

Partnership Farming in Northeast Thailand

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I. Introduction

There are various types of traditional farm management in Northeast Thailand. I had the opportunity to have an agricultural survey in Don Daeng village of the area from July till September, 1983. In this village, many of the lease contracts of farm land are motivated by mutual help between close kin. In this study, the various forms of mutual help in farming observed in this village are considered. All data used in the study are based on the 66-sample-farm survey in 1983.

I thank the team members, Dr. Hayao Fukui, Prof. of Kyoto University; Dr. Masuo Kuchiba, Prof. of Ryukoku University; Dr. Yoshihiko Kaida, Prof. of Kyoto University.

II. Various modes of tenurial arrangements

(1) Partnership farming

The cooperative farming called 'het nam kan' is practiced within the kin group which Mizuno called the 'multi-household compound' group. It is the fundamental relationship between the households in such a group was not that they shared the compound but, that they were involved in cooperative farming. Cooperative farming as such can be called a kind of partnership farming.

In contemporary Japan, partnership farming is defined as follows: partners from a single management by investment of labor, land and capital, and together they are involved in production as well as sharing of the yield and risk. Such a partnership has two characteristics; the partners from a single management from which each is remunerated according to how much he offers, and each participates in the management's decision-making on equal terms. This definition presupposes a situation where (a) small-scale owner-cultivators prevail, (b) investment and management as well as labor and capital are not fully differentiated, and (c) production is commercialized.

If we adhere strictly to the Japanese definition, the cooperative farming called 'het nam kan' in Don Daeng can hardly be regarded as a partnership because the partners do not contribute equally. Highly one-sided contribution may even make the relationship between the households involved appear, at a first glance, like that between landlord and tenant, or between employer and farm laborer.

I regard the cooperative farming called 'het nam kan' in this village as a kind of partnership farming, for the following reasons.

In the most common case of cooperation between parents and their children, the children are often the prospective heirs to the land. The farm might still be registered in the parents' name, but it is regarded as co-owned or, in some cases, by the children. Therefore, the apparently one-sided contribution of land is not necessarily perceived as such.

Purchased inputs are scarcely used in the rice farming in this village. The paddy areas

* 1 rai=0.16ha

per person (2.5rai*) and per household (17.0rai) should be as near to the maximal manageable limit. Therefore, the contribution of labor is as important as that of land. The apparently one-sided contribution of labor only is therefore not in fact as one-sided as it might be in rural regions where land is short and labor in excess.

As far as participation in management and the sharing of yield and risk are concerned, the partners stand on almost equal terms despite the apparently great disparity in contribution. This is particularly so in the rice farming, which is primarily for subsistence. Sustenance of a basic livelihood, rather than level of income, is the concern of cooperative farming, which represents the discharge of a soft of moral obligation among close kin. This is the reason that the term 'het nam kan' not only means cooperative farming, but is also a norm of mutual help among kin or larger social units in many spheres of activity. The sense of partnership is quite strong in cooperative farming.

There are two types of the partnership. In one, almost the whole farm of the partners (which often means the entire holding of the parents' household) is managed collectively, including rice land, upland and garden land. The produce for home consumption is stored in one place, and the partners are free to take what they need. As far as the subsistence economy is concerned, the partners' households are not economically independent. This type of partnership will be called 'complete' partnership hereafter. The partners' households make up one single unit of household economy. This is similar to the consolidated accounting of major and subordinate corporations, in which the transactions between them are offset.

In the other type of partnership, only a portion of the partners' farm is worked jointly. In this case, each partner usually has his own rice granary, and the harvest is shared before storage. The household economies of the partners are independent of each other. This type of partnership is called 'partial' partnership hereafter. Partnerships among kin other than parents and their children is usually of this type. Not only are the partners' household economies independent, the collective management is also taken as an independent fictitious unit, from which the partners receive their dividends.

Table 1 summarizes all cases of partnership involving the 66 sample households in the period 1980-1983.

The contribution of the partners is apparently one-sided as mentioned before. This is evident from Table 2, which shows the kind and degree of contribution in the complete partnership between parents and children. The children's contribution increases with the number of years since their separation from the parents' household. As the parents get older, a larger part of management and labor is borne by the children, and sometimes a portion of farm is completely managed by the children alone. Yet, in that their household economy is dependent on the parents', their relationship is regarded as a complete partnership. In the extreme case in which the parents are not involved in either labor or management, the relationship can hardly be regarded as a partnership. Rather, it should be called a loan-of-use or a free-rent lease.

Table 3 shows the cases of the partial partnership. In partnerships between two parties, the produce is normally shared equally. These partnerships seldom last more than a few years, although some between parents and children have continued for over a decade. The partnerships have terminated in 5 cases; 4 through inheritance of part of the land that was collectively cultivated, and 1 by the shift to the loan-of-use.

(2) Loan-of-use (free-rent lease)

Table 4 summarizes the lease contracts of all kinds involving the sample households in the period 1967-1983. Loan-of-use is most common for garden land, but it is also seen for paddy land and upland. Most common is from parents to their children, and from wives to their kin.

Table 1 Partnerships In Farming
(66 sample households, 1980–1983)

	Types of partnership	
	complete	partial
Kind of land		
Paddy land		
Number of cases	27	8
Area (rai)	663	132.5
Upland		
Number of cases	22	2
Area (rai)	141.25	17
Garden		
Number of cases	27	0
Area (rai)	26.9	0
Relationship of partners		
Parents–daughter	21	3
Parents–doughters	4	2
Parents–son	1	1
Siblings (female)	0	0
Siblings (male–female)	1	2
Other kin	0	1
Nonkin	0	1
Residence of partners		
Within DD*	26	9
DD neighboring village	1	1
Other	0	0
Period of cooperation (as of 1983)		
Of those terminated :		
1 year	9	3
2 – 4 years	10	4
longer than 5 years	8	3
Of those continuing :		
since		
1980s	10	5
1976–1979	8	3
1970–1975	8	2
1960s	1	0

*DD is Don Daeng village

Table 2 Complete Partnerships In Farming Between Parents and Children

	Investment of the children's households		
	Labor only	Labor, limited capital & land	Labor, capital & land
Relationships (Number of cases*) :			
Married daughter	4	4	3
Unmarried daughters	1		
Married daughters			2
Total	5	4	5
Average area managed (rai/case) :			
Paddy land	25.9	30.7	23.8
Upland	6.1	5.8	2.9
Garden	0.7	1.0	1.3
Owned	31.7	38.2	29.0
Leased-out	1.6	1.5	3.2
Rented-in	2.6	0.8	2.2
Total managed area	32.7	37.5	28.0

*Cooperative farming in effect as of the end of 1983

Table 3 Partial Partnerships In Farming*

Relationship	Number of cases	Since		Rates of sharing (Landowner : nonowner)			
		after 1980	before 1978	1 : 1	3 : 2	2 : 1	1 : 1 : 1
Paddy land							
Married daughter	3	2	1	2	1		
Married daughters	2	1	1				2
Married son	1		1	1			
Other kin	2	1	1	1		1	
Upland							
Other kin	1		1	1			
Nonkin	1	1			1		
Total	10	5	5	5	2	1	2

*Including those already terminated.

Table 4 Land Lease Contracts, 1967–1983

	Loan of use	Sharecropping	Fixed rent	Total
Kind of land				
Paddy land				
Number of cases	8	31	0	39
Area (rai)	43	372.75	0	415.75
Upland				
Number of cases	7	2	14	23
Area (rai)	27.5	15	85	127.5
Garden				
Number of cases	22	0	1	23
Area (rai)	14.6	0	0.5	15.1
Relationship of partners				
Parents–children	21	0	0	21
Wife–her kin	7	13	1	21
Husband–his kin	1	7	6	14
Other kin	2	1	1	4
Nonkin	6	12	7	25
Residence of partners				
Within DD	29	18	6	43
DD–neighboring village	4	9	7	20
DD–other	4	6	2	12
Contract status in 1983				
Terminated	1	7	7	15
In effect	36	26	8	70
Period of contract (those already terminated) :				
1 year	0	3	5	8
2–4 years	1	4	2	7
Contracted since (those in effect) :				
1980s	13	17	3	33
1975–79	13	5	5	23
1970–74	5	4	0	9
1960s	5	0	0	5

Loan-of-use across the village boundary is rare. Loan-of-use often presupposes inheritance and is a long-term arrangement. Since most of the garden land is public land, it is the usufruct rather than ownership that is leased or inherited.

(3) Fixed-rent tenancy

Fourteen cases of fixed-rent tenancy involving 85 rai of upland fields are found among the

Table 5 Rent in Fixed-rent Tenancy

Rent (baht/rai)	Upland		Garden	
	Cases (No.)	Area (rai)	Cases (No.)	Area (rai)
200	0	0	1	0.5
100	13	79.25	0	0
60	1	5.75	0	0

samples in the 15 years. All lands transacted in this way are planted with commercial crops such as cassava and kenaf. Many of the contracts are with husbands' relatives, and many are with residents of neighboring villages. Contracts are commonly of one to two years, but may be of 3 or more years among kin. The rent is normally 100 *baht** per *rai* (Table 5).

Close examination of these cases reveals the following.

① Only cassava and kenaf are cultivated. These require a large amount of hired labor for harvesting (and processing in the case of kenaf), and all of the crop is sold.

② That this type of tenancy is common between non kin indicates a greater freedom of access to the land market in upland fields. Fixed-rent contracts between kinsmen involve only cousins and uncles or aunts and their nephews or nieces, not parents and children or siblings.

③ The land market in upland fields extends beyond the village boundary.

④ The prevailing rent is greatly affected by the rate charged for government-owned lands in *tambon* Don Han. The provincial government sets this rate based on the cost/revenue accounting. The prevalence of the same rent over a wide area indicates that the land market is well informed.

⑤ For cassava, net income per *rai* exceeds 100 *baht*. For kenaf, returns vary with fluctuations in both the yield and the price; but in years of high gross revenue, the net income exceeds the prevalent rent. Thus, in general, the tenants can expect some net profit.

⑥ In traditional Thai rural society, the prolonged occupancy of land often results in the establishment of the customary right of use by the occupant. For this reason landowners prefer short-term contracts.

⑦ Use and disposal of the land leased out under these tenancy contracts is least restricted by the owner's kin. This, together with the other aspects of this tenancy stated above, indicates that fixed-rent tenancy is practiced on the principles of 'modern' land ownership.

(4) Sharecropping

Of all the tenancy contracts involving paddy lands, sharecropping is most common; 31 cases and 373 *rai* (Table 4). Many of the lessees are relatives of the husbands and wives who own the land, although a significant number are nonkin. Most of them live in Don Daeng, but some live in neighboring villages. Some landowners live in the city, being absentee landlords. The contract periods are usually 1 to 3 years, longer among kin.

There are three rates of the rent; 50, 40 and 33 percent (Table 6). The contracts made in the 1970s are mostly among kin, and the rent is normally 50 percent. Those made in the 1980s, however, involve more nonkin, and the rent depends on the closeness of relationship; 40 or 33 percent among kin, 50 percent among nonkin. Recent years have seen an increase in sharecropping, with more nonkin involved and lower rents for kin.

Landlords' households tend to have insufficient labor for the size of their holdings. The death of a husband is a common reason for this, today as in the past. Recently, however, the reason is more often that the husbands find dependable off-farm employment. The sharecroppers' households have excess of labor relative to their landholdings. The increases in the population and

Table 6 Rent in Sharecropping

Relationships of contractors	Contract started since					
	33	40	50	33	40	50%
Paddy land						
Wife—her relatives	0	2	3	4	4	0
Husband —his relatives	0	0	3	1	1	0
Other relatives	1	0	0	0	0	0
Nonkin	0	1	0	0	2	8
Upland						
Husband —his relatives	0	0	1	0	0	1
Total	1	3	7	5	7	9

(Number of cases includes terminated contracts)

the number of households in the village is the reason for this. This implies that in the past the shortage of labor in the landlords' households and the excess in the tenants' were much less than they are today. This is borne out by Mizuno's study of no fully tenant households and a very low percentage of leased area in Don Daeng village in 1966.

III. Concepts of land ownership and land tenure

Outside Central Thailand, owner—cultivators predominate. And while might exist in other regions, it functions as a form of mutual help among kin [TAKIGAWA 1978 ; TOMOSUGI 1976]. In this case, the household economies of those concerned are not independent of each other and should therefore be treated as subunits of a single economic unit [FUJIMOTO 1981 ; FUKUI 1980] .

The foregoing discussion of tenancy has focused on the relationships between landlords and tenants ; patron—client, parent—child, etc. Relatively little attention has been paid to the concept of land ownership that the people involved have.

It has been said that the right of occupancy was widely accepted to accrue from the use of land in Thailand until the 19th century, when the modern concept of ownership began to be introduced with the occurrence of absentee landlordism around Bangkok [TOMOSUGI 1976]. In today's Don Daeng village, however, neither of these concepts is held.

It has been noted that there are three phases in the transfer of farmland from parents to their children ; partition, trust and inheritance [KITAHARA 1974] . Close examination of these practices might reveal the farmers' concept of land ownership.

One characteristic of land leasing in Don Daeng is that land is often leased by a wife to her relatives or by a husband to his (Table 4) . This is explained as follows.

In Don Daeng village, inherited land does not become the joint property of a husband and a wife even after many years from marriage. If they divorce, the land inherited by each spouse reverts to that spouse ; and if one spouse dies, it reverts to his or her kin, the children in most cases. It goes neither to the surviving spouse nor to any children by remarriage. Therefore, it is always the individual spouse who leases out the inherited land. Only land purchased after marriage is jointly owned and liable to division in the case of divorce.

While this customary principle theoretically allows a husband or wife to lease out inherited land to his or her spouse's kin, this seldom happens. Weakness of the tie between a husband

and a wife is unlikely to be the reason because the tie does not appear to be particularly weak. The real reason appears to be that in dealing with inherited land one must first consider one's own kin rather than one's spouse's, which suggests that inherited land is not completely at the inheritor's disposal but still belongs to the kin, although the inheritor has the strongest claim. In this sense, the concept of land ownership in the village is 'pre-modern'.

The pre-modern concept of ownership does not apply to land purchased by a couple after marriage. It is also less pronounced in the case of upland, which is used for cash crops, and more evident in the case of paddy land, which is primarily for subsistence. In today's Don Daeng, the modern and pre-modern concepts of land ownership exist side by side.

IV. Resource reallocation as a function of land tenure

(1) Land tenure and land productivity

The table 7 shows the yield of paddy by tenurial status in three years ; a flood (1980), a

Table 7 Land Productivity under Various Forms of Cooperation and Lease Contracts*

	Owner-cultivator	Complete partnership	Pertial partnership	Loan of use	Share-cropping	Total
Paddy land area (rai in 1981)	419.3	348.5	81.5	23	237.8	1,046.8
Paddy land holders**	32	20	5	5	13	56
Rice-growers	31	31	11	4	12	61
Ratio of harvested to sown area (%) :						
1980	31	29	39	30	26	31
1981	84	100	87	100	89	90
1982	48	47	31	78	31	45
Average yield (kg/rai) :						
Per sown area	124	115	116	174	89	115
Per harvested area	226	199	202	250	182	208

*Some area and households are counted twice in the managerial and contract categories

**Including land-owners and tenants

Table 8 Land Productivity, Relationship of Contractors and Rent in Sharecropping

Relationship	1980		1981		1982		Average	
	Area*	Yield**	Area*	Yield**	Area*	Yield**	Area*	Yeild**
Wife-her relatives	69	44	107	185	107	42	94	97
Other relatives	42.3	31	42.3	164	32.3	60	39	87
Nonkin	62.5	24	88.5	152	107.5	54	86	80
Rent								
33%	28.8	44	48.8	208	56.8	73	44.8	116
40%	36	85	68	184	63	34	56	106
50%	109	14	121	145	127	47	119	70

*in rai

**kg/rai shown

normal (1981) and a drought (1982) year. The yield was much lower on sharecropped than the other kinds of land. The high productivity on the rent-free land might be due to random error because the sample was small. Of the sharecropped land, the lowest yield was recorded on the land with highest rent (Table 8).

The differences in productivity with tenurial status might be due partly to differences in the level of inputs or technology. The plot-to-plot differences in yield within the village in general, however, are due largely to differences in landform and moisture conditions. Therefore, the differences in yield with tenurial status are also probably due largely to the natural conditions of the land. This means that the productivity of land, the tenurial status and the relationship between the parties involved parallel each other: the more productive land tends to be co-farmed with close kin or leased to closer kin on more favorable tenurial terms.

(2) Net revenue of rice production

Extension of paddy land by means of reclamation ceased in this village in the 1940s. Acquisition of land is possible only through purchase or inheritance. Actually, however, land transaction is rather rare in the village. Therefore, relative excesses or shortages of labor, land and produce among the households are adjusted through one of the tenurial arrangements in the short run, and inheritance in the long run.

Table 9 summarizes the net rice revenue per unit area, household and person by the tenurial status. The revenue per unit area was estimated by subtracting the cash cost of production (mainly for small pumps) converted into paddy weight from the average paddy yield. The net revenue is shared in a ratio determined by the kind of the tenurial arrangement. Since some households cultivated their own fields as well as tenanted fields, the revenue from the former (which was assumed to be the same as the revenue per unit area of the owner-cultivated fields) was added in computing the net revenue of such households. The net revenue per household was not shown for the lessors of the loan-of-use arrangement. They are normally involved in complete-partnership farming, which is not listed in the table. The table above is suggestive in many respects.

① The share received by land owners is similar in partial partnership and sharecropping arrangements: from 35 to 43kg/*rai*. It should be noted, however, that the former includes remuneration for the owners' labor and capital.

② In loan-of-use, the lessees naturally receive a high revenue. Under other arrangements, this is less depending on the relationship. The particularly low revenue per *rai* of nonowners of distant relationship to the owners is due partly to the less favorable sharing ratio and partly to the low productivity of land.

③ Though the net revenue of the sharecroppers paying the higher rent is small, such sharecroppers usually cultivate their own land at the same time. As a result, the net revenue in rice per person of these households is not particularly low.

④ The nonowners who cultivate the land of their close kin under a more favorable tenurial arrangement have little or no land of their own. They depend almost on the tenurial arrangement.

⑤ The revenue of the land owners is never large. This is particularly so when the sharecroppers are more distant relations than children or siblings. Usually these owners also have little land that they cultivate themselves. This results in the low rice revenue per person. Cash income from off-farm jobs fills the gap.

The tenurial arrangements between close kin appear to function as institutions for reallocating the production elements and produce such that every plot has someone to work it, and every person has land to cultivate and get a share of its produce. However, not all tenurial arrangements function only in this way. Sharecropping between distant relations or nonkin is a case

Table 9 Net Revenue from Rice by Tenurial Status

	Tenurial status						
	Owner— cultivator	Partnership complete	Partnership partial	Loan of use	33%	Sharecrooping 40%	50%
Number of cases	10	14	5	4	3	7	10
Relationship*		P—C	P—C,S	P—C	S	Other kin	Nonkin
Productivity (kg/rai)	124	115	116	174	116	106	70
Cash expenses (kg paddy equiv.)	34	35	30	30	35	25	15
Net revenue (kg/rai) : A							
Total	90	80	86	144	81	81	55
To the owner	90	80**	43	0	38	42	35
To the nonowner			43	144	43	39	20
Area under cooperative arrangement or lease contract (rai/household) : B							
/the owner's	18	25**	16	6	15	10	12
/the nonowner's			14	6	15	10	12
Net revenue/household by cooperative arrangement or lease contract (kg) : A×B							
To the owner's 1,620	2,000**	688	0	570	420	420	420
To the nonowner's		602	864	645	390	240	240
Area owned and cultivated other than the above (rai)							
The owner's			7.0		2.9	0	0
The nonowner's			3.0	0	5.8	4.8	8.7
Total net revenue/household (kg)							
The owner's 1,620	2,000**	1,318		831	420	420	420
The nonowner's		872	864	1,167	822	1,023	1,023
Number of household members (persons)							
The owner's	5.9	8.5**	5.5		5.5	4.0	5.0
The nonowner's			4.6	5.0	5.0	4.7	6.3
Total net revenue/household member (kg)							
The owner's	275	235**	240	0	151	105	84
The nonowner's			190	173	233	175	162

*P=parents, C=children, S=siblings

**The households engaged in the complete partnership are treated as a single household

in point. Those who have attractive and reliable sources of income from off-farm jobs tend to lease out their paddy land, often that of inferior quality, to anybody who wants to rent it. Sharecropping of this type is a reflection of the differentiation of full-time and part-time farmers, not necessarily a polarization of the haves and have-nots.

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