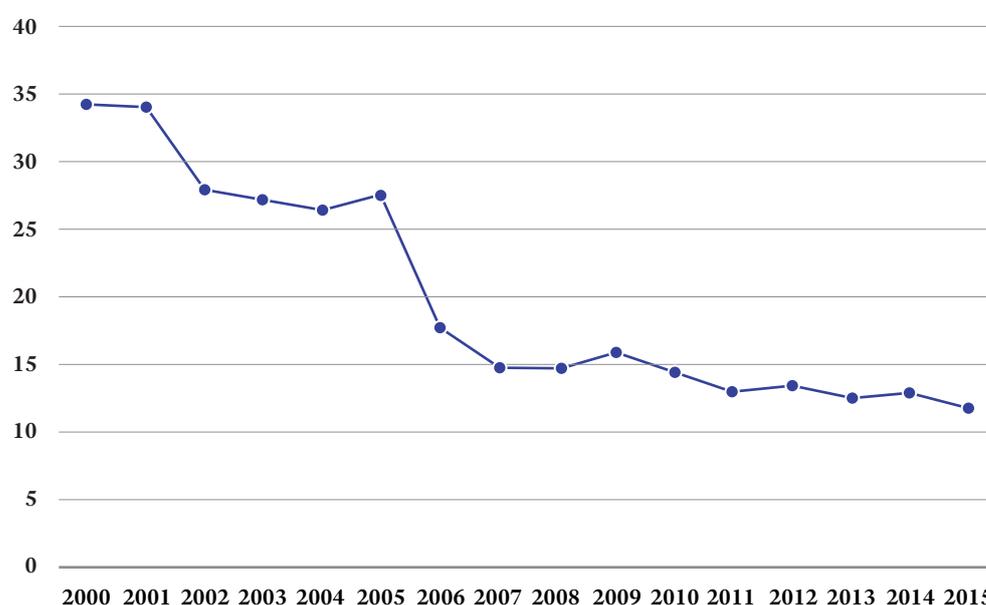
28 Sakolsatayadorn. 2016. “Thailand: At the forefront of Universal Health Coverage”.

the lower socio-economic strata, and thus reduces health inequality.

In addition to health benefits, the UHC scheme provides economic benefits. In 2002, only one year after the 2001 launch of the scheme, the household burden for health expenditure in Thailand, defined as the share of OOP health expenditure to total health expenditure, had decreased from 34% to 27.9%. Since 2001, as shown in Figure 9, this downward trend in household health expenditure has continued so that by 2015, household health expenditure had fallen by 11.8%.²⁹ There is a downward trend in the share of health expenditure in private health facilities (declining from 44% before the UHC scheme, to 23% in 2014).³⁰ These findings imply a switch in health system use from private to public facilities, which has been confirmed by a meta-analysis of 33 studies.³¹

Figure 9: Share of OOP health expenditure to total health expenditure

Source: World Bank (n.d.)



Note: The vertical axis in the figure above shows OOP health expenditure as a percentage of total health expenditure, and the horizontal axis shows years.

²⁹ World Bank. (n.d.). "Out-of-pocket expenditure".

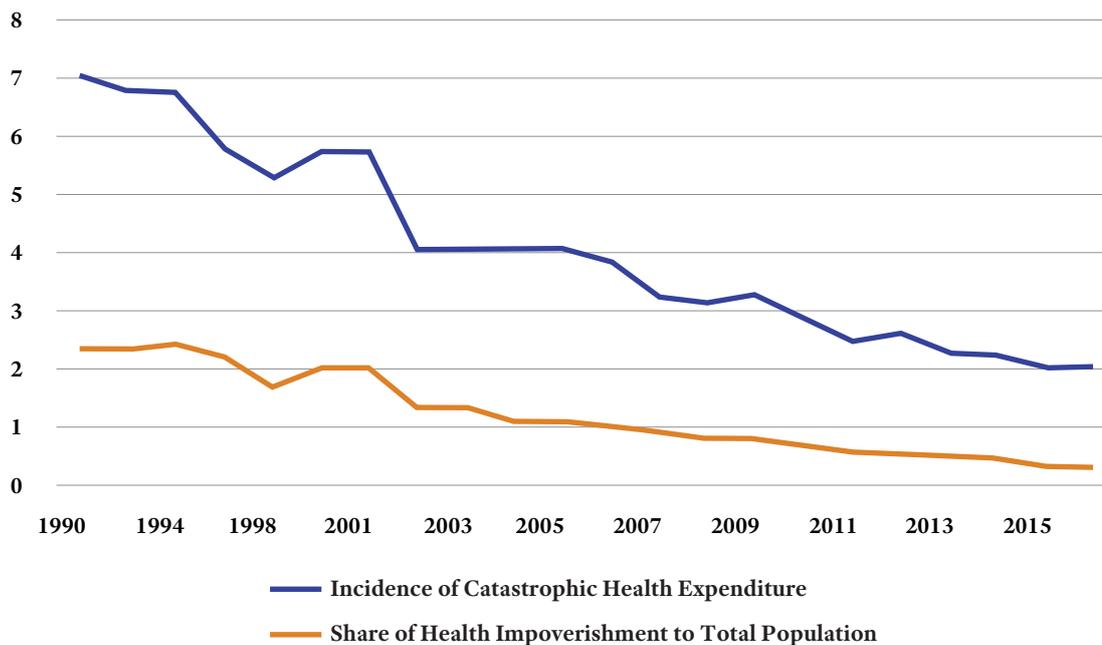
³⁰ NHSO. 2018. *Report on the Building of National Health Security System: Budget Year 2017*.

³¹ Nonkhuntod and Yu. 2018. "Lessons from Thailand: universal healthcare achievements and challenges".

The incidence of catastrophic health expenditure, defined as OOP expenditure for health care exceeding 10% of household consumption expenditure over one year, decreased from 5.7% of the population the year before the introduction of the UHC scheme, to 4.1% a year later, and to 2.1% by 2016.³² The share of the Thai population suffering from health impoverishment, defined as when a household drops below the poverty line due to health expenditure, fell from 2.0% in 2001, to 1.3% in 2002, and to 0.3% in 2016. It is estimated that in 2008, the UHC scheme saved 37,628 households from dropping below the poverty line.³³ Another analysis found that the UHC scheme improved household welfare by preventing spikes in household expenditure, and thus eased the burden of saving money to pay for possible health costs.³⁴

Figure 10: Incidence of households with catastrophic health expenditure resulting in health impoverishment (per 100 households)

Source: National Health Security Office, 2018.



Note: The vertical axis shows the number of households with catastrophic health expenditure and health impoverishment as a percentage of Thailand's total households. The horizontal axis shows the years 1990 to 2016. From 1990 to 2006, these data were collected every second year, while from 2007 to 2016, the data were collected annually.

32 NHSO. 2018. *Report on the Building of National Health Security System: Budget Year 2017*.

33 Limwattananon et al. 2011. "The equity impact of Universal Coverage: health care finance, catastrophic health expenditure, utilization and government subsidies in Thailand."

34 Hongdilokkul .2016. "Welfare Analysis of the Universal Health Care Program in Thailand".

For the above reasons, by providing quality and affordable healthcare to people who would otherwise have no access, UHC coverage has been particularly beneficial in areas of Thailand with high poverty rates and/or high proportions of informal employees. As a relatively impoverished region with a high percentage of informal employees, Isan has benefitted greatly from the UHC scheme.

As Isan has a high proportion of informal employees, data for 2017 show that 74.22% of people had UHC coverage, compared to the national average of 72.84%. In contrast, only 63.47% of the population in highly urbanized Bangkok had UHC coverage.³⁵ Thus, Northerners are highly reliant on the scheme.

Various health indicators have improved because of the UHC scheme, and especially indicators in more impoverished areas. One prominent example is the infant mortality rate. A study shows that prior to the UHC scheme, infant mortality rates were higher in Thailand's poorest provinces, many of which were (and still are) in Isan. However, by 2002, one year after the introduction of scheme, infant and child mortality rates were no longer higher in poorer provinces, compared to more affluent ones. As birth rates had not changed significantly over the same period, this finding shows that improved healthcare in impoverished areas reduces health inequality.³⁶

By providing affordable, quality healthcare that would not otherwise be available, the UHC scheme has been a significant boon in Isan, and has narrowed the health inequality gap.

35 NHSO. 2018. *Report on the Building of National Health Security System: Budget Year 2017*.

36 Gruber et al. 2014. "The great equalizer: Health care access and infant mortality in Thailand".

Continuing challenges with regard to equal access to health care

Despite healthcare becoming more affordable, and health outcomes improving, some significant obstacles remain in Isan with regard to healthcare. Pertinent issues are the unequal distribution of health facilities, the high patient load, and the shortage of health practitioners (e.g. nurses, physiotherapists, doctors, and dentists). These problems reveal that healthcare in Isan is still not equal to other, more developed regions. In addition, these problems are worse in the poorer areas of Isan, as they are in poorer provinces across Thailand. Conversely, in the more developed provinces of Isan, access to healthcare is similar to the most developed provinces in the country.

Improper allocation of health facilities

Isan's geography could be one cause of health inequality. The region's provinces and districts are generally larger compared to the national average and, thus, the geographic area covered by hospitals is significantly larger than is the case in the Central Plains Region. For example, Mukdahan has seven hospitals, the same number as Ang Thong in the Central Plains, but Mukdahan is four times larger than Ang Thong.³⁷ This means that patients in Mukdahan must travel farther to access healthcare, which puts them at a significant disadvantage.

High patient load per facility

The problem with having to travel farther to reach healthcare facilities in Isan could be mitigated if healthcare facilities were less crowded, as patients would receive more attention; however, unfortunately, healthcare facilities in Isan are more crowded than the national average.

Inadequate number of health practitioners

Higher numbers of health practitioners could help to alleviate the previous two problems but, unfortunately, Isan faces a shortage of health practitioners. Across Thailand, and especially in poorer areas, medical staff attrition is a significant cause of an inadequate number of practitioners in the public health system. After graduation from a Thai university, health practitioners are bound by contract to work in public facilities for several years, and assigned to jobs across the country, according to need. However, in many cases, once health practitioners have completed their initial required contract, they



³⁷ Bureau of Health Administration. n.d. "Basic Information on the Hospitals within the Ministry of Public Health".

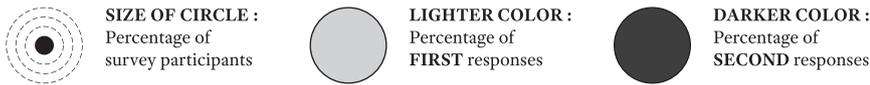
leave the public health system for more lucrative jobs in private health care. In addition, some health professionals do not even finish their initial public health system contract because they can leave if they pay the government a penalty fee.³⁸ Studies also show that health practitioners in rural areas leave the public health system more often than is the case with practitioners working in urban areas. In Isan, the percentage of doctors leaving the public health system is consistently higher than in other regions, and nurses and dentists follow the same trend.³⁹

38 Thamarangsi, T. 2004. "Resigning Physicians: Who are they?"

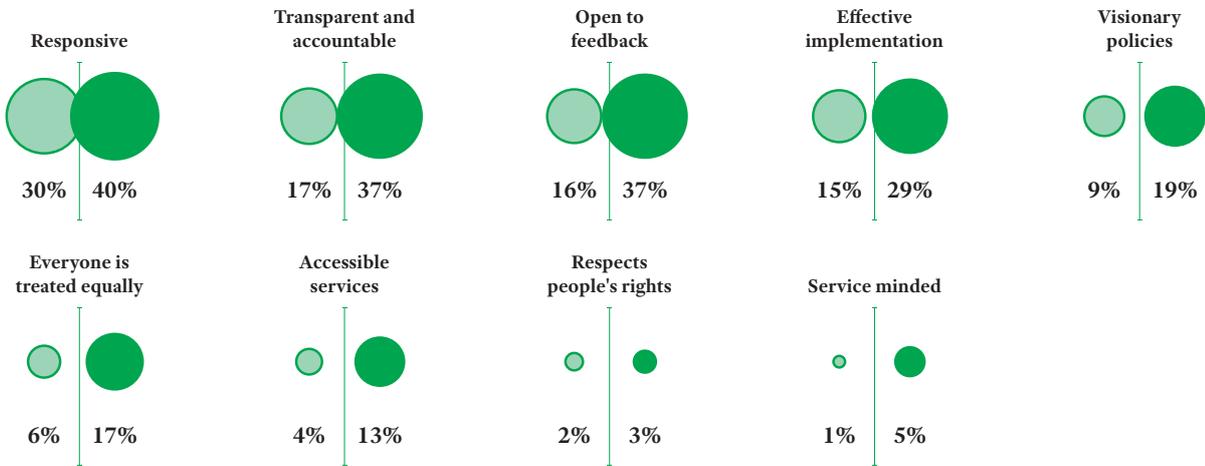
39 Ibid.



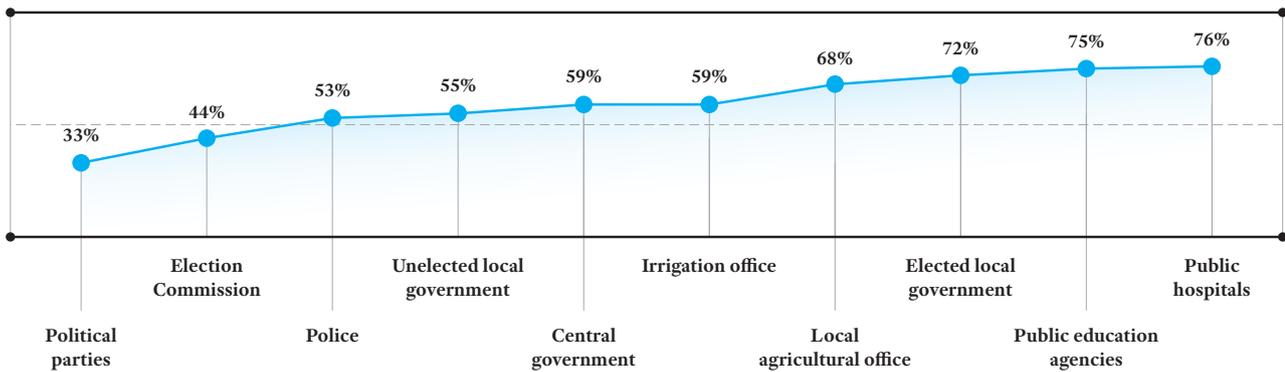
HOW TO READ | Graphic 13: EXPECTATIONS OF GOVERNMENT



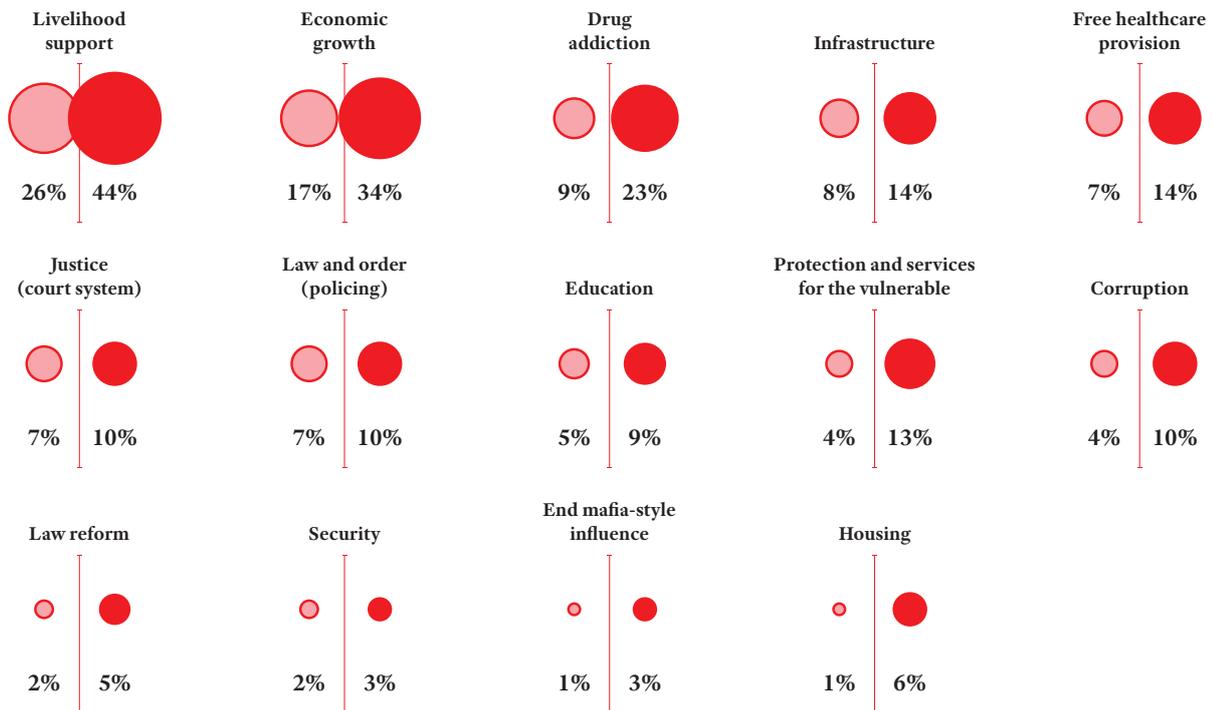
The most important expectation of government



Satisfaction with public services and the performance of public servants



Areas that government needs to improve



Weighted (N=16,981,429)

EXPECTATIONS OF GOVERNMENT

Finding 9: Isan people are not unsophisticated peasants.

People in Isan have strong views when it comes to politics and public policy. The Foundation’s survey looked at people’s political enthusiasm, the rationale for their voting decisions, and their satisfaction with government policy. While satisfaction rates differ, depending on the topic and policy, it could be argued that people in Isan actively engage in the public sphere through various means, and that their perceptions about government services could contribute significantly to improving these.

The sharp political divide between Isan and the rest of Thailand has stirred strong public debate about the role of Isan in contemporary Thai politics. As noted before, for decades, Isan’s people were portrayed as easily manipulated, uneducated, “unsophisticated peasants,” whose votes could be bought. However, recent research shows that the Northeast is a vibrant and engaging place for political activity. During the course of this study, which was conducted in the lead up to the March 2019 general election, farmers, students, and academics were enthusiastic about the election and eagerly expressed their political opinions. They stressed that it is their duty to vote so they have a say in choosing the national government.

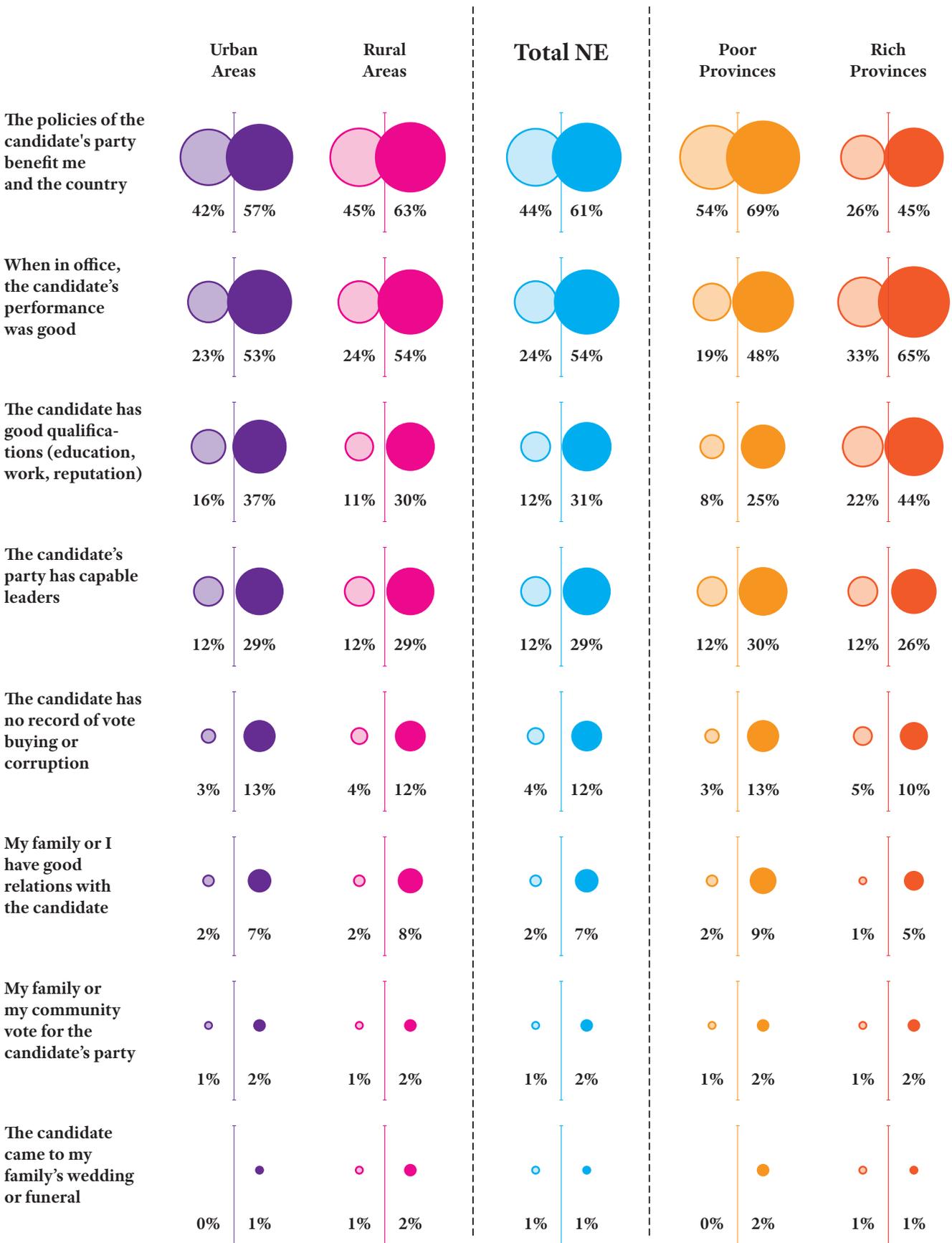
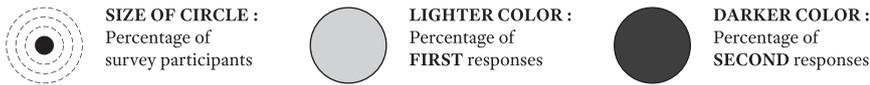
As the most populous region of Thailand, the votes of people in Isan have played a significant role in determining which party/ies win national elections, and knowing this, has been empowering for people in Isan. They are well aware of their legal and political rights, and they have used elections to raise their voice. Although urban Thais have traditionally belittled Isan farmers, in recent years, researchers at Thammasat University have argued that Isan’s voters are not stupid— they are strategic.⁴⁰

40 Ibid.



Finding 9: Isan people are not unsophisticated peasants.

HOW TO READ | Graphic 14: DECIDING HOW TO VOTE IN AN ELECTION



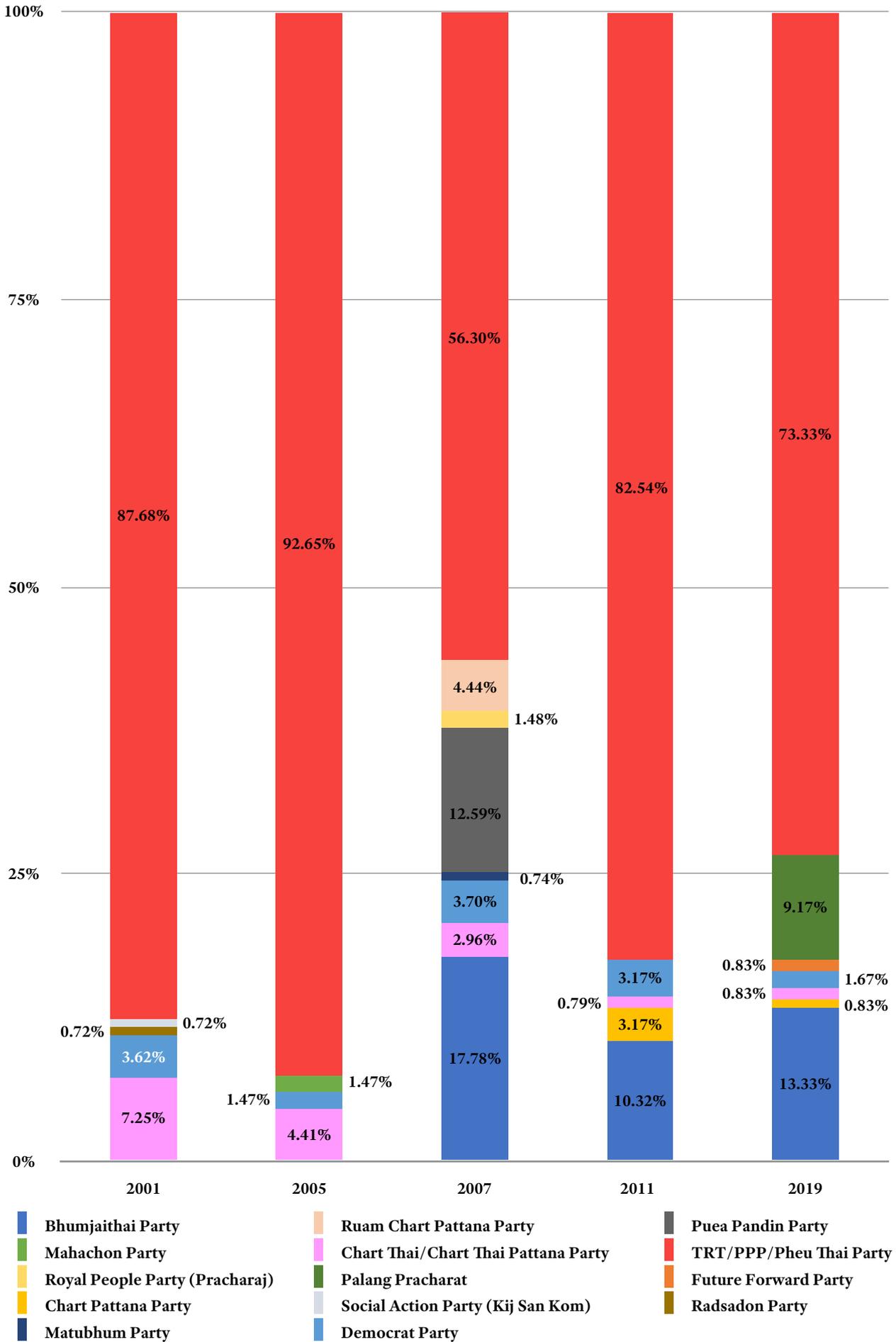
Weighted (N=16,981,429)

DECIDING HOW TO VOTE IN AN ELECTION

When survey respondents were asked how they decide when casting their vote in a national election, an overwhelming 61% stated that it depends on the policies of the candidate's party, and 54% said it depends on the candidate's and the party's past performance. Voters' decisions about how to cast their votes align with their expectations about what the government should do, and they clearly expect that political leaders will be responsive to their needs. In the Foundation's survey (Graphic 14), the majority of respondents argued that the government should have policies that respond to people's needs, and this opinion was expressed more frequently by people in poorer provinces, and people in rural areas.

Figure 11: Isan voting patterns from 2001 to 2019

Source: Election Commission of Thailand, 2019.



Another strong indicator of political interest in Isan was survey respondents' perceptions about national politics, their opinions about government policies, and their satisfaction with the latter. Survey respondents view the government as playing an important role in their lives, and they want policies that will lift them out of poverty, and end their on-going vulnerability to poverty. The survey asked a number of questions to assess respondents' perceptions about particular public policies, and their satisfaction with them, and survey results show that respondents have strong opinions about how the government operates at both the central and the local level (Graphic 13 and Graphic 14).

Studies conducted in Isan warn against having a romantic view of the region. As the results of elections from 2001 to 2011 illustrate, the new politics of populism have mixed with the old-school "politics of money" that relies on long-standing local networks⁴¹. Dr. Buapand Prompakping of Khon Kaen University noted in his interview for this study that with regard to the politics of "personality" versus the politics of "policy", it is not an either or scenario where Isan people decide between choosing the "politicians" or the "policies". If strong politicians align with a strong party, "that is a win-win situation".

Although Isan's people seem to be loyal to a particular party, the Foundation's survey shows that, in general, political parties have a relatively low approval rating. Only 33% of survey respondents are satisfied with the current national political parties, while the number of respondents who are satisfied with the local government is higher than for the central government (72% versus 59%, respectively).

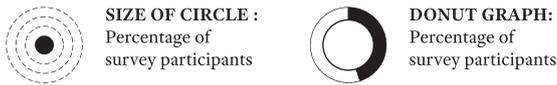
41 Phatharathananunth. 2008. "The Thai Rak Thai party and elections in North-eastern Thailand".



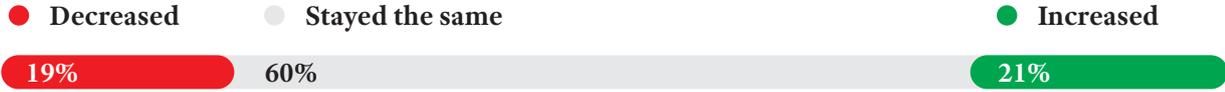


Finding 9: Isan people are not unsophisticated peasants.

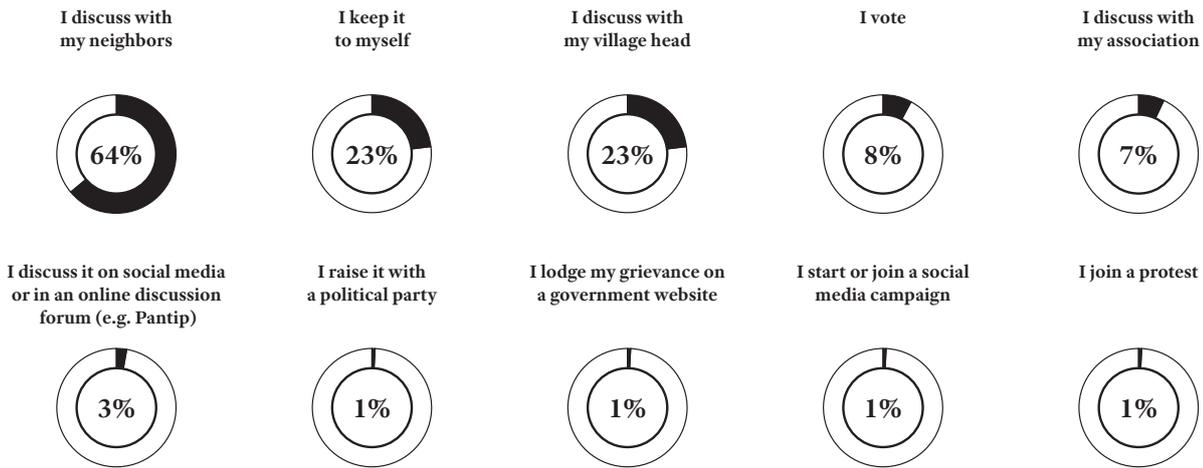
HOW TO READ | Graphic 15: POLITICAL PARTICIPATION



Over the past three years, interest in politics has increased, decreased, or remained the same



How do respondents express their frustrations with government services or voice their demands for these?



Online platform use to express views on politics and society

	Facebook	Line	YouTube	Instagram	Twitter	Pantip	Do not use any of these	Do not have access to internet
Total NE	34%	23%	18%	3%	2%	2%	53%	12%
Rich Provinces	41%	22%	12%	1%	1%	1%	44%	15%
Poor Provinces	30%	23%	21%	5%	3%	2%	58%	10%
Urban Areas	48%	34%	24%	5%	4%	4%	45%	3%
Rural Areas	30%	20%	16%	3%	2%	1%	56%	14%

Weighted (N=16,981,429)

POLITICAL PARTICIPATION

Graphic 15 shows that the enthusiasm to engage in political issues varied across survey respondents: 60% of the survey respondents said that their interest stayed the same over the past three year, while 21% said that their political interest had increased; and 19% said that their interest had declined. People in urban areas and richer provinces use online platforms to express their opinions more than their counterparts in rural areas and poorer provinces.



Finding 9: Isan people are not unsophisticated peasants.



CONCLUSION

This paper has presented the key findings of The Asia Foundation's 2018 survey of 1,400 randomly-selected people from across Isan who discussed nine key concerns related to: income, the future, agricultural productivity, debt, migration, industrial development, education, healthcare, and electoral politics.

Based on the results of this survey, it is clear that Isan is a region filled with resilient, hardworking, and politically-aware people. Despite the region's inherently poor farmland, and lack of industrial and other well-paying jobs, people in Isan strive hard to survive and improve their family's welfare. This includes working in agriculture as well migrating to Bangkok and other parts of Thailand for industry or service jobs that pay enough to enable people to send money home to their families.

Family is quintessential in Isan. One can argue that, in the end, everything that people in Isan do is intended to improve their family's circumstances. Whether this means migrating for work or going deeper into debt, people in Isan strive to improve the living conditions of their families and become more modern and successful. As William Klausner,⁴² an expert on Isan, persuasively argues, "You can take Isan people out of the villages, but you cannot take the villages out of Isan people." The intertwining of tradition, livelihoods, and lifestyle in Isan are very evident in the results of this study, as is the great emphasis that respondents place on Isan as their home.

Through all of this study's interviews with academics, farmers, and students, it was clear that people want to study and work close to home, even if the opportunities to do so are limited. As a group of young enthusiastic PhD scientists said, "Even if the right jobs are not here yet, we can always create them." When asked what types of development policies and projects they want, 49% of the respondents said they want more industrial complexes in the region, and that creating good jobs is very important.

The results of this study clearly illustrate that the people in Isan are both confident and politically savvy. This is especially evident when it comes to politics. Northeasterners are well aware of their rights and they are eager to exercise them. Despite having lower incomes than people in other regions of Thailand, the electoral system that provides one vote for each adult, and Isan's large population means voters have a major influence on election outcomes, and people have strong opinions about what the government should be doing.

42 Klausner. 1974. *Reflections in a log pond*.

In conclusion, there is much that the government and the private sector could do to raise standards of living in Isan. Although this study's survey demonstrates that people overwhelmingly approve of government programs such as the One Million Baht Village Fund and the Universal Health Care scheme, as these directly and indirectly improve people's incomes, more could be done to ensure that village children have high quality education, and that socially and environmentally sustainable industries are established that will enable people to earn a good income without having to leave home.





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