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MARKETING IN NORTH-CENTRAL THAILAND  
A STUDY OF SOCIO-ECONOMIC ORGANISATION IN A THAI MARKET TOWN

by

Preecha Kuwinpant

Thesis submitted for the Degree of  
Doctor of Philosophy in the  
University of Kent at Canterbury

March 1979



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ABSTRACT

Anthropological studies of marketing have generally been both of theoretical and empirical importance, but in Thailand such studies have been very limited owing to a predominant interest in village studies, and the commercial domination of the Chinese. In this dissertation I discuss marketing organisation in Wang Thong, a small town in Phitsanulok Province in North-Central Thailand. Very little work has been done on the social organisation of Thai market towns. By concentrating on marketing and on the social structure of Wang Thong, I explore the pattern of interpersonal relationships between individuals and groups. A study of the market enables me to obtain insights into various aspects of social, economic and political activities. The marketing community can be viewed as a 'moral' community whereby traders are 'related' to each other through kinship, friendship and neighbourliness, though only siblings and parents-children relationships are significant where marketing is concerned. I argue from an analysis of trader-customer relations that an emphasis on only one aspect of the relationship, i.e. the relationship based on universalistic or particularistic principles, is misleading, for in Wang Thong the two aspects co-exist as part and parcel of the overall marketing organisation.

The market has been dominated by the Chinese and Sino-Thai who, unlike the Chinese in Bangkok where a high degree of 'Chinese-ness' has been preserved, have been largely assimilated into Thai society through education and inter-marriage. Marketing organisation is analysed to demonstrate the linkage between the

Chinese in Bangkok, Phitsanulok, Wang Thong and the villages.

Wang Thong town is a centre for social, economic and political activities. The analysis touches on the dynamic relationship between traders, officials, and farmers and among the traders themselves. The study shows that traders are also innovators introducing new cash crops and modern equipment to farmers, and thus social integration and economic development can be realised through the marketing network, i.e. by strengthening the links and feeding in information concerning marketing and production. Finally, the study sheds lights on mobility and change within the marketing community, this being a reflection of the general conditions of the rural economy.

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been accomplished without help, patience, and understanding from my wife, Achara. I dedicate this work to her.

THE TRANSLITERATION OF THAI WORDS

The transliteration scheme is based mainly on Mary R. Haas, Thai - English Student's Dictionary, Stanford University Press 1964. Some practical adaptations for type-writer and for pronunciation, which is intended to be close to the original sound expressed in daily Thai conversation, have been made following Frances A. Bernath, Catalogue of Thai Language Holdings in the Cornell University Libraries Through 1964, Data Paper 54, Southeast Asian Program, Cornell University 1964.



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CHAPTER I

INTRODUCTION

Purposes of the Study and Some Background Information

The lack of sociological and anthropological studies of marketing in rural Thailand, although remarkable, is nonetheless understandable.<sup>1/</sup> It is due both to the particular theoretical interests of those concerned and to the fact that the organisation of marketing in Thailand is dominated by the Chinese (Anderson 1970; Ingram 1971). The high degree of Chinese involvement and the consequent difficulties in working simultaneously among Thai and Chinese has deterred many from studying marketing processes. Moreover, those primarily concerned with the study of economic organisation have looked more to the agricultural sector which they have assumed to be basic to Thai social life rather than to the general system of marketing.

Nevertheless, it has to be recognised that the Thai peasant, like any other peasant in the world today, is increasingly engaged in marketing activities.<sup>2/</sup> He is involved in the commercialisation of an agrarian economy and can no longer be considered as an isolated entity. He is part and parcel of a capitalist economy. The analysis of marketing, its development, its patterns and processes are thus both empirically and theoretically relevant to any understanding of Thai society. No longer can the market "be held at arm's length" (Redfield 1956: 29). The market has become an integral and indispensable part of Thai peasant life and it is, to say the least, regrettable that this type of study has been neglected by most scholars of Thai society.<sup>3/</sup>

Most studies of marketing in Thailand have concentrated on

the macro-level and are concerned with specifically economic aspects and the collection of statistics.<sup>4/</sup> Frequently, these cover a wide geographical area and a large population, regardless of local variations in social organisation and ecology. Such studies certainly provide basic economic information, but not enough to give us insights into the social and cultural nature of marketing processes.

A major aim of this study is to provide a first hand ethnographic description of marketing and its social organisation. It is intended to counteract the lack of sociological studies of marketing already mentioned. Specifically, my chief concern in this study is to describe and analyse marketing transactions; special attention being given to the relationship between various types of traders, suppliers, producers, and consumers in the small district town of Wang Thong situated in the Province of Phitsanulok.

Within this town and the surrounding area there are considerable variations in the patterns and processes of marketing due to a variety of factors, physical, social, and cultural as well as economic. Obviously, the scale of trade, types of goods, seasonal factors, transport and communications, as well as prices, supply and demand, must all be taken into consideration in analysing marketing behaviour. The marketing system is also an integral part of the wider social system. Traders are members of the local wat (temple) congregation. They participate in local politics and include district representatives on the Provincial Council while others are on the Wang Thong Sanitary Committee. Traders are also related to each other through bonds of kinship,



friendship, and other long-standing relations. Thus the marketing system is always influenced, and deeply so, by the local social and cultural system. This study seeks to analyse the importance of these physical, social and cultural conditions in influencing the way in which individual traders make their choices and decisions.

Another important objective of this study is to analyse four complementary market sectors: the market place, the market shops and stores, the agricultural market with its warehouses, and the market for services and locally manufactured goods. In this way my study does not concentrate solely on the market place per se but goes beyond, thus contrasting with most previous studies of marketing in Southeast Asia which have focussed on the market place (Dewey 1962; Szanton 1972; Davis 1973). Some have touched on the other sectors in order to make comparisons but no detailed analysis has been offered.<sup>5/</sup> The four market sectors are distinctive but complementary: they differ in terms of types of goods and services offered, the scale of trade, strategies employed, personnel and organisation, and utilisation of capital and credit. On the other hand they are closely inter-related and a change in one sector affects the others. In order to gain a comprehensive understanding of marketing at the local level, I thus analyse in turn the social and economic organisation of each market sector and relationships between it and the others.

My third objective is to describe and discuss Chinese businesses and their organisation. There have been few attempts to examine and analyse the economic activities of small-town Chinese. Most scholars have concentrated their attention on Bangkok, where

'China Town' represents the most active and conservative business centre of the Chinese (Skinner 1958; Coughlin 1960). More specifically, any study on marketing in Thailand cannot but include an account of the Chinese. Chinese traders have dominated trade and marketing in Wang Thong since the middle of 19th century (cf. Ingram 1971: 19-20). In Wang Thong they mix with the local people and are exposed to and, to some extent, absorbed into Thai culture. Consequently, in order to gain insight into general marketing problems and practices this study analyses Chinese trade and marketing organisation. How do they conduct a successful enterprise? How do they compete with each other and with the Thai? What is the possible significance of the structural features of Chinese family organisation?

#### Literature on Marketing

During the past two decades an ever increasing number of works on marketing and trade has appeared. As indicated in Bromley's bibliography (1974) there are more than 1,500 references taking in countries all over the world. For the most part these studies have been carried out within four major disciplines --history, geography, agricultural economics, and anthropology. Generally speaking there have been several dominant themes in studies on Southeast Asia and elsewhere which are worth mentioning here (see Trager 1976).

The first concentrates on the geographical distribution of market places and the spatial flow of goods. Skinner (1964), in his well-known analysis of marketing and social structure in rural

China for example, has employed the concept 'central place' to study the distribution of goods and movement of people in China. In a similar vein, Hafner (1974), though concentrating primarily on the geographical aspect of marketing, has recently utilised such a concept in his study of marketing in Chonburi.

The second approach gives special attention to the social characteristics of traders and the inter-personal relationships of traders, producers, suppliers, and consumers. Most such studies concentrate on a single market place. Examples include Szanton's (1972) and Davis' (1973) studies of Philippine markets and their approach constitutes a major aspect of the present study.

The third approach pertains to the historical development of a particular market or marketing system. Geertz's (1963) work on the development and formation of entrepreneurial classes in two market towns in Indonesia provides an example of this approach.

Many studies combine more than one approach and consider the inter-relationship between various aspects of the market. Mintz (1959, 1960, 1961), for example, has tried to understand the Haitian market in terms of inter-personal relationships in the context of a regional marketing system. Similar approaches can be found in marketing studies carried out by the Chulalongkorn University Social Science Research Institute (CUSSRI) in Ayuthaya (1971) and Chonburi (1974). In addition, a number of studies have concentrated on the theoretical problems posed by marketing studies. Belshaw (1965), for example, has discussed marketing systems in terms of other types of system of exchange and of the necessary conditions for modernisation of a market economy.

In Southeast Asia the major works on the sociological aspects of marketing are those of Dewey (1962), Geertz (1963), Szanton (1972), and Davis (1973). Others touch upon the social aspects but only insofar as they are relevant to the authors' main concern which is the productive system.<sup>2/</sup> I do not intend to review the four major studies for they are already well-known, but rather to note some of the major points most significant for the present study.

In his analysis of development in two Indonesian towns, Geertz (1963) suggests that the potential for development in Tabanan does not rest in the hands of traders in the 'bazaar-type economy' which dominates the organisation of trade in the market place.<sup>8/</sup> The problem of market place development is organisational rather than technical. It is not so much a lack of resources or profit motive but a shortage of innovational and entrepreneurial skills in organising the range of diverse economic activities found in an institution like a store or small factory. The small number of shop owners and small manufacturers, who have managed to get away from the market place and organise their businesses along the lines of a 'firm-type economy', are more 'modern' in their attitudes and practices of trade and marketing. Most are reformist Moslems with an ideology which distinguishes them from others and stimulates them to follow through the rational systematic pursuit of wealth. Their ideology is similar to the Protestant ethic in stimulating the growth of a business community.

Szanton (1972), in her study of a Philippine market place in Estancia, stresses the importance of a recognition of an individual's

right to survive. Though competition exists to a marked degree, traders in the market place are nonetheless obliged to help and share their surplus with others in need. For a broad segment of the local population the market place has aspects of a social welfare system. Anyone in need of employment to support his family is given access to at least a minimum level of income. The market place is not "a fluid arena offering opportunities for significant economic growth, but a highly patterned set of roles and relationships emphasising stability and security for the great majority of its participants" (Szanton 1972: 141).

However, the Philippine market place does provide a stepping stone for some entrepreneurial traders to accumulate sufficient capital with which to set up shops outside the market place. In Java and in the Philippines traders who have moved out of the market place into their own shops gain prestige. Thus it is not only the economic motive which drives traders to establish their own shops but also social considerations.

To obtain and manage his own store a trader often needs help from relatives and friends whether in the form of capital, credit or commercial instructions. The importance of kinship, friendship, and long-standing commercial relationships in marketing transactions can be well seen in the Philippine market places described by Davis (1972) and Szanton (1973). In Baguio City and Estancia relatives play a significant part in extending credit, trading capital, and labour. According to Davis, among stallholders in the market place, 34% obtained their initial trading capital from relatives. Among primary kin the loan of goods and

money without interest is quite common, beyond these limits requests for assistance are much more selectively made and granted. Friends can be an important source of help, but more often individuals deeply involved in mutual aid relationships are likely to initiate a bond of ritual kinship thereby making a non-kin relation morally binding.

The main organisational feature of the Philippine market places described by Davis and Szanton is the high degree of reciprocal and conscious social obligation. Kin-relations are of considerable significance, but the kinship principle by no means dominates the organisation of the local economy. In Baguio market place the majority of all transactions take place between persons who habitually trade with one another and who are said to be one another's suki. Nearly every seller has 'supplier suki' from whom he buys and 'customer suki' to whom he sells (Davis 1972: 217).

The term 'suki' applies to a long-term dyadic relation between a buyer and a seller which is based on an ideal of mutual trust and indicates clear-cut norms and expectations about social transactions. The defining features of the suki relationship are its regularity and the extension of credit. Repeated transactions between buyer and seller often create bonds of personal trust which after a time allow for extensions of credit. The bond of suki, like 'pratik' in the Haitian market studied by Mintz (1959, 1961), is created by the extension of credit, by price reductions or by giving an extra amount of goods to favoured buyers. The suki bond sets up obligations between buyers and sellers which transcend impersonal market forces and provide some hedge against risk and

the consequences of unbridled competition. The importance of personal relationships in the market place can be summed up as follows:

... the structure of the market place economy may be thought of as a number of specialised sellers, each of whom is connected to an enduring quasi-group of buyers. Although sellers are pleased to deal with random buyers, the greatest number of market place transactions occur with customers who are linked to sellers through long-standing personal relationships. The strategy of each seller, therefore, is to secure, through manipulation of social relationships and economic inducements, a monopolised portion of the local market. (Davis 1972: 240)

Davis finally argues that because of the personalised subjective nature of marketing relationships, risks are reduced, fluctuations in supply and demand are depressed, and the number of sellers in the market place is limited. The result is the possibility of greater profit and capital accumulation.

In Java the nature of marketing relations in the market place apparently contrasts quite markedly with the Philippine case. In Medjekuto, the town studied by Dewey (1962) and Geertz (1963), the impersonal and individualistic nature of the marketing relations has been noted:

Commercial ties are carefully insulated from general social ties. Friendship, neighbourliness, even kinship are one thing, trade is another; and the impersonal, calculating, rationalistic approach to economic ability which has sometimes been held to characterise only advanced economies is present in the Medjekuto pasar to a marked degree. (Geertz 1963: 46)

The pasar trader always aims at getting as much as possible out of the deal immediately at hand. He does not look for an opportunity to build up a stable clientele or a steadily growing business, but perpetually looks for chances to make a killing.

Although both authors emphasise the impersonal nature of marketing relations there is some evidence that the personal element still plays a part. According to Dewey credit is extended at all levels of trade, between trader and trader, trader and consumer, and producer and trader in the case of agricultural products. As is common in many parts of the world, granting credit in Modjokuto does not require a signed contract. It is trust and long-standing relationships which function to enforce as legal contracts. As Dewey notes in the case of credit granted by farmers to traders: the farmers "know the traders well enough to trust them. It is the good-will between the traders and the farmers that make possible the extension of credit with no direct security" (1962: 109). Therefore, as indicated by Trager (1976), though there is no specific name for 'personal relationships' in Java the personal element exists. To some extent it appears to me that the differences between Java and the Philippines are due to differences in emphasis and the theoretical perspectives of the analysts. This point will be discussed later when the marketing organisation of Wang Thong has been fully presented.

### Marketing in Thailand

Before proceeding to the Thai literature on marketing I present a brief historical account of marketing in the country because the present system can be understood only in the context of continuity and change from an earlier period. The earliest evidence of trade and marketing in Thailand is found in the Sukhothai period (1238 - 1350). The so-called Ramkhamhaeng Inscription (1292) provides some evidence:



In the time of King Rāma Gam hen, this land of Sukhodai is thriving. There is fish in the water and rice in the fields. The lord of the realm does not levy toll on his subjects for travelling the road; they lead their cattle to trade or ride their horses to sell; whoever wants to trade in elephants, does so; whoever wants to trade in horses, does so; whoever wants to trade in silver or gold, does so...

North of this city of Sukhodai, there is the pasān, there is the Acan statue, there are the prasadas, there are groves of coconut and jackfruit, upland and lowland farms, homesteads, large and small village...

(Griswold and Na Nagara 1971: 205-13, italics added)

The Inscription tells us that the institution of the permanent market place was already well established. The word 'pasān' is derived from the term 'bazaar' which was widely used at an early date in the Far East to designate a permanent market with shops <sup>2/</sup> (Griswold and Na Nagara 1971: 213; Khun Vichitmatra 1973: 33).

The Inscription indicates that the pasān was situated next to the palace or at the gate of the city. It was a daily market different from talāt nat (nat is equivalent to 'appointment'; a talāt nat is therefore an 'appointed' or 'periodic market') which also existed at that time (Khun Vichitmatra 1973). The use of the Thai word for trade, khāa, also indicates that money as a medium of exchange was used and profit was more or less expected. Currency of the period in the form of shells and bronze tokens has also been found (Khun Vichitmatra 1973: 63-77). However, there is no evidence that internal trade and marketing were on a large scale basis; rather within the community barter and reciprocal exchange prevailed (Ingram 1971: 19-20). Consequently, trade and marketing might well have been most important between different communities or towns, though again it might have been limited to particular goods and services.

In the Ayuthaya period trade was largely monopolised by the king who dealt directly for export purposes with Chinese traders and traders from other countries. Trade with Europeans was established but this did not last long. After the political upheavals at the end of the reign of King Narai (1657 - 1688) Thailand was almost totally closed to European trade. From 1688 to about 1850 the kings of Siam deliberately discouraged commercial and diplomatic contacts with the West (Ingram 1971). The departure of Westerners left the external and internal trade of the country in the hands of the Chinese who profitably traded for the king as factors, warehouse-men, accountants and seamen as well as for their own private businesses. Indeed, Skinner (1957: 106) states that the retail trade in Thailand was dominated by the Chinese both before and after the impact of Western economic influence. Internal trade was largely in the form of barter and exchange between neighbouring households within a self-sufficient village community. Traders who went into rural areas usually operated on a small scale and had to haggle a lot over each transaction.

In the first half of the 19th century there was a gradual increase in selling monopolies for specific commodities to individual traders (Ingram 1971). During the second reign of the Chakri Dynasty (1801 - 1824) traders were given more commercial freedom. Pallegoix (1854) and Ingram (1971: 27) give the impression that monopolies held by individuals were far more important than royal monopolies. Tax farming had been introduced again during this period but the system had its greatest growth during the Third Reign, replacing direct collection of many duties

and almost entirely replacing the royal monopolies (Vella 1957: 23). The right to collect various taxes on local produce, fishing and gambling in some specified areas was farmed out to private entrepreneurs who were again mainly Chinese. By this time Chinese traders began to take over and expand internal marketing and trade. They were willing to travel where profit could be made and were fortunately placed in their exemption from corvée labour and in their relatively cohesive internal organisation as an ethnic group. Furthermore, the Chinese "fared well for the simple reason that they were never considered foreigners by the Thai" (Skinner 1957: 11; Angkinan 1972: 7-23). By 1850 the Chinese had gained almost a complete control of internal trade. They carried goods into the regions accessible by water transport and, to a lesser extent, even into the remote interior villages, exchanging their stocks for money or produce (Skinner 1957; Blanchard 1958: 337).

The signing of the Bowring Treaty in 1855 led directly to the abolition of the royal monopoly of trade and introduction of free trade, both internally and externally. Nevertheless, at the time such an increase in the wealth of the country did not generally reflect any long-term economic development. Thai people were content with the freedom to clear new land which was plentiful and to cultivate more rice for export. As Ingram puts it: they "have been entrepreneurs in rice cultivation, but not in other lines of economic activity" (1971: 56). The expansion of economy thus led to greater specialisation in rice cultivation. Many domestic handicrafts and goods were gradually replaced by cheaper imported goods. Trade and marketing were left completely to the Chinese who

monopolised the internal market and to Europeans operating import-export businesses. Thus the Chinese and European traders established a kind of symbiotic relationship whereby profits were mutually enjoyed (Anderson 1970: 24).

With the expansion of international trade the internal trade conducted by Thai in the earlier period was replaced by commercial rice growing which brought them sufficient rewards (cf. Kemp 1976: 336). The Chinese, on the other hand, came to Thailand to seek their fortune and send back what they could to maintain their families in China or to eventually return as successful entrepreneurs. Most did not bother to take up agriculture when they could enjoy instead the opportunity in trade.<sup>10/</sup> Skinner (1958) has shown how the opportunities and advantages of extra-territoriality enabled the Chinese to cultivate wealth in trade more so than in any other sphere.

Since the 1932 coup and termination of the absolute monarchy political power has oscillated between military and bureaucratic cliques. A series of discriminatory actions against the Chinese was taken soon after 1932. A number of laws were passed restricting Chinese power over the Thai economy. For example, there was the stipulation that a minimum proportion of the workforce in certain enterprises be Thai, e.g. 50% in rice mills. Other laws attempted to preserve specified occupations entirely for the Thai, namely rice-cultivation, salt-making, the production and distribution of charcoal, taxi-driving, barbering, and manufacture of ice and soft drinks (Skinner 1958: 186-99). The greatest effect of this requirement was to spur the Chinese to

become Thai thereby retaining their level of involvement (see Anderson 1971: 24).

Further attempts to reduce the economic power of the Chinese included the establishment of state-owned enterprises to compete with those owned by the Chinese entrepreneurs. One example was the creation of companies actually functioning as retail stores selling food, appliances, hardware and the like. However, this policy proved ineffective for once established such enterprises became sources of income and patronage for the ministries to which they were attached and to the officials who managed them.<sup>11/</sup>

The Chinese did not accept this pressure passively. They established a new form of symbiotic relationship with the Thai political leaders. Thai officials were invited to become directors of Chinese business firms. The Chinese, as a minority ethnic group, sought political protection as well as the retention of economic privilege in trade, while civil and military leaders needed financial support to strengthen their position in the political arena.<sup>12/</sup> Therefore the pressure on Chinese economic power, as Skinner and Anderson see it, has given rise to a new form of assimilation.

In his study Anderson discusses marketing in Thailand at the macro-level. His main thesis is that with a well-integrated transportation network, marketing expands and this, in turn, accelerates growth and development. He sees that "the development of marketing makes possible economic integration and the fullest utilisation of whatever assets and productive capacity an economy

already possesses" (1970: XVII). Anderson relates various economic and non-economic factors such as family, religion, education, ethnic group, and social stratification to marketing. His work is, however, less satisfying when dealing with the social organisation of marketing because of the lack of ethnographic material and the nature of his analysis which deals with a wide range of businesses and enterprises both in the rural and urban areas from a national perspective.

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better assimilated than are middlemen and processors. He believes that within two or three decades business in Roi Et will have lost the ethnic character it now possesses. As for Thai traders they play a much more significant role in marketing in the district town than they do in the provincial city.

Finally, two marketing studies were carried out by the Chulalongkorn University Social Science Research Institute (CUSSRI) in Ayuthaya (1971) and Chonburi (Pongsapich 1974). In both markets trade and marketing, especially those of large and small-scale enterprises, are dominated by Chinese and Sino-Thai entrepreneurs. Thai exhibit no interest in investing in economic enterprises except the market place where they constitute the majority of petty traders. At present the assimilation of Chinese descendants into Thai society is impressive. Local Chinese businessmen in Ayuthaya and Chonburi are recognised as the élite of the towns by virtue of their wealth and education. As an ethnic group the Chinese traders have established forms of informal organisation, such as funeral organisation, to maintain and widen their social and economic interests. Business contacts are made through these organisations (Pongsapich 1974: 66).

In Ayuthaya as in Chonburi competition is fierce among traders operating at the same level and dealing with the same goods. Vertically, however, marketing relationships are characterised by the extension of credit and money and trust and concessions derived from long-standing and regular trading relations.<sup>14/</sup> In Chonburi it is evident that wealthy traders do pool their resources to organise modern industries along a firm-type economy as described by Geertz.



The above provides a brief account of marketing studies in Thailand. In subsequent chapters I discuss important points arising from them. In this study I am concerned with the description and analysis of marketing organisation of the four related market sectors discussed earlier. It is clear that most previous studies concentrated on only one sector, for example the agricultural market. To gain a fuller understanding I propose to discuss the nature and organisation of each market sector and the relationships between them. Moreover, though Chinese domination is evident in most previous studies, no study however has looked into local Chinese marketing organisation. It is important to analyse the way the Chinese carry out their business activities and the organisation of firms, particularly with respect to the links between traders at different stages of the marketing process and the differentiation of various types of trader and middleman. In the next section I discuss briefly some basic concepts relevant to the analysis: each will be discussed and presented separately.

### Terminology

#### I) Market and Marketing

The term 'market' has long been a matter of discussion among economists and anthropologists for the various connotations it conveys. Firth (1970: 7) distinguishes three different meanings. In the first place market can refer to "the institutionalised locus of exchange" or market place. Another, used primarily by economists, refers not to a locality or building but to "the total field of interest of any goods or service". As such this involves

the subjects of supply and demand, and pricing and decision making by the buyers and sellers of goods and services. Finally, 'market' can be used for "the allocation of resources by reference to impersonal criteria which disregard personal ties and social ends in favour of an immediate maximisation principle of profit making". Bohannon and Dalton (1962: 1) also make a distinction between 'market place' and 'market principle'. The market place is "a specific site where a group of buyers and a group of sellers meet". The market principle is "the determination of prices by the forces of supply and demand regardless of the site of transactions".

In this study I use the term 'market' to indicate both a site or market place and the social arrangements by which goods and services are matched against each other, and where buyers and sellers seek maximum returns (Nash 1966: 29). Marketing transactions occurring within and outside the market place are included. Overall, I treat 'marketing' as the process whereby goods are transferred and passed through various stages, e.g. bulking, storing, processing, reselling, etc., from producers to other traders and middlemen until they reach the final consumers. The marketing system must be analysed as a system of economic transactions functioning in a wider social context. It must, therefore, be placed in the context of the total network of social relationships of which they are but a part (Belshaw 1965: 78-79). Personal relationships, such as kinship, friendship and neighbourliness, often influence and affect economic relationships in the marketing system. In order to minimise the cost and maximise the return, individuals as well as groups often have to take other social and cultural elements into consideration. It is in such a

context that the study is located.

For the purposes of description and analysis I divide Wang Thong market into four sectors: the market place, the market shops, the agricultural market, and the market for services and locally manufactured goods. The four sectors are closely related to each other. When prices and the volume of produce in the agricultural market increase, trade and marketing in the other sectors flourish. In another instance participation in the market place can serve as an apprenticeship for subsequent participation in other sectors even though the four sectors differ in terms of types of goods, capital and scale of business. In addition, each sector articulates the social and economic status of its members. Traders in the market shop and the agricultural market are usually wealthy and acquire leading roles in the marketing community of Wang Thong. Sellers in the market place are quite conscious of their inferior position in the marketing structure; they often express unwillingness to get involved with those 'wealthy people' of the market shop and the agricultural sectors for they are just 'poor mae khaa' (poor market sellers). To a considerable extent these differences coincide with ethnic boundaries. Approximately 80% of sellers in the market place are Thai whereas almost all shops and stores are owned by the Chinese or Sino-Thai.

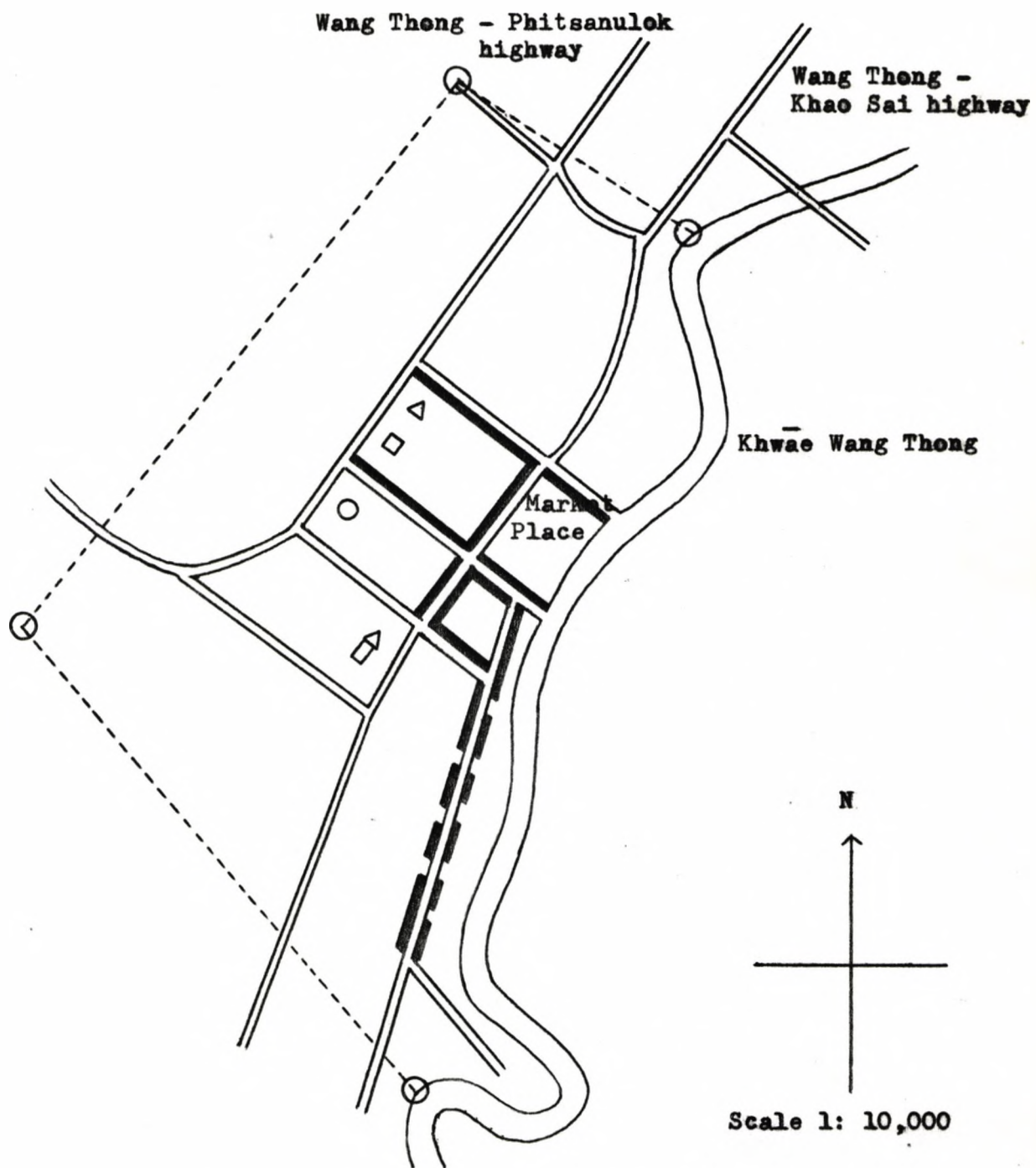
Such differences must not lead us to assume that traders are antagonistic and act against each other. In normal daily business most know each other well; some are related through kinship, friendship, neighbourliness and other long-standing relationships. Above all, they belong to the same marketing community and

participate in joint activities such as ritual ceremonies at the wat or the worship of Chao mae Thong Dam, the spirit protector of the market. A conflict of interests will be expressed clearly only on specific occasions such as the election of members of the Sanitary Committee or to the Provincial Council.

## II) Wang Thong Sanitary District and Town

The 'Wang Thong Sanitary District' (sukhaphiban) is the area within the district (amphoe) boundaries which consists of village No. 1 and parts of villages Nos. 3 and 11 (see Map 1). The total population of sukhaphiban Wang Thong is 5,794. A Sanitary Committee is responsible for public services; it handles such matters as cleaning, fire-protection, electricity, waterworks, house-building, and the collection of land rents both within and outside the market place. The market place is also the responsibility of the Sanitary Committee which is composed of: i) the District Officer (nai amphoe) as chairman; ii) assistant district officer (palat sukha); iii) head of the police station; iv) district chief accountant; v) public health officer; vi) head of commune (kamnan) and village headman (phu yai ban) within the sanitary area; plus vii) four elected members.

'Wang Thong Town' is referred to locally as talat Wang Thong (Wang Thong market) or simply Wang Thong. As a social unit Wang Thong does not coincide with administrative boundaries but is smaller than the administrative area designated 'sukhaphiban Wang Thong'. Spatially, Wang Thong includes the market, the district and police offices, the wat (temple) and school adjacent to the



MAP 1: SANITARY AREA OF WANG THONG

- |   |                 |   |        |
|---|-----------------|---|--------|
| △ | Police Station  | — | Shops  |
| □ | District Office | ○ | School |
| ⌆ | Wat (temple)    |   |        |

market plus the surrounding shops and residences.

Socially, Wang Thong is a place where one can meet others, have fun (sanuk) and enjoy the comfort (saduak sabai) of its services. It is also a place for buying and selling and the place in which to conduct business with government officials. Furthermore, the religious activities of a wide area are centred on wat Wang Thong because its abbot is the only monk in the district at present qualified to ordain monks (phra upacha).<sup>15/</sup> Overall then, the town functions as a centre for the district area as well as being a local community in its own right.

When people talk about Wang Thong they clearly distinguish between those who live there --that is the traders, government officials and school teachers-- and those who live outside in villages who are khon ban nok (people of outside/outer villages). Within the town everyone knows everyone else's business. The town thus exists as a community and becomes a significant feature in the following study of marketing.

### III) Chao Talat, Chinese Ethnicity and Assimilation

'Chao talat' is the term employed by local people to denote a specific social and economic group of traders, sellers and middlemen. Literally, chao talat means 'people of the market', be they Thai or Chinese. The word is only applied to traders who have permanently established businesses especially in the market place. It does not have the 'bad connotations' common to Bangkok, rather it refers to traders as a group with a common interest.

The word 'Chinese' will be used here to refer to those born in China who understand and speak Chinese, as well as those born in Thailand who can trace Chinese ancestry and use a Chinese dialect in business. According to District Office records there are only 92 Chinese in Wang Thong but this figure includes only those who have migrated from China and hold passports of the Republic of China (Taiwan). According to these official statistics any person born in Thailand is a Thai national.

'Assimilation' is the process of absorption of a person of one ethnic group into another, a process in which new cultural elements and values are adopted. Assimilation is effected through education and inter-marriage and, above all, by residence and business contracts with the Thai. Many of Chinese descent are unable to speak Chinese and in this study I refer to them as Sino-Thai. Generally, these individuals, with one or both parents of Chinese origin, are to a considerable extent assimilated into Thai culture and society. Having been educated at Thai schools in many ways they no longer exhibit any specifically Chinese characteristics. For them Thai is the language of daily use for private conversation as well as for business. Although most maintain small ancestral shrines in their homes they nonetheless identify themselves as Thai.

#### IV) Network and the Patron-Client Relationships 16/

'Network' is a concept used here to denote a specific set of linkages among a set of persons. Thai social network can be looked upon as a scattering of connected points. The points are

persons and the connecting lines are social relations. By focusing on a single person we are concerned with an ego-centric entity in which the relations are based on dyadic contracts linking only the central person with others (Foster 1961). Persons are linked with others who, in turn, are linked to yet further people. In this sense the social network is unbounded and can be seen as comprising a series of ego-centric personal networks (Barnes 1954: 39-58); people involved in the network may not directly know each other but they could come into contact via others. Furthermore, the network can be composed of persons linked in a large variety of ways, i.e. by social, familial, economic, and political linkages. If persons are linked through a single bond it constitutes a 'uniplex' or 'single-stranded relationship', while a relation which is based on several linkages becomes 'multiplex' or 'many-stranded' <sup>17/</sup> (Gluckman 1962: 27; Wolf 1966: 82-89).

This study concentrates on the marketing network as it extends horizontally and vertically through the system. Each trader has his own personal network of clients, kin and friends as a domain in which to do business. Though marketing relations are mostly economic, the single-stranded relationship often tends to embrace other aspects of social relations and thereby become many-stranded or multiplex (cf. Wolf 1966: 41-42; Cohen 1974: 53-54).

The 'patron-client relationship', as an institution functioning formally and informally to integrate various sectors of the Thai society, has been recorded by a number of scholars. Akin



Rabibhadana (1969), in his study on the Organisation of Thai Society in the Early Bangkok Period, 1782 - 1873, has shown that traditional Thai society was made up of cross-cutting relationships between a nai (leader) and his phrai (followers), and between phu yai (superiors) and phu noi (inferiors). The nai and the phu yai were patrons who gave political protection and economic assistance to phrai and the phu noi who were their clients. The clients, in turn, provided the patrons with political support and economic prosperity. The relationship between patron and client was symbolised by the act of reciprocal exchange. To win favour from the nai, the phrai must constantly provide the nai with gifts which eventually became the nai's wealth. Because a major purpose of having clients was to gain wealth, the system was expanded to include Chinese traders who were better off than the phrai. "For the purpose of gaining wealth, Thai nobles and princes preferred Chinese immigrants as their clients rather than Thai phrai" (Rabibhadana 1969: 136). Thus the system provided opportunities for the Chinese to assimilate into the Thai social system and to achieve upward social mobility and economic gain. A number of Chinese traders were ennobled with a sakdina rank of 400 and above,<sup>18/</sup> and became tax collectors under the method of tax farming. "From such minor positions as tax collectors with the ranks of khun and luang,<sup>19/</sup> a number of these Chinese immigrants became Thai, and climbed up to such high positions as town governors" (Rabibhadana 1969: 135).

Nowadays the informal patron-client relationship is considered a common and widespread phenomenon in Thai social life.<sup>20/</sup>

Wijeyewardene notes:

Patron-client relationships were part of the traditional Thai system, and there is evidence to show that these are still widespread in a different form. In rural areas the clustering of clients around a patron does not perhaps create a large or formally organised association, but it has to be considered an organisation of a type, and is, moreover, essential to the social system as a whole. In the South Village area (in Chiang Mai Province) important contacts with the administration appear to be largely channelled through 'patrons' of one sort or another. These patrons could be government servants, landowners, traders or merely wealthy kinsmen. (1967: 82-83)

Michael Moerman (1964, 1968), in his study of a northern Thai village economy, describes the relationship between the two distinct classes of villagers and tractor owners who live apart: the farmer in villages, the tractor owner in the city or the market town. Nonetheless, "although they differ vastly in power, position, sophistication, and degree of solidarity, the farmer and the tractor owner still need each other".

In return for (the villagers') business, (the tractor owner) does more than merely take their money and plough their fields. To a fortunate few, he is a patron willing to intercede with officials or to permit an occasional payment to go past its due date. He jokes and gossips with all the farmers, and instructs and advises them. Most tractor owners permit and encourage such broadbased social relationships..

... (the tractor owner) acts as a patron should act and therefore is not resented. He and the other tractor owners are able to assert their new dominance by means of old institutions: age-mate relationships and the bond between patron and client. (Moerman 1968: 70-72)

Using the concept of 'entourage' derived from Hanks (1962, 1966, 1972, 1975), Van Roy (1971) has applied it to the study of a miang (fermented tea leaf) producing village in the North of Thailand. An entourage is the set of people formed by a patron and his clients. The relationships are hierarchical as well as

reciprocal. It is through such a network of patron-client relationships that miang farmers are linked to the outside world. I agree with Van Roy and others that patron-client relations are important in Thai society. However, the extent to which the patron-client relations can be considered to be the structural building blocks out of which the institutional framework of Thai society is built is debatable. Van Roy even goes further than this in over-emphasising that in the Thai context economic institutions, i.e. the production and exchange of material goods, are 'embedded' in the matrix of non-economic institutions, e.g. social and cultural, and this, in turn, prevents the Thai from being 'economically rational' (1970: 19-27; Van Roy and Cornehlis 1969). On the contrary I argue in later chapters that it is precisely because of their economic rationality that Thai farmers and traders utilise patron-client relationships to overcome the ineffectiveness of law enforcement, the imperfections of the market (i.e. the fluctuations of price and the insecurity of involvement in the market economy), and the difficulties in communications (see Scott 1972).

In this study I refer to the patron-client relationship as a specific type of social relation among persons of unequal status. In the marketing context a trader who assists his peasant client with cash, rice, medicines, and other household goods becomes the patron. The client, in turn, supplies him with cash crops and political support. The relationship is characterised by acts of gift-giving and reciprocal exchanges over a period of time. Clients can be tenants or dependent farmers (lūk rai lūk nā) who are obliged to sell their agricultural produce only to the

patron-traders or to the traders' agents in villages. It is an instrumental relationship based on mutual benefit (Wolf 1968) and breaks down when either side is unable to fulfil its obligations.

### Fieldwork and Data Collection

The market town of Wang Thong was chosen for several reasons. Firstly, Wang Thong District is in an area which has undergone rapid change in recent years due to diversification of cash crops and major improvements in transport and communications. The marketing of cash crops both from lowland and upland areas within the district exhibits different forms which can be easily observed. Secondly, the market town appears to be 'typical' or representative of many other market places in the country in its role as a 'central place' for a number of satellite villages and the domination of Chinese market traders. Thirdly, my supervisor has made a detailed study of social organisation and relevant aspects concerning marketing at the village level in the immediate area (Kemp 1976). Finally, for a single researcher the district market of Wang Thong is a manageable unit of study in terms of its size and social forms.

I started my fieldwork in November 1974 and spent the first month collecting basic information about the general rural economic structure and the distributive network. I rented from an elderly woman shopkeeper a house adjoining the market place. Fortunately, my landlady was a great-great-grand-daughter of the founder of the market and so was linked by kinship to a number of

the leading traders in Wang Thong. Moreover, she had formerly had a business in the market place and was thus able to provide me not only with information about her genealogical tree but also valuable data concerning business practices and processes.

After six months of fieldwork I spent three months on documentary research in Bangkok. During this time I referred to a number of marketing studies made by economists in various government departments. I, then, made an evaluation of this research and reformulated my own programme.

Returning to the field in August 1975 I obtained statistical information from the District Office as well as from other departments at the provincial level. I drew up a systematic questionnaire based on CUSSRI's previous form used in the Chonburi study. I used this as an adjunct to other field methods rather than as the primary data gathering technique itself. The questionnaire was pretested in the market of Sap Praival about 36 kilometres to the east of Wang Thong. A number of traders, sellers and middlemen both within and outside the market place were selected and interviewed. This sample was not randomly selected but based on the willingness and availability of traders to be interviewed. Indeed, one could not expect full cooperation from everyone because of the pressing demands on traders of buying and selling. The interviews were conducted between 10 - 12 a.m. and 2 - 4 p.m. for during these two periods business was not so active. Most traders, not unexpectedly, were reluctant to talk about their businesses, especially when they saw the questionnaire. It was only through the personal relations I eventually developed that

intensive interviews proved productive. On the whole, 15% of sellers in the market place, 50% of traders in the market shops and services market, and 75% of traders in the agricultural market were interviewed through the use of questionnaires. The percentage of market place sellers interviewed is low for most attended the market only in the morning between 4 - 9 a.m., a time when it is not practical to conduct interviews because the market place is crowded. Nevertheless, by assisting in selling I had some opportunity to gain insights into the activities of the market place. After three more months research was interrupted (in November) owing to ill-health.

I resumed work in February 1976 and collected about 20 detailed individual biographies. By then I had made friends with many traders and accompanied them to various places to observe and assist them in selling and buying. I was often invited to attend ceremonies such as weddings, house-blessings and the like. Living in the marketing community I was able to observe the routines of daily life which are, of course, different from those of the rural nearby villages. Finally, for comparative purposes I made several trips to visit both village shops and other market centres such as Phitsanulok, Sap Praival, and at Khao Sai and Talo in Phichitr Province. I left Wang Thong in August 1976. Several short, follow-up visits were made before returning to the United Kingdom in January 1977.

CHAPTER I

NOTES

1. Michael Moerman (1968, 1975) and Edward E. Van Roy (1971) are among the anthropologists interested in the problems and development of marketing in villages in Northern Thailand. The Chulalongkorn University Social Science Research Institute (CUSSRI) also made a preliminary study of the sociological aspects of marketing in the Ayuthaya region in 1968 (CUSSRI 1971) and in Chonburi in 1972 (Pongsapich 1974). Dole A. Anderson (1970) provides another study of marketing and development in Thailand at the macro-level. Finally, James Stent (1969) studied a merchant community and commercial patterns in a Northeastern province.
2. See for example Lucien M. Hanks (1972: 129-33) for an interesting description of the development of a commercial community in Bang Chan.
3. Bromley (1971) also notes that internal marketing studies in developing countries have until recently received little attention.
4. Most studies have been carried out by three main organisations, Kasetsart University; the Division of Agricultural Economics of the Ministry of Agriculture; and the Department of Commercial Economics of the Ministry of Commerce.
5. Davis (1973: 78-83), for example, has listed several similarities and differences between economic activities in the market shops and the market place. Nonetheless, no adequate account of the patterns and processes of marketing transactions and the marketing organisation of market shops has been provided, and nowhere is there a discussion of market warehouses or the agricultural market, or of the market for services and locally manufactured goods.
6. Except for the work of Steve Tobias (1971) most studies concentrate their analysis on the national level ignoring Chinese commercial organisation in towns outside Bangkok. Tobias, though he takes the Chinese community in Ayuthaya Town as a unit of study, is more interested in the 'ritual and religious' aspects of Chinese social organisation.
7. See for example Michael Moerman (1966, 1968, 1975) on the history of trade and marketing activities in a Thai-Lue village in the North of Thailand. Firth (1966) has also provided valuable materials on the marketing activities of the Malay fishermen.

8. Geertz distinguishes between a 'bazaar-type economy' and a 'firm-type economy'. The former refers to an economy "in which the total flow of commerce is fragmented into a very great number of unrelated person-to-person transactions" and this is the obvious characteristic of economic activities in the market place. The latter is an economy "where trade and industry occur through a set of impersonally defined social institutions with respect to some particular productive ends" (1963: 28).
9. It is interesting to note that in Java, according to Geertz, the bazaar market is locally named pasar which is similar to the word pasan used in the Sukhothai period. How pasan was later dropped, is yet to be learned.
10. In rural areas, especially in the South, a number of Chinese were involved in plantations. Pallegoix (1854) also notes that Chinese in Phitsanulok did take up agricultural activities though on a limited scale. Some traders in the Wang Thong market are, in fact, descendants of these early Chinese agricultural entrepreneurs.
11. See detailed discussion in Silcock (1967: 238-77) and Anderson (1971).
12. See Riggs' (1966: 254-70) and Anderson's (1970) discussion of cabinet ministers' participation on business boards, and also Skinner (1958) for the discussion of relations between Thai officials and leaders of the Chinese community in Bangkok.
13. See Chaiwat Konjing (1972) for the list of references on marketing research conducted by various government agencies.
14. For more detail see Kuwinpant (1971b: 171-213) and Pongsapich (1974: 144-237).
15. A phra upacha is a senior monk authorised by the Department of Religious Affairs to confer ordination. In 1966 the only upacha was the abbot residing in Bang Saphan (Kemp 1976: 296). When he died, upacha rank was given to the abbot of wat Wang Thong and since then Wang Thong has become the centre of religious activities in the district.
16. I am aware of the increasing literature on network and patron-client relationships in many parts of the world. However, here I concentrate only on the literature immediately relevant to and concerning Thailand.
17. For further discussion of the importance and the applicability of the network concept see Barnes (1954), Mitchell (1969: 1-10), and Boissevain (1974).



18. The sakdina (dignity marks) system was a device which served as an indicator of the ranked hierarchical statuses of the whole population. For example, a noble with the title of luang was given sakdina of 800 - 3,000, and khun, 200 - 1,000. For further details see Siffin (1966: 18) and Rabibhadana (1969: 97-112).
19. Khun and luang are two titles in the ranking system of nobles ranging from the highest to the lowest as follows: somdet, chao phraya, chao phraya, phraya, phra, luang, khun, muen, and phan.
20. See for example Wilson (1962: 116-17), Hanks (1966, 1975), Wijeyewardine (1967, 1971), Moerman (1968), Keyes (1970), Van Roy (1971), Rabibhadana (1975), and Potter (1976: 193-98).

PART ONE

MARKETING ORGANISATION AND ITS ENVIRONMENT

## Introduction

Marketing does not constitute a single, uniform process. Its structure and organisation are influenced and shaped by the specifically ecological settings. In Chapter II, I describe the local physical and socio-cultural features relevant to the organisation of marketing in Wang Thong and associated provincial market and village shops. This is followed in Chapter III by a detailed account of the market town of Wang Thong which constitutes the central point in my analysis of local marketing networks in that it is linked with provincial market and village market shops.

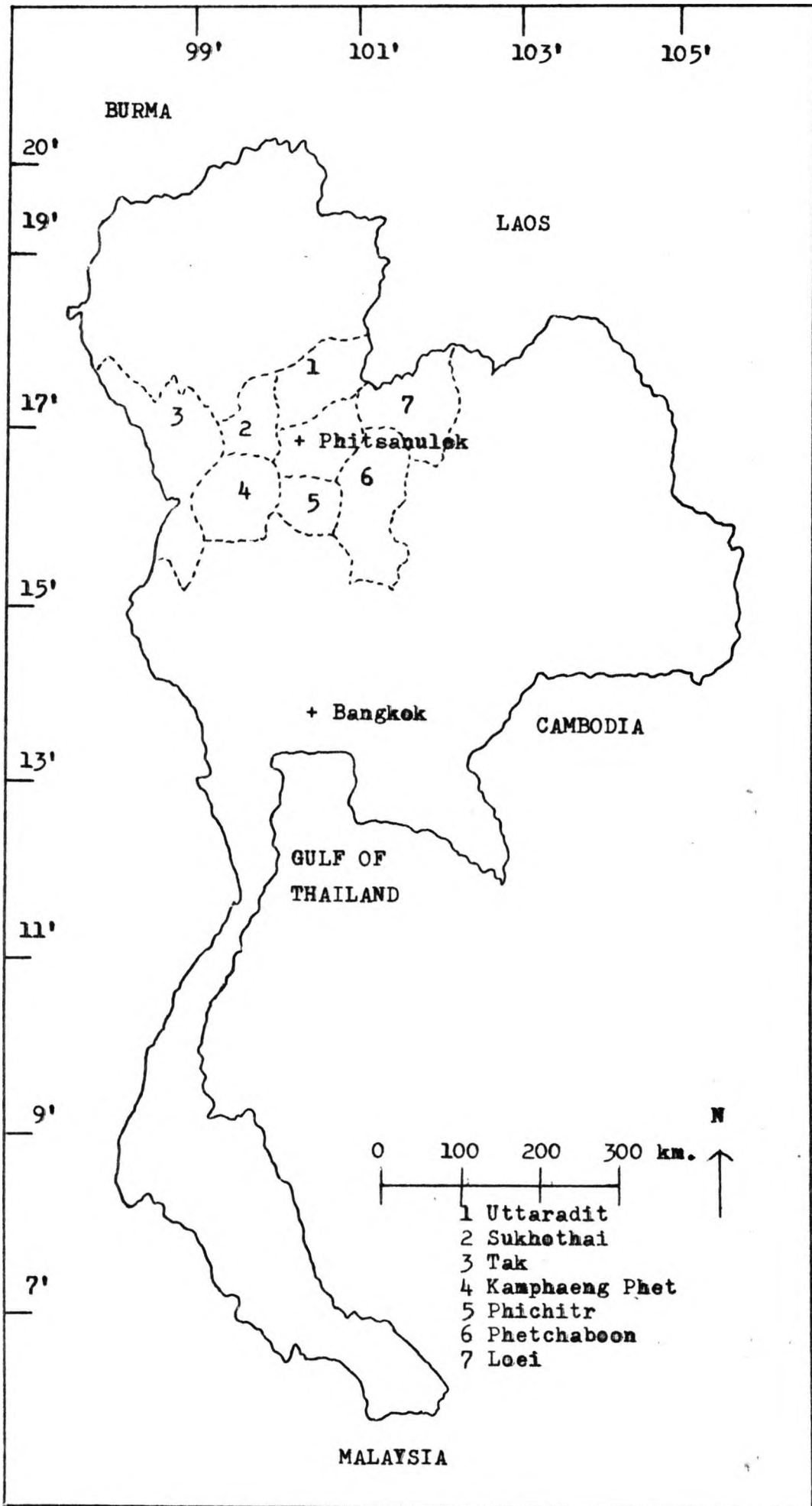
CHAPTER II

SOCIAL, ECONOMIC AND GEOGRAPHICAL SETTING

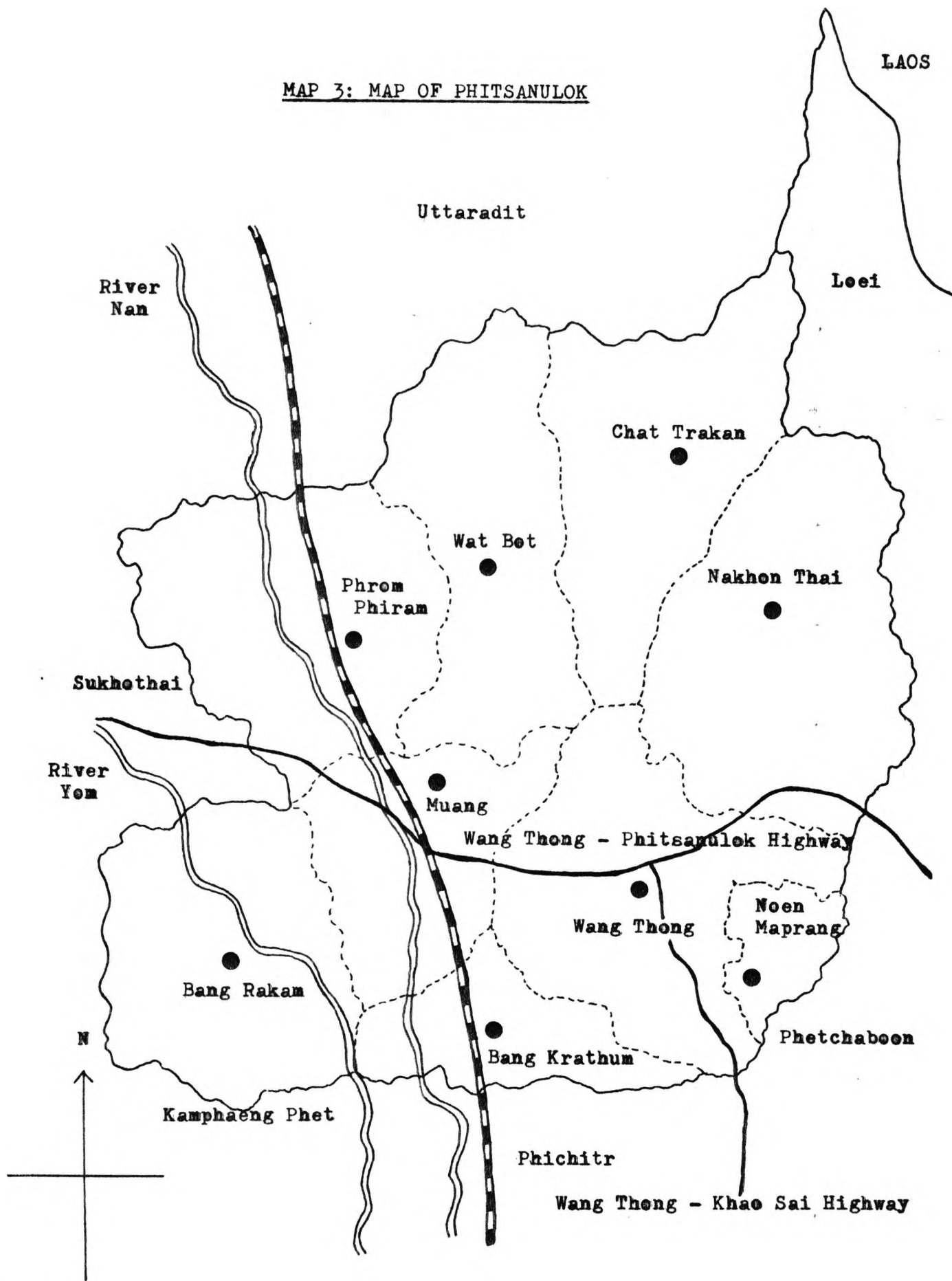
Wang Thong is one of eight districts (amphōe) in the Province of Phitsanulok. The town from which it takes its name is located 17 kilometres east of the provincial capital along the Phitsanulok - Lomsak highway (see Map 3). The relative ease of communications with Phitsanulok City places Wang Thong almost completely under the influence of the provincial market centre. It depends on the latter for various marketing services and amenities and, in similar fashion, the market of Wang Thong serves as a 'central place' (Skinner 1964; Berry 1967: 59-73) for the surrounding villages in the sale of their agricultural produce and the purchase of manufactured goods and items for household consumption. Thus to understand marketing in Wang Thong one has to locate it in a wider arena in relation to the provincial marketing system as well as to the surrounding villages within the district.

In this study I distinguish three major levels of marketing which are associated with the spatial dimension: the provincial, district and village markets.<sup>1/</sup> The district market of Wang Thong constitutes what Skinner designates as the 'standard market' in late Imperial China, while the provincial and village markets coincide with Skinner's 'intermediate' and 'village or minor markets' (1964: 65-68). Though the structural model developed by Skinner does not entirely fit the situation of Phitsanulok, the concepts and definitions he employs help to explain the basic nature of the markets in this study. There are also differences in empirical details though some basic attributes of both Chinese and Thai marketing systems are similar. The first point to note is that marketing in Wang Thong is not periodically arranged, but functions daily at a permanent site on a bank of the Wang Thong

MAP 2: MAP OF THAILAND



MAP 3: MAP OF PHITSANULOK



Scale 1: 1,000,000

river. Secondly, the structural model of marketing does not necessarily coincide with the administrative arrangements. As in China, not all standard and intermediate markets are administrative headquarters, but all administrative headquarters are standard or intermediate markets. There is another standard market at Sap Praival, 36 kilometres away to the east of the district market. Recent development in communications have stimulated the rise to the market of Sap Praival as another standard market within the district area. Finally, it is worth noting that in the past the Phitsanulok provincial market centre performed a central market role for the nearby provinces of Phichitr and Uttaradit. Nowadays, however, with the improvement in communications these provinces have direct access to the central market of Bangkok, and the role of Phitsanulok has been reduced to that of an intermediate market for servicing standard markets located within the provincial boundary.

The market of Wang Thong performs various standard market functions relating to the reception and distribution of 'imported' items within its dependent rural area and the collection of local products and their 'export' to other higher level market centres. It is "the starting point for the upward flow of agricultural products and craft items into higher reaches of the marketing system, and also the termination of the downward flow of imported items destined for peasant consumption" (Skinner 1964: 66). The provincial market of Phitsanulok, on the other hand, is situated at "a strategic site in the transportation network and has important wholesaling function". As an intermediate market it "has an



intermediate position in the vertical flow of goods and services both ways" (Skinner 1964: 68). Finally, most villages in Wang Thong District have 'general stores' selling basic household items such as matches, salt, sugar, cigarettes, kerosene and so on. In places where transport is usually difficult, small village market places and shops have developed to serve villagers mainly during the rainy season. In certain circumstances, these may eventually expand, as has Sap Praival, to become standard markets in their own right.

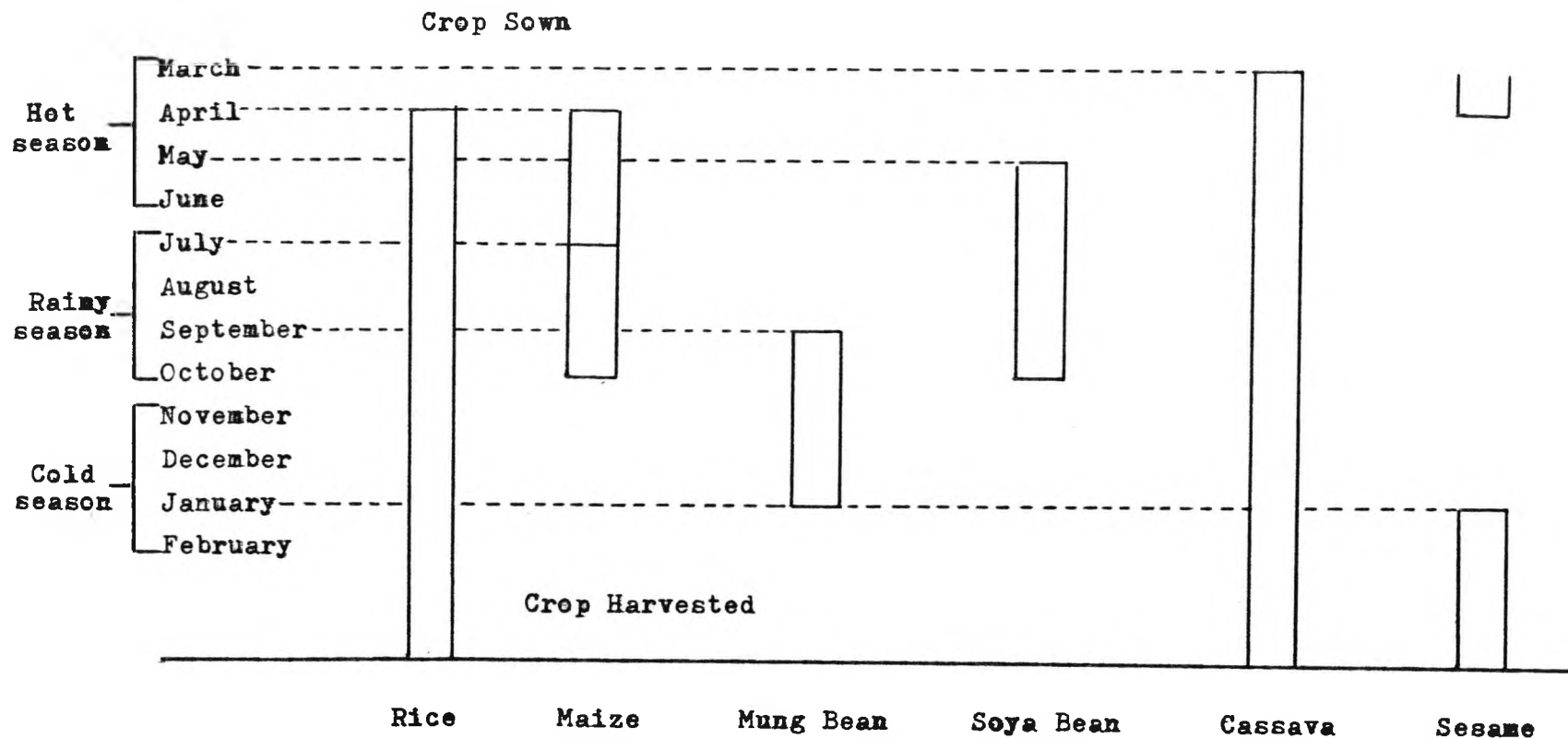
The three levels of marketing are hierarchically integrated and dependent on each other. Within a wider regional and national marketing system, the village markets and shops rely primarily on Wang Thong while the latter depends on the Phitsanulok market centre. The difference between each level of trading is in the range of goods and services available, the scale of trade, the degree of specialisation, and the extent of differentiation in marketing roles. An analysis of the standard market thus necessarily involves the other two levels. The Phitsanulok provincial and the dependent village market shops will be dealt with in so far as these are relevant to the analysis of Wang Thong. For the purposes of the study, marketing and its social organisation are conceived of primarily in the context of the Wang Thong town and the extension outwards of relationships with the immediate rural area and with the provincial market.

### A. The Province

Phitsanulok is 497 kilometres by rail or 384 kilometres by road to the north of Bangkok. It is situated halfway between Bangkok and Chiang Mai, the largest city in the Northern Region. During the Ayuthaya period Phitsanulok was of major significance as a bastion against Burmese incursions and was even capital of the whole kingdom between 1463 - 1488.<sup>2/</sup> It is still the major city in the North-Central Region of the country, much of its importance lying in its being a major centre of communications (roads, railway, and airport) with a large hospital and nurses' training school, teachers' training college, and army headquarters.

The area of the province is 9,701.09 square kilometres or 1.88% of the total area of the country. The topography includes both upland and lowland areas. The lowlands adjoin both banks of the two main rivers of the province --the Yom and the Nan-- in the districts of Muang, Bang Rakam, and Bang Krathum. Most of this area is used for rice cultivation and constitutes the heart of the province, supplying rice to town-dwellers and other parts of the province. The upland, including the districts of Wang Thong, Nakhon Thai, and Chat Trakan, is mountainous and was covered with forest notably Teetona grandis, Hyduocarpus, Hopea, Pterocarpus, Dipterocarpus alutus. During the past two decades a wide range of non-irrigated cash crops including maize, beans, and groundnuts has been introduced (see Diagram 1). The increasing demands of the export market and the availability of land in the upland area have led many impoverished farmers to move in and occupy most of what is officially preserved national forest.

Diagram 1: Agricultural Calendar of Some Cash Crops Grown in Wang Thong



Administratively, the province consists of eight districts and one sub-district which are further divided into 77 tambon or 'communes' and 730 mū ban or 'villages'.

Table 1: Distribution of Tambon and Mū Ban by Districts

<u>Districts</u>	<u>No. of Tambon</u>	<u>No. of Mū Ban</u>
Muang	17	140
Wang Thong	13	147
Bang Rakan	7	83
Bang Krathum	9	80
Phrom Phiram	11	84
Wat Bot	6	41
Nakhon Thai	7	81
Chat Trakan	4	39
Noen Maprang (sub-district)	<u>3</u>	<u>35</u>
Total	<u>77</u>	<u>730</u>

Source: The Provincial Statistics Office 1974

The Provincial Governor, the District Officer, and their deputies are appointed by and responsible to the Ministry of Interior in Bangkok. The District Officer is immediately responsible to the Governor. His subordinates who are representatives of various Bangkok ministries --education, health, land, and co-operatives-- though responsible directly to their respective ministries, are also subject to the Governor and District Officer. Most senior officials are rarely local residents. Moreover, they are not appointed to a single place for too long but are expected to change posts quite frequently, and thus are unlikely to become part of the local community.

At the village level, a headman (phū yai bān) is elected by villagers from among a number of candidates approved by the District Officer. He is responsible for peace and order in the village, if anything goes wrong he must directly inform the district authority. In the same way, any official news and information passes through him down to the villagers. A meeting of phū yai bān in Wang Thong District is held once a month at the amphoe office. A number of villages constitutes a tambon or 'commune'. One of the phū yai bān within the commune is elected as a kamnan or 'head of the commune'. His duties are similar to those of the phū yai bān though recently his authority has been increasing owing to changes in the administrative system.<sup>3/</sup>

#### Transport and Communications

Communications between Phitsanulok and other provinces and between the city and district towns are excellent: the roads linking these towns are asphalted and well maintained. In such conditions, transport is efficient and well developed. In addition to the regular buses under the control of the government Department of Communications and Transportation, large numbers of pickup buses travel between the provincial city and district towns every hour (see Table 2).

However, communications between rural settlements are frequently poor, especially in upland areas where buses and trucks are not able to reach villages during the rainy season (July - October). Nevertheless, with the government's 1975 project for the allocation of money to the rural areas, these conditions are

Table 2: Communications Between Phitsanulok and Other Provinces \*

From Phitsanulok to	Distance km.	Fare baht	No. of Journey a Day	No. of Buses
Bangkok	497	68	2	2
Phichitr	74	11	6	4
Khao Sai	100	15	28	14
Lomsak	138	19	24	6
Phetchaboon	159	25	8	6
Uttaradit	164	20	10	16
Phrae	239	29	40	5
Tak	138	19	10	14
Sukhothai	60	8	30	17
Mae Set	241	30	10	14
Chiang Mai	423	50	2	4
Lampang	326	35	2	4

Source: Transportation and Communication Sector, Phitsanulok 1973

\* In addition to a large number of small private pickup trucks and buses, there are three public bus services within the provincial town. There are: i) Teng Nam - Wat Chula; ii) Naresuan Military Base - Airport; iii) the town bus. In each district town there are daily buses carrying passengers to and from the provincial town. Wang Thong, for example, has more than 50 private buses and pickup trucks.

gradually being alleviated. Most of the grant has been spent on constructing new roads and the improvement of old.

Waterways and railways are two other means of transport within the province. Two main rivers, the Nan and the Yom, are used mostly during the rainy season for the transport of rice and other goods, such as timber and pots, to and from various towns in the Central Region. Water transport is cheaper than any other means of travel though obviously slow and is gradually being

superceded by the roads.<sup>4/</sup> The northern railway links the Northern and Central Regions. Travelling by train is popular for it is cheaper and more comfortable than bus. Many traders still prefer to use the railway to transport their goods to and from Bangkok or other city markets in the North and Central Regions. Table 3 shows example of the numbers and weight of goods transported by rail.

Table 3: Numbers and Weights of Goods Transported by Rail

<u>Export:</u>	<u>Items</u>	<u>No. of</u>	<u>Weight</u>
	paddy	3,250	tons
	white rice	50,250	"
	bran	12,000	"
	maize	26,500	"
	beans and peanuts	12,125	"
	timber	1,275	"
	processed wood	2,200	"
	clothes	8,200	"
	water-melon	12,500	"
	tobacco	52.2	"
	water-buffaloes	7,850	heads
	cows	1,961	"
	pigs	1,492	"
<u>Import:</u>			
	benzene	77,317.5	tons
	gasolene	10,125	"
	sacks	12,500	"
	fertilizer	412.5	"
	white rice	887.5	"
	cement	2,423	"
	construction materials	187,860	"
	cotton	2,454	"

Source: Commercial Economics Section, Phitsanulok 1974

Good communications help to integrate Phitsanulok into the regional and national markets. Phitsanulok also has trading links with various nearby provinces, which is instanced by the large number of hotels (26 hotels) serving the representatives of large Bangkok companies. As stated above, it used to be a central place for wholesale traders in their dealings with various provinces in the North-Central Region (Commercial Economics Section, Phitsanulok 1974: 25), but this role has declined with the development of efficient transportation throughout the country (Anderson 1970: 111-34). Most agricultural produce is transported to Bangkok which is but a centre for further national distribution and export. Bangkok is also the main source for manufactured goods and certain specialised services.

The Phitsanulok market centre, in turn, serves as a distributive centre vis-à-vis its dependent standard markets. Though there are villages and tambon which cannot be easily reached because of poor communications, all district market centres receive financial support and goods from the provincial market. A high proportion of the agricultural produce is transferred to the provincial market for processing, bulking, storage, and export.

#### Population

The population of Changwat Phitsanulok in 1974 was 649,373 with an average density of 66.94 persons per square kilometre. Out of 105,109 households, 81% (81,418 households) are agricultural households; some 23,691 households are in the city area itself which functions as a centre for various educational, religious,



recreational, and business activities (The Provincial Statistics Office 1974). It has a number of secondary schools, a teacher training college, a technical college, a university plus regional police headquarters and military base. There are four market places that serve this large population. Situated around these markets are many grocery, general, and modern department stores. The traditional 'bazaar' and modern business firms (Geertz 1963) operate side by side though the former clearly dominates the market. In the market places most traders are Thai women from the city and surrounding area. Eighty per cent are permanent professional traders offering goods and services throughout the year. Traders from other provinces, such as Phetchaboon and Uttaradit, often load their trucks with seasonal fruits and vegetables to sell wholesale and retail to traders and consumers in front of these market places.

In contrast to the Thai sellers in the market place, most Chinese traders own shops and stores which are operated on a capital-intensive basis. It is very noteworthy that the larger the scale of trade and range of goods stocked, the more is Chinese domination evident. Group monopoly of a centralised trade is a feature demonstrated by Schwimmer (1976) in Ghana, and the Chinese dominate almost all stages in the hierarchical distributive chain from Bangkok to the provincial city. The relatively high cost of the operations and the involvement in highly capitalised firms among the Chinese have facilitated the development of this group monopoly.

As in Wang Thong the Chinese in Phitsanulok are mostly of

Hainanese descent. Those of other dialect groups, such as Tee Chiu and Hokkien, are in a minority though they dominate certain types of business in Phitsanulok. They are informally organised through two Chinese associations, the Hainanese Chinese Association and the Collective Chinese Association. The Hainanese Chinese Association reflects the dominant characteristics of the Hainanese both in terms of population and business involvement. Both are formally known as 'welfare associations' and are organised to assist members in time of need, such as at a death in the family or when the children of poor members need help with their schooling.

There are a number of long-established Chinese primary schools in the city. They function mainly to teach Chinese and also as a social centre for the young of Chinese descent. One of the schools has a well-known basket ball and badminton team. There is close contact between Chinese in other cities including Bangkok and Chiang Mai, and friendly matches take place between them. It is through the voluntary associations and sport clubs that solidarity among Chinese traders in the provincial city is maintained and strengthened. The Chinese here stand out as a community having links with Chinese of other cities and towns.

As far as business is concerned, Chinese traders in Phitsanulok have connexions with the Chinese in the district towns dependent on the city who rely on them for the supply of goods as well as for the disposal of agricultural crops collected within their district areas. Again, I refer to the highly centralised nature of trade and the fact that the technical exigencies and problems posed

by the distribution, processing, bulking, and storing of commodities appear to correlate with monopoly by a particular group (Schwimmer 1976). Information concerning prices, the supply and demand of manufactured goods and agricultural produce also passes through the provincial centre to the district markets. Many Chinese in these district towns are members of the two Chinese voluntary associations. They join mainly for welfare purposes but the associations also facilitate access to the wider business circle and market information.

### Economy

As mentioned above, more than 80% of the total population are engaged in agriculture. Out of 2,245,879 rai (one rai = 0.4 acre) of the total land area, only 1,538,690 rai or 69% are used for growing crops. Rice growing in Phitsanulok has long been the principle occupation of the people (cf. Ingram 1971: 9). In 1973 Phitsanulok produced 276,826 tons of rice for the national market, the value of which amounted to 470,604,200 baht (40 baht = 1 UK pound) (see Table 4). Most is transported to Bangkok for milling and export, the rest is milled and consumed within the province and surrounding area. Within the province there are nine 'large' rice mills (with 30 and over labourers), 10 'medium' rice mills (with 15 and over labourers) and 760 'small' rice mills operating on a family basis. The large and medium-sized rice mills are situated mainly in the provincial and district towns; the small-sized are located in villages throughout the province. It is mostly the Chinese who own the large and medium-sized rice mills

Table 4: Area Cultivated, Yield and Value of Various Agricultural  
Produces, 1974

<u>Crops</u>	<u>Area Cultivated/ rai</u>	<u>Yield/kg.</u>	<u>Value/baht</u>
rice	962,794	276,826,000	470,604,200
Maize	341,704	82,385,000	140,054,500
Mung Bean	54,701	8,205,000	24,615,000
Peanut	14,886	2,977,000	5,955,400
Soya Bean	2,458	599,000	2,995,000
Black Bean	3,278	2,622,400	7,867,200
Caster Bean	2,577	206,160	1,443,120
Cotton	1,320	330,000	3,330,000
Sesame	20,893	2,089,000	10,446,500
Sugar-cane	3,425	3,425,000	3,425,000
Pineapple	2,643	3,964,000	3,964,000
Water-melon	1,780	3,560,000	14,240,000
Cucumber	340	510,000	1,020,000
Onion	445	5,340,000	37,380,000
Garlic	1,774	709,600	5,676,200
Cauliflower	3,300	3,300,000	19,800,000
Cabbage	407	814,000	1,628,000
Chinese Kale	600	600,000	1,800,000
Pepper	6,783	2,034,900	1,017,450
Sweet Potato	5,095	10,190,000	10,190,000
Banana	31,185	2,089,000	10,446,500
Cassava	6,408	12,614,000	2,995,000
Mango	16,500	4,950,000	9,900,000
Coconut	11,000	33,000,000	33,000,000
Sugar	10,000	400,000	16,000,000
Kapok	8,880	17,600,000	52,800,000

Source: Commercial Economics Section, Phitsanulok

whereas most of the small ones are in the hands of local Thai traders. For instance, all the large rice mills in Phitsanulok are owned by Chinese or Sino-Thai.

Over the past two decades the cultivation of other cash crops, maize, beans, sesame, water-melons, peanuts, cotton and castor-oil plants, has increased spectacularly (see Table 4). Large areas in the uplands have been cleared to grow maize and other cash crops. In the lowlands also many farmers devote some of their land to crops other than rice. This is certainly a response by peasant farmers to both domestic and international demands (Ingram 1971: 261-65). The economic incentives among farmers to plant other cash crops seem to be very strong, especially in an area like Phitsanulok which is not particularly suited to rice-growing. The wholesale value of the average output per rai in 1965 - 1967 was 850 baht for garden crops, 1,634 baht for chilli peppers, 1,300 baht for local tobacco, and 500 baht for groundnuts, compared with only 290 baht for rice (Ingram 1971: 252-63). It is important to recognise that Thai farmers have, in general, shown a vigorous and impressive response to the prospect of the higher returns on new crops. They may have had some help from the government, perhaps more from traders and middlemen, but they have managed to learn about new crops, taken pains over their cultivation, obtained seeds and taken risks. This economic response is certainly in accordance with a model of rational economic behaviour and contrary to what some anthropologists have asserted (cf. Van Roy 1970).

It should be mentioned here that though there has been an increase in cultivation of other cash crops, rice is still grown by most lowland farmers. The practice of rice cultivation reflects the cultural role of rice. Traditionally, rice cultivation is not merely a business but also the peasant farmer's way of life. Children learn how to live and are socialised through the practices and processes concerning rice cultivation. Many rituals, for example, concern the growing and harvesting of rice (Hanks 1972). More important, however, is the fact that by planting enough rice which is the main staple for his family, the farmer reduces the risks of venturing into new cash crops with their uncertain market price. If his market crops fail he will still be able to get along on a subsistence basis. In many places rice growing therefore continues to go hand in hand with the cultivation of other cash crops. In some parts of the upland area, little if any rice is grown owing to the topography and shortage of water. In such areas the consequent dependence on cash crops has proved a problem because farmers rely on middlemen traders for their rice and subsequently become indebted to them. The manner in which this happens I shall describe in a later chapter.

Improvements in transport further help to expand the cultivation of rice and other cash crops. Though there are some villages which are difficult to reach there is no village in the province which is not now incorporated into the market system. A large number of city and district-based middlemen help directly and indirectly to integrate villages into the regional provincial

economy. They are willing to travel 'up-country' and collect small quantities from each farmer. Moreover, farmers have learned much from these middlemen traders about new crops and the demands of the market as well as about modern agricultural equipment and methods.

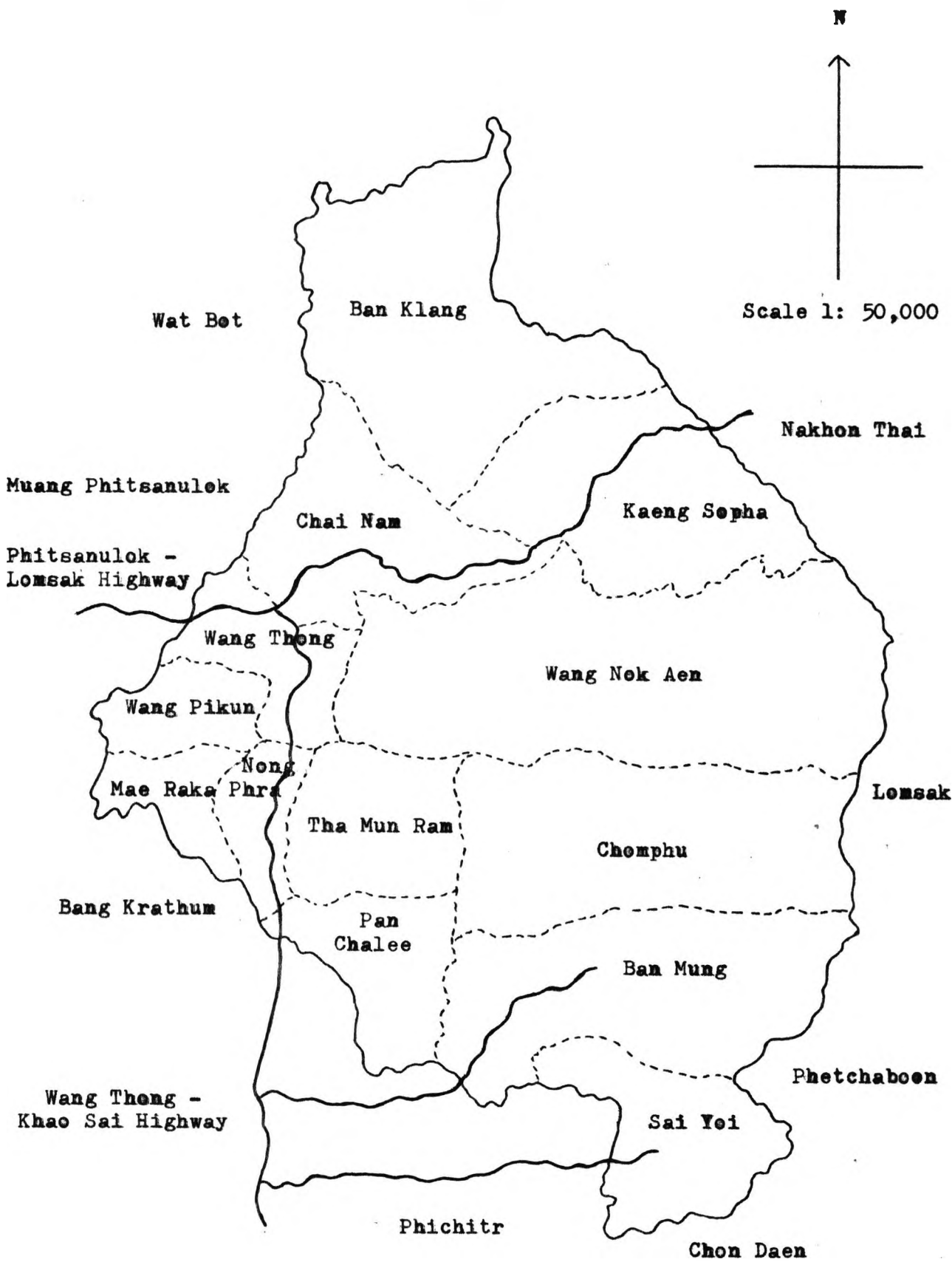
The provincial city is also the financial centre for dependent districts. In addition to loans and credits provided by wholesale traders, eight branches of Bangkok banks are located in the city area. The use of banking facilities is common among district traders and most have their accounts at one of these branches.

#### B. The District of Wang Thong

Amphoe Wang Thong is the largest and most populous district of the province. With a total area of 2,037,643 square kilometres (The District Office Report 1974), more than 40% of which is mountainous ranging from Nakhon Thai District in the southeast to Chon Daen District in the Province of Phetchaboon (see Map 4). Out of the 13 tambon, six are in the upland area: Ban Klang, Kaeng Sopha, Wang Nok Aem, Chomphu, Ban Mung, and Sai Yoi. The seven lowland tambon are Wang Thong, Mae Raka, Chai Nam, Wang Pikun, Tha Mun Ram, Nong Phra, and Pan Chalee.

#### Population

In 1970 the total population of the district was 99,324 with 50,477 males and 48,847 females. Table 5 shows the distribution of



MAP 4: MAP OF WANG THONG



Table 5: Distribution of Population and Households, by Tambon, Year 1970 \*

Tambon	Total	Population		Total	Households	
		Male	Female		Agriculture Households & Population	Population
					Agriculture Households	
Total	99,324	50,477	48,847	17,217	14,269	83,902
Wang Thong	16,877	8,804	8,073	2,871	1,682	9,960
Kaeng Sopha	7,001	3,566	3,435	1,229	1,036	6,112
Chomphu	5,834	3,006	2,828	1,020	898	5,296
Chai Nam	4,632	2,332	2,300	860	655	3,698
Tha Mun Ram	12,949	6,457	6,492	2,272	2,070	11,979
Ban Klang	7,039	3,581	3,458	1,226	1,185	6,825
Ban Mung	18,585	9,408	9,171	3,172	2,854	17,042
Mae Raka	7,305	3,661	3,644	1,243	1,104	6,563
Wang Nok Aen	5,462	2,871	2,591	1,030	816	4,423
Wang Pikun	6,169	3,035	3,134	1,025	890	5,508
Nong Phra	7,471	3,756	3,715	1,269	1,079	6,496

Source: Population and Housing Census 1970

\* Sai Yoi and Pan Chalee have not yet administratively divided.

Table 6: Components of Population Change by Amphoe

Amphoe	Population		Change		Components of Change			
	1972	1968	Number	Per cent	Births	Deaths	Net Migration	
							Number	Per cent
Total	573,900	482,889	91,011	18.85	74,416	15,025	31,620	5.51
Muang	172,868	147,704	25,164	17.04	26,372	7,315	6,107	3.53
Wang Thong	133,438	94,409	39,029	41.34	17,306	2,126	23,849	17.87
Phrom Phiram	79,153	68,619	10,534	15.35	7,389	1,270	4,415	5.58
Bang Krathum	52,307	44,396	7,911	17.82	5,270	900	3,541	6.77
Bang Rakam	60,233	50,313	9,910	19.70	7,251	1,118	3,777	6.27
Wat Bot	27,395	24,113	3,282	13.61	2,930	631	983	3.59
Nakhon Thai	36,846	53,335	16,489	30.92	5,828	1,340	-20,977	-56.93
Chat Trakan	11,670	.....	.....	.....	2,070	325	.....	.....

Source: i) Vital Statistics Division, Department of Public Health Promotion, Ministry of Public Health

ii) Department of Local Administration, Ministry of Interior

..... none or no data

population by tambon. Immigration into the North-Central Region is generally high. Between 1968 - 1972 Wang Thong had the highest percentage of net migration into the province (see Table 6); 23,849 migrants constituting 17.87% of the total district population. People from 31 provinces, mostly from Nakorn Rajasima and Loei, have migrated into the area hoping to find a piece of the remaining unoccupied land on which to earn a living.

It is usual for these migrants to live in groups of relatives and friends. Among themselves they use the dialect of their homeland and most immigrants who are from the Northeast speak 'Lao'. Their villages are generally known after their origin as 'ban Lao' (Lao villages). In the past traders from Wang Thong used to load their horses with a variety of goods for sale to the Lao in the more remote parts of the district. They made high profits in barter and exchange and offered low prices for the villagers' goods. These are looked upon by many traders in the district market as the 'good old days'. However, with the improvements in communications Lao villagers are now able to come to the town to obtain their requirements and sometimes to sell their produce. As far as the traders are concerned, the Lao are now seen as being as 'shrewd' as others: they know prices and how to make deals.

In addition to the Lao there are 'Lao Song' in Mae Raka as well as in other parts of the province. At present it is difficult to distinguish Lao Song from the ordinary Thai population. Nevertheless, the Lao Song preserve some of their traditional customs such as a distinctive mode of dress and certain ceremonies.

The other major minority in the district is, of course, the Chinese where they are concentrated in Wang Thong town in which they form the most important commercial group. All are involved in some form of trade and marketing; indeed, they have largely monopolised marketing in Wang Thong since the beginning of commercial activity in the area. Because of their significant roles I shall devote a full discussion on their social organisation in the next chapter.

### Communications

The two main rivers, khwae Wang Thong and khwae Tha Mun Ram which traverse the district, used to be the main channels of communication in the area. The primary reason for their decline is the improvements to roads and highways and the increasing number of truck and bus services between the villages, town, and provincial city. The two rivers are now used mainly for agricultural purposes during the rainy season. At other times they have become too shallow in places to be used for the transport of bulk goods.

Two main highways facilitate communications between the district and other districts and provinces. These are:

1) Phitsanulok - Lomsak highway. Starting from the city of Phitsanulok this road runs to the district of Lomsak via tambon Wang Thong, Chai Nam, Wang Nok Aen, and Kaeng Sopha. The highway is part of a wider project, the Asian Highway which links provinces of the Northern Region to those of the Northeast. It makes for easy communication between the district and Phitsanulok. The road links up with another highway from Lomsak to Saraburi enabling

people to make a quick and comfortable journey to Bangkok. In the future the Asian Highway will serve as a main route joining the North, Northeast, and Central Regions.

ii) Wang Thong - Phichitr - Khao Sai. The road passes through tambon Wang Thong, Nong Phra, and the districts of Taphan Hin and Muang in Phichitr Province. A number of villages in tambon Mae Raka, Tha Mun Ram, and Chomphu have dirt roads which link up with this highway. As a result of improvements to this route it is common nowadays for villagers in the more southerly tambon to travel to Wang Thong market whereas in the past they went to Phichitr.

No part of railway system passes through the district. Goods must be taken by truck to the Phitsanulok railway station where they are transferred to rail for transit to other provinces and especially Bangkok.

As a result of improvements made following the construction of the Phitsanulok to Lomsak highway, communications within the district are fairly good. Most villages have pickup buses travelling to and from the market. However, communications between villages in the lowland area are much better than in the uplands. In the rainy season travelling on dirt feeder roads is always difficult and sometimes impossible in the more remote upland tambon, such as Chomphu and Tha Mun Ram, which are temporarily cut off from the outside world. It is noticeable that the number of village market shops and stores in such villages tend to be larger than in those where communications are easier. For example, in tambon Chomphu there are more than ten village stores in the

central village. The owners of these stores are well aware of the situation and amass a sufficient supply and range of goods at the beginning of the rainy season for the period when they will be cut off. These owners are also more likely to act as local middlemen and money-lenders than in the lowlands. They make loans to villagers and buy back agricultural produce. All are agents or luk nong of Wang Thong or Phitsanulok traders on whom, in turn, they rely for credit and loans. Whatever crops they stock must be sold to their patron-traders.

In the lowland area arrangements are quite different, for villagers can have direct contact with district market traders to whom they sell. There, farmers either transport the crops themselves or have the buyers collect from their farm. Differences in transport and communications thus make for differences in the practices and processes of marketing. The easier it is to transport produce the less complicated the marketing processes will be with the goods passing through fewer hands (see Anderson 1970: 97-98).

### Economy

The economy of the district is predominantly agricultural with the local market facilitating an exchange of local agricultural produce for manufactured goods imported from other parts of Thailand and overseas. Peasant farmers who are no longer self-sufficient rely heavily on the market which has become an integral part of the Wang Thong economy, providing the local people with many of their daily necessities and a place to sell their products.

Except in some districts, such as Phrom Phiram, land tenure in Wang Thong does not yet constitute a major problem.<sup>5/</sup> In the uplands, however, many farmers have exploited land under a government preservation order. To prevent these poor farmers clearing forest land is difficult because the area is vast and requires more official personnel to patrol than the present District Office can supply. More serious is the fact that these farmers are landless and struggling for survival. To stop them clearing the forest means a new alternative settlement area must be provided, and the government is still reluctant to implement such programmes because a major scheme in Phrom Phiram has proved so problematic. At present no measures have been taken to prevent the farmers exploiting the forest land further.

According to the available official statistics, in 1963 86.3% of farmers in the district owned their own agricultural land whereas only 0.6% were cash renters and 1.2% were crop renters (see Table 7). It must be noted, however, that a number of traders in the Wang Thong market own large amounts of agricultural land. According to district officials it is believed that some traders own as much as 1,000 rai. Most of them obtain this through the khai fak system of 'redeemable sale' (The District Office Report 1974: 13; Kemp 1976: 212). Basically this is an arrangement by which creditors take possession of a debtor's fields and a number of farmers unable to pay back debts have subsequently lost their lands to trader-creditors. Most farmers are small producers working on small plots of land. In Hua Kok, a community studied by Kemp in 1966, the mean area farmed per household was only 14 rai and some farmers became landless wage labourers. Land shortage is

Table 7: Number and Area of Holdings by Tenure in Wang Thong

Holdings by	Number of Holdings	Tenure	
		Percentage	Area in Rai
Owners	7,144	86.3	189,869
Cash renters	49	0.6	603
Crop renters	98	1.2	1,623
Others	<u>991</u>	<u>11.9</u>	<u>13,315</u>
Total	<u>8,282</u>	<u>100.0</u>	<u>205,410</u>

Source: Agricultural Census 1963, National Statistics Office

becoming a serious problem in the economy of Wang Thong.

Rice cultivation is located chiefly in the lowland areas. In the upland areas farmers cultivate mostly maize and various kinds of bean. The expansion of this type of upland cash farming began in 1968 when the international demand for this product increased. The price of one tang (1 tang = 20 litres) of maize rose from eight baht to 45 baht within one year. Many lowland farmers consequently moved into the uplands to clear forest for cash crops. In the lowlands also where the land is undulating and not suitable for rice, farmers grow maize and beans. These cash crops are mostly grown in tambon Wang Thong, Ban Klang, Sai Yoi, and Ban Mung. In 1974 it was estimated that 310 tons of maize together with 81 tons of paddy from Wang Thong went for export (The District Office Report 1974).



Tractors have been widely used during the past decade though this was mainly in maize growing. This is because timing is a critical factor in maize cultivation: the field must be ploughed as soon as the first rains have fallen and the seed sown right after having been soaked for one night. The use of hired tractors, though costly, is enough to overcome the problem. It is estimated that 80% of peasant farmers use tractors to prepare the land for cultivation.

In tambon Kaeng Sopha garden fruits, such as pineapple, grape, longan, and rambutan, have been introduced. They are, however, still at an experimental stage though the results have been satisfactory and the yield is enough for local consumption. It is expected that within a few years fruits from Kaeng Sopha will enter the regional market and be able to compete with fruits imported from other areas such as Phetchaboon and Nan.

Vegetables and local tobacco are grown on both sides of the river in tambon Wang Thong, Wang Pikun, Mae Raka, and Chai Nam. Production, however, is still on a small scale and regarded merely as a means to earn extra cash. Villagers, usually farmer-housewives, bring produce either to Wang Thong or the provincial city markets early in the morning. To occupy spare time some farmers now devote part of their lands and labour to growing vegetables though it does not constitute the main source of their income as does rice or maize, beans or cassava. At present the Wang Thong market has to rely on the provincial market for vegetables which come mostly from Phetchaboon, a neighbouring province of 159 kilometres away.

Cattle rearing is another recent innovation in the uplands. It is a business run by a few wealthy Thai people from the market town. New breeds have been brought in from the Thai - Denmark Dairy Company in Nakorn Rajasima Province and financial support is provided by city banks. Local people have been hired to look after the cattle and in the future this industry might well provide many more jobs for villagers.

Duck rearing is practised along the river and around natural swamps, especially around the swamps of Raja Nok which is the biggest pond in the district. Some farmers own more than 200 ducks and take eggs to market everyday. Chickens are reared by most households for home consumption and for sale in the market. Unlike duck rearing chicken rearing is on a small scale and the breeds are mostly indigenous. Pig rearing is also common, they are reared mainly for sale and are regarded as a kind of investment saving. Normally, farmers buy a young pig from the market and feed it with left-overs mixed with bran. Within six months the pig will fetch what is a relatively large sum of money for the farmer. Nonetheless, the price of live pigs fluctuates so much that many farmers find the business too risky and troublesome.

Several local industries have grown up as subsidiary occupations. Three knife-making shops operate next to the market place of Wang Thong. In tambon Mae Raka mat-making is still carried on by almost all households. Immigrants from the Northeast have brought with them the traditional method of mat-making and their mats are regarded as well worth buying because of their quality so that they are now made for the market. Another local craft is the

making of bamboo baskets in Khao Samo Klang, five kilometres from the market town. Traders there buy raw bamboo from villagers in the upland area and distribute it to villagers to make baskets by hand.

Another important industry in Wang Thong is rice milling. There are 122 rice mills in the district: four are middle and 108 small-sized. The owners are almost totally Thai, only two are owned by Chinese. The mills are widely distributed and villagers carry paddy in baskets to the local mill whenever the need arises. The paddy is milled and the bran retained by the mill owner so that farmers do not pay cash for the service.

As mentioned above, most villages have stores selling household goods such as dried foods, vegetables, soaps, matches, and cigarettes. These items have been bought either in Wang Thong or Phitsanulok. Most store owners are wealthy farmers who seek extra money from trade. Some also act as middlemen buying and storing agricultural produce for middlemen traders in the district and provincial towns and have close links with town traders.

### C. Village Social and Economic Organisation

It is difficult to make generalisations about Thai villages because the variations in size, form, and social organisation are so considerable. According to administrative classification, a village or mu ban is the smallest administrative unit under the responsibility of an elected headman (phu yai ban). The form of the village can be linear where houses stretch out along a canal

or river regardless of any physical demarcation as a distinctive unit, or be an isolated, small clustered village. The size can also vary greatly from 25 - 150 households. A village, in this administrative sense, may or may not coincide with a 'natural' or 'social' unit. Ban Ping, a village in Northern Thailand studied by Moerman (1968), is one where the administrative boundary fits with the local social, economic, political, and ritual boundaries. Kaufman (1960: 17), using the wat and kinship as indicators, includes in his study of a community called Bangkhud three undemarcated administrative villages (Nos. 10, 11, 12), each with its own locally elected headman. Even then, people in one part of Bangkhud are marginal in their affiliations to the community in that they attend wat Bangkhud and wat Bangteoj. Posed with these theoretical and methodological problems, Kemp (1976), in his study of the social organisation of a hamlet in North-Central Thailand, questions the use of the concept of 'community' in Thai rural life. His unit of study is defined by "the structural 'models' of the participant" and kinship which are articulated through a common social identity as 'khon Hua Kok' or 'khon Ban Hua Kok', a Hua Kok person. Hua Kok is, he asserts, not merely a locality but also a social unit.<sup>6/</sup>

Based on Kemp's study in 1966 I shall give a brief account of those parts of the social and economic organisation of Hua Kok which is relevant to the present study. Hua Kok, a settlement of 278 people and 48 houses, is part of village No. 7 situated about 3½ kilometres to the south of the market of Wang Thong. There is no school, temple, or any other building in Hua Kok nor is there a bounded area of land associated with the place.

Most households are related to one another by kinship and affinity. What is important is that there is no single set of clearly stated and effectively sanctioned norms of conduct between kin. Social organisation is flexible so as to allow individuals to employ any number of normative rules to justify whatever interest is uppermost in their concern. They are not 'restricted' by one set of normative rules but can have recourse to many.

Kinship terminology provides an ideological platform on which individual's actions are based, and rights and duties are broadly defined. Except within the nuclear family, genealogical ties are not associated with sets of sanctioned rights and duties. Thai kinship terminology, therefore, offers its users a means of symbolically expressing important values such as age, affection, warmth, and respectability which are not immediately derivable from genealogical connexion (Kemp 1976: 82-95).

The family is not a corporate group. Relationships between members are dyadic and often based on a contractual and voluntary basis. They are characterised by a low level of dependency and of reciprocal expectations. One's behaviour is not governed by any familial norms of conduct but rather the norms provide an ideological charter on which decisions are based. Parents can retain, for as long as they want, the right to dispose of their property such as land and houses. Children, in turn, are not totally dependent on their parents or on anybody else. Whatever they earn independently from the family can be used as they wish. Parental authority is relatively weak. Children are not bound by

ties of dependence to accept the authority of parents. The family is not a property-owning unit because land was never a scarce resource: it did not need to be allocated or distributed by any form of tight family organisation. Children were not solely dependent on family connexions to gain access to land.

Marriage is not necessarily bound up with property settlements and political alliances. It is more often a matter of individual choice. Formal marriage (khō kan), where marriage is arranged through a go-between (thao kae) and which is followed by a public feast, has lost its popularity because of the impact of the development of a cash economy. Children are financially more independent of their parents and it is not necessary for them to ask for approval. Equally important, arranging a feast is an expensive and troublesome business. Most marriages nowadays take the form of 'eloping' locally known as 'fleeing' (nī kan), 'following' (tām kan), and 'taking' (pha kan). Marriage is thus easily contracted and at the same time easily terminated. Most marriages are not registered though this is required by law.

In Hua Kok male control is not very marked. Wives and daughters are independent to a certain degree and manage their own personal and family affairs. Normally, the wife is responsible for household income and expenditure (Kemp 1976: 153-55). She is, in fact, the one who negotiates with traders in selling household crops and some carry agricultural produce from the household garden for sale in the market at the morning. The income from such sales belongs to the woman. The freedom and the role of women in the economic sphere is noticeable and this has been noted

by several anthropologists of Thai society.<sup>2/</sup>

Differentiation in terms of wealth and occupation was beginning to develop. Traditionally, the hamlet was economically fairly homogeneous and socially egalitarian. Kemp noted that in 1966 the pattern of social and agricultural organisation was changing. Land had become a scarce and valuable resource. New crops and techniques, such as tractors and fertilizers, are being widely employed. Consequently, those unable to own land must either rent it in order to feed their families or become wage labourers. For wealthy and progressive farmers, however, improvements in techniques and the availability of wage labourers mean that they can utilise more land and increase their wealth.

Labour exchange (long khæek kan)<sup>8/</sup> was an important informal cooperative institution where farmers helped each other in farming and ploughing. Nowadays most farmers prefer to hire wage labourers for it is more practical and convenient. To call for a work party the host-farmer has to provide food and drink; the cost of which is sometime equivalent to the expense paid to labourers and, above all, labour exchange does not increase labour inputs. Relatively large land-owners have to rely on wage labourers. This is certainly a response and adaptation to modern market exchange. The labour market in the rural area is gradually being expanded. A number have become wage labourers and people are increasingly 'hired' to assist with the harvesting. Labour exchange has been retained only within a small network of kin and friends.

Marketing arrangements are well developed in Hua Kok. Information about prices is easily obtained from traders in the market or from village neighbours. Most peasant farmers sell part of their crops at a low price immediately after harvesting, for at the time cash is badly needed for purchasing other household items. In 1966 there were variations in the pattern of marketing of each particular crop. Rice, for example, was sold directly to traders, actually from Phitsanulok, Taphan Hin and Bangkok, who habitually travelled into the hamlet. Other crops, such as beans and maize, were sold to traders in Wang Thong<sup>9/</sup> or to their agents in the village. However, with the development of road, farmers in Hua Kok have come to lean more heavily on traders in Wang Thong when selling their crops. Nowadays Wang Thong has become a marketing centre for Hua Kok and nearby villages. Traders who used to come to Hua Kok by boats could not compete with other traders who travel by truck.

Indebtedness has not yet become a major problem in Hua Kok, but with a changing economy and an increasing population some farmers are forced to borrow money from either traders in the market of Wang Thong or from their neighbours and kin. Actually, farmers do not like to borrow from one another unless they are very closely related. They prefer to borrow from Chinese traders in the town market though the interest rate is higher. "It is said that kin in general do not charge one another interest and that when a creditor decides that he requires repayment there is likely to be bad feeling" (Kemp 1976: 244).

Like many villages in the area Hua Kok has undergone rapid



change in recent decades. Economically it has been integrated into the modern monetary economy: it cannot be self-sufficient. Associated with the scarcity in land and an increasing population, the effect of the modern cash economy on its social organisation is remarkable. Cooperative work groups, in which farmers pool their strength to complete a particular job either in the field or at home, have gradually been replaced by wage labour. The traditional large egalitarian society is developing into an inegalitarian one with villagers divided in terms of wealth and power. The majority of population will become part of a mass rural proletariat exchanging labour for wages.

What is still important in such a society as Hua Kok is the kinship ideology in terms of which much individual behaviour is structured. It provides the individual with a broad ideological platform on which decisions are made. At present it seems that there is a wide range of discrepancies between actual behaviour and the ideological charter. This certainly results from the changing circumstances in economic, political, and ecological structure. An individual has to be more practical and flexible in his adaptation to new situations whereas the traditional ideological charter still persists and has been affected less. In other word, there is change in 'organisation' but not yet in 'structure' (Firth 1959).

In contrast, it should also be noted that in the 'Leao' villages of the district, people are relatively group-oriented. Social organisation there is more tightly-knit and less affected by external change than in villages like Hua Kok in the lowland

area. Most Lao come to the area in groups of relatives and friends, and kinship ties remain important even where the villages expand in size and population. Furthermore, these villages are often some distance from Wang Thong and communications are relatively difficult. Personal relations within and/or between villages are thus intensified, and within these upland villages customs are preserved and barter exchange is still practised. Many villages have their own village shrines which give them an identity as a social unit (cf. Soontornpasach 1968: 19), and 'Lao' is still the language for conversation.

CHAPTER II

NOTES

1. Hafner (1974: 97-104), basing his analysis on central place theory, has distinguished five levels of market at the market centres in Chonburi: the village market, commune or tambon market, sanitary district market, district market, and regional provincial market. A similar approach can be applied to markets in Phitsanulok. However, there are differences in the history and in the degree of development between the two. In Wang Thong most commune markets, except the market of Sap Praival, function as village markets. Also to my knowledge Wang Thong, though administratively classified as a sanitary district, possesses as wide a range of goods and businesses as other districts. In fact, Hafner points out that some sanitary district markets such as Na Glua and Aw Udom "are substantially larger than district markets" (1974: 100). In this study I do not make any distinction between village and commune markets, and sanitary district and district markets. Village market here is used to refer to both village market shops and stores and small village market places such as in Chomphu where there are more than ten market shops and a small ground for stall petty traders to display their goods.
2. For further detailed description of the history and general characteristics of the city see Kemp (1976: 46-52).
3. For further detail on local government and administration see Von der Mehden (1970: 209-302), and on Wang Thong in particular see Kemp (1976: 40-43). The recent change was in 1975 when the kamnan was made responsible for the new government plan of allocation of money to the rural area.
4. See the discussion of problems and advantages of water transportation in Chaiyong Chuchart and Sopin Tongpan (1960: 110-19) and Dan Usher (1967: 215-18).
5. Data on land holding is difficult to obtain, especially when most traders are aware of the disputes between land-owners and farmer-renters that happened in other areas such as in Phrom Phiram. However, some traders admitted that they own more than 1,000 rai of agricultural land.
6. For further discussion see Kemp (1976).
7. See for example Sharp (1971) "Neglected Entrepreneur in Thailand" in The Social Science Review, Vo. 8, No. 3. Bangkok. Kemp (1976) also provides a detailed discussion of the role of women in the organisation of the family.

8. For more detailed analyses of various types of labour exchanges see Kemp (1976: 226-32).
9. Personal conversation with Dr. Kemp has confirmed that in 1966 maize was sold directly to traders who came by boat from Phichitr and Taphan Hin as well as from the provincial city. At present Wang Thong has become a centre for the selling of maize and other cash crops.

CHAPTER III

MARKETING COMMUNITY AND THE TOWN SOCIAL ORGANISATION

Like hundreds of other small towns in Thailand Wang Thong functions as a centre to people in the surrounding districts for religious, administrative, marketing, recreational, and other activities. Situated at the side of the Phitsanulok - Lomsak highway are the District Office and police station, and adjacent to them is the only secondary school in the town. The market place is located some 200 metres away from the road behind the District Office. Approximately 90 grocery shops and general stores cluster around the market place and along the main roads. A little to the south, wat Wang Thong stands on its own land; because it is the only wat in the district where ordinations can be performed, it serves both the rural and urban population. The town also possesses a cinema hall which shows mainly Thai and Chinese films and a billiard room where young people spend their free time. In front of the market place a number of large and small pickup buses await those returning home to their villages or travelling on to the provincial city. They belong either to local people in the villages or to the Wang Thong Bus Company of which most share holders are town-dwellers.

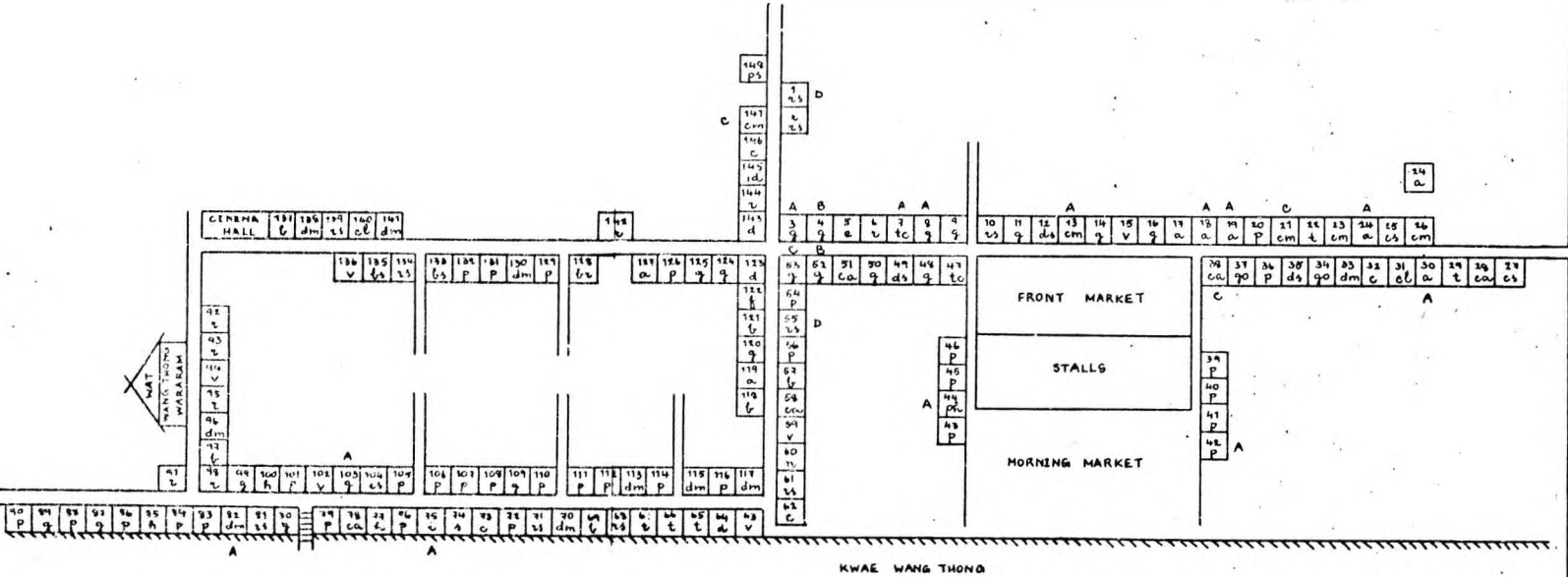
Except for market place sellers, traders live in their shops which are two storeys high and constructed of wood. The ground floor is used to store and display goods to attract passers-by while the shopkeeper's family lives together on the top floor. Most shophouses are not old; the oldest have been in existence no longer than 70 years. Away from the marketing centre most houses belong to market place sellers or government officials. The houses of government officials are noticeably better built and

more modern in appearance than those of others. Indeed, the style of house serves as a useful indicator of the social and economic status of the owner: wealthy traders tend to have bigger shops and government officials nicer houses. The outer parts of the town are surrounded by rice fields and villages. Although the town itself is small, with its concentration of administrative and commercial building it is strikingly different from the neighbouring villages. Residents have the advantage of their own electricity and waterwork systems, facilities which no village yet enjoys. Finally, a post office, the only one in the district, is situated at a corner 300 metres to the north of the town.

#### Historical Background

The history of the town can be traced back to the late 19th century. District records show that the area was officially designated a district administrative centre in 1895. Before that it was combined <sup>with</sup> the District of Bang Krathum and known as Nakhon Pa Mak (betel nut forest town). The administrative centre was then situated in Ban Sam Ruan or 'village of the three houses'. In 1898 the District Office was moved to the present day tambon Wang Thong, then known as tambon Talat Chum or Talat Yai Muang after the founder of the market place. The Office was located on the bank of khwae Wang Thong but the district continued to be known as amphoe Nakhon Pa Mak. The final shift occurred in 1941 when the District Office was relocated on its present site. The name of the town as well as that of the market place was also changed to Wang Thong (golden loop).

MAPS: THE MARKET SHOP OF WANG TRONG



- a = agricultural warehouse
- b = barber
- br = billiard room
- bs = beauty salon
- c = clinic
- cs = candy shop
- cl = clothes shop
- cm = construction materials
- co = coffee shop
- d = distillery and soft drink agent
- da = drug store
- e = electricity office
- f = furniture
- g = general store
- go = gold and watch shop
- h = household industry
- i = icecream agent
- id = ice-distribution
- n = nursery school
- p = private house
- ph = photography shop
- pa = petrol station
- r = restaurant
- rs = repairing shop (bicycles, motorcycles etc.)
- s = solder shop
- t = tailor
- tc = transportation company
- v = vacant

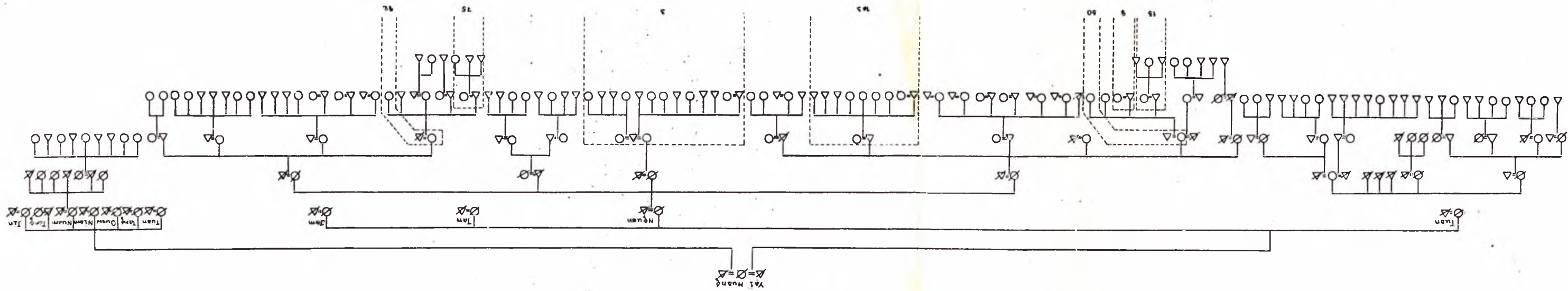
A, B, C, D = Shops and warehouses whose owners are related by kinship relations.

'A' is of Yai Huang descendants.



According to elders the history of the market is clearly traceable for five generations. To start with, the site was merely a tiny village surrounded by forest. Yai Muang, a Laotian villager from Vientiane came, and married a Chinese trader and they set up the first small shop selling miscellaneous items. Soon afterwards more shops were opened by other Chinese and a market place was established. Yai Muang later married another Chinese trader after her first husband was lost at sea on the way back to China. She had 11 children, some of whom took up trading. The market was then named after her but was then changed at the time of the formation of amphoe Wang Thong. Some of Yai Muang's great-great-grandsons and daughters are still involved in the business of Wang Thong market (see genealogical chart) and are among the leading traders.

The market of Yai Muang was about 200 metres to the south of the present one on wat land across the road from wat Wang Thong. Gradually trade expanded in scale and the range of goods offered as communications improved. The Phitsanulok and Wang Thong section of the Phitsanulok - Lomsak highway was completed and in 1956 the whole highway from Phitsanulok to Lomsak was officially opened. This progress led a Thai born Chinese named Thep (household No. 3), who was the wealthiest trader in the market and the contractor of the Wang Thong - Khao Sai highway, to foresee that the market should be moved to a more convenient site which would allow for subsequent expansion. To implement his plan Thep, who is the husband of Yai Muang's great-great-grand-daughter, went to see the District Officer. On the understanding that the district authorities control the market and collect market fees and rents, the District Officer



GENEALOGICAL CHART OF IAI HUANG, THE FOUNDER OF THE MARKET

agreed to establish a market place on state land (thi  
ratchaphatsadu).<sup>1/</sup> They was the first to move to a new shop  
located at the corner of the new market area, and soon afterwards  
relatives and friends followed him. The new market was completed  
in 1956 under the budget granted by the provincial office.

They is well known among government officials and it is  
likely that any matter concerning the market will be discussed  
with him. He has served for many years as a member of the  
Sanitary Committee, and it was he who organised the meeting among  
market sellers which allotted stalls. Furthermore, he has vested  
interests in various businesses in the town as director of the  
Wang Thong Bus Company and owner/manager of a petrol station and  
a general store in the market. His influence also extends to  
several villages where people used to work for him on construction  
work. When his son went into politics in 1974 his name was used  
and the son won the election. His success in business is  
outstanding and I shall refer to him again in a later chapter.

#### Social Stratification within the Town

As has been noted by many anthropologists of Thai society it  
is impossible for people to talk to each other without referring  
to relative status; all social relations are characterised by a  
superior-inferior aspect. In general, elder people receive  
respect from younger, government officials from laymen, and  
well-educated persons from the less-educated. Kinship terminology  
is often employed to address people according to age, sex, and  
the degree of intimacy.<sup>2/</sup> In the market place, traders and

buyers who regularly trade with one another address each other by kin terms such as pā (aunt) or phī (elder sibling) depending on the relative age and sex of the pair. The extension of kinship terminology to those genealogically unrelated is widespread among the Thai probably because it gives a general idea of the expectations, rights, and obligations involved in the relationship between two unequals.

Formal associations have not yet become a major social feature in Wang Thong.<sup>3/</sup> People are organised mainly in informal groups of kin, friends, and neighbours. Most participate in important rituals held at the wat or at people's home. Among townspeople the dictum 'everybody knows everybody' is still applicable and, as they express it themselves, they are 'the people of Wang Thong' (chao Wang Thong).

Informal grouping are organised for specific purposes such as merit-making at the wat, the blessing of a house, and marriage ceremonies. Such gatherings are nominally open to everyone. In practice, however, individuals seem to know quite well whether they belong to the party. People are well aware of their social and economic status within the hierarchical system of the town. It is rare to see wealthy traders spend their time drinking with traders from the market place. Certainly, townspeople do invite each other to important ceremonies, such as those mentioned above, but unless they are close kin, friends, or inferiors who have come to assist the host, guests soon leave the party. Their appearance is merely an expression of conventional courtesy and goodwill.

The people of Wang Thong can be placed into four main socio-economic categories. The first consists of high ranking government officials such as the District Officer, his deputies, the head of police, doctors, and some retired government officials. The second is that of wealthy traders who are mainly Chinese or Sino-Thai with shops and other business outside the market place. These must be distinguished from the poorer traders consisting mainly of Thai sellers in the market place and some very small-scale Chinese shop owners. Finally, there are the unskilled labourers and peasant farmers.

The first group, the town élite, consists of a small number of high ranking government officials, none of whom are local people. They are not appointed permanently but can be, and frequently are, transferred to other places. Their attitudes are therefore Bangkok-oriented: it is Bangkok that controls their prospects and life chances. Beyond routine administrative work their concern with local people is limited. Furthermore, their uniforms set them apart from the rest. Because they are small in number and somewhat confined in their relationships it is not difficult to distinguish them from other groups.

Their life-style is markedly different from that of others in Wang Thong. They depend largely on the provincial centre for recreation and shopping because their needs for luxury goods and services are not satisfied in Wang Thong where only two restaurants and a market place vegetable stall offer items to their taste. Though they live next to the market, members of this élite are rarely seen there. Business with traders is conducted through the

wealthy merchants who are members of the Sanitary Committee and personally familiar with them.

The second category consists of wealthy Chinese and Sino-Thai traders, some of whom are young and active members of the Sanitary Committee. It is primarily this group which determines the direction and pace of change in the town market. Their interests in the economy of Wang Thong include the petrol station, bus company, agricultural warehouses, and the relatively large shops and stores. Though they do not form a distinct social group in the eyes of the people they are recognised as the leading traders by virtue of their businesses and wealth. They gather informally once a month in a Phitsanulok restaurant where they discuss anything from business to family affairs.

Though distinct from the first category they maintain close relationships with it if only because of their business interests. For example, the owner of a gun shop requires help from officials to obtain licences for the guns he sells, and the agent of a provincial shop which has a monopoly on sales of the local whisky cooperates with officials to prevent people distilling their own liquor. Furthermore, when high ranking officials, such as the District Officer or the head of police, are transferred it is this group of wealthy traders who help arrange farewell and welcoming parties. Most have been sufficiently educated to communicate easily with government officials. They thus act on occasion to liaise between officials and the trading community as a whole. They are also more 'modern' in their business methods; book-keeping, banking, and modern transport are not new to them.

Some are members of Chinese associations in Phitsanulok, yet their attitudes are heavily oriented to Thai social values. They send their children to Thai schools and support their children in entering the Thai bureaucratic system (cf. Skinner 1958: 245).

The third category consists of a large number of Thai, Sino-Thai, and Chinese traders in the market place and Chinese small shop owners. They form a loosely-knit group different from the officials and wealthy traders in that their common interests are based solely on the economic activities of the market place, the welfare of which is their main concern. They avoid much involvement with government officials and with the 'wealthy traders' of the market shops and stores. Indeed, they often complain amongst themselves about the general condition of the market place for which wealthy traders and the official members of the Sanitary Committee are responsible.

Though they are relatively poor they see their style of living as town-oriented compared to that of peasant farmers and wage labourers. They live in the town and are thus exposed to the modern facilities enjoyed by town-dwellers, such as television, radio, and electricity. Some are quite prosperous and own cars and buses; however, as most are Thai with villager-relatives they are more familiar with the rural way of life. Their businesses are small in scale and function mainly on small profit margins. Their stalls in the market place are so confined that interpersonal relationships among members of the group are intensified.

The last category is that of the unskilled labourers and peasant farmers who are from outside the town. They come to town

only to buy and sell or to work as wage labourers in the agricultural market to earn little extra money in their free time. In Wang Thong the labour market has not yet fully developed and it is difficult for farmers to find work unless they are prepared to move to the provincial city or Bangkok. Entry into commercial business in the market place is the only choice they have in the town.

Peasant farmers are certainly conscious of their socially and economically deprived status within the hierarchical system of the town. Socially they are classed as khon ban nek, 'people who live in villages outside the town' and all that this implies. Economically they see themselves as khon chon, 'poor people', who work on the land and depend on traders when they sell agricultural produce and buy manufactured goods for household consumption. Under present circumstances with land becoming a scarce resource and a rapidly increasing population, many find themselves indebted to these traders and become luk rai luk na (children of the fields). Such relations between luk rai luk na and traders can be viewed as patron-clientage (Foster 1963, 1965). They bring together people of different socio-economic status who exchange different kinds of goods and services. Traders are patrons who assist their clients in time of economic depression in return for cash crops, labour, and political support. The relation which is initially an economic one usually develops to include other aspects of life of the people involved and becomes multiplex (Wolf 1966: 86-87; Cohen 1974: 53-54).

Relations between villagers and officials are still marked by



the officials' paternalistic attitude and traditional notions of social hierarchy on both sides. Officials are reluctant to visit peasant farmers in their villages. Social distance is noticeable: villagers still regard the officials as chao nai, 'bosses', a phrase which implies 'lording it over one's inferiors'. As with the poorer traders most villagers do not want to get involved with officials and have few expectations of them.<sup>4/</sup>

From the above it is evident that Wang Thong market town is by no means a closed community but is 'articulated' with other provincial and district towns, especially Bangkok, through its élite of senior government officials and wealthy traders. The orientation of these élite groups is vertical and cosmopolitan in that their interests go far beyond the town's social and economic boundaries to Phitsanulok and Bangkok. The élite thus integrates the economy of Wang Thong into the wider system of the national society. Below them the integration of economy is made possible by the khon chon of the lower group and the mae khaa traders in the market place who link the town with the surrounding rural area.

To note such articulation is not to deny the 'conflict of interest' that occurs among the groups involved. Indeed, just as the modern cash economy affects village social organisation, so the degree of specialisation and differentiation in wealth and power among various groups has had effects on the social life of Wang Thong. In an election for members of the Provincial Council in 1975 the whole market divided into two groups, each with its own candidate. Shop and warehouses owners outside the market place

supported the son of a wealthy trader, whereas the market place sellers tended to be sympathetic to a candidate of peasant stock said to be poor but courageous enough to argue with government officials. Though both of them were elected as members of the Provincial Council, the market place sellers are much more pleased with the result because they had expressed their common interests and stood united against the group of wealthy traders.

However, conflict is ameliorated by the network of kin and friendship relations cutting across these boundaries. Peasant discontent arising from changes in social and economic conditions is also attenuated by traditional patron-client relations. Many farmers are almost totally dependent on their patron for rice and other necessities. In addition, village social organisation is such that they are not able to unite together to articulate common interests and problems. So far, no political party has attempted to represent and articulate the interests of the rural population.<sup>5/</sup>

#### Migration and Mobility

The social organisation of Wang Thong then is by no means static. The commercial sectors are expanding spatially, in the numbers participating and the marketing area. In the market place the number of sellers varies greatly according to time and seasons. At the end of rainy season and the beginning of the cold season (October - January), the market is busy and the number of sellers and buyers increases owing to the availability of cash from the sale of maize. Similarly, in the market shops, the agricultural

market, and the market for services and locally manufactured goods, the number of traders is not absolutely fixed. At least five new shops were set up during my fieldwork there: a dispensary, two general stores, an agricultural warehouse, and a solder shop. In addition, the number of local middlemen and agents fluctuates according to the supply and demand for each harvested crop. Certainly, there are some traders who move out. These come mostly from the services market such as the restaurateur and tailor who acquired sufficient wealth and experience to set up in the provincial market centre.

Despite these cyclical changes and the departure of some, the overall trend has been one of growth. In general, there is a tendency for immigration rather than emigration. The families of most shop owners and traders outside the market place migrated from elsewhere a generation ago. The native traders are descendants of Yai Muang. It is not practical for most to move elsewhere once they have established regular trading relations. To do so necessitates forming relations with customers all over again with no guarantee of greater success. Moreover, most prefer to invest in their established businesses or in land which makes them even less mobile.

Certainly, a few traders have failed and suffered a reduction in the scale and range of goods and services they offer. Competition is not the only reason for this failure. In two known cases the individuals concerned had invested in agricultural produce by providing excessive credit to farmers but were then unable to collect sufficient crops because of poor harvests in

consecutive years. Another failed because of an accident of his own making and had to cease to do business when the case was brought to court. There are also a few shops whose owners are about to retire and are not enthusiastic about expansion. Although market business for them is an indispensable part of their daily life, no matter how small or prosperous they are, their business will eventually cease to function unless they have children to take it over.

These changes facilitate the entry of newcomers, especially the younger generation, into the market easier. Children of market shop owners who have no wish to embark on further education frequently take over their parents' business or establish their own shops with help from their parents. For them the aim is always expansion and those who have sufficient experience and background constitute the most promising group for the further development of the market of Wang Thong.

Mobility between the four market sectors is restricted owing to the differences in capital, skill, experience, and specialisation required by each sector. There is little opportunity for market place sellers to establish shops in the other sectors which are dominated by the Chinese (cf. Szanton 1972: 141). Some who are able to accumulate capital thus prefer to invest in other types of business such as transport or in land. It is also difficult for traders of other sectors to enter the agricultural market for this particular sector is highly capitalised and needs much experience in judging the quality of produce and in speculating on price movements. In addition, there is the problem

of access to trading networks not only within Wang Thong District but also in Phitsanulok and Bangkok. Most traders have gained experience, capital, and access from their parents.

The difficulties of moving into the agricultural sector increased when transport and communications improved. The completion of the Wang Thong - Khao Sai and Phitsanulok - Lomsak highways greatly increased opportunities for wealthy traders buying agricultural produce directly from farmers. The agricultural market has thus become highly capitalised during the past two decades which has forced small-scale and the less specialised middlemen to cease business or become the lūk nōng or lūk nā of the wealthy agricultural wholesalers. Formerly, buying agricultural produce was an activity of most traders. Nowadays town shop owners who used to buy crops from farmers are unwilling to take the risk because they cannot compete with the expertise of the specialised and capital-intensive wholesalers who also have their own transport with which to collect crops directly from the farms. The ease of communications thus makes possible the further development of agricultural marketing which becomes highly specialised, capital-intensive, and specific to a particular group of traders. Mobility into such trade and marketing becomes difficult if not possible.

Finally, it should be noted that most traders and sellers are motivated to ensure that their children receive higher education. Their success in life is judged not only in terms of business investment but also in investment in the education of their children. Approximately 25% of the children of traders

in the market of Wang Thong have studied at university, teacher training schools or technical colleges. Out of these, two have obtained Ph. D. degrees from the United States and three are pursuing postgraduate courses abroad. This younger, educated generation does not necessarily return to the parental business. They prefer to work in Bangkok or elsewhere as government officials or employees of private companies. Wang Thong is too small and offers few prospects for these people with higher degrees. Mobility through education is thus remarkable among the children of traders. Their aims in supporting the education of their children lie not so much in the fact that the children will inherit their businesses later, but more in that they will get access to the higher and prestigious occupations in government offices or private companies outside Wang Thong. Such educational mobility eases the problems of inheritance and the division of family businesses. The educated children are away from home and not interested in the parental business which tends to be inherited by the one or two sons who remain at home. They are the ones with the experience and skill in trade and marketing, and able to make a go of the business. Perhaps surprisingly then, there is never a problem of too many children wishing to inherit the business or of too few prepared to take it over.

### Chinese Ethnicity

#### a) introduction

The Chinese are the largest and most important ethnic group in the town. They have dominated trade and marketing in Wang Thong

since the early days; indeed, as in many other small towns the Chinese pioneered the establishment of a permanent market. At present they constitute the central core of the business community while the Thai prefer to live on the outskirts of the town. Most Chinese live in the two storey shophouses which ring the market place. The ground floor is used for business, to store and display goods. The family lives on the first floor. Among Chinese traders there is no real distinction between home and work: eating, sleeping, and carrying on business all occur on the same premises.

As in the provincial city most Wang Thong Chinese belong to the Hainanese dialect group. Members of other dialect groups, such as Teo Chiu and Hakka, have only come into district in the past two decades. Traditionally it is held that the Chao mae Thong Dam, the spirit worshipped by the market traders, was displeased with the other Chinese groups. Consequently, most of those who tried to set themselves up there met with disaster. Though such a belief does not command much faith nowadays, the Hainanese are nonetheless still the largest Chinese group in Wang Thong. They monopolise most of the business there particularly in the market of agricultural products. Teo Chiu and Hakka speakers own but few grocery stores, and Wang Thong is too small a market to accommodate Chinese of all dialect groups. Interestingly, this particular dominance of Wang Thong is fairly typical:

It was, in fact, neither the Teochiu nor the Hokkiens or Cantonese who were the real pioneers in upcountry Siam but rather the Hainanese... The major area of Hainanese settlement was the Yom and Nan River valleys above Paknampho... Every town along the Nan River from Phijit, Phitsanulok up to Nan... were first settled by Hainanese. Some of these towns were completely new settlements made by Hainanese pioneers... While in many others it was the Hainanese who started the first permanent markets.

(Skinner 1957: 38, underline added)

Several factors help explain the Hainanese pioneer role in 19th century Siam. Firstly, most were poor peddlers who could not compete with the Teo Chiu and Hokkien speakers in the urban capital centre. Secondly, Wang Thong and other towns in the North-Central Region used to be surrounded by forest in a malarial area and the Hainanese survived here because they had the advantage of an in-born resistance to malaria and other tropical fevers. Hainan, of course, lies in more tropical latitudes than any other emigrant area in China, and endemic malaria was more widespread there than in the delta area of the Teo Chiu or Canton (Skinner 1957: 38-39). Another reason is that the Hainanese were the first to establish themselves in Wang Thong and in the nature of things formed a close-knit endogamous group. Moreover, they had links with Hainanese Chinese in Phitsanulok who also constituted the majority Chinese trading group. It must have been difficult for those of other groups to break such a monopoly. To do business one needs introductions and supervision as well as financial support over an extended period of time. Without the kind of contacts that the Hainanese in Wang Thong enjoyed, other traders failed.<sup>6/</sup> Nowadays the group boundary of the Hainanese traders is weakened by the number of their descendants being assimilated into Thai culture and society, thus leaving room for other



groups to manoeuvre against the Hainanese hegemony. Furthermore, intermarriage between those of different ethnic and dialect groups has taken place and this has certainly contributed to the weakening of the Hainanese monopoly.

The important point to note here is that at present, among the Chinese of different dialects, a new distinctive ethnic group has been developed. Such a group emphasises the significance of the 'Chinese-ness', not of the differences between dialects. They are all known as 'Chék', a Thai term for all Chinese regardless of their dialect or origin. Through the assimilation process the importance of dialect differences has been reduced. In Dalat Plu studied by Galaska, for instance, "families of known Hainanese, Hakka, Cantonese and Hokkien backgrounds, simply identify as Teochiu, the language they now speak. Many did not indicate their original background until pressed" (1969: 176). They have all become 'Chék' in the eyes of the people.

The degree of assimilation and acculturation of the Chinese into Thai culture and society is remarkable and has been noted by many scholars (Skinner 1957; Amyot 1972: 83-87). Most traders and middlemen in Wang Thong are second or third generation Chinese, that is their parents or grand-parents were born in China. Many have been educated in Thai schools and have served in wat Wang Thong. Their children also go to Thai schools and only four have children attending a Chinese school in the provincial city. Their attitude toward the education of their children has already been mentioned. A commonly expressed reason for traders carrying on their business is to be able to afford to educate

their children in good schools and encourage them into higher education. However, those who enjoy higher education frequently prefer not to return to their parental business. They tend instead to be assimilated into Thai society and culture with greater speed and to a higher degree than relatives at home. Certainly, they maintain ties with their families but without community stress and strain they become quickly absorbed into Thai society and make their way to a higher position on the Thai social ladder. One such man, for example, obtained a Ph. D. degree in the United States and started a career as a university lecturer. With the general election in 1974 he went into politics. Such an example of social mobility is not unique for it is happening to many of young people of Chinese descent in other market towns (cf. Pongsapich 1976).

Conversely, those of Chinese origin who do not enjoy higher education remain in trade and assist their parents. Culturally these maintain, to a certain extent, the Chinese customs of ancestor worship, mortuary rites, and the New Year celebrations. The degree of assimilation among these Chinese descendants is thus less than among the former group.

b) assimilation and Chinese trading domination

Eighty seven point five (87.5) per cent of the market place sellers are Thai whereas majority of shop and agricultural warehouse owners (86.36%) are Chinese or Sino-Thai. Ethnic differences, however, do not prevent social and commercial relationships with one another, and there is no hard feeling

against the Chinese. Market place sellers may feel economically inferior but racial antagonism towards the Chinese shop and agricultural warehouse owners has rarely occurred. Conflicts of interest, if any, are expressed rather in terms of differences in wealth and status, for the Chinese are generally prosperous. But it is not because they are Chinese that the Thai may act against them, rather it is "because they are wealthy, we do not want to get involved with them". Furthermore, assimilation has reduced the importance and explicitness of ethnic differences. The local Thai do not feel that the economy is dominated by outsiders but by their kin and friends (Galaska 1969: 110). The Chinese have formed relationships with the Thai over a long period of time, and the Thai accept the fact that Chinese shop and warehouse owners work hard all their lives and thus their well-being is justified. A number used to do business in the market place before setting up shop where poor Chinese traders continue to operate. Conflicts of interest tend to be associated with wealth and power rather than ethnicity as such. In keeping with this the Chinese have also not felt their economic well-being threatened by the Thai except for occasional accusations made by the government against Chinese economic domination. In this context it is important to note that the degree of assimilation is increasing and the exclusiveness of the Chinese has gradually been reduced through intermarriage with the Thai. Marriage between Chinese business communities which preserved exclusiveness has also lost its former popularity. Nowadays young Chinese are allowed to marry any girl of their choice. In this respect Cohen's sociological analysis of a Hausa trading community may be relevant



and apply to the case of Chinese ethnicity. Cohen distinguishes between the two differing processes of 'detrribalisation' and 'retribalisation' in a period of socio-cultural change.<sup>2/</sup>

The one (process) of ethnic groups rapidly losing their cultural distinctiveness, and the other of ethnic groups not only retaining but also emphasising and exaggerating their cultural identity and exclusiveness. In the one case an ethnic group adjusts to the new social realities by adopting customs from other groups or by developing new customs which are shared with other groups. In the second case an ethnic group adjusts to the new realities by reorganising its own traditional customs, or by developing new customs under traditional symbols, often using traditional norms and ideologies to enhance its distinctiveness within the contemporary situation.

(1969: 1, emphasis added)

These do not necessarily contradict each other and may co-exist in varying degrees of intensity depending on the nature of political and economic circumstances. Both can be perceived in the history of the Kingdom of Siam, for the relationship between the Thai and the Chinese traders has not been without its vicissitudes.<sup>8/</sup>

Traditional Thai social organisation with its two main categories or classes, the naï (the ruling class) and the phrai (the subordinate class),<sup>2/</sup> enabled Chinese immigrants to fit in at a time when the country began to experience the threat of Western encroachment and needed the people with the entrepreneurial skills that the Thai themselves had not yet developed (Skinner 1957: 99-109). The patron-client system underlying the interaction between the naï and the phrai, whereby the subordinate phrai offered gifts and services to their naï in return for aid and protection, was employed by Thai and Chinese in dealing with each other. The Chinese sought protection of their economic interests by political patronage and adopted such Thai customs as

chewing betel nut, ordination, and marrying Thai wives. The Thai élite profited from the wealth acquired for distributing political favours to the Chinese, making possible some form of status to incorporate them into the Thai hierarchical system. There have been instances of Chinese traders being enobled into the Thai ranking system (Rabibhadana 1969).

At the local level the trend towards 'detrribalisation' has been far more in evidence. Most of those of Chinese descent have been absorbed into the Thai socio-cultural system within two or three generations (Skinner 1957: 107-09).

While 'detrribalisation' has certainly occurred there are also indications of 'retribalisation'. The Chinese do tend to monopolise internal trade and, though lacking any tight-knit form of organisation, create trading and social links among themselves. The Wang Thong Chinese, for example, are closely linked with Chinese in the provincial city through trade and welfare societies.<sup>10/</sup> Business informations concerning pricing, supply and demand pass along these channels, and credit is more easily obtainable for Chinese than Thai. Within particularistic networks where individuals know each other well, informal social sanctions are highly effective. Each individual tries hard to maintain a trustworthy reputation, a breach invites gossip and trouble for business. Unlike the Thai the Chinese traders do coordinate to maintain their monopoly in trade and marketing and to deal effectively with any threat from the outside. Because of its ethnic characteristic it is difficult for Thai traders to gain access to such network.

In the past the significance of this network for Wang Thong traders was even more pronounced than now. Before 1950 Wang Thong market performed an intermediate market role for traders in Sap Praival and Nakhon Thai District. Chinese from Wang Thong and the provincial city used to load horses with goods to sell to the Chinese traders and villagers in Nakhon Thai. Communications at that time were poor: it took the whole day to travel from Phitsanulok to Wang Thong and another day to Nakhon Thai. In these circumstances the Wang Thong Chinese shop owners were obliged to provide visiting traders with food and lodging. Traders from Nakhon Thai purchasing goods in Wang Thong or on their way to Phitsanulok had to spend a night in Wang Thong. Provision of food and lodging strengthened commercial and personal bonds between the traders of different communities. Indeed, the Chinese had developed trading communities at every step of the marketing network from Bangkok to the provincial city and district towns. This exclusiveness was further reinforced by intermarriage among Chinese of different communities. Indeed, they had so controlled all stages of trade that it was difficult for other groups to break through. This monopoly has been held by the Chinese right to the present day.<sup>11/</sup>

On the other hand, many of Chinese descent have been educated in Thai schools, have adopted Thai names and have been assimilated into Thai society. In this way more and more shops are owned by Sino-Thai who prefer to use Thai as the business language. Out of 70 Wang Thong shops which have trade titles, only 16 or 22.86% have retained their Chinese titles, the rest have changed to

Thai.<sup>12/</sup> It is difficult for an outsider to pinpoint the origins of these owners who prefer to identify themselves as Thai. However, on closer inspection these traders maintain ancestral shrines, and often a Chinese dialect is used in conversation among themselves. They are members of Chinese associations in Phitsanulok and have close connexions with the Chinese traders there. Thus despite the appearance of assimilation into Thai society and culture, these traders preserve and practise those Chinese rituals of birth, marriage, and death which express their common origin and articulate relations within the Chinese commercial community.

One way of looking at the situation is to suggest that the Chinese manipulate their economic resources to gain either a social reputation or economic profit in the national social and cultural context at the expense of their own particular social and cultural characteristics.<sup>13/</sup> They may be said to 'detrribalise' to secure economic and political advantages in their relations with the Thai. On the other hand, they perhaps 'retribalise' in their retention of a particular monopoly with their specifically Chinese cultural institutions which serve to effect this. But in all this it is a question of degree and intensity between these two processes. Obviously, the situation in Wang Thong is by no means as extreme as with Cohen's Hausa in Ibadan. Ethnicity, after all, is a matter of degree, it is not an all or none affair. In Wang Thong the Chinese as individuals compete with each other in business but on specific occasions they can also be seen as an informal social group. Given the absence of a situation of intense

political confrontation evinced in Cohen's study of the Hausa, ethnicity does not manifest itself and therefore does not bring out that group-consciousness that his studies of ethnicity have shown.

c) family, kinship and marriage

It has generally been agreed that the family system in pre-communist China was characterised by two types of extended family: the stem and the joint family. The stem family consisted of one son who after marriage continued living with his parents and unmarried siblings. The joint family differed from the stem family in that more than one married son or daughter remained with the parents and unmarried children (Willmott 1960: 260). Nevertheless, because of poverty and the pressure on land and increasing population, only the gentry was able to maintain the joint family system. Among the majority of the population, especially among the rural and urban labouring classes, the conjugal family was commonly found (Willmott 1960: 263).

As in many towns in Thailand the Chinese in Wang Thong still regard the joint extended family as an ideal. The Chinese brought with them the traditional idea of the patriarchal extended family. They prefer to see their grand-children brought up around them and their authority retained at the centre of family organisation. Already, however, certain aspects of the traditional family system have been abandoned.

Except for one wealthy Chinese family, Chinese families in



Wang Thong are of the nuclear type comprising of husband, wife, and unmarried children. Several factors help explain this.<sup>14/</sup> Firstly, except for the agricultural warehouses business enterprises in Wang Thong are small and do not require more personnel than husband and wife with some assistance from grown-up children. Only one trader with interests in various enterprises has his married children at home and established in one or two businesses of his own (household No. 3); most shops are run by a single nuclear family. Secondly, as mentioned above, the more highly educated tend to move away from home and set up their own nuclear families in Bangkok or other large towns. Thirdly, the increase in occupational and professional opportunities releases children from their dependence on parents and also reduces the authority of the parents within the family. Young Chinese often look for a job on their own and once established prefer to set up their own independent family household. Finally, it is often said that to have an extended family can be troublesome, frequently because of conflict between mother and daughter-in-law which is certainly a perennial problem. Overall then, friction between nuclear units within the extended family has made the extended family unpopular (Galaska 1969: 112).

The general pattern and the dominance of the nuclear family in Wang Thong revolves round the children without further education who help their parents in the business until they reach maturity. Then, either before or after marriage, they set up their own shops in Wang Thong or elsewhere with the financial assistance of their parents. Most often these children will ask for their

independence immediately they decide to marry.

Marriage is nowadays a matter of personal choice. Arranged marriage is uncommon and throughout the period of fieldwork I did not come across of any case.<sup>15/</sup> Nevertheless it is normal for a couple who have decided to marry to consult their parents and formal negotiations are then arranged. The boy's parents approach the other side through a go-between and an agreement over the bride-price is made. The parents on both sides agree to offer the same amount of money as sin sot (gift money) to the bride and groom to start them off on their life together. In one case the money given to the new married couple (household No. 21) was as high as 200,000 baht (£5,000). A couple is able to establish their own shop with the money and almost immediately becomes independent.

Usually, there is no major problem over the inheritance of property: the one (actually the eldest son) who remains longest with the parents inherits the business. The others will have received further education or money and financial support after their marriages. In Wang Thong related traders help each other by introducing customers to their siblings' or parents' shops. Borrowing money and goods for a short period of time among these shops is also not uncommon. It is an obligation for parents or siblings to help support the new shop until such time as the business is secure.

As with its Thai counterpart the Chinese family is an economic as well as a social unit. Members are responsible for

the destiny of their own family. The husband is household head and makes the decisions on important matters such as what and where to invest and the education of the children. Nonetheless, because of the great impact of urbanisation, modern education, and the Thai style of living, the role of the wife is increasingly important. Husband and wife nowadays help each other in running the business as equal partners (Galaska 1969). Inter-marriage with Thai women further enhances the wife's position in the family. In practice everybody in the family helps each other without any immediate financial return. Children learn how to conduct business from a very early age. The usual division of labour is for the wife and children to work in the shop while the husband is responsible for outside contacts which involve visiting and obtaining goods from the provincial market or Bangkok. On the whole, whatever can be made out of business becomes a family asset, the use of which must be discussed by husband and wife.

Among Chinese the family name is of prime importance not only for economic reasons but for social considerations. In marriage, for example, a Chinese family tends to arrange a big feast, for this increases the family's name and prestige. In general, the Chinese are economically well off and to such people the Thai practice of 'eloping' (nī kan/tām kan/phā kan) is considered harmful to the family name. In the past if such a case occurred the girl would be cut off completely from her parental family. However, even this is changing and parents no longer have a strong enough authority to prevent children from marrying the person they choose.

A case in point is that of household No. 38. Tim is the only daughter of the Hua family who settled down in Wang Thong some 30 years ago (household No. 53). She assisted her parents in their general store next to the market place and was also responsible for household work. She fell in love with Tong, a young tailor who had just moved into the market of Wang Thong. Though he was Chinese Tong was not well accepted by the Hua family because he was so poor. Tim finally decided to elope with Tong one night and this caused a serious scandal among the Chinese in the town. Her parents initially refused to accept the couple in their home, but after a year Tim and Tong returned to Wang Thong and set up a small sweet shop at the other side of the market. Having had experience from working with their parents the couple managed their business well enough. At present their shop is one of the busiest in the town with customers from various villages in the district. Their financial success is well recognised not only by their parents, who now welcome them to the house, but generally by the people of Wang Thong.

This case was not without its effects on the whole Chinese community. Marriage is at present rarely arranged by parents; children are free to choose their spouses provided that parents are informed. Though most elderly Chinese still prefer to have their children married to Chinese or Sino-Thai, there is no strong objection to marriage with Thai. This is in sharp contrast with the past when marriage was arranged by parents through a go-between who would look for a bride in other Chinese trading communities. At present such arrangements are rarely practised.

As ethnic demarcations have gradually weakened, so the spirit of the group that existed among the Chinese and Sino-Thai in the town is challenged by the trend towards modern education and intermarriage and vice versa.

An understanding of the changing pattern of family and marriage is usefully illustrated by the developmental cycle of the Hua family. After working with his father until he was 22 the eldest son (household No. 141) decided that he would like to work with the government appointed malaria team. This obliged him to travel to a number of villages and he finally married a Thai village girl. After two years with the team he found that the salary was insufficient to keep his family. Back with his parents he worked in the shop for a salary. It took him four years before his father agreed to offer him 40,000 baht (£1,000) to set up his own shop on his parents' land. Because of his access to credit from various shops in Phitsanulok and the experience gained from working with his parents, within a year the total amount of his shop and stock's value increased to 150,000 baht (£3,450). During this time he remained in close contact with his parents and siblings and enjoyed such assistance from them as free access to his parents' pickup used for collecting goods from shops in Phitsanulok.

The other two married sons reveal different patterns of marriage and business involvement. The second son was not interested in trade and marketing though he had helped his father in running the main shop for some time. After finishing high school he obtained permission and financial support from his

father to further his studies in the Philippines. On his return he applied for a job in Bangkok but was not successful; at present he still lives with his father but with no intention of going into business. He is trying to get a job in a government office in Lampang Province where his girl friend, a Thai school teacher, works. The third son (household No. 21), who has just got married, was formerly in charge of his father's other business shop selling construction materials at the south end of the market. When he decided to marry a daughter of another prominent Wang Thong Chinese trader (household No. 127), formal negotiations were conducted. Since both families are wealthy the wedding party was held in the courtyard in front of the amphoe office. It was said to be one of the grandest parties ever held in Wang Thong. Senior government officials were invited and both sets of parents gave the couple a total amount of 200,000 baht (£5,000) in addition to the shop selling construction materials which the son had been managing.

The example of the Hua family is by no means atypical. There is no pressure to force children to enter business or marry a Chinese girl though the preference is still to marry daughters of the other traders who have experiences in trade and can help look after the business. Children certainly gain experience in trade and other family business but they are free to arrange their own lives. Parents give them financial support as best they can if the children so wish to embark on a business enterprise. Even among poorer families the parents will assist their children in getting through the difficult initial period of establishing a business.

Relationships with other kin are of far less significance for economic affairs; many traders tend to stress that 'business is business' but this is a rather overemphatic statement. Kin do help each other in introducing new customers and in giving business advice to traders. In buying and selling among kin and friends the standard price is charged, but a concession is always given in terms of an extra amount of goods or services. In addition, examples of more extensive cooperation among kin and friends, though small in number, do exist. The most obvious is the Wang Thong Bus Company where kin and friends pooled resources to organise the enterprise on a more modern and rational basis.

It should also be noted that kinship among the Wang Thong Chinese has been changing from emphasis on patrilineal descent to a bilateral pattern where kin of both sides, the husband's and wife's or father's and mother's, are equally important (cf. Willmott 1960: 265). This is a result as well as a cause of the changing role of wives mentioned above. Marriage with the Thai also serves to reduce emphasis on patrilineal descent. Such changes have repercussions on the marketing organisation in Wang Thong in that they enlarge the number of kin available to each individual. However, it is not the case that all kin are in contact with each other. Relationships are intense among a selected number of the kindred such as siblings and first cousins and it is this set of the kindred which is most important as far as business is concerned. The entire kindred does little more than provide an individual with a network in which he or she can choose and be chosen to relate to others on the basis of such

criteria as proximity (klai chit kan), relative wealth, personal attractiveness and advantage. Most traders and those entering business utilise this network for economic purposes. To conclude, although the kinship system is changing, kinship is still highly valued and is significant in maintaining Chinese dominance in marketing.

d) associations

There is no formal Chinese association in Wang Thong but a number of traders are members of associations in Phitsanulok. These associations provide channels for the development of economic as well as personal relationships. Their primary aim is ostensibly 'welfare' and they are known as 'welfare societies' offering services to all Chinese. Nevertheless, since all members are traders and businessmen, relations among them are not limited to welfare purposes. Business news about prices and conditions of the market as well as news of individual traders passes informally from member to member. Therefore it is readily evident that as far as business is concerned, Chinese associations provide a venue for further investment and business cooperation. Members know each other personally and trust becomes a basic characteristic of trade and marketing among them. The Chinese in Wang Thong carry on business with the Chinese in the provincial city and, through membership of the association, personal knowledge about trustworthiness and the financial circumstances of particular traders is passed on.

Traders in the agricultural market are the most likely to



join these associations. Unlike the other sectors the trade in agricultural produce involves large sums of money and fluctuations in demand and supply are high. It is thus particularly important for agricultural traders to have up-to-date information in order to be able to speculate successfully about market conditions. Though all agricultural traders in Wang Thong have direct commercial contact with the Bangkok dealer they often rely on Phitsanulok traders for information, and it is through relations developed in the associations that such news is passed.

Chāo Talāt and the Worship of Chao Mae Thong Dam

Traders as a group are identified by a common word 'chāo talāt' (market person). This includes all regular traders in the market of Wang Thong but refers especially to the permanent traders in the market place. It has some sociological importance in that it designates a social and economic group distinguishable from farmers and government officials. Traders on the whole have their own style of life and common ideology with its ethic of hard-work, austerity, and independence. They are, above all, profit-makers and risk-takers and are busy at all times carrying on business in the market. Trade and marketing for them is not only an economic occupation but a way of life. For most elderly traders trade and marketing is an indispensable part of their life; some who should have retired still actively carry on business in the market no matter how small a scale. As they say, "we cannot live without carrying on business in the market everyday".

All chāo talāt are professional traders; trade and marketing

is a full-time job. Sellers in the market place who are part-time, farmers or farmers' wives who bring garden fruits and vegetables for sale in the morning, are not considered chao talat. They live in the villages and for them marketing is merely a side-line activity that supplements their main income. Except for business in the market place where only small amounts of capital and experience are required traders are highly professional. To be successful they must have achieved a certain degree of skill, experience, and specialisation, and are dependent on a certain amount of capital and on kin and friends for assistance.

Professional regular traders are rarely absent from work which distinguishes them from the temporary traders who take up trading only when they are free to earn extra cash. For them commercial activities in the market place are not a way of life; they can leave off trading and then go back to it as and when they wish. Professionals cannot do this for they have to take their regular customers into consideration. If they are erratic their customers turn easily to others. Furthermore, with their capital invested in stocks they must achieve a rapid turnover to make profit and reinvestment possible. In addition, they are quick off the mark and well prepared to take risks whenever they get involved in activities wherein they anticipate profit. Temporary traders are desultory, slow, and less interested in finding such opportunities. They do not consider profit important enough to venture on a long-term trading enterprise. For them selling is merely an extra job to occupy spare time.

Trading provides most professionals with a sufficient income to live comfortably. Indeed, incomes are generally higher than those of farmers and government officials.<sup>16/</sup> Though they anticipate hard work and rarely take time off, most traders are proud of their independence. They are masters of their own time and business, unlike government officials who have to follow certain rules and instructions and earn their living on a salaried basis.

In addition to these common commercial interests the chao talat form a social and ceremonial group. At the New Year a ceremony is held at the market place which is rearranged as a great hall decorated with coloured lights and papers. Young and old market traders get together and food and drinks are served. At night people join in folk dancing to music from a tape-recorder. Sometimes it is an obligation for each person to bring along a gift for 'cast-lots' at the end of the ceremony. Though not all traders take part the majority recognises it as one of the major social events of the market year. More generally, sociable interaction is pursued within the market place, when business is quiet with sellers visiting each other and exchanging business information and gossip.

It is interesting to note that market place sellers perform joint merit-making at wat Wang Thong. On occasions such as the noviciate examination for novices in the district they are asked to arrange a meal for the novices. Those approached consult their neighbouring sellers; the duty to provide such meals rotates among the sellers who accept the invitation. Not all sellers are

approached, only those who regularly visit the wat and are personally known to the monks are invited. One reason that sellers in the market place are often asked to provide food for monks is that most are Thai; in addition, it is they who deal with daily consumption goods such as vegetables, fruits, and cooked food. In general, however, when sellers perform merit-making on special occasions, such as house-blessings and thot krathin,<sup>17/</sup> other sellers will be invited to join in. If such merit-makings as the thot krathin are jointly given at the wat they will be recognised as ngan bun khong chao talat Wang Thong. 'merit-making ceremony of the market people of Wang Thong'.

Perhaps the most important communal social and ritual event is the worship of Chao mae Thong Dam, the spirit protector of the market. It offers traders a chance to articulate their membership and group spirit, and most take part if only by contributing money for financing the ritual and social events. Nobody knows exactly the original story of the Chao mae. The spirit has been worshipped since the time when trading was chiefly done in boats and the market was just established. The spirit shrine was located on the bank of khwae Wang Thong at the southern end of the old market. When the market moved to the present site the shrine was moved further to a new hall 500 metres away from the present market. This was built with money donated by market traders and is considered to be the property of the market people. Since the spirit came with the Hainanese pioneers it is often claimed that the Chao mae is the protector of the Hainanese who then monopolised market business. Supposedly the Chao mae would not allow Chinese

of other dialect groups to establish businesses in Wang Thong. The Chao mae thus symbolised the economic interests and prominence of the Hainanese. Other Chinese are said to have met with disaster if they did not pay respect to the Chao mae.

Nowadays participation in this ritual has widened to include all traders regardless of dialect and ethnic differences. All are under the protection of the Chao mae who has become a general symbol of the traders in Wang Thong. The ritual worship of Chao mae is held once a year in December and arrangements are made by Chinese who know the rituals; significantly, Buddhist monks are not invited to take part. In addition, the 'caretaker' of the spirit arranges feasting among traders three times a year: the Chinese New Year, half year, and the Chao mae ceremonies. These parties offer traders a chance to gather socially and those participating donate money varying from 20 to 50 baht for the food and other expenses for arranging the feast.

At the last feast held a week before the ritual worship of Chao mae, lots are cast to find the one 'lucky' enough to take over the duty of looking after Chao mae the following year. The traditional Chinese practice of casting lots is still followed with each trader being given a chance to toss up two pieces of bean-shaped wood three times. The winner is the one who turns the faces of both pieces of wood up once and down once and then one piece up and the other down. The caretaker is responsible for the feasts and the worship of Chao mae as well as for looking after the shrine and other property of the Chao mae such as chairs and tables. Any money donated by traders is the Chao mae's which

the caretaker must take care of. Traders in the market are approached to donate from 50 to 200 baht for the cost of hiring a Chinese opera on the ceremonial days. Any money remaining from hiring the opera and the feasts is considered 'good luck money' and the caretaker can borrow it to do with what he wants. It is believed that a business enterprise in which it invested will flourish. Interest is not charged to the caretaker but the total amount must be handed over to the new incumbent when he is elected.

On the ceremonial day there is a procession of the Chao mae from her shrine to the market place. Boys and girls proceed at the front carrying two loads of artificial goods suspended from the ends of carrying poles flung across the shoulders. Adults join in the procession carrying large flags decorated with Chinese characters. The Chao mae's image is placed in a small temporary shrine made specifically for the occasion at the rear of the market place. Public worship is held for two or more days depending on the amount of money donated to hire the Chinese opera which is performed at night.

In Phitsanulok the traders worship and arrange a procession of the spirit protector of their market who is called Chao mae Thap Thim. Because of the larger number of Chinese and Sino-Thai traders these ceremonies are grander and more exciting than in Wang Thong. Interestingly, traders in both towns recognise that Chao mae Thong Dam of Wang Thong is the younger sister of Chao mae Thap Thim of the provincial market. Normally the Chao mae is re-dressed once every four years and then Chao mae Thong Dam is invited to join in the ceremony in Phitsanulok. The relationship

between the two chao māe thus symbolises the nature of contact between the Chinese of the two communities. The Chinese of the Wang Thong market are small in number and most rely on Chinese in the provincial city for credit and financial support. The ritual articulates and expresses the hierarchical nature of the marketing system. Traders in Wang Thong are linked and become part of the provincial marketing system through commercial interactions symbolised by the worship of the chao māe who represent the interests and unity of the traders in the markets.

CHAPTER III

NOTES

1. In addition to private land owned by individual persons and institutions registered under the Department of Lands of the Ministry of Interior, lands are the responsibility of the three other main bodies. Firstly, the wat can have its own land registered under the Department of Religious Affairs of the Ministry of Education (thi din khong satsana). Secondly, there are lands and property which are categorised as Crown Property (thi din khong phra mahakasat). This category of land is the responsibility of the Office of the Royal Household of the Ministry of Finance. Thirdly, all other lands besides those mentioned above are State Property (thi din khong ratthaban) which is the responsibility of the State Property Division of the Treasury Department in the Ministry of Finance. In the districts and provinces responsibility over such land and property is assigned to the District Officers and Provincial Governors. For further details see Ratchaphatsadu: State Lands, State Property Division, Treasury Department, Ministry of Finance, Bangkok, 1970.
2. For further discussion on the significance of kinship in rural Thai society see Kemp (1976).
3. The only formal voluntary association is the Boxing Club, but apart from offering non-member a billiard room, it has never gone in for any activities, not even a meeting of its own members. Other organisations such as the wat committee and the Sanitary Committee are limited to only a few people.
4. For more detail on relationship between government officials and villagers see Kemp (1976: 281-86).
5. In the election of a committee ordered by the central government in February 1975 to settle problems on land disputes, only approximately 30 farmers turned up to nominate their representatives. In contrast, those important traders who had vested interests in land readily came with their nomination. The committee must consist of the proportional representation of each group (land-owners and peasant farmers) and an appointed government official. The election was not taken seriously either by officials or villagers. The result of this particular election was that some unwilling and unexpected villagers were elected as the farmer-renters' representatives. See also Turton (1978).
6. Among various factors contributing to the establishment of a dominant group monopolising trade and marketing in any specific area, Landon (1941) gives priority to the influence



of secret societies and the use of force in eliminating other competing groups. He notes:

It is difficult for a Chinese other than a Hainanese, for instance, to engage in business on the island of Smuey, because almost the entire population there is Hainanese. As recently as 1936, the writer saw a Teo Chiu Chinese beaten up on a public street on that island. Later, while sitting in a tea shop with some Hainanese friends, an explanation was given. The Hainanese said, with indignation, that the man was a Teo Chiu merchant who deserved to be beaten because he was attempting to compete with and undersell the Hainanese merchants. (1941: 150)

7. Perhaps one can object to the terms 'detrribalisation' and 'retribalisation' as they apply to the Chinese but not to the processes which these terms attempt to describe.
8. For further details see Skinner (1957, 1958).
9. See Rabibhadana (1969: 113-32) for a discussion of classes and the patron-client system in traditional Thai social organisation.
10. In the provincial city the majority of members of modern associations such as the Rotary and Lion Clubs are young and progressive men of Chinese descent. Most are businessmen (cf. Tobias 1971).
11. Cohen, in his study of the Hausa long distance trade, provides a valuable account of how an ethnic group manages to control a particular trade at all levels. He notes "... the technical problems can be efficiently, and hence economically, overcome when men from one tribe control all or most of the stages of the trade in specific commodities" (1969: 20). See also Schwimmer (1976).
12. The District Office Report (1972).
13. They are active members of the wat and are involved in a number of Thai ceremonies at different times and places throughout the year. Most of their children are ordained when they reach the age of 20. This is in accordance with the rural Thai custom.
14. Landon notes the preference for the nuclear family among the Chinese in Thailand. The Chinese, after all, are not "rooted in the soil". Most are traders and live in the towns or in Bangkok. The environments which have been conducive to the continuance of the large extended family are not operative in Thailand. In addition, most migrated to the country on their own leaving their relatives at home. They married Thai girls, established Thai houses and saw their children grow up as Thai. The tendency is for the Chinese family to break into small units and go where

there are business opportunities (1941: 61-67).

15. Arranged marriage is still practised in other big cities such as the provincial capitals and Bangkok. Probably because the degree of assimilation there is less than in Wang Thong. Often a daughter-in-law is sought specifically to assist the husband's family business which is, of course, larger than comparable businesses in Wang Thong. See also Galaska (1969: 114-16).
16. This is readily observable when we look at the traders' style of living. Many of their consumer goods are luxurious, e.g. clothes, television, radio, cars, and meals. Above all, traders are well prepared to invest in the education of their children, something which farmers cannot afford, and government officials find difficult to afford.
17. Thot krathin is a Buddhist annual ceremony normally performed in November. Laymen will offer clothes, money, and other items of necessity to all monks in a temple in this occasion.

PART TWO

MARKET SECTORS AND MARKETING ORGANISATION

## Introduction

Wang Thong farmers are increasingly involved in the commercialised economy: cultivation is not merely a way of life but a commercial business from which their main income derives. An increasing external demand for their agricultural produce and the increase in population serve to strengthen their position in specialising in a few cash crops. Thus specialisation increases the degree of involvement in, and dependence upon, the market which is in turn reflected in the degree of specialisation and differentiation of traders' roles in dealing with crops and manufactured goods and services. At present the Wang Thong market is no longer a place where farmers bring their crops for sale to other peasant farmers but is dominated by full-time professional traders to whom it offers a means of livelihood.

The Wang Thong market is divided into four related sectors: the market place, market shops, the agricultural market, and the market for locally manufactured goods and services. Each requires a different degree of specialisation, skill, experience, and capital investment. Their respective organisation is further distinguished in terms of the differentiation of traders' roles, age, sex, ethnicity, types of goods, and scale of trade. The ethnographic material presented in Part Two provides a foundation for analyses of the social and economic organisation of marketing, and relations between marketing and wider social and economic systems.

CHAPTER IV

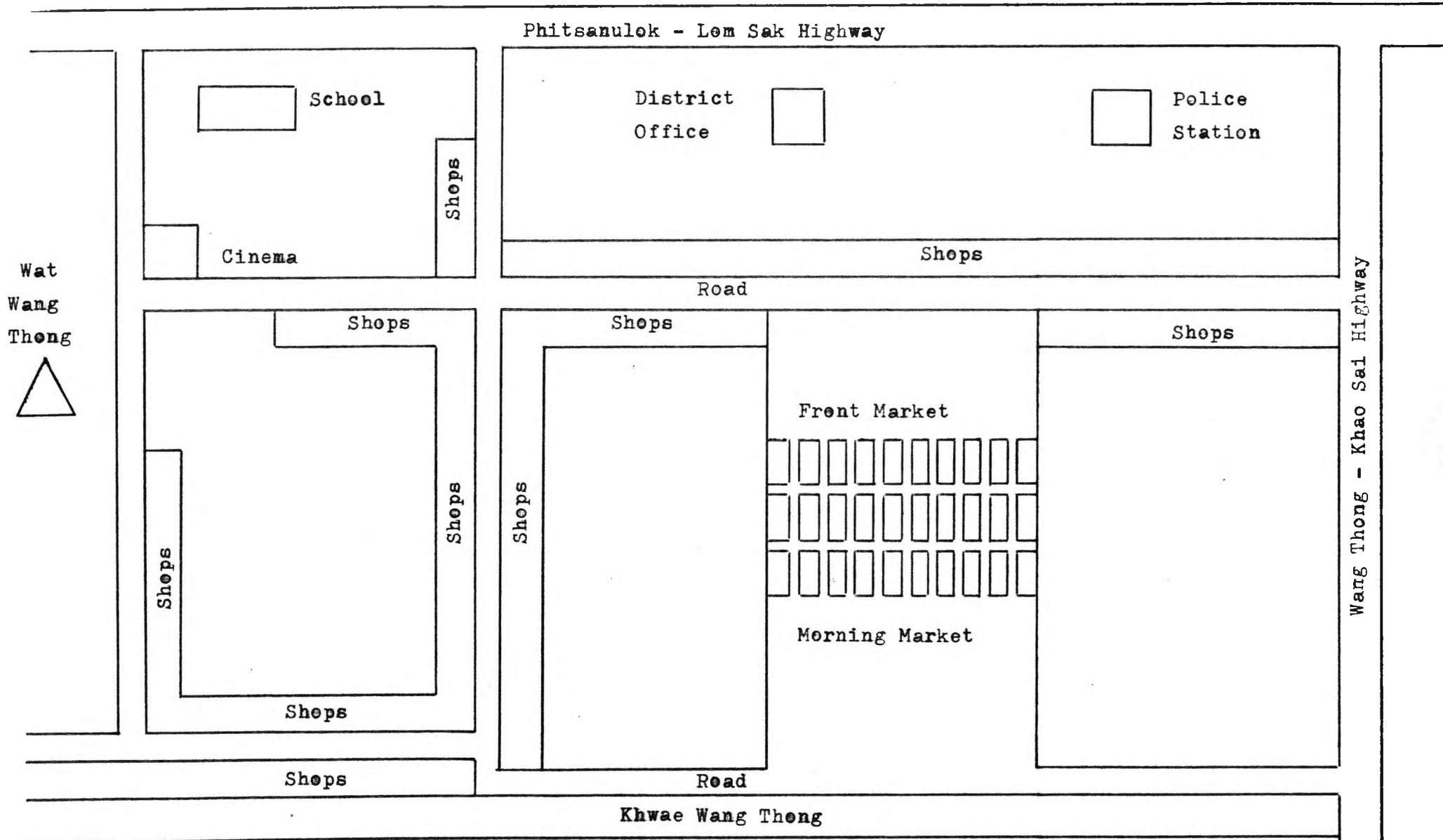
THE MARKET PLACE

Detailed studies of market places are of theoretical importance, for they can teach us a great deal about patterns of production and of consumption, and about the nature of business transactions.

(Ortiz 1967: 393)

The market place of Wang Thong operates daily on a permanent site along a bank of the khwae Wang Thong. When the large hall with its roof was built traders were arranged so that they occupied fixed stalls built in long rows. After the Phitsanulok - Lomsak highway was completed in 1956 the hall became too crowded and many moved to the rear site in the open-air. The front part of the market place used as a car park was also turned into a trading area when trade and marketing further expanded. The car park itself was moved to the other side of the market place about 100 metres away.

At present the market place is spatially and functionally divided into three parts (see Map 6). The morning market is situated at the rear on the river bank. The hall, the central part of the market, is divided into several permanent blocks of stalls occupied by permanent traders. The front part contains restaurants, fruit stalls, and some snack bars. The lay-out is such that each regular trader is allotted a fixed place. This is convenient for potential buyers and sellers. It is also convenient for the amphoe official who collects the rent and approves the rights over the stalls and seats. The different types of business are also grouped together. The front with its restaurants, fruit stalls, and stalls selling miscellaneous goods is laid out in such a way that passers-by are easily attracted.



MAP 6: WANG THONG TOWN AND THE MARKET

The trading hall itself is set out for groceries, preserved and dried goods, plus vegetables and meat, all of which are necessary household items. Behind the hall the morning market offers people daily consumed items like fresh fruit and vegetables as well as some prepared foods.

Around the market place various general and grocery stores sell goods differing in both quality and quantity from those in the market place. These include shops selling sweets, groceries, clothes, and general equipment, plus warehouses, hair-dressing salons, tailors and restaurants.

#### Market Place Arrangement

As far as the local administration is concerned, the Wang Thong market place is the responsibility of a Sanitary Committee composed of government officials and laymen. In addition to the nine appointed members who are government officials (see p. 22), another four are elected by people in the sanitary area. At present these are wealthy traders living and having their businesses in the town, they are the owners of a dispensary store, a gun shop, a petrol station, and agent of the local whisky distillery respectively. Three of them are young and enthusiastic about the progress and the development of the market, the other is a retired government official who runs the petrol station on the Phitsanulok - Lomsak highway opposite the amphoe office. Meetings are held at least once a month depending on the number and importance of the issues. The Sanitary Committee's main concern centres on the construction and maintenance of public roads



in the town, electricity, waterworks, the welfare of the market place, the collection of rents both within and outside the market place, and the provision of other public services such as fire protection and the cleaning of the market and town.

Having traders in the committee is mutually advantageous to traders and district officials, all the more so when the majority of the population comprises traders. In general, the four liaise by keeping officials informed of matters concerning the well-being of the traders, basically the expansion and cleanliness of the market. They also help the District Officer with financial problems. When there is a fair or party for which the District Officer requires a budget, the four will normally be approached for financial support and they, in turn, ask other traders to join in with contributions.

It is not uncommon for their position to benefit the four trader member themselves. They work closely with the District Officer and his assistants, and information concerning the well-being of the market usually passes to them first. They are in a better position to gain access to the District Officer (nai amphoe) and have established close ties with officials; a relationship which few other traders have. Such relations and personal connexions, however, are criticised by others in the market place, especially by the market shop owners who rarely have any direct contact with officials. Sometimes there is good reason for this, one of the trader committee members (household No. 123) built a house next to the morning market in an area that the public knew of as 'prohibited'. People criticised this and

questioned why it had been permitted especially given that no announcement was given before construction. They were later informed by the District Officer that it had been done legally according to new regulations which no one else knew about. People were annoyed that the permission to build the house had been granted before any public announcement.

This case exemplifies the kind of cooperation that exists between a few wealthy traders and high ranking government officials at the local level.<sup>1/</sup> The wealthy traders assist officials with financial support in exchange for information and help concerning business. It must be noted, however, that townspeople have never brought to bear any pressure on the four traders. Though elected representatives they have practically no voice on the committee, their role in the eyes of public is merely to transfer information or orders from the District Officer to the town traders. Above all, the democratic ideology of the Sanitary Committee as a local government body is, though not new, alien to the people.

The main responsibility of the Sanitary Committee concerning the market place is to collect fees from traders and to keep peace and order.<sup>2/</sup> When the new market place was built trader and official members of the Sanitary Committee organised a meeting for traders to bid for stalls in the hall. Thep (household No. 3) was the most active member and in fact the organiser of the meeting and the bidding.<sup>3/</sup> Though the market place was formally the responsibility of the District Officer, Thep helped run the new market place in the beginning. Bid prices varied according to

location and all the stalls were soon occupied. Nowadays newcomers can set up business in the front and middle parts only by sub-leasing at a higher price. The organisation of the market place, especially the collecting of fees, is at present the responsibility of the palat sukha, the deputy district officer, and his assistant.

There are two types of fee,<sup>4/</sup> daily and monthly. The fee for the morning market is 50 satang per unit per day. Here the right to a particular seat is not officially approved, each trader seeks out an unoccupied place to display goods. The daily fee reflects the temporary nature of much of the business in the morning market. Traders who operate their business on a more permanent basis have recognised places. Disputes have hardly ever occurred for most accept the right of another trader to occupy a specific site if he or she has been there long enough. Among farmer-sellers it is noticeable that those from the same village group together and help in looking after one another's goods and in bargaining with the town customers.

The monthly fee for the stalls in the hall is 30 baht per block (3x2 metres), and any business there requires at least two blocks. Rights over the stalls are formally approved by the District Office. Stalls can be rented out or sub-leased, a sub-lease can fetch as much as 10,000 baht (£250). It is not easy for newcomer traders to establish businesses in the market hall unless they have relatives or friends willing to sub-lease to them, and also have a considerable amount of money to invest. There are several stalls available but these are not on good sites.

### Time and Seasonal Variations

Market place trade is highly subject to daily and seasonal time; most goods are perishable, and farmers' consumption ability varies considerably from season to season. These variations have little effect on permanent market place traders except for the producer-traders whose activities depend on the availability of produce from their farms or gardens. For others the goods change with the season but most still carry on a regular business shifting from one type of goods to another in order to maintain turnover. Whatever goods they switch to are in the same general class of commodity: fruit and vegetable sellers never turn to totally different kinds of commodity such as clothes or household items. Each kind of activity requires different skills and amounts of capital; more specifically, involvement in the clothing trade requires higher capital and skill than fruit and vegetables. Above all, each kind of activity involves a different commercial network in which only those traders who specialise in that trade are accepted and obtain credit. This is important for few, if any, operate solely with their own capital without relying on credit from others in Wang Thong or Phitsanulok. Seasonal variations, therefore, affect traders only in terms of various types of goods and volume of business, not in the kind of activities in which they specialise.

The greatest impact of time and seasonal factors is on prices which is simple enough and should not detain us here. At the beginning of the season the supplies of each particular item of agricultural produce flood the market. This is reflected

in the increasing number of sellers and low prices, then towards the end of the season prices rise once more. Climatic and other natural factors determining the quantity and quality of crops also affect prices. Price fluctuations are then quite normal to traders who adjust their prices accordingly.

It must be stressed that seasonal fluctuations in the price of the market place goods are less obvious than in the agricultural market because the amount of goods bought and sold in individual transaction is small. The market place is a market for daily household consumption goods and the lack of refrigerator means that people have to visit the market place frequently and can only obtain goods in small amounts at a time. Some town housewives visit the market place two or three times a day to obtain fresh vegetables and other items for their daily meals. Because of the small nature of transactions price fluctuations, though noticeable, do not affect much the consumption patterns of the people. In addition, haggling over prices is quite common and this helps to reduce the frustration over the increasing price at any particular time.

The effects of time on prices throughout the day are closely linked to the pattern of market operation. Normally, traders arrive at about 3 o'clock in the morning to display their goods. In this period the busiest traders are butchers who prepare meat for both the wholesale trade and retail to daily clients.<sup>5/</sup> At the same time farmer-sellers start to enter the market place usually with two baskets of fruits and vegetables loaded on a stick across their shoulders. By 4 o'clock the market

place is crowded with buyers and sellers. At this hour much of the business is with buyer-traders who buy in bulk for retail sale later in the market or in the villages. Prices at this time can be very low for important information concerning the price of the day has not yet been established. Settling a price depends on the skill of each trader in haggling. Most buyers are permanent traders buying in bulk from farmer-traders for retail sale later in the day, so prices are lower than the normal retail price to housewives. Nonetheless, if the price is not favourable farmer-traders may withhold goods for their own retail trade later. Other buyers are village shopkeepers obtaining goods to distribute later in their own villages. They are under pressure of time to complete their business as soon as possible in order to return by the time village residents do their shopping.

At 6 o'clock the shops around the market place open for business. Farmers from the nearby villages, such as Wang Phrom and Bung Phrao, as well as town-dwellers begin to frequent the market place to obtain food and other household items. The peak is about 7 o'clock when the number of people engaged in buying and selling numbers about two hundred. By 8 o'clock most village-sellers have disposed of their produce and are preparing to return home. They also take time off to shop for household necessities or items to sell to village neighbours. Those unable to dispose of all of their stocks approach permanent traders who are willing to buy at a reduced price. At this time most permanent traders take time off for breakfast and to visit their seller neighbours. They too look for necessary items for their own household use and

for sale during the day. Stalls selling ready prepared food are particularly busy at this time.

At 9 o'clock the morning market comes to an end. Permanent traders move their goods into the hall at the front and the middle parts of the market place for display. By this time farmer-sellers have finished their business and some have already left. Similarly, some permanent traders whose businesses run the whole day take time off to visit the Phitsanulok city markets. They have to replenish their stocks for sale in the afternoon and next morning. The price of vegetables falls and concessions in the form of extra amounts of goods are generally available at this time. Given their perishable nature most traders dispose of their old stocks so that they can replace them with new, even though this requires a reduction in price. At about 10 o'clock the front part of the market place is crowded with villagers who drop by after finishing their business at the amphoe or provincial offices. The most crowded businesses at this time are the restaurants and coffee shops together with stalls selling miscellaneous goods and fruit and vegetables.

Throughout the marketing period the differences between the two main groups of people, farmers and traders, are readily observable. The majority are peasant farmers wearing old blue or grey shirts and the cheaper type of trousers. The women wear traditional skirts (pha nung) and colourful blouses. Most wander around looking for goods while some sit in the food stalls and coffee shops in the market place. To townspeople these peasants are khon ban nok (people from the countryside) who just visit the

town for a short time. Traders and farmers are not personally known to each other except for those who trade with one another regularly. Because most of the business during the day is small and involves only peasant farmers who occasionally buy for consumption and not for sale, long-standing relationships have not developed. Haggling over price and quantity of goods is the normal practice. Since there are numerous traders selling similar goods the general practice for the housewives and other customers is to shop around to find good quality at the right price.

One can also readily observe different patterns of consumption between rural and town-dwellers. For town-dwellers quality comes first and the price later through bargaining. Normally, they obtain a high quality of goods at a higher price. Villagers prefer to shop around to find the cheapest price. For them quality is of secondary importance, something reflecting the scarcity of cash and economic conditions in the villages. Most traders are conscious of this and approach their customers accordingly. For villagers the lower price is stressed but for the town-dwellers quality must be raised against price.

At 3 p.m. the middle part of the market place which offers people dried food and miscellaneous goods closes. Most peasant farmers have left. Only the front market remains active for housewives in the town shopping for dinner. The focus is on the vegetable and meat stalls, and because most housewives prefer the fresh vegetables bought in from Phitsanulok, prices are high. Those peasants who remain, however, obtain at lower prices vegetables and meat left over from the morning. Buying and selling



goes on until 5 p.m. when most traders return home to prepare for the next morning. Only the vegetable stalls stay late to ready their stalls for the next day.

### Entry into Business

An important function of the market place in any peasant society is that it serves the local people as a place where they can supplement their income as well as a place where they can seek employment (Dewey 1962; Szanton 1972: 131-32; Davis 1973: 97). Indeed, as in the Philippine and Indonesian cases, it provides an extensive system of social welfare. Everyone has "a right to make a living" (Dewey 1962: 82) or "a right to survive" (Szanton 1972: 129) and provide for his family. Buying and selling in the market place are activities open to anyone who has time and is in need of cash. In this respect Wang Thong market is no exception. It is a place where anyone can earn a living at a subsistence level for a period of time.

Business in the market place is small in scale and people do not require much capital nor specific experience. Thus many farmers become part-time sellers without difficulty whenever there is something in their home garden which they can sell and want some cash. Similarly, a housewife who has time and requires a few extra baht can buy some watermelons or the like and cut them into pieces to hawk round the market. Entry into this kind of business in the market place is easy, apart from the 50 satang daily fee there is no other formal requirement. Indeed, many learn how to conduct business by first getting involved in such

small-scale petty trading. In this respect the market place provides not only jobs and extra incomes but also an apprenticeship for anyone entering into commerce. Indeed, a number of permanent traders and shop owners began their careers in this way.

Chai, who is now a successful permanent trader in the market place, started her career at the age of 20 soon after she married a teak transporter. With 200 baht she bought vegetables and other dried goods from the Phitsanulok market for retail in the morning market. Coming from a peasant family Chai was shy at the beginning though on the whole she managed the business well enough. After a time her trade expanded and she was able to obtain credit from city traders and so enlarge her stock of goods. Within a year she managed to get a stall in the hall so that she could run her business on a permanent basis. As they grew up two daughters assisted her <sup>6/</sup> until they later set up their own respective businesses in the market place selling items similar to the ones they sold with their mother. At present Chai, who is now 54, owns two buses which transport people to and from Phichitr, plus a small pickup car used to collect goods from the city market. The elder daughter subsequently moved on to establish a business in the market of Sap Praival.

Another similar case is that of Nit, a 26 years old housewife, who decided to venture into business in the market place when her husband was out of work. She invested 500 baht in the sale of vegetables obtained from Phitsanulok. Though she did not have any experience trade was the only opportunity open to her. So against her husband's wishes she began and now earns

30 - 50 baht a day. Now that she was become a permanent trader she can obtain credit up to 150 baht a day from a Phitsanulok trader. In similar manner Mi (household No. 141), a 28 years old shop owner, started his career by helping his father in the shop. To earn extra money he bought goods such as matches, detergents, and hair cream at auctions and later sold them in the market place at a cheaper price than the same goods in the market shops. Given the nature of his business he could not continue on a permanent basis though he learned a lot about market mechanisms. When he set up a shop with assistance from his father he thus already knew how to manage on his own. Moreover, he was promptly given credit through the trading network and was trusted by a number of traders who knew his father and his commercial background.<sup>2/</sup>

The ease of entry reflects the basic nature of the market place economy. In the first instance the number of traders involved in the market place is considerable. Other than trading and farming job prospects in Wang Thong are not very good; some become wage labourers working in the fields or on some public and private construction project but these jobs are irregularly available and often require people to be away from home. Only villagers take up these jobs; as far as town housewives are concerned, wage-labouring involves heavy work and brings in a lower income than trade. At the time of the research the maximum wage was 20 - 23 baht a day compared to the average of 30 baht a day for a small permanent trader in the market place. Thus many town housewives and farmers who live in proximity to the town

prefer to take up commercial activities in the market place if they are free and are prepared to invest in such businesses.

However, it must be noted that 'ease of entry' applies only to the morning market and not to the other types of market place economic activity. In the morning the demand for goods is high and met by the existence of many part-time sellers. During the afternoon only permanent traders remain. Therefore 'ease of entry' and the 'welfare' aspect of the market place functions only for petty traders who operate for a limited period in the morning with goods such as foods and fruit. To become involved on a permanent basis requires far more capital and access to the network of traders in the provincial city necessary in order to be able to obtain credit. This is crucial for without credit it is difficult to operate a business on a permanent basis.

#### Types of Traders

It should be clear that there is a major distinction in market place traders between the temporary and the permanent. The temporary traders are mainly women farmers who bring in farm produce and housewives who bring food prepared at home or other small items such as craft products. They are involved only during the morning, the quantity of goods they carry is small, and the range limited. A few operate business regularly in the morning but most do not come everyday, perhaps 5 - 6 days a month depending on what they have for sale. These temporary traders do not buy for resale, their concern is merely with their own household or farm produce. Most do not have fixed stalls but look

for an unoccupied seat. By virtue of the fact that they carry on their business sporadically and most are from rural areas they are not chāo talāt (people of the market) and so are regarded by the townspeople as strangers or khon bān nōk.

On the other hand, permanent traders are professionals who obtain supplies from Phitsanulok and from village temporary sellers. Trade is their main source of income and they are active from 4 o'clock in the morning to 6 o'clock in the evening. Most do not confine themselves to the retail trade but sell in bulk to village shopkeepers. Each has fixed a stall both at the morning market and in the hall. They also differ from the temporary sellers not only in the scale of trade but in their level of skill and specialisation. They are profit-oriented and rationalise their selling methods and procedures by, for example, the use of weighing scales and fixed prices. Though they do not operate on as capital-intensive a basis as do the market shops they require higher amounts of capital than required by the temporary sellers. Most have been involved in marketing for a long time and are trusted by traders in the provincial city who extend credit and services. Most too are housewives living in town or nearby villages and are considered chāo talāt by virtue of their regular business activities.

About the 90% of permanent and temporary traders are female and vary in age from 10 - 50 years old. Men are involved in the food stalls and sale of dried goods and meat. This contrasts with the agricultural market and market shops where the owners and operators are always men. This division is not unique to

Wang Thong: generally the greater the scale of trade and degree of specialisation the more dominant are men. Economic activities in the market place are small and involve haggling and bargaining which are regarded as women's activities. It is recognised that women are better than men at running small businesses in the market place. A number of men, in fact, help their wives in preparing and delivering goods but they never make buying and selling their major occupations.

The female hegemony in the market place is partly explained by Sharp (1971) in terms of 'merit' and of different spheres of action. Thai men are inclined to act in the political and ritual arenas whereas women are more interested in economic activities. Sharp states that the Theravada Buddhism permits men to achieve status by becoming monks in the wat (temple). In this role men gain merit and can utilise it for political power and vice versa. Women, on the other hand, are not permitted to enter the priesthood. Not involved in religion in this way women direct their interests to economic activities, because the only way for women to obtain 'merit' is to produce wealth which would help keep a husband or son or any other man in the village or neighbourhood monastery.

This is arguable for, as mentioned above, men have important roles at the higher levels of business. Even in the market place when an enterprise has flourished men have occasionally taken over from their wives. Another explanation is the fact that in Wang Thong job prospects for women are low. The market place probably provides the only opportunity open to every woman who needs cash and has some time to spare. Moreover, marketing

provides them with a better income than wage-labouring. Men, on the contrary, prefer to work elsewhere if they can. Besides, as they put it "men are not as patient as women at haggling and bargaining". To be a successful trader one has to be chai yen (lit. cool heart) and pak wan (lit. sweet mouth, meaning 'diplomatic tongue') at which women are better than men. Also important is the geographical mobility of men who can always get jobs in the city or other provinces where construction work is available. Though there is no discrimination against men taking up business in the market place, most tend to be ai (shy) of becoming petty traders. Those who do are regarded as mai me saksī, a term meaning 'no pride'. To gain saksī (pride) men must be involved at the higher levels of trade as permanent traders. The general term used to address women traders in the market place is mae khāa (lit. mother traders, meaning 'women traders').

With the exception of two Chinese --one selling dried goods and the other operating a coffee bar-- all traders in the market place are Thai or Sino-Thai. Most of the Chinese operate in the shops or agricultural warehouses. Some Thai women traders are extremely successful at running businesses in the market place but they do not move out to set up their own shops as one might naturally expect. They prefer to invest in other types of enterprise such as local transportation or lending money. Some, at least, are afraid that they would be unable to compete with the Chinese. Crucial too is the fact that they are not prepared to take risks in getting involved in new business ventures with which they are not familiar. Most of their kin and friends are only mae khāa

in the market place. To set up a shop one needs a large amount of capital and credit from traders in the provincial city, yet most city traders are Chinese and more willing to extend credit to Chinese friends rather than to Thai. In a number of cases Thai have obtained credit after establishing trade and other links with a number of city Chinese traders, but support from kin and friends is still necessary in the starting period when their shops are new and not widely known. In contrast, Chinese shop owners train their children from an early age and provide financial support when they establish their own business. Such services and support are rarely available to Thai. Most of their kin and friends are unable to provide that sort of help.

#### Marketing Practices and Marketing Network

Market place trading exhibits the basic peasant nature of commercial practices in that there is much haggling and bargaining. Haggling overcomes the lack of price information and non-standardisation of weights and measurements. It is "a process of price formation which aims at establishing particular prices for specific transactions acceptable to both buyer and seller, within the 'price range' that prevails in the market" (Uchendu 1967: 37). In Java "bargaining is the accepted method of setting prices for agricultural produce and for many of the products of cottage industry" (Dewey 1962: 73). Similarly in Malaysia where Firth (1966: 189-204) provides one of the best ethnographic discussions of haggling in peasant markets. Haggling and bargaining are thus worldwide phenomena specifically



characteristic of peasant marketing where business is small in scale and involves a large number of participants.<sup>8/</sup>

In Wang Thong it is noticeable that the greater the scale of trade the less is bargaining employed. In the market place where the scale and range of business is small, haggling is the normal rule for price-setting. Sellers normally offer a bidding price at a point slightly higher than the actual price at which they can sell. It is the right of buyers to bargain for a price 5 - 10% below that offered. Yet the price offered by buyers must not be so low as to insult the sellers and be a breach of the accepted view that sellers have a right to make a living and that a profit must be allowed them. The price finally agreed can either favour buyer or seller depending on bargaining skill and the supply and demand for the item. Permanent traders are said to be skillful whereas part-time sellers lack this skill and often face hard bargaining in their transactions. They do not know the 'price' of the goods they bring from their farms until they reach the market, and once they have unloaded their goods they attempt to dispose them of as quickly as possible.

Certain items sold in the market place cannot be subject to haggling. Most notable are household prepared foods, and meat which is under government control. In the case of prepared foods it is the nature of food which makes it more difficult to bargain. The sellers may give an extra quantity to one buying a large quantity but haggling is never accepted as proper. Prepared food is, after all, consumed by local people, housewives and school children who rush out for business or for school early in

the morning. Buyers merely state the amount of food they want and an extra quantity may be given if seller and buyer know one another well.

Goods sold by temporary sellers are displayed in groups or heaps in baskets or on the ground. Each has a set price such as 50 satang or one baht but the final price is far from certain. Buyers can bargain for three groups for one baht or one baht 25 satang. If the price is so small that it is not worth bargaining over one can ask for an extra amount. In contrast, the permanent traders make extensive use of modern weighing scales which make them better equipped to calculate profit margins, nonetheless haggling is still appropriate. If the price of vegetables is three baht a kilogramme, buyers may ask for a reduction to one baht 25 satang a half kilogramme. If no discount is possible an extra quantity may be added. Thus the market place always provides opportunities for competitive bargaining. One point to note here is that it is considered ethical not to intervene while others are haggling. Breaches of this ethic can cause disputes or even lead to violent fights. Traders never attract customers haggling at a neighbouring stall. They accept the customer only when the latter approaches them, and the seller is sure that the neighbouring trader has failed to secure the business.

Haggling also reveals the fundamental fact that the market place is purely competitive. It is free and open to anyone, and buyers and sellers conduct their business rationally. Indeed, it represents "a close approximation to the economists' model of pure competition" (Belshaw 1965: 57). Fierce competition, Belshaw

argues, tends to keep profits low and retard the accumulation of the capital reserves necessary for reinvestment and for undertaking large-scale enterprises. He holds that "profit taking would not be possible were it not for frictions in the system of competition" (1965: 77). In other words, competition in the market place is so intense that profit is likely to be realised only as the result of 'frictions', such as those which result from temporary advantages and windfalls. As in the Javanese market place where traders compete with each other fiercely, "... the aim is always to get as much as possible out of the deal immediately at hand. The pasar trader is perpetually looking for a chance to make a small or larger killing, not attempting to build up a stable clientele or a steadily growing business" (Geertz 1963: 35).

In the Wang Thong market place most traders are individualistic and compete with each other to the extent that profit margins are low. Numerous traders sell similar items and it is the custom of housewives and others to shop around for the cheapest price. Because of the transitory nature of their business temporary sellers are likely to be affected most by the haggling mechanisms, and long-standing relationships with customers are hardly to be expected. Dealings with these traders are an end process and do not carry any personalistic associations. Impersonalism is consequently a major factor in trade and marketing at this level.

In contrast, the permanent trading members of the marketing community have to take other social factors such as friendship, neighbourliness, and sometimes kinship into account. General practice is for them to charge friends and kin as other customers

but then an extra quantity is frequently added. Though haggling is still practised it is done in a 'soft' and joking manner. Permanent traders also perform wholesale roles vis-à-vis village shopkeepers, and this helps them to operate on a larger scale than total dependence on trade in the market place would allow. The advantage then of having regular customers who are village shopkeepers is that such trade increases profits, partly because most buy on credit in which a hidden interest is included. Another advantage for the town trader is it reduces the risk of over-stocking because they dispose of any surplus to their village shopkeeper-customers when necessary. Most have known and carried out business with each other for some time and recognise the obligation to assist each other in times of need. The permanent trader always keeps good quality goods for the village shopkeepers. In turn, the village shopkeepers help to dispose of those goods, especially perishable ones, which are over-stocked. I shall return to this point again when dealing with capital and credit in the market place. I note here that among permanent traders, relatively high profit margins are possible which are further reinforced by the regularity of transactions and reduction in the risk of over-stocking. As a result, some accumulate sufficient capital to invest in other businesses and to send their children to good schools in the provincial city.

To summarise then, the marketing process in the market place can be divided into three phases. Each involves different types of buyers and sellers, and reflects differences in the practices and processes of transactions. The first phase starts

very early and involves only traders who buy from each other for later retail. Permanent traders buy in bulk from temporary village sellers who have brought in produce from nearby villages. Because the latter are irregular visitors personal relationships between them and their customers do not develop. Village shopkeepers also come at this early hour to obtain goods from permanent traders. Over time most have established close personal relations with permanent traders so that haggling is reduced and replaced by trust and concession. Often these shopkeepers do not come themselves but arrange for bus drivers to deliver written orders. Advance payment is not necessary though payment must be completed within a fortnight. This type of personal relationship helps to smooth the flow of goods and make economies of scale possible for the permanent traders.

The second phase begins when housewives tour the market place to obtain daily necessities such as meat and vegetables. It is the most crowded phase involving more than two hundred buyers and sellers at any period of time. As most housewives and traders are members of the same town community and know each other well, haggling does not constitute an important element in these transactions. A concession in terms of extra goods is considered preferable to a reduction in price. Selling and buying at this period is on a small-scale because of the lack of modern refrigeration and the goods obtained are for consumption not for resale. Housewives always take time to talk to those sellers who are also their friends.

The third phase opens when peasant farmers come to do

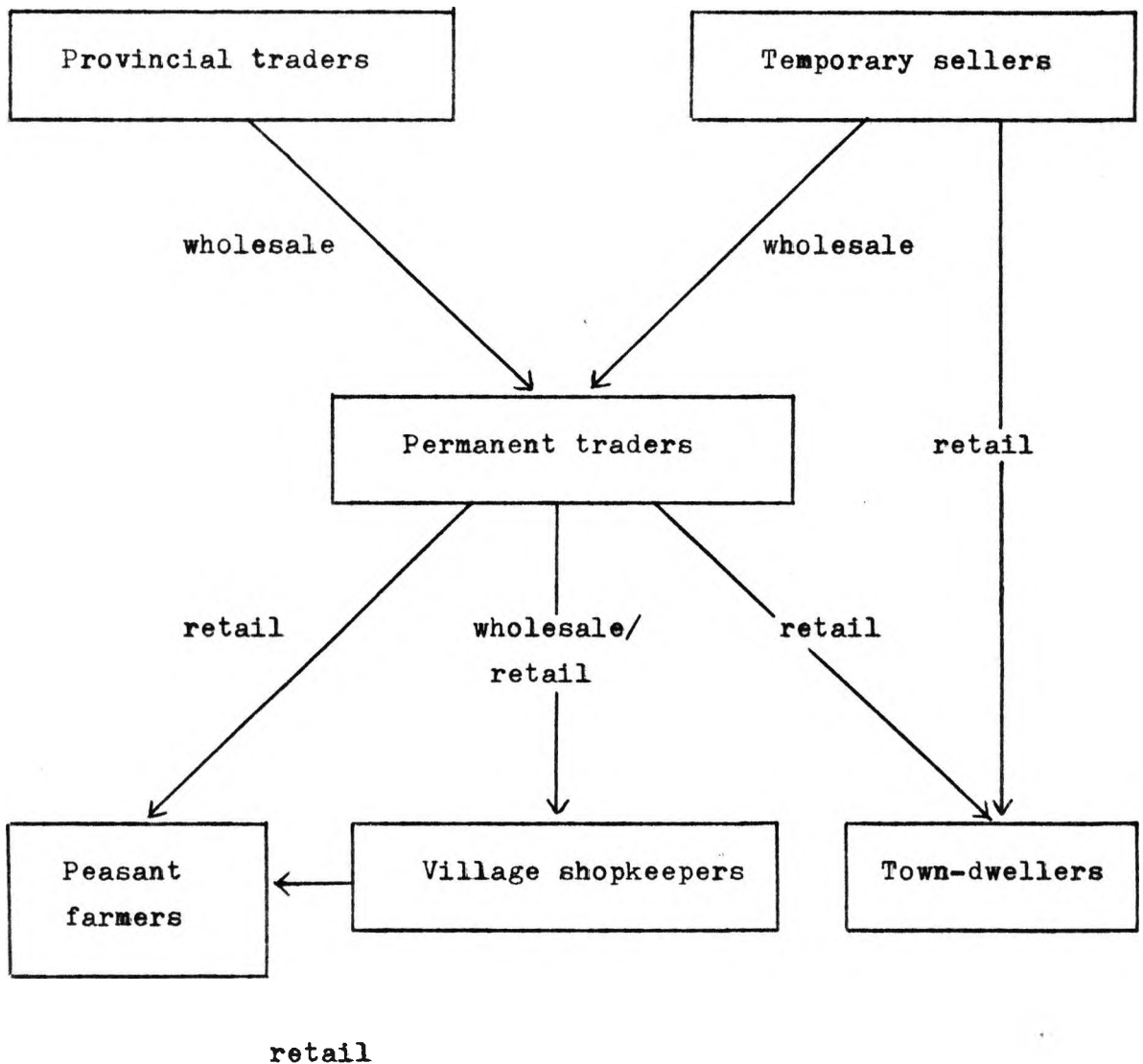


Diagram 2: Marketing Network in the Market Place

business both at the amphoe office and the market place. The market at this particular time is occupied by permanent traders and farmers from the surrounding villages. Haggling and bargaining constitute the main features of transactions at this phase. During this period permanent traders also visit the provincial city markets to obtain goods. Most have established commercial ties with Phitsanulok traders who extend credit to them. Again this relationship is based on trust and concession which I return to later. To illustrate the above description I present a diagram of the marketing network which shows the links of different types of buyers and sellers involved in the market place (see Diagram 2).

#### Capital and Credit

Though business in the market place is small and predominantly retail, most traders are able to distinguish capital from other daily assets. They have a fairly clear idea about capital as "a stock of goods and services not devoted to immediate consumption but operated to increase the volume of consumption in future periods either directly or indirectly through production" (Firth 1964: 18). This does not imply that they are always able to calculate precisely just how much capital is invested and what profit is made each day. Their judgement of capital and profit is determined by the smooth flow of goods and the circulation of cash from their customers to their wholesale patron-traders. As long as they have something for sale and are not heavily in debt their business runs smoothly and a profit is made.

Credit is another good indicator for judging whether an enterprise is successful. Credit in the market place is here defined as "the lending of goods and services without immediate return against the promise of a future payment. It involves an obligation by the borrower to make a return and confidence by the lender in the borrower's good faith and ability to repay" (Firth 1964: 29). Most have to rely on provincial city traders for credit which is extended only when the people involved have known each other well over an extended period of business contact, so that trust and concession become the fundamental base of these commercial relationships. There is an obligation to clear the old debt when one obtains new stock. On the other hand, the city supplier is expected to provide goods on credit whenever required provided that no breach of agreement has occurred. Credit is important for no trader can operate solely on his own capital: at least one-third of stocks are on credit from city suppliers. This situation, however, applies exclusively to permanent traders who buy for resale. For temporary sellers capital and credit is far less precise. Most are not conscious of investment capital either in the form of labour (which is generally cheap) or in the goods brought from the farm (which are of no value until they reach the market). They are satisfied if all the goods brought to the market are disposed of the same day.

Most permanent traders start business with their own savings. They require only 300 - 500 baht for the first investment, and after a period of transactions with provincial suppliers credit is obtained and the business expanded. Any profit



made after daily expenditure has been spent will be used for further investment. More goods will be purchased for sale and the range increased. It is considered a good business tactic to provide a wider range so that customers do not have to shop around or go to others to complete their purchases. They can thus buy what they need from one stall and save time. In addition, buying from one trader increases the likelihood of price reductions or the concession of an extra quantity. Most traders, therefore, attempt to provide customers with a wide range of goods and to do this, further investment must be made.

Few traders borrow to invest in the market place. The capital required is low and it is not worth their while borrowing from the bank <sup>9/</sup> or other formal institutions which need collateral and charge interest rates which are quite high. For the same reason no trader is willing to borrow money from money-lenders whose interest rate is exorbitant (50% - 60% compared to 15% from the bank). However, to start business a few traders borrow from kin and friends who do not charge interest. The amount normally does not exceed 1,000 baht (£25), and borrowers are mainly young and single girls who would like to start a career. Financial support is likely to be given by the parents or siblings. Though there is no interest charged for the sum of capital and the period of repayment is not specified, it is expected that it should be as speedy as possible.

Savings and borrowing from kin apart, most traders prefer to be independent. A business is generally owned and run by a single person. Indeed, business cooperation to invest in a wider

scale of trade or expand an existing firm is almost unheard of. The only exception concerns two middle age women who ran a vegetable stall together. Each contributed 200 baht from the start to obtain vegetables from the city market. It is symptomatic that the business did not last long, for one lost interest and the business was transferred to a daughter who had already established a business in the market place. Both were housewives and took to trading merely as a hobby to occupy their free time.

The other significant financial institution from which capital can be drawn is the 'share game' which is widespread throughout Southeast Asia. In Java it is known as 'arisan' (Dewey 1964: 253) or a 'rotating credit association' (Geertz 1962). It functions as a money institution. In Wang Thong the game has no formal legal status, and is based solely on trust and social sanctions within the community: a threat to keep the others in line and keep the group going. Participants of a group are likely to be well acquainted: most are kin and friends and are generally responsible for the existence of the game. Throughout the research period there was no news of any group being cheated by a member. There are, however, stories about participants who ran away with the fund and the dissolution of the group. No case has ever been taken to court because the sum each participant contributes is small. Traders thus try to avoid depending on a single group by joining several groups contributing a little to each in order to spread the risk.

The game is simple with no paper work: even illiterates are able to join in. The number of participants, the subscription,

and the time allowed vary from group to group. Generally, a group is formed when a trader in need of cash approaches others in the market place to set up a game. Such a trader, the initiator, acting as a thaáw (Chinese word for 'head' or 'leader') stipulates the amount of money he wants, the number of participants, and the duration of the game. Let us look at the instance of a man who needs 1,000 baht: he may require 10 participants. Each participant then contributes 100 baht a month (or at any agreed interval). The first instalment goes to the thaáw who is responsible for collecting the money and who is in need of cash. For the following instalments the thaáw throws the bidding open each month. The participant offering the highest rate of interest each month receives the money. Every month each participant contributes 100 baht plus the interest rate he has set to the thaáw. If, for example, a participant wins the bid by offering 15% interest he has to pay in the succeeding months 15 baht interest on top of the initial amount of 100 baht (i.e. he has to contribute 115 baht each month until the final instalment is drawn). Similarly, the next person who wins the bid has to contribute his part in the same manner until the end of the game. Those who have already received their money will not be allowed to compete again against the others though they are still obliged to contribute. Other than the thaáw the last person, who has the smallest financial stake in the game, will get the 1,000 baht together with the interest for that month from all the other participants and so receives the highest amount of money. This method of calculation of interest is called dok tam, 'interest added'.

There is another method called dōk hak or 'interest subtracted' which is different from the former in that instead of adding the interest to the initial money, the interest is subtracted immediately from the one who wins the bidding. For example, if 5% of interest is offered, after the draw the winner has to pay other members 5 baht each at once. This means that he will receive only 950 baht, 50 baht being subtracted and given to the other participants as interest. After this bidding he has to contribute his part (100 baht) each month as normal for the rest of the game. The same method is applied to the next draw. Apart from receiving all the interest paid by the participants who have drawn the money, the last participant is the only one who wins the total amount of 1,000 baht without paying interest to anybody. At present the dōk hak is more popular than the dōk tam, for the participants do not have to memorise the amount of money plus interest that each participant has to pay. Besides, the interest is not as heavy as in dōk tam. The game eases the financial problems among people who know each other well; indeed, at the end of each draw food is provided by the winner as a sign of goodwill, and the tháaw, the organiser, occasionally provides drink.

In a place like Wang Thong where capital is scarce the 'share game' is an informal institution facilitating the flow of capital by the pooling of resources. It is based on trust and personal knowledge: it is supported by the force of custom which embodies social sanctions operative against those who fail to meet their obligations. Anyone who refuses to pay or who runs off with the money suffers from public gossip. It is likely that he will

thereby lose his name for trustworthiness which is essential for him to remain in trade. The share game has the advantage that anybody who wants to raise capital can do so by setting up a group. Others not in need of cash accumulate savings through their contributions. The only problem is that the game lacks formal legal recognition and participants therefore take a risk. With the establishment of a bank branch in Wang Thong it is expected that the game will lose popularity, because people are able to invest savings more securely. At present money drawn from the game is not fully utilised for further investment in business but is often used for home repairs or to support children in a good school. The money is, after all, too small to initiate any other business. A part of it will certainly be used to keep the business going but is not sufficient to invest in another business.

Most market place permanent traders keep a certain amount of cash for the day-to-day running of their businesses. A number have accounts with the banks in the provincial city but these savings are not normally for further investment but rather kept aside for a 'rainy day'. As for short-term capital saving traders prefer to keep this in cash. The other form of capital accumulation is investment in gold, the price of which is relatively stable. It can be easily changed into cash and is acceptable by city pawn shops, so should business go badly traders can always use gold bracelets and necklaces as collateral for small sums.

As mentioned above no permanent traders operate without credit from city suppliers. The debt should be paid within three

days or when obtaining new stock. This is known as sue mai hai kao, 'obtaining new goods and paying back the old debts'. The amount of credit does not exceed 200 - 500 baht at a time. The system of sue mai hai kao also applies to business in the Wang Thong market where most traders have regular customers (luk khaa' pracham) to whom they extend credit. These regular customers are village shopkeepers buying in sufficient quantities to permit the credit mechanism to operate. Debts must be cleared within a few days and not exceeding a week. Another form of credit is to sue mai khaang kao, 'buy new stock for cash while keeping the old debt on account'. This occurs when the debt has accumulated and the customer who cannot pay it back all at once obtains new goods for cash and a small repayment. This method eases the pressure of debt accumulation and strain on the creditor-debtor relationship. Customers are able to maintain their business despite the burden of heavy debt. Sellers, on the other hand, feel secure as long as they do not have to extend further credit and yet retain their regular customers in the hope that debt will finally be paid.

Credit must, of course, be restricted to a certain level and each trader is careful about the number of debtors and amount of the credit allowed. To allow too much credit can lead to bankruptcy if the debts cannot be collected in time. Thus personal information on customers must be obtained before credit is granted and personal relationships count for much.

In the same way that they obtain credit from city traders the Wang Thong traders extend credit to village shopkeepers. The function of credit is to maintain the smooth flow of goods and

services as well as to integrate small marketing areas into the wider system. Most permanent traders themselves have customers buying on credit which is given as a tactic to gain regular customers. It is considered a kind of investment which has to be included as capital. Though capital is usually kept in the form of cash, selling on credit is a way of investing more capital in trade. Most traders are conscious of this and compete with each other for regular customers on whom they can fall back on in times of over-stocking and a decrease in demand. However, a number of such regular customers, i.e. village shopkeepers, a trader can handle is low, for most of the trade in the market place is small and mainly on a retail basis. This is a paradox for too many regular customers means too many demands for credit, and one may run the risk of being over-extended and subject to bankruptcy. To what extent credit will be granted depends on the capital each trader holds. Comparatively speaking, however, the amount of credit in the market place still does not constitute as important a feature as it does in the market shop sector. Most trade is on a retail basis and the impersonal trading relationship is emphasised.

Where they exist these relationships between traders and their regular village shopkeeper-customers often extend beyond the economic sphere. When traders happen to be in the villages looking for goods to purchase they expect assistance from village shopkeepers. They are also often invited to attend ceremonies such as weddings, house-blessings, and ordination ceremonies, and contribute money or certain items of goods such as fruits and sugar to the host as a

sign of goodwill. Over time then, the relationship between traders and village shopkeepers tends to become increasingly multiplex.

### Cooperation and Competition

Competition is intensified by the fact that most sell a similar range of goods. In general, pricing and the quality of goods are employed as strategies in the competition. However, since most permanent traders obtain goods from the same sources in the provincial city, prices and quality do not differ that much. It is here that the personality of each trader becomes significant. Successful traders must be able to persuade the buyers to agree with the price and quality of goods. The lack of standardised measurement provides an opportunity for traders to raise price against quality and vice versa. Frequently heard statements used by traders include "my goods, though a little expensive, are of a higher quality" or "for you, the lowest price, you won't get it anywhere else". It seems that a most important factor in getting more customers is to take more patience and maintain a calm appearance in the bargaining process. Most traders agree that to be successful it is important to be chai yen and pak wan, especially when the customers in the market place hold to the customs "pen thammada khong sue khong khai tong to kan", "it is customary that one must haggle when selling and buying."

Overt conflict among traders in the market place hardly occurs. Cutting prices below the established level is uncommon though it is possible when one needs cash to pay debts, because it



is recognised as essential that traders pay off debts granted by the city traders in time. Failure to do this reduce one's reputation and trustworthiness in the trading network. By the time my research had finished a butcher had been murdered and it rumoured that it was because he was trying to cut prices below the government controlled price which other butchers would not accept. Though the exact reason for his murder is not known it is important to emphasise that price cutting is unacceptable and can lead to violent disputes. Traders informally set the price at a point where haggling is possible and which does not disrupt other traders' business. Since most traders know each other and are members of the same trading community the social sanction of gossip is usually sufficient to prevent the breaking of business norms.

The other form of competition is for having regular customers or village shopkeepers. Each trader has his own regular customers to fall back on and to whom he sells on credit. However, there are limitations: most traders are in businesses with very limited capital which restricts their scope for action. However, since customers can easily change, traders try hard to retain their regular customers by providing a good quality of goods, informing them of price fluctuations and reserving goods for them in times of shortage. In addition, they provide other services, such as obtaining goods from others if needed or looking after customers' belongings when they do other shopping. Often such a relationship goes beyond the economic sphere to cover other aspects of life.

Though there are Chinese, in addition to Thai and Sino-Thai,

operating their businesses in the market place there is no expression of ethnic discrimination or conflict. Most of the Chinese, like the Thai, are poor and have to strive for a living. Indeed, both share common interests in that they trade in the market place as distinct from the wealthy traders of the market shops and agricultural warehouses. Moreover, the number of market place Chinese traders is small and they do not constitute an exclusive group. Competition is inter-firm rather than inter-ethnic with each trader independent and competing with others as individuals.

Another reason for the lack of conflict is the fact that most Chinese traders are married to Thai women who assist them in the business. Their children become Thai and are assimilated into Thai culture and society. Speaking Chinese does not help in business at this level, for market places, both in Wang Thong and the provincial city, are dominated by Thai. This is important for it indicates that the Thai can indeed compete with the Chinese. The Chinese, however, always aim to expand their business whereas most Thai tend to keep the trading at a certain level. The Chinese try hard to enter the higher echelons of business as for example by setting up a shop. In contrast, Thai traders find it difficult to undertake business in the market shops because they do not have access to the Chinese network at higher levels of trade. It is not just a lack of capital which bars Thai traders from reaching a higher level of trade but the exclusive business network and social organisation which the Chinese have developed among themselves. I shall deal with this

problem when I discuss the market shop and the agricultural market sectors, which are both dominated by Chinese.

Among temporary sellers cooperation to increase the scale of trade is not possible and has never occurred, even though some come to the market with friends. Similarly, though most permanent traders know each other there are few activities which encourage cooperation. There is little sign of any potential economies of scale. This is because the Wang Thong market place is characterised by a large number of small-scale traders competing and operating their business with very limited capital and credit. The market place operates with labour-intensive techniques and serves the local people who are mainly small-scale agricultural producers and whose purchasing power is low. To meet this demand goods must be divided into tiny pieces or units suitable for local consumption, and the number of traders must be large to be able to handle great numbers of small lots.

Among the very limited cooperation existing between permanent traders is a rotating system of going to the city to obtain goods. Each day a trader is appointed to obtain goods for others as well as for his/her own stock. This informal arrangement enables traders to save time and expense as well as obtain price reductions for bulk buying. However this practice obtains only among traders who know and trust each other well and is mostly between siblings, other close kin and friends. Many still prefer to go to the market themselves and choose from a wide range of goods. Such a group is not a sign of any long-term cooperation. Each member is responsible for her own business

though she may look after a neighbour's stall when the other is away. The other type of economic cooperation is that of the 'share game' or rotating credit system already discussed. Most traders are familiar with this and a number use it to save money.

Other forms of cooperation include social events. On the New Year a party is organised and most permanent traders participate. The market hall is turned into a party hall decorated with lights and coloured papers. Food and drink are served and a local dance (ramwong) performed. Each trader contributes money according to the expenses incurred in arranging the party. Gifts worth more than 10 baht are brought to the party to be raffled at the end. During the time of research it was organised for the second time by a young trader who is better off than the others. She is, by no means, a leading figure in the market place though in this particular year she ran a very successful business. The party can thus be initiated and arranged by anyone who has time and is willing to take on the burdens associated with the arrangements. The event illustrates well the unity and common interest of the permanent traders for whom the market place also functions as a social arena. They are all chao talat: the party symbolises the interests and spirit of the group and stresses the significance of the cooperation necessary if the market is to survive. It helps reduce tensions stemming from the daily round of economic transactions and competition. As one member pointed out, "we are brothers and sisters, just once a year we take time off to enjoy ourselves together".

The most important ceremony which signifies and articulates

the common interest of the traders is that of the worship of Chao  
m̄ae Thong Dam, the spirit protector of the market of Wang Thong.  
The image of Chao m̄ae is placed in the middle of the market place  
for anybody to worship for several days. Owners of the shops  
and warehouses also take part in this important ceremony and  
through the rituals all traders, who are chao talat, announce  
their common interests and ideology. Cooperation is stressed and  
traders feel morally bound to one another. The prosperity of the  
market as a whole is expressed in the scale of ceremony which also  
reflects, to a certain degree, the business success of each  
individual trader in that successful traders tend to donate more  
money and be very active in the ceremony.

CHAPTER IV

NOTES

1. Skinner (1958: 186-99) has discussed the cooperation between Chinese wealthy traders and Thai high ranking government officials at the national level. Similarly, Riggs (1966: 251-310) has provided a detailed analysis of the relationship between Chinese 'parish entrepreneurs' and Thai officials in Bangkok.
2. In practice, however, it is the palat sukha who is responsible for the market organisation and the person to whom sellers make their petition. Police officers will intervene only if the conflict becomes a breach of the public disorder.
3. Though Thep only has a certificate of mathayom 6 (mathayom suksa 3 under the new regulations), his knowledge of laws and regulations is greater than that of his neighbour traders. He has been involved in various trading and business enterprises that have provided the opportunity to get to know high government officials namely the District Officer, Governor, and the Director of the Department of Highways.
4. The collection of fees is the responsibility of the assistant of the palat sukha who actually visits the market in the morning. It is unfortunate that no systematic record is available. When I tried to obtain such information the assistant became furious and refused to cooperate. With assistance of the palat sukha, however, I managed to get a list of traders who pay the fee regularly.
5. Pig slaughtering is done in an abattoir located 200 metres away from the market place. Butchers have to pay for the license and other expenses concerning the slaughter. All facilities are provided by and are under the control of the palat sukha on behalf of the Health Officer of the sanitary area.
6. It must be noted that her husband did not get involved in the business at all even when he was out of work. Trading is totally the responsibility of Chai and her daughters.
7. Mi's father (household No. 53) is a wealthy Chinese shop owner who has run the business in the Wang Thong market for almost 30 years and is recognised by other traders for his trustworthiness. With the assistance of his father Mi's younger brother also set up a new shop when he got married. At present these four brothers and sisters have their own shops in the Wang Thong market and have helped each other to run businesses by introducing new customers

to each other. As siblings they felt obliged to assist each other especially in the initial period.

8. Uchendu (1967) provides a detailed analysis of haggling and bargaining on the worldwide scale.
9. During the time of the research no banks existed. The first banks was established by the end of 1976. Banking services are not new for the Wang Thong traders. The service has been widely employed especially by agricultural traders and shop owners. The establishment of a bank has shown the popularity of banking services.

CHAPTER V

MARKET STORES AND SHOPS



In this chapter I discuss the organisation of market stores and shops monopolised by the Chinese. Before the establishment of the market place it was the Chinese who pioneered trade and set up shops around wat Wang Thong. These dealt in household items ranging from pots and pans to clothes and agricultural equipment. Trade expanded and with permission from the wat a morning market place was set up on wat land. When the market place was moved to its present site in 1956,<sup>1/</sup> Chinese shop owners soon followed and built their shophouses around the new market place to form the present commercial nucleus of the town.

The idea of relocating the market place was initiated by Thep,<sup>2/</sup> a Thai born Chinese, who was the first to move and to help a number of kin and friends to establish shops and run stalls on the new site. His shophouse, though not the busiest, is still the largest. He runs a variety of businesses ranging from a general store to a petrol station and bus company. His leadership is not confined to any particular group, it has a broad base and he is the one from whom many traders seek advice. His being the wealthiest and the most experienced trader in the town consolidates his leadership.

Thep is by no means the only leader. There are others, especially young and enthusiastic men who are members of the Sanitary Committee and the Provincial Council. They are active traders who wish to see further progress and development. In the eyes of the people however, they are, when compared to Thep, still too young to become real leaders. An important point to note here is that the market place and the market shops, though

separate conceptually, are for practical purposes closely related. Traders in the market place look upon shop owners as leaders. Shop owners, however, are wealthier and some are better educated. In matters concerning the well-being of the market it is these men who are approached by the District Officer, and information passes through them to market place traders. Moreover, important events are more likely to be initiated by the market shop traders: for instance the worship of Chao mae Thong Dam held in the market place is always organised by a shop owner.

#### Nature of Business

As in most other small Thai towns, Chinese shophouses are usually two storeys high and built of wood. The ground floor is devoted to business and usually overflows with a variety of goods because most try to store as wide a range of goods as possible. It is common to find a shop selling goods ranging from clothes, powder, and cosmetics, to agricultural equipment, construction materials, fertilizers and insecticides. Most have a ground area of about 48 square metres with a rear which is used as a kitchen/dining room divided from the front by shelves. The top floor is the family residence and may contain two rooms, but it is not unusual for the whole family to sleep in a single room. This demonstrates the marked family nature of Chinese business: the owner and his unpaid assistants all reside on the premises where they share in household activities. Indeed, the business area is regarded as an integral part of the living space and way of life of the household.

Trade in a market shop starts as early as 6 a.m. when village shopkeepers finish their transactions in the market place. Trade is busiest at this hour and most sales are wholesale ones to village shopkeepers. Although the range of goods sold in the market place and market shops may overlap to a limited degree, the shops sell mainly manufactured items such as clothes, canned food, and agricultural equipment. Where there is an overlap the price of goods sold in both places does not differ all that much, but buying from a shop is more prestigious. Market place and shop traders obtain goods from the same city sources but the market shop has the advantage in that it provides a wider range of goods, so that customers do not have to shop around. Moreover, most customers tend to regard goods obtained from the shops as of high quality and are prejudiced against items in the market place.

Business is active from 6 o'clock till noon when most farmers will have returned home. It is active again between 3 and 5 p.m. when farmers who have gone to the provincial city or other districts stop by. Sales at this period are mainly retail ones. At 8 p.m. most shops close and traders visit each other or gather at a coffee shop. Such informal gatherings are essential as far as the business is concerned. It is here that members learn about each other through informal intercourse and obtain information about market conditions and price fluctuations. At these gatherings news of community life is a recurring topic and indeed, these meetings are themselves part of community life.

Though most shops deal in mainly manufactured goods, business is still subject to seasonal variations. The majority of customers are farmers whose livelihoods depend on agriculture. Shop owners, therefore, try to provide the farmers' seasonal requirements. It is quite common to hear traders complain "this year business is not good for the farmers did not have a good harvest". Therefore conditions in the market shop sector are closely related to conditions in the agricultural market. If the price and quality of agricultural produce is high, the market shops flourish.<sup>3/</sup> The close relation between the two market sectors was even more pronounced in the past when shop owners also bought and sold agricultural crops. Nowadays the two sectors are separate though a few shop owners still operate in both. With increasing international demand for agricultural crops and local demand for manufactured goods, specialisation increased. Shop owners could not compete with the professional agricultural buyers whose capital and skills were greater.

Shop owners gear their business to cycles of religious festivals and agricultural production. Before the growing season, shops amass agricultural equipment such as steel ploughs, <sup>and</sup> sickles, as well as fertilizers and insecticides imported from Bangkok and other provincial cities. After the harvest, when farmers have sold their crops, clothes and other luxury goods are stocked. In April and July, the months of <sup>the</sup> Thai New Year festival and other major religious ceremonies, shop owners replenish their stocks of yellow robes for monks, artificial flowers, glassware and ceremonial artefacts. Each shop then is well stocked and offers

goods according to the rural demand at any particular time.

Most shops have a single Chinese or Sino-Thai male owner. It is always the husband who runs the business with assistance from his wife and their children, all of whom are unpaid. He is responsible for the day-to-day running of the business and especially for establishing outside contacts, whereas the wife spends most of her time in the shop. It is not unusual for a wife to take care of the finances though this is a matter for both of them. Inter-marriage with the Thai has gradually facilitated the emancipation of women and establishment of their rights in the family business.<sup>4/</sup> Formerly, the man took sole responsibility and, especially for the Chinese, the man as head of the family had to assume the dominant role in business and in other matters which affected the family, e.g. the education of children. Nowadays husband and wife work more as equal partners and share the family assets though final decisions are still the husband's domain.

Children learn by practical experience as soon as they can speak how to conduct business. They grow up within a business environment and are obliged to participate whenever they can. On marriage they are ready to set up their own shop, independent of the parents. However, an aim of most shop owners is to secure for their children a future outside business. They try hard to provide the best education they can and consider it prestigious to be able to support children at university (cf. Galaska 1969: 124-26). One reason which makes Thep so prominent is that he has given his children an education which nobody in Wang Thong can

match. Out of 11 children, four are university graduates who are at present working in Bangkok either with the government or in private firms. The other two are studying for Ph. D. degrees in the United States and the rest are still in schools in the provincial city. Nevertheless, it is practice for one child to be kept at home to help the parents and this is the one likely to inherit the business when the parents retire. At present Thep's eldest son is responsible for the operation of a bus company in Wang Thong and is likely to inherit the business when Thep retires. The other example is the Kwang family (household No. 120). Out of the 10 children, six are university graduates and two work with companies in Bangkok.<sup>5/</sup> The remaining two have to remain at home to look after the business and their retired parents. Normally, the eldest son or daughter has the least chance to enter higher education for he/she has to help run the business and it is his/her responsibility to look after siblings when the parents retire. Noi (household No. 52) helped his younger brother set up business in the market place when his father died, by providing the initial capital and some of the goods in the shop he had inherited. The brother managed the business well and soon established his own shop opposite his brother's (household No. 4). Again there was an obligation on Noi to supply his brother with goods and credit. He also introduced him to city traders so that further credit could be obtained. At present Noi has to look after his mother and a younger sister.

All these cases instance the strong family organisation of the market shop in Wang Thong. Workers are recruited from within

the family circle, from children or siblings. Kinship ties are far more important among the Chinese and Sino-Thai market shop traders than in the market place. It must be emphasised that though the business in market shop is relatively capital-intensive it is still run on a family basis. Each family concentrates only on enlarging its business which expands until it is too large for a single family to handle, when it fragments. An additional business is then set up with a son or daughter in charge. Fission of the enterprises offers chances to would-be-trader (actually the younger generations) to set up business though it also means that businesses will not be enlarged to the extent they might be in a 'modern' type of economy. In an economy where most consumers are small-scale peasant farmers with limited power of consumption, the large number of small-scale enterprises in Wang Thong seems to be most effective. Should a company attempt to establish the thousands of small scattered, collecting and distribution units provided by the present market facilities, the capital required would be enormous and the fixed operating costs so high that many units would operate at a loss. Local markets, with their many small units, best fit the economic situation in Wang Thong. Moreover, dividing the enterprise into small units spreads the risk and lessens problems of inheritance. Elder sons are responsible for the new shops which they inherit when they get married, while others are instead given a chance of a higher education.

### Scale of Trade

Although almost all shops are family businesses, their scale of operation is far larger than the market place enterprises and <sup>they</sup> are relatively capital-intensive. Some deal solely in retail sale, but others combine wholesale and retail functions. These have regular customers, lūk kháá práçham, who are village shopkeepers buying goods on credit. Though most sales are retail, it is essential to have lūk kháá práçham for this enables economies of scale. However, certain businesses do not have lūk kháá práçham because of the nature of their goods, e.g. medicines, clothes, agricultural equipment and other hardwares.<sup>6/</sup> These are sold directly to general customers because village shopkeepers who operate with a minimal capital investment cannot afford to store those goods not required immediately by villagers. However, if necessary village shopkeepers are able to obtain such items for villagers who require them.

The scale of shop trade, therefore, depends partly on the numbers of regular village shopkeeper-customers. As in the market place, shop owners try to keep these customers by providing a wide range of goods so that they do not have to go to other stores. Consequently, no shop can afford to specialise in a limited range. Indeed, the wider the range of goods provided, the better the business. This state of affairs is a function of the basically low incomes of customers. Goods bought and sold are small in quantity. For example, farmers occasionally buy a bottle of insecticides or a kilogramme of fertilizer, so that the demand for each particular type of goods is not high enough



to allow traders to specialise. When Mi (household No. 141) started business he, in fact, intended to specialise in construction tools and agricultural equipment. After some time he began to stock other goods including cosmetics and other household items because he found he could not run on so specialised a basis. Few customers acquired the items he initially offered and they complained at the lack of provision of a wide range of goods which would have enabled them to buy only at his shop. His decision to change proved the right one for he now has his own regular clientele, and the number of farmer-customers has increased steadily. His business is now well established, with a wide range of goods though the main items stocked in his shop are still construction tools and agricultural equipment.

Most Wang Thong shops are, therefore, small in size but large in terms of the range of goods stocked. Except for drug stores and sweet shops, shopkeepers are prepared to stock anything frequently required by customers. The three drug stores in Wang Thong operate mainly on a retail basis. Business is active all the year and this reflects the small number of health centres in the rural area. In the event of illness villagers go to unqualified local doctors (mo thuan) or buy medicines suggested by friends or retailers. Only when the situation becomes critical are patients taken to the city hospital or to the doctor at the town health centre. In such situations, drug stores flourish. It must be noted, however, that all drug store sellers specialise in and are familiar with most of the drugs they sell.<sup>2/</sup> All have

had a long training as apprentices in the city drug stores which recruit workers on a kinship basis. The drug store is the only enterprise requiring specific experience and knowledge, and to set up a drug store one must have access to this training. Moreover, because of the high demand for their products, drug stores are unusual in being able to specialise.

The other businesses following the pattern of drug store are sweet shops of which there are two. Most sales are wholesale to village shopkeepers and consist of sweets, cigarettes and the like. In most villages, even in remote areas, these goods are always available and these two shops are probably the most active in the town.

Earlier I emphasised the interconnexion existing between the four market sectors. One obvious instance, relevant here, is the number of shop owners who were either previously involved with, or are still, running a business in the market place. At present five shop traders maintain businesses in the market place: four sell dried fish and pickled vegetables, and the fifth sells clothes. The reason for keeping on the stalls is partly to spread risks and it is regarded as more secure to invest in several businesses rather than invest in one firm. With the husband and wife managing stall and shop, no other labour is required. One of the stalls, though, is run by the younger brother of a general store owner who keeps up the stall in the hope that he will eventually establish his own shop.

Entry into Business

Operating a shop requires a considerable amount of capital. To cite the case of Mi again, he started with 40,000 baht (£1,000) whereas his brother initially invested more than 100,000 baht (£2,500) in the shop selling construction materials. In contrast, the market place sellers operate with capital not exceeding 1,000 baht (£25). Moreover, it is necessary in the initial period for shop owners to acquire financial assistance from parents and close kin. In addition to the initial capital provided by his father, Mi and his brother live in shophouses owned by their father. Without such assistance they would not have been able to set up on their own. Mi initially obtained goods on credit from his father because the 40,000 baht was not enough to replenish stocks. This credit was interest-free, without a specified period of repayment. He had use of his father's pickup car which he still uses whenever he goes to obtain goods in the city. Among Chinese traders parents have an obligation not only to help children set up shop but also to look after their business until it is well established. Mi's business is now well on the way and he has grown increasingly independent of his father. The very necessity of business experience must also be stressed: Mi worked for almost four years in his father's shop before he set up in his own. There is a two-fold advantage in this, for during this time Mi got to know both traders in Wang Thong and in the provincial city. It was, therefore, easier for him to obtain credit and his shop is now worth more than 100,000 baht (£2,500) with half the stock obtained on credit.

As mentioned earlier, it is difficult for Thai people to break into this level of business. At present there are only three shops run by Thais: one is owned by a retired government official (household No. 143). He started as a butcher in the market place and then was able to set up a restaurant outside the market place which required full-time involvement. The restaurant was mainly patronised by government officers and people working on the highway construction. After the construction had finished in 1956 the number of customers fell disastrously, so that he had to switch to selling soft drinks wholesale to village shopkeepers. He now finds that he cannot compete with Chinese traders operating with higher amounts of capital and who offer a wider range of goods. No relative of his is involved in marketing in Wang Thong so he cannot hope, as do the Chinese, to obtain financial assistance to back up his business. Therefore, though it is true that Thai people can run shops, without commercial support from kin and friends it is difficult for them to make headway. Above all, without the introduction of kin and friends it is almost impossible for them to break into the trading network.

Until recently "the Thai have not shown such enthusiasm for business enterprise" (Ingram 1971: 217) and, indeed, only a few Wang Thong Thai are shop owners. Interestingly their businesses have stagnated and seem likely to be taken over by newcomers of Chinese origin. Chinese participation in commerce is long established whereas Thai have only just begun to get involved in shop businesses in the last two decades. The Wang

Thong Chinese traders obtain more credit from the Chinese city traders and are, therefore, capable of retaining a greater number of regular customers who depend on them for credit. It is also true that Chinese traders work longer hours than the Thai. They always aim at expansion and involvement at the higher levels of trade. For them the only way to climb up the Thai social ladder is through the accumulation of wealth. Hampered by the exclusive trading network in the market shop and agricultural market sectors, the Thai turn to other businesses such as transport services.

#### Marketing Practices and Marketing Network

Insofar as the shop trade necessitates economies of scale, high costs of operation and the emergence of points of possibly restrictive control, the organisation of the market shop is centralised and hierarchically arranged (Schwimmer 1976). Manufactured goods are 'imported' and distributed by Chinese traders in the provincial city to Chinese and Sino-Thai traders in district towns. Except for traders in the agricultural sector, very few Wang Thong traders have business contacts in Bangkok or other cities. Most rely on Phitsanulok for their main supplies because the quantities obtained in each transaction are insufficient to cover transport costs and the time involved in travelling to Bangkok. Moreover, they lack that close link with Bangkok traders, so necessary to obtain credit.<sup>8/</sup> In the same way traders in the Wang Thong shops provide another stage of restrictive control over the distribution of goods to shopkeepers

in the villages who obtain goods from them on credit. Phitsanulok traders prefer to sell on a wholesale basis to Wang Thong traders rather than deal in the very small quantities bought by each village shopkeeper.<sup>2/</sup> The centralised nature of the market shop trade facilitate economies of scale and an effective control of the flow of goods. Traders at each stage of trade are vertically related to each other: village shopkeepers to Wang Thong traders, and the latter to traders in the provincial city who in turn are linked to Bangkok and other provincial cities.

It is through these vertical relationships that the continuities of supply and distribution are secured, and the extension and repayment of credit managed. Credit binds traders at the various levels from Bangkok and Phitsanulok to Wang Thong and the villages into a wider hierarchical system of trade. Credit permits each trader to command a number of regular customers and these, whether in villages or the town, help to reduce risks. Not only do traders gain the information about conditions in the rural market necessary to adjust their business accordingly, but having regular customers to fall back on also helps keep the flow of trade moving.

Such vertical relationships are highly personalised and significant given the unpopularity of any formal contractual basis to trade. Most business transactions are carried out on a personal basis with only a rough note on a piece of paper given to regular customers. This is markedly different from the dealings with the agents of the Bangkok companies who visit Wang Thong at least once a month. These agents are stationed in one

of the Phitsanulok hotels used as a central point for contact with mother firms in Bangkok. Although credit is given it is for a strictly limited period, normally not exceeding two weeks or one month. Receipts and invoices must be provided as evidence of transactions. Though most of this kind of business is on a formal basis, most agents understand well the personal factors that influence market traders. It is not unusual for them to establish personal relations with local traders, for most have been in the area for some time and are not strangers to the Wang Thong community. However, because of the mobile nature of their business, the fixed price of their products and the restricted range of goods, they are not considered by Wang Thong traders as part of the local marketing network of Phitsanulok. They have not developed personal ties in the same manner as traders in Phitsanulok have with Wang Thong shop owners. They may joke with each other but here a personal relationship is one thing and trade another. Consequently, no lasting relationship between Bangkok agents and traders in Wang Thong is evident.

Some city shop owners also have representatives who visit regular customers in Wang Thong and other town markets to obtain orders and repayment of credit. To a certain degree they compete with the agents of Bangkok companies. Significantly, although their prices may be slightly higher than those of the Bangkok agents, they are able to compete effectively. Firstly, the range of goods they provide is much wider. Secondly, the Phitsanulok shop owners are more flexible in their dealings with

their customers so that credit is often given on the basis of sue mai hai kao, 'buy new goods on credit and pay back the old debt', no exact date being specified. Thirdly, goods are obtainable all the time from the Phitsanulok traders whereas in the case of Bangkok agents this is not so because the agents are frequently elsewhere on business. Phitsanulok suppliers store goods and supply their Wang Thong traders at any time even when the demand is high and the supply limited. Finally, there are the more general social and economic advantages in dealing with Phitsanulok suppliers. Most are known to one another and trust each other, while on a social level they join each other in important ceremonies concerning the life cycle and household celebrations. Indeed, it is not unusual for suppliers to be invited to act as thao kae <sup>10/</sup> or 'go-between' in negotiations over the prospective wives for the sons of Wang Thong traders.

Finally, before proceeding to discuss marketing practices in Wang Thong I present a schematic diagram of the marketing network as it links various suppliers and buyers (see Diagram 3).



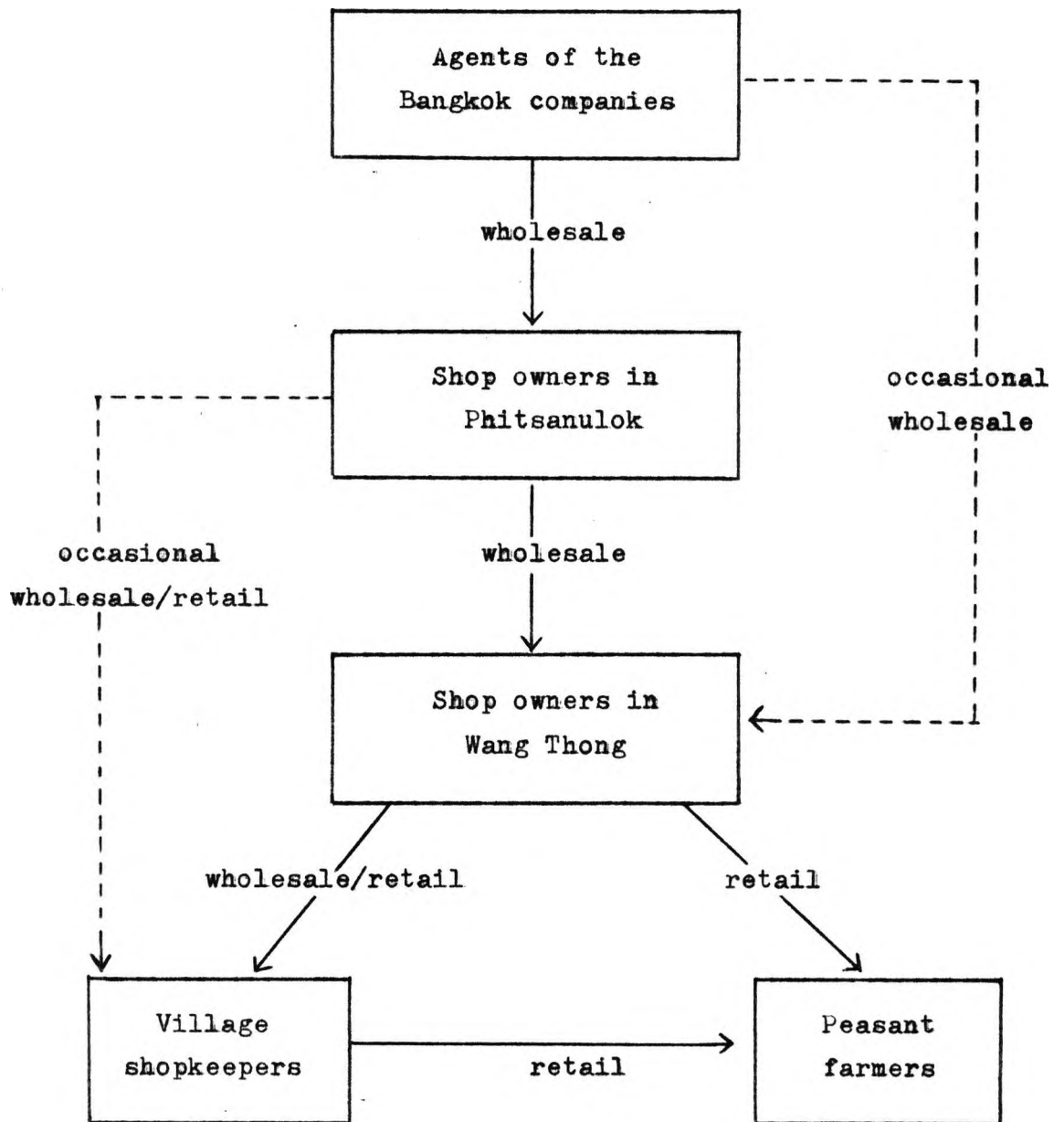


Diagram 3: Marketing Network of Market

Shops

It is necessary to distinguish between two categories of buyers: the lūk kháá praĉham or simply kha praĉham (regular buyers) and lūk kháá ĉhôn (occasional buyers). Failure to do so disguises two distinctive kinds of relationship. Whereas Alice Dewey (1962) has stressed the highly impersonal nature of economic transactions in Modjokuto, Szanton (1972) and Davis (1973) maintain the importance of the personalistic element in Philippine markets. My Wang Thong materials suggest that both impersonal and personal elements operate simultaneously though in different degrees according to the type of market sector and category of buyer. In the market place where trade is on a small-scale and necessitates haggling, transactions are highly impersonal. In the market shops most traders maintain personal relations with regular customers in order to secure the flow of commodities and the repayment of debts. On the other hand, shop owners do have many occasional buyers who buy mainly for home consumption and are treated as general customers with whom relations are impersonal.

Lūk kháá praĉham are regular buyers who have traded with a particular trader for some time and obtain goods on credit. Their relationship is dyadic and long-lasting, indeed, the word 'praĉham' means 'regularity' which is the defining feature of this relationship and equivalent to the terms 'suki' in the Philippine markets (Szanton 1972; Davis 1973) and 'pratik' in the Haitian market (Mintz 1961). Both suppliers and buyers seek to establish kha praĉham or ĉhao praĉham ('regular leg', 'regular buyer' or 'supplier') with each other. The mutual economic advantages are further reinforced by the wider system of reciprocity apparent in

interpersonal relationships among the Thai people. Such relations are subject to various kinds of social sanction and mutual obligations. Suppliers are expected to anticipate customer's wishes, to suggest the best items, to set unusual or better goods aside, and to offer small services such as storing a package. This simplifies a shopping and assures the customer of a reasonable and relatively quick service. On the other hand, a supplier expects his khā prācham to be a regular outlet and will regulate his services accordingly. Secure in some portion of his turnover he can better plan his purchases, manage the problems of over or under-stocking, and thus strengthen his position in the market. Credit extension further fortifies the bond and it is an advantage to both to be a khā prācham to each other.

Lūk khāá chon are general customers who buy for cash and do not establish any specific relationship with the sellers. They constitute, in terms of the total turnover (volume of sales, not number of transactions), a minority of customers for most buy occasionally and in small amounts. The relationship is limited to economic transactions and is an end process in itself. Supplier and buyer may be known to one another but if they have not traded with each other before it is unlikely that any special treatment will be given.

Credit and regularity are thus the distinguishing features underlying the lūk khāá prācham relations. Initially a customer must buy for cash but when they<sup>are</sup> sufficiently acquainted with one another the trader may extend credit on few items. Traders must be careful not to over extend credit but observe closely the

trustworthiness of their prospective regulars. If credit is promptly repaid and the customer continues to visit regularly, further services and credit are offered. They then become kha pra<sup>h</sup>cham to each other and trust and concession becomes the norm. As traders put it: "sue khai kan ma nan chue chai kan", "we have traded with each other for a long time and we trust each other".

Once established, kha pra<sup>h</sup>cham relations tend to last as long as either is involved in marketing or until a breach of the norms of reciprocity occurs. Nevertheless, it is not unusual to hear traders complain of customers who disappear after obtaining credit or who switch to another trader. "Cash with other, credit with us" is often cited among market shop owners not satisfied with customers who do not follow the norms. In such cases the kha pra<sup>h</sup>cham relation collapses, credit ceases to be extended and debts must be repaid. It must be noted that there are, of course, variations within the category of kha pra<sup>h</sup>cham relations which tend to be consolidated over time. Over all, at one end of the spectrum there are the luk kháá ch<sup>h</sup>on whose relations are impersonal, at the other there are relations with the luk kháá pra<sup>h</sup>cham which are highly subjective and personalised.

Haggling is unusual among kha pra<sup>h</sup>cham but not unexpected in dealings with luk kháá ch<sup>h</sup>on. Most items are open to haggling but some have fixed prices determined by the manufacturers, these include cigarettes, detergents, soap, and matches. No price tags are normally attached though traders always have their own price-codes on the item indicating the cost price from which they can calculate the selling price, something the customers do not get

to know. The price-code is kept secret among family members and each shop creates its own. The price offered to general customers is normally higher than that quoted to kha pra<sup>h</sup>am but does not generally exceed 10% of cost price. Customers are allowed to haggle down to 5% or in some cases when customers buy other things traders may agree to lower the price of some item to cost price. But of course they later cover the loss of profit by including it in the price quoted on other items. This is a tactic which most traders employ without occasioning any suspicion. Traders always remind customers that they have reduced the price of one item so that they must allow them some profit on others. However, since most shops sell similar goods and compete with each other, prices are not much different. Peasant farmers often prefer to shop around before deciding to buy. In this way most traders are able to obtain information about the price offered by neighbouring shops and can adjust their selling prices accordingly. Finally, it must be noted that with the low profit margins it is not possible for any trader to startlingly cut prices to obtain more customers. The low profit margin does not allow any trader to lower the price to the point that other traders are driven out.

### Capital and Credit

Almost all shop owners use banking services but none borrow money from the bank to invest in their business. When necessary they obtain short-term interest-free loans from close kin and friends. Borrowing from the banks requires collateral and formal agreement. After all, except for those recently founded which

require attention and financial support from parents or other kin, most market shops are well established. Half their stocks are on credit and to enlarge their businesses shop owners merely increase the amount on sale and obtain more on credit. In such circumstances there is no need to take a bank loan unless there is a wish to embark on other ventures.

Most traders have now opened savings accounts with banks in the provincial city but such savings are small, kept separate from day-to-day business, and are drawn on mainly for special occasions such as weddings or investment in new business ventures. A number have invested in land which was a popular form of saving in the past when most traders were engaged in marketing agricultural cash crops. Nowadays owing to the scarcity of land and rumours about land redistribution programmes, most have ceased investing in it. Another source of capital is the 'share game' though it has now lost its popularity with the availability of banks for saving. Among shop owners the money pooled into the game is often as high as 10,000 baht (£250) per member. Personal savings are another source of capital. Fifty per cent of shop owners acquired their initial capital from such savings plus support from parents and kin.

Almost all shops in Wang Thong rely on the provincial traders for credit which is regarded as part of the capital invested in the business. It is not possible for shop owners to operate their business only with their own capital; 93.75% of shop owners buy goods on credit from the provincial traders under the sue mai hai kao system. Sixty two point five per cent of shop owners

in turn extend credit to village shopkeepers. It is those sweet and dried goods shops which normally extend more credit to village shopkeepers, for the kinds of goods they sell are saleable at all seasons and places even in remote villages.

Shop owners keep account of regular customers buying on credit in a small note book. Such accounts are for personal use. Another is kept for official investigations. Traders hire the district accountant to do the accounts for he is the one who knows best how to evade heavy taxes. The personal account is for their own calculation.

The significance of credit is not only that it binds traders of different levels into a wider marketing network but it also smooths and eases the flow of capital into the rural area, especially in the villages where cash is still a scarce resource. Credit provided by the higher level traders helps hundred of small-scale traders in rural areas to run their businesses.

#### Cooperation and Competition

Cooperation is generally limited to close kin where parents continue to support their children's ventures or where a former single business has been divided. A good example is that of the Hua family (household No. 53). When their sons got married the parents helped them to set up their own shops and will continue to look after the children's interests until they are firmly established with their own lūk kháá' praCham. The children obtain goods from the parents' shop at cost price, and should they not

stock what is wanted they direct the purchaser to a sibling's shop. At present there are four shops, each specialising in different goods: the parents selling miscellaneous goods such as clothes, cosmetics and other household necessary items, a daughter runs a very successful sweet and candy shop, and the eldest son specialises in agricultural equipment including fertilizers and insecticides. Finally, another son has just set up a business concerned with construction materials. All the businesses complement each other and offer the owners a chance to cooperate on a wider scale.

Cooperation between shop owners to enlarge the scale of operation has rarely occurred. Most traders express negative attitudes towards such cooperation by saying that "tham khon doew sabai chai, roeng ngoen thong wai chai krai mai dai", "to work one's own is comfortable, you cannot trust anyone where money is concerned". The market of Wang Thong, after all, is small and does not facilitate such developments. The demand for goods is met well enough by a number of small enterprises rather than a single large company. Peasant farmers obtain goods in very small quantities at a time and their income is always subject to vicissitudes of climate and natural factors beyond control. Small businesses are flexible enough to adjust to the demand and other marketing conditions. Where commercial cooperation does exist it is in the vertical relations between traders at different levels, between whom there is mutual dependence and information about prices, supplies and demand passes in both directions.

However, as chao talat, members of the same community,



shop owners cooperate in the non-commercial activities of making merit at the wat and the worship of chao mae. Despite the lack of commercial cooperation the market is not an atomistic field conditioned by impersonal and rational forces. Many traders are related through kinship, friendship and neighbourliness, and economic relationships are often embedded in these social relations. In such ceremonies as the worship of chao mae or weddings, most traders contribute money and participate. They visit each other socially and join together in coffee shops to discuss matters ranging from gossip to politics and marketing conditions. A number of young traders prefer to go to the provincial city to drink and talk together at least once a month. Apart from the pleasure they give, such meetings are essential to traders who need to be well informed.

Competition is a central aspect of marketing organisation. Traders compete by providing as wide a range of goods as possible for more luk khaa prachan. "Sue ngai khai wai kamrai noi", "buy easily, sell quickly with small profit" is the method employed by shop owners in the competition. They prefer to sell their goods as quickly as possible though the profit on each item is low. Being able to sell quickly and in large amounts means that the total profit is high. Since most shops provide similar goods and the prices do not differ that much, the personality of the trader is crucial. A good shop owner must be patient and be willing to satisfy the customers' demands.

Competition is mostly between enterprises rather than between ethnic groups but this is because few, if any, Thai can

actually compete with the Chinese for reasons discussed earlier. For the Chinese, trading is the way of life; they devote everything to the business whereas the Thai tend to take to trading as a sideline to maintain the family. The Chinese always get financial support and assistance from their parents and siblings. Among the Thai such obligations are weak and none of their relatives are engaged in marketing.

An interesting attempt to change this state of affairs occurred in 1973 when a number of retired government officials and local Thai set up Ruam Acheep Wang Thong Company Limited. The idea was initiated by an educated man from Bangkok who persuaded the kamnan of Wang Thong and other wealthy farmers to form the Company by selling shares to all categories of people including peasant farmers and even Chinese traders at the rate of 10 baht per share. In the initial period the Company functioned as a department store selling all kinds of commodities from meat, vegetables, clothes, sewing machines, and refrigerators to agricultural equipment. In its charter the aim is to establish a 'people's' company; anybody from any walk of life is welcome. The Company's pamphlet lists 24 main purposes and activities ranging from purchase of agricultural produce, sale of manufactured goods, to the provision of facilities and advice concerning agricultural production and the establishment of factories for processing crops. Nonetheless, after four months the business failed and lost money because of over-employment and high salaries for an inexperienced staff. The Company finally had to reduce business until only the purchase of agricultural produce remained. 11/

In part they were unable to compete with the Chinese traders who have far more experience and have kha pracham relations with village shopkeepers. Unable to extend credit it was difficult for the Company to attract customers away from the town traders. Many customers were not quite sure of the business conditions of the Company and thus preferred to carry on business with their creditor-traders. Furthermore, operating costs are far heavier than with the small Chinese firms which employ mainly family labour and utilise the advantages of primary, familial bonds, the categorical imperatives, inherent in such institutions (Cohen 1969). The salaries paid to Company staff were also generally much higher than rates elsewhere in the town. Finally, both peasant farmer founders and management staff were without training or background in modern management and business, and none had any experience at all in trade and marketing.

The expressed policy of the Company is to prevent peasant farmers from being 'exploited' by traders, but in practice among the management staff the pursuit of personal interests is more important. They control most of the Company's resources and not infrequently channel them for their own advantage either economically or politically as in campaigns for political office in Wang Thong. The manager of the Company, for example, entered the general election of 1974 and utilised all the Company's cars and staff members for campaigning in the villages. However, because it did not offer credit the Company could not command many supporters. Relationships between it and customers were generally impersonal, so it is no surprise that the manager did

not win. The Company has failed to compete successfully with the traders who have economic and political power in that they can mobilise farmers on a much wider scale.

A contrast between the modern Company and the 'traditionally' organised enterprise is therefore instructive because a significant characteristic of rural economies in developing countries is the shortage of capital and cash and low farmers' incomes. Consequently, they are best served by numerous, competitive traders who distribute cheaper goods and live on small profit margins. Most employ family labour with small or no additional costs, so that they can survive even when the market is very quiet in contrast to business like the Company which has high running expenses. Traders are well aware of this and limit expansion so that the business will never be so large that outside labour and personnel are needed. The Hua business is a case in point: as the children matured the family branched into new enterprises rather than enlarge and organise the original one along 'modern' lines. Later these become the independent operations of the sons and daughters who run them.

Cohen records a similar case. The 'traditional' marketing organisation is, he argues, in the circumstances the most rational, the most economic and hence the most profitable (1969: 188-90).

The Hausa landlord knows of the existence of banks, and sometimes even makes use of their services, but he will still keep large sums of cash money in his house and thus run the risk of losing it through theft, not because of the blind force of custom or of ignorance, but because of a number of practical, rationally calculated considerations ... The Hausa is here making a choice between alternative

courses of action and his decision are rational and are aimed at the 'maximisation of profits'.

(Cohen 1969: 188)

So too are Wang Thong traders rational in maintaining the small enterprises which are best suited to the local economic system. To put business on a 'modern' basis requires a complete social and economic revolution covering almost every stage in the chain of trade and this at present is not feasible. As far as the Chinese are concerned, their monopoly is maintained by a long chain of marketing links from Bangkok downwards which is strengthened by trust and credit bonds. At the local level the family basis of business suits the general economic environment in rural areas. Small enterprises are more flexible in maintaining personal relationship with the customers, and the failure of the Company is a good example of the failure of 'modern' methods.

CHAPTER V

NOTES

1. The site of the present market is legally owned by the Ministry of Finance on behalf of the District Office. The rent collected from the land and buildings by the District Office is budgeted as district revenue.
2. Thep's father was one of the pioneers who established a shophouse on the river bank. Though Thep is known as Ko Heng, a Chinese name literally meaning 'brother Heng', he has adopted a Thai name and is well known among government officials both in the district town and provincial city. He speaks both Hainanese and Thai and is a member of a Chinese association in Phitsanulok. His economic influence is felt beyond the Wang Thong District and penetrates a number of villages in the North-Central area. As a contractor of the Wang Thong - Khao Sai and several other highways in North-Central part of the country he has been able to provide jobs for a large number of villagers who still regard him as a 'big boss'.
3. The degree of savings in rural areas is very low. Though there is no survey on this topic the indebtedness of farmers to traders is evident. With good harvests farmers therefore tend to spend more on luxury goods or on necessary household items such as repairs. It is also recognised by traders that on important occasions such as ordination and marriage, farmers have to rely on traders for the things they need and also for money. Land is used as collateral.
4. For further details see Galaska. He notes:

The most influential factor in this relationship among middle-class businessmen is the egalitarian position of women compared to their traditional role. Husband and wife work as a team in the business... Modern women, competent and independent, are no longer tied to the home and immediate neighbourhood. (1969: 113-14)
5. The unmarried children regularly send the money home for the parents. It is customary among Chinese for children to help look after the parents in their old age. They will visit them at least once a year.
6. Clothes are an exception. There are itinerant traders wandering around villages selling clothes sometimes on credit to farmers. The price is normally higher than in the market shop, especially if clothes are sold on credit when it might be doubled.

7. Dispensaries are, by law, divided into several categories. Type A drug stores are allowed to sell drugs of all kinds but they must have full-time pharmacists as consultants responsible for some dangerous drugs. Type B drug stores do not have any pharmacists and can sell only certain kinds of drug allowed by law. In Wang Thong all three drug stores are of type B. However, at present the government has announced that all drug stores should have at least one pharmacist. In the case of type B drug stores the pharmacist required can work as a part-time consultant mainly in the evening. The type B drug stores then can store a wider range of drugs but can only sell the dangerous drugs when the pharmacist is in attendance.
8. The only exception is a shop owner selling miscellaneous goods who goes to Bangkok at least once a month to obtain goods for his shop. He can afford to do this because his sales are large enough to cover transport costs. Time is not a problem, for his grown-up children look after the shop while he is away. He has been involved in trade long enough to establish links with Bangkok traders. Nevertheless, he has to buy for cash, credit has never been given to him.
9. It must be noted that all provincial shops also sell retail to customers. Therefore those village shopkeepers who are situated close to Phitsanulok obtain their supplies there, and those who are from remote areas also take time to shop in these shops when they come to the provincial city though this means that they have to pay cash. The prices offered by the provincial city and the Wang Thong traders are slightly different but not high enough to drive the village shopkeepers to city traders. The advantage of buying goods from the Wang Thong traders is that village shopkeepers can acquire goods on credit.
10. The word 'thao kae' has two meanings. One originally refers to wealthy and well established Chinese traders. The other means the go-between who arranges a marriage. Both are generally employed in Wang Thong.
11. The last information I heard about the Company is that the initiator has quietly disappeared with money belonging to the Company, and has left the kamnan with all responsibilities.

CHAPTER VI

THE AGRICULTURAL MARKET



The organisation of the market in agricultural produce is markedly different from the two sectors previously discussed. This sector is concerned with the collection and storing of cash crops from small farmers which are then 'exported' to Bangkok. The traders compete with each other not in the sale and disposal of commodities but in purchasing and collecting agricultural produce from farmers scattered throughout the rural area. The economy of Wang Thong largely depends on the conditions in this agricultural market so it is the sector determining the livelihood of peasant farmers in general.

The topography of Wang Thong District can be divided into upland and lowland. More than 40% of the area is mountainous, parts of which have been cleared during the past two decades to grow cash crops mainly maize, beans and cassava. The Lao, mainly from the Northeast, have migrated into this area and occupied the land. At present travelling into these villages remains difficult and this has major repercussions for the organisation of marketing.

In lowland areas where communications and transportation are very good, a large number of traders from Wang Thong, Phitsanulok, and other market centres travel into the villages by truck to buy rice and maize. The market is, in general, very competitive and the price each trader offers does not vary much. It is the 'market price' or more precisely the price calculated from prices fixed on the Bangkok market plus transportation expenses and a profit margin. Lowland farmers who feel that they can get a better price elsewhere can easily load their crops on

to a public truck or bus and sell them in the market place or at any of the agricultural warehouses in town. They are more independent and flexible in their deals with traders. Though many are indebted to traders they are still able to sell their crops to any trader who happens to be in their village.

This contrasts markedly with the upland areas where communications are difficult and the number of traders relatively small. Indeed, in some upland villages the economy is monopolised by only one or a few traders. Generally, prices offered in the uplands vary from trader to trader and are lower. Furthermore, the farmers there are unable to take produce to the market place or to town traders, again because of the high cost of transport. The lack of information concerning prices, supply, and demand also makes it more difficult for upland farmers to conduct business with agricultural traders in the town market. They are uncertain as to the deal they will get, i.e. they are not sure if a better price will be offered there than in their own villages. They are also relatively poor and highly dependent on traders for money and rice. Rice farming in this area is difficult and in some areas impossible so part of their produce, particularly maize and beans, is paid back to traders in order to cover the cost of rice supplied to them.

Generally, peasant farmers are khon Chon (poor people) and do not have the economic power to withhold their produce. They distrust town traders for fear of being cheated: traders are different for they have money and are more quick witted, more significantly they are 'townspeople'. In this respect villagers

feel safer dealing with traders who travel to their villages, most of whom are well known. As a result the roles of middlemen traders in the rural economy in collecting and transporting local agricultural goods as well as in linking farmers to the outside world are crucial.

### Types of Trader

Those involved in the agricultural market sector work in a variety of ways; though some perform several roles in the marketing process the majority tend to specialise in certain stages. The reasons for this include the large sums of money involved, the wide geographical area covered, and the recent diversification of cash crops. Nowadays dealing in agricultural cash crops is a full-time occupation requiring skills in judging quality and in price speculation. Very few shop owners still combine buying agricultural produce with selling and those who do sell whatever they obtain to the large-scale traders. Most large-scale traders buy only from their lūk nōng and small-scale traders who depend on them for money. They merely advance money and arrange transport for the lūk nōng and small-scale traders who contact farmers who are, in turn, dependent on them. Therefore at each stage different persons perform different roles which complement each other. This results in a large number of individuals being involved, though at the top of this hierarchy there are just a few large-scale agricultural traders.

For analytical purposes I distinguish the following actors in this sector according to the roles they perform and scale of trade they handle at each stage in the marketing process (see Diagram 4):

1. 'Independent farmers' are mainly lowland farmers and sell to whoever happens to be in their village and offers the best price. In practice, however, they still prefer to deal with khā pračham or 'regular traders' whom they can trust and have a long-lasting relationship with (cf. Amyot 1976: 161).

2. 'Lūk rai lūk nā' (children of the fields) or 'dependent farmers' either rent land from, or are indebted to traders. Most are in the uplands though it is not unusual for lowland farmers to rent land from large-scale agricultural traders. They rely on the trader for money, seeds, fertilizer, rice, medicines, and transport facilities. Consequently, there is an obligation on the lūk rai lūk nā to sell crops to their creditor-trader. Because of the dependency and long-enduring nature of the relationship it can be seen as a form of patron-clientage.

3. 'Small-scale traders' are independent middlemen buying crops from independent farmers or lūk rai lūk nā and selling to large-scale traders in the town. Most live in villages but a few have their business based in the town. On various occasions, especially during the peak period between August and October, they act as agents for large-scale traders who extend money to them without interest in order to buy from farmers on condition that the crops are delivered directly to them within one or two days. Some of these small-scale traders are Chinese who have known the large-scale traders for a long time.<sup>1/</sup>

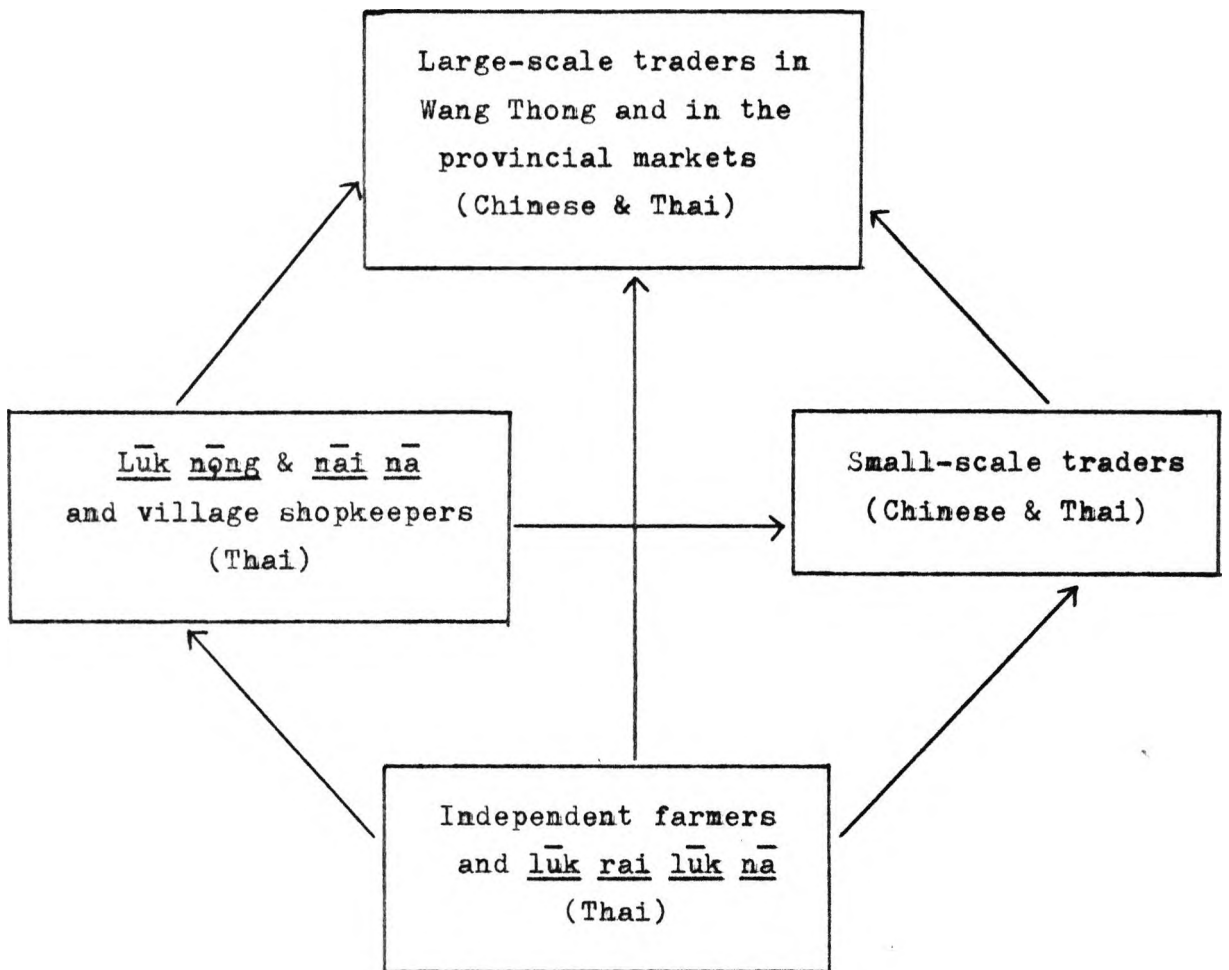


Diagram 4: Marketing Network of Agricultural Produce

4. 'Lūk n̄ng and n̄i n̄a' (followers and agents) are agents of large-scale traders either in Wang Thong or Phitsanulok. Most are farmers who are trusted by traders to look after their interests in the villages. They buy and sell only to their patron-trader. Normally large-scale traders lend money to them at 3% per month, they in turn lend to their lūk rai lūk n̄a at 5% per month. They either have to inform their patron-traders of available crops promptly after the harvest or collect the crops themselves for the traders. In some villages, particularly in the uplands, the crop-buying is monopolised by these lūk n̄ng and n̄i n̄a of large-scale traders.

5. 'Large-scale traders' operate in Wang Thong and in Phitsanulok. They buy crops from small-scale traders, lūk n̄ng and n̄i n̄a, and farmers, and then transport them to Bangkok. Though they conduct business mainly at the warehouses they occasionally visit villages in the immediate area, especially those where they have their own lūk rai lūk n̄a. Most have trucks and tractors to transport crops. Often their business goes beyond Wang Thong to Nakhon Thai, Phetchaboon, and Phichitr. They have their own lūk n̄ng and n̄i n̄a and lūk rai lūk n̄a to whom they extend cash loans and from whom they will be certain to get a supply of cash crops.

It must be noted that only a few Wang Thong traders buy rice which is mainly handled by Phitsanulok rice mill owners and traders from Phichitr. In many villages there are small rice mills serving farmers locally by milling their staple in exchange for rice bran and broken rice. Those Wang Thong traders who do buy rice eventually sell to Phitsanulok or Phichitr rice mill

owners and never transport it to Bangkok. All the large-scale agricultural traders are Chinese or Sino-Thai and are locally known as thao kae, a Chinese word for 'wealthy traders'.

6. 'Bangkok exporters' are the final traders in the marketing network and normally do not operate in either Phitsanulok or Wang Thong. They keep contact with Phitsanulok and Wang Thong traders by informing them regularly about fluctuations in prices and demand. Most are Chinese and members of the Chinese Chamber of Commerce in Bangkok. Since their businesses are outside Wang Thong they will be referred to only where directly relevant.<sup>2/</sup>

#### Time of Business and the Nature of Trade

Business is very much subject to seasonal conditions with traders dealing with a limited variety of crops at each particular time. Most are involved in the full range of crops and thus keep their business going throughout the year. Commercialisation of farming with the introduction of maize, beans, kapok, sorghum, and castor beans in the last two decades has made the agricultural market far busier than it was.

Business in the town warehouses starts early in the day for there are always farmers who bring in small quantities for cash to spend that very morning on household necessities. In the afternoon the market is quiet and traders visit their luk rai luk na or go to the villages. However, during the peak periods in August and October, when maize is harvested, business is active the whole day with crop laden trucks coming and going. Farmers

come to town to collect their money and shop in the market place so that the whole Wang Thong market is active.

To keep their business active throughout the year traders buy any marketable crop. In fact, whenever there is a demand for new crops traders introduce them to their lūk rai lūk nā thereby hoping to increase their turnover. Indeed, some act directly as agricultural innovators by providing farmers with seeds and other advice concerning modern methods and equipment (see Bell & Tai 1969). They are in close contact with farmers and as patrons to a number of lūk rai lūk nā often supply them with seeds, rice and fertilizer.

In large and small-scale business in the town husband and wife assist one another. The wife normally looks after the warehouse and is responsible for buying crops there, whereas the husband takes the major role in buying and collecting crops in the villages. He is away most of the day, especially during harvests when he has to instruct his assistants in the upland areas. The wife is responsible for the book-keeping and loans to farmers. The husband, however, is informed and consulted for he has overall responsibility for operating the business and it is he who deals with the exporters in Bangkok. Both specialise in grading the quality of crops so that there is always a capable person at the warehouse. The grown-up children are also trained to grade crops and are expected to assist whenever possible.

The agricultural market is the only sector which employs



labourers in addition to family help. Most are peasant farmers from the nearby villages seeking extra money who are employed on a daily or seasonal basis. During the peak period there are always more than 30 labourers waiting to be hired to load the crops to and from the warehouses. The work is counted in rounds of carrying a sack of maize to the truck; one round per baht and the maximum wage can be as high as 50 baht a day, far higher than the normal agricultural labour rate which is 20 - 23 baht. The recruitment of labourers is random depending on who is available around the warehouses. The workers are familiar with the seasonal changes and gather during peak periods when the demand for labour is high. However, it is not uncommon for a number of workers to form a team to work for a particular warehouse. This is normally led by a hūa nā, 'leader', who is responsible for recruitment and making contact with the warehouse.<sup>3/</sup> Payment is shared equally among members at the end of the day. These teams do not last long and members easily move in and out.

Some large warehouses keep two or three regular workers whom they hire for a season (3 - 4 months) following the harvesting of maize. Traders generally have to go promptly to the villages on being informed of the availability of crops and in such cases a regular work force is required. In addition, most large warehouses have their own trucks to convey produce from the villages either to the warehouses or Bangkok. Small-scale traders and lūk nāng and nāi nā also hire transport services from large-scale traders. Often, though, the large-scale traders themselves have to hire additional trucks to transport crops to

Bangkok. Prompt action is again essential because of rapid fluctuations so when the market price is favourable small-scale traders sometimes cooperate in hiring a truck to Bangkok. Such instances, though, are rare because most small-scale traders rely on the larger businesses which offer them financial support and to which they have to sell. A further point is that small-scale traders do not have direct access to the Bangkok exporters and so are ignorant of market conditions.

Most warehouses are still family-oriented despite the large amounts of money invested and employment of outside labour. There are cases where kin are recruited but not many are successful in eventually setting up on their own unless they gain financial support from either Bangkok exporters or from local kin. Most traders are Wang Thong people who have been involved in the business for more than 20 years. The younger traders take over from their parents because entry into this sector is difficult other than as a lūk nōng or nāi nā operating on a small-scale.

Entry into these lower levels as lūk nōng and nāi nā is far easier. Some are farmers or young people seeking to gain an extra income who engage in the business in their free time or when the opportunity occurs. They act merely as middlemen bringing farmers and large-scale traders into contact for which they gain a commission. Often they are hired by large-scale traders to look for crops during periods of scarcity. In certain cases when they have dealt with each other for some time the traders lend them money to buy crops.

Marketing Relations and Marketing Process

Differences in transport and communications make for significant variations in the patterns and processes of marketing between the uplands and lowlands. In order to moderate the problems of transport in the uplands, the small numbers of traders operating there and relative poverty of the farmers, producers and traders employ the traditional form of patron-client relations based on trust, concession, and mutual interest. This contrasts markedly with the lowlands where farmers are more independent and are able to sell their produce to any trader who happens to be around and whenever the need arises.

The general pattern in both upland and lowland areas is for each large-scale middleman trader to have a lūk nōng or nāi nā in a number of villages. The nāi nā is responsible for finding those wanting to sell and he informs the trader who drives a truck into the village on the appointed date. The nāi nā who gains a commission on each sale is a farmer known to both villagers and traders: he may well be a former lūk rai lūk nā of the trader.

Large-scale traders are also linked to small-scale middlemen traders who borrow money from them to finance the purchase of crops and lend to farmers. Though the former have their own lūk rai they lend money in this way because the small-scale trader bears the risks concerning repayment of farmers' debts. The latter are themselves low risk debtors because they have invested in their market shops and cannot afford to flee.

Furthermore, both large and small-scale middlemen traders normally know one another well through kinship and friendship ties. Trust and concession are again the norms underlying such contacts and no formal signed contracts are used. Small-scale middlemen traders have enough time to follow up and visit their lūk rai lūk nā and know well the situation on the farms.

Middlemen traders compete with each other in gaining nāi nā and lūk rai primarily by lending money to them. They also provide services like looking after the farmers' belongings when they come to the market or buying household goods and agricultural equipment for them if asked. These services, though trivial, make the farmers morally obligated or bun khun to traders. They feel secure and assured that the prices are fair when dealing with a particular individual and expect economic support in times of bad harvests.<sup>4/</sup>

Initially economic relations eventually widen to cover other aspects of life as part of a system of dyadic hierarchical patron-client relationships (see Chapter 1: 26-30). In Wang Thong the patrons are traders, large and small-scale plus lūk nēng and nāi nā, who provide their farmer-clients with the social guarantee of subsistence and security in return for cash crops and other personal services in the interest of their patrons.

What distinguishes patron-clientage from other social relations is the specific terms addressed to it and the reliance on the patron of the client. Pongsapich has recorded a similar example of the interdependent nature of relationship between

luk rai and wealthy land-owners in Chonburi Province. She notes:

(Luk rai) are given a certain amount of land in the estate of wealthy land-owners to work on. Patron-client relationships are established. The land-owners invest in fertilizer, insecticides and other raw materials for the luk rai. Food and medicine for the luk rai may also be borrowed from the land-owners... This group of producers is the poorest group among the three groups of sugarcane producers. However they earn enough to live on frugally. The interdependency of the patrons and clients is undeniable. (1974: 185)

There is also a striking degree of inter-connectedness between different spheres of social, economic and political activity. The patron is not merely a trader but also a benefactor who offers his client a basic security to his life, and moral obligation binds the two together. The client is said to have bun khun or 'gratitude' to the patron and is obliged to do something in return. The degree of bun khun and the moral obligation vary according to the degree of dependency and duration of the relationship. Between patron and client the concept of bun khun is an important component of the relationship which cannot be overlooked if they wish to maintain it.<sup>5/</sup>

However, it is not unusual for farmers to break the obligation by selling to other traders or simply moving away. The large-scale merchants have in response ceased to function as patrons directly to farmers not their tenants and depend more on small-scale traders and their luk neng. Without the time to visit them lending money to farmers is a risky business though evidently the potential benefits to both parties in the patron-client relationship are sufficient to ensure their significance in this area of marketing.

### Price Determination

Much has been written in the past about peasants being oppressed by traders though a number of recent studies have disclosed that this is not always the case. Muscat asserts that:

... the belief that the middlemen derive large profit margins at each turnover, forcing down the original paddy buying price to farmer, would appear prima facie, highly unlikely from the very large number of middlemen.  
(1966: 99)

This is also supported by Dr. Uthis' studies of rice marketing process. He concludes that:

... the farmers get as their share approximately 72.19% of what consumers pay for their rice, and that service charge of the wholesalers and retailers of all categories is approximately 12.05%. From these figures it would appear that the farmers' share of what consumers pay for their rice is very high. Consequently, the charge that farmers are being oppressed by merchants and middlemen should be unfounded. (quoted in Muscat 1966: 99)

Although the price of crops in the uplands is lower than in the lowlands, traders consider it to be the same once transportation costs are included. Traders are in an advantageous position when only a few travel to a particular area but even then they still compete with one another. The price offered is a just price determined by 'outside' market forces and those offering lower prices obtain little. Even where farmers are obligated to sell their crops to their patron the latter must be seen to be honest in order to protect his reputation. After all, the price is determined not by the local traders but by a small number of exporters in Bangkok (Petchprasert 1975).<sup>6/</sup>

The Bangkok price for commodities is known as the 'hang cheng', a Chinese word for 'market recommended price'.<sup>7/</sup> It lists prices of different categories of crops which Bangkok exporters will buy at their warehouses. The price paid by large-scale traders in Wang Thong or Phitsanulok, who are informed weekly or even daily by the Bangkok exporters,<sup>8/</sup> is of course slightly lower than the hang cheng price in order to allow for their profit and expenses. Small-scale traders and lūk nōng and nai nā lower the buying price further to allow for their profits and expenses, so that the longer the marketing chain the lower the price farmers obtain. Local traders do not then make excessive profits; rather the level of the price paid to farmers is determined by the Bangkok market and the length of the marketing chain; each trader generally takes a profit of not more than 5% of the price prevailing at the next level.<sup>9/</sup>

Nevertheless, some certainly employ questionable practices such as making use of unstandardised measures. In selling rice, for example, farmers prefer to measure in tāng (1 tāng = 20 litres) rather than kilogrammes. One hundred tāng of rice is equivalent to one kwian which is approximately 1,010 kilogrammes. Thus traders prefer to buy rice in kwian while they sell to exporters in kilogramme. More seriously, traders judge the quality of the crop and there are frequent complaints that they tend to downgrade the quality to lower the price. There is certainly some truth in this but at present such malpractices appear rare for farmers are aware of such possible exploitation. Furthermore, lowland farmers can easily sell to other traders if

dissatisfied with a deal. Competition among traders then offers a measure of protection against exploitation. In the uplands traders are in an advantageous position but nevertheless have to be cautious about their reputation as patrons. To obtain crops they must offer a fair deal to farmers, especially when there are instances of farmers selling crops to others who offer a good price. The traders' main source of profit comes, in fact, from their ability to store crops and successful speculation on later increases in the hang cheng price.

In Wang Thong peasant farmers do not feel exploited by traders. Regular trading links with particular individuals together with patron-client relations provide the basic ground for marketing relations. Oppression, if there is any at present, stems not from the marketing transaction itself but rather from the basic problems of indebtedness and poverty and the nature of agricultural production which is still very much influenced by natural conditions. Above all, one has to look at the entire economic system which is far beyond the scope of this study.<sup>10/</sup>

Finally, it is necessary to recognise that the terms 'exploitation' and 'oppression' are themselves highly problematic and require comment. It would seem that under the present system farmers appear not unhappy with their lot. They see themselves as treated fairly; they recognise the 'market price' as fair. Nonetheless, it does not necessarily follow that farmers are not exploited. Nor do I attribute to them a 'false consciousness', an inability to see their lot objectively. Instead I look to two dimensions, the political and the symbolic.



The first concerns the distribution of political and economic power in society, and clearly greater economic wealth and power belong to the trader. His position and wealth depend on profit (no matter how small) at the expense of the peasant farmer. This perspective, as it stands, speaks of a 'naked' power differential. But it is likewise true to say that no society rests comfortably with the fact of power differentials. These have to be coped with and here I look at the second dimension.

This second dimension, the cultural/the symbolic, has long been discussed by scholars. We have to consider those ways and means employed or created in any society to soften the impact of power differentials between groups and persons. One aspect of this is the 'personalising' of the relationship between traders and farmers. It is to the advantage of the trader to become a patron and friend to the peasant farmer and, to this extent, exploitation is minimised. Similarly, with recourse to the market price which the farmer sees as just, the trader justifies his own position in the sense that the market price is, he claims, fixed by powers remote and distant outside his control. In Wang Thong this process of personalising is probably so successful that farmers do not feel they are oppressed.

Indebtedness, Capital and Credit 11/

Before proceeding to discuss capital and credit I wish to comment briefly on the problem of farmer indebtedness. Indebtedness is not yet as serious problem in Wang Thong as it is in the Central Plain (Disayamonthon 1971; Himathongkam 1971). A study made by staff members in the Department of Agricultural Economics at Kasetsart University in 1962 - 1963 revealed that in some provinces as many as 68% of Thai farmers were in debt; the average amount of debt per farm family being approximately 3,717 baht (£92.93). Total indebtedness for the whole kingdom in 1963 was estimated roughly over 9 billion baht (£225 million) (Onchan & Ong 1971: 1). In the Central Plain 75% of farmers were indebted with an average debt of 6,956 baht (£173.90) per farm family. The average interest rate charged was 26% per year (Matchima 1973). More than 90% of the borrowing come from non-institutional sources: local shops and stores, agricultural traders, landlords, relatives, and other private individuals.

As has been noted by Kemp (1976: 244) peasant farmers do not like to borrow money from one another unless they are very closely related. Borrowing from kin and friends is without interest and can cause bad feelings especially when repayment is due. Furthermore, the amount of money extended in this way is limited and small. Farmers prefer to borrow from Wang Thong traders at 5% a month in cash or in kind. There are also formal financial institutions such as the klum thanakān or 'bank group', klum kasetthakōrn or 'farmer group', branches of the Bank for Agriculture and Agricultural Co-operatives (BAAC), and commercial

banks.<sup>12/</sup> Though the interest rate is low (15% per annum), borrowing from these institutions involves a lot of paper work and often requires land as collateral; procedures which farmers find complicated or impossible to follow because of the lack of title deeds and other land certificates. In addition, farming is subject to many natural hazards, including drought, pests, diseases, and price fluctuations which make the lending business very risky. Consequently, the rate of credit delinquency remains high (Matchima 1973: 41). For all these reasons formal financial institutions are reluctant to extend their lending and always cautious when doing so. Both the unwillingness of the major financial institutions and the need for cash encourage farmers to borrow from traders and other informal sources such as local lenders and landlords though the interest rates are far higher.

In general, borrowing from traders does not require collateral unless the amount is high or the debt has accumulated over the years. In practice, especially in the uplands, farmers draw a small amount of money from traders each time. The debt is written in an account book and farmers sign their names. No formal paper contract is necessary despite the existence of forms. Debts should be repaid shortly after the harvest and farmers have to tell their creditor-traders when their crops are ready. Traders then come with a truck to collect the debt in kind and buy from any other farmer willing to sell at the offered price. Traders must visit their debtors promptly after the harvest lest they sell to others. Sometimes farmers cannot pay back their debts because of the poor harvest. When the debt has accumulated

so that the farmer cannot hope to repay it the trader asks for land as collateral and a formal paper will be filled out and signed. The most popular form of contract is known as khāi fak or 'redeemable sale' by which traders take possession of a debtor's fields (The District Office Report 1974: 13-14).

In cases of debt where the sum owed is increasing due to the debtor's inability to cover the interest charges he raises money by 'selling' the land to the creditor on the understanding that he may re-establish his ownership by payment of the original price. He then rents the land, the rent in effect being the interest on what is really a loan. (Kemp 1976: 212)

The arrangement is usually for one year but few are able to buy back the land and the arrangement may continue indefinitely.

But without loans a large number of upland farmers would not be able to grow anything. With commercialised agriculture the money borrowed is spent buying seeds, fertilizers, and hiring tractors as well as on household items like rice and medicine. Most are poor farmers from depressed areas in the Northeast and they become indebted from the beginning relying heavily on traders.

The high interest rates have been a matter of concern to a number of people involved with agricultural credit. Argument focuses on the question of farmers being oppressed by traders and money-lenders. The normal interest is 5% a month or in case of maize 4 tāng per annum per 100 baht. This latter rate has existed without modification for over a decade. Then the price of maize was 8 baht a tāng but now with the price at 32 baht a tāng the interest rate is 128%, or above, given the fact

that money is often borrowed for the growing season. Many cannot repay these debts when harvests are not good, so farmers, especially in the uplands, sometimes abscond. This is easily done because most upland farmers do not legally own their land, most of which is nominally government preserved land. Moreover, unlike the lowlands most houses there are easily constructed bamboo huts.

Given this it is important to note that the traders lending to farmers can themselves be paying more than the legal interest rate of 15% per annum, even when borrowing from commercial banks (Kemp 1976: 244). Large-scale agricultural merchants who used to lend to farmers have ceased to do so and instead lend to small-scale traders, or their lūk n̄ng and n̄i n̄a who act as agents, and these in turn lend to farmers. In this way risks are reduced because the small-scale traders, lūk n̄ng, and n̄i n̄a are in closer contact with their debtor-farmers.

Those who grant credit in Wang Thong do not do so haphazardly or without limit, because the lender himself has credit obligations to traders at the next stage either within or outside Wang Thong. Ward, in her study of credit in Sarawak, sums up the situation as follows:

... a large proportion of the everyday commercial transactions --produce-buying, retailing, paying for services of all kinds, including those of a predominantly "social" nature such as funerals, weddings, etc-- is carried on by means of some form of credit arrangement. In the vast majority of cases the creditor parties to such arrangements themselves have very little capital, and the number of debtors they can serve is therefore closely restricted. Furthermore, these are nearly always arrangements of personal trust made between individuals who are well acquainted with each other, and there is a

limit to the number of individuals any one creditor can know well enough to trust in this way, even if he has (as he usually has not) a relatively large stock of capital. (1967: 138)

Traders must take great care in lending either to other traders or to farmers. Chit (household No. 122) is a small-scale trader involved in buying agricultural produce for more than 10 years. He started by wandering around upland villages buying pigs and chickens to sell in the Wang Thong market. Being known to villagers made it easier for him to enter the agricultural market: he bought from farmers who knew him and sold to a large-scale trader (household No. 119) whom he claimed to be his relative (pen yat kan) though no genealogical connexion was evident. Later he lent money to farmers who became his luk rai luk na supplying him with crops. To increase sales he borrowed from the large-scale trader at 3% per month to lend at 5%. At present his 73 client-debtors depend on him not only for money but also for seeds, medicine and other necessities. The amount he lends is above 300,000 baht (£7,500) and this has been his major problem for the past three years during which harvests have been poor and he has been unable to collect debts. To meet day-to-day expenses Chit has taken up a new sideline as a furniture trader. His clients still visit him to borrow money which he cannot refuse for fear of losing the old debts, but he is now more careful and only lends in small amounts hoping that the next harvest will be favourable. He visits clients regularly and supplies his trader-creditor with crops whenever possible.<sup>13/</sup> This case instances the large amount of capital and high risks involved in the agricultural market sector. In response, relations between

different levels of traders are personalised and the risks spread.

Traders keep very detailed accounts and it is the only sector requiring sophisticated book-keeping. Because of the considerable extent to which profits depend on speculation traders record the purchasing price, quantities, dates of purchase, and so on. These records are secret and, of course, completely hidden from government officials who are provided with another account book compiled especially for government investigation into tax matters by the district accountant.

The large-scale traders make extensive use of banking services. Each has his own account with the Phitsanulok branch of one of the major Bangkok banks. Payments by Bangkok exporters are by cheque though the deals with small-scale traders and agents are in cash. Warehouse traders need financial support from the banks, especially during the peak season when most traders overdraw to buy as much stock as possible. Banking services are popular and consequently, by the end of my research, a branch of the Bangkok Bank Ltd. was established in Wang Thong itself. Other banks are also considering opening branches there. What is significant is that the bank's policy is to employ local people and it is no coincidence that the daughters of two important large-scale traders are employed as clerks; their parents are the main customers.

Despite its family-orientation, business in the agricultural sector is operated on a 'firm-type' basis (Geertz 1963). It is

definitely capital-intensive with a rather sophisticated form of management. Modern equipment, sophisticated book-keeping and hired labourer are employed. In addition, through the allocation of credit traders and farmers are bound together to form a distinctive centralised and hierarchical system. It is difficult for outsiders to break in; one reason for the failure of government co-operatives is that they cannot compete with local traders in offering services and even the basic subsistence requirements. Social relations between those involved do not depend entirely on economic interest, they are generally bound together through mutual benefit which is the fundamental element of the whole system. In this respect traders perform crucial roles in harmonising and reducing the degree of economic pressure in the rural area.

#### Cooperation and Competition

The sector is highly competitive though locally there are few major traders. Each trader competes for agricultural crops, most of which can be kept for a year and this facilitates price speculation. Viewed horizontally (i.e. among traders of the same stage), competition predominates as traders attempt to increase stocks. Vertically (i.e. among traders of different stages), traders are seen to cooperate with and rely on each other. Relations are personalised and based on mutual interest. Small-scale traders become l̄uk n̄ong and n̄ai n̄a of the large-scale traders.<sup>14/</sup>



Although the prices offered to farmers do not differ much, farmers generally prefer to trade with a particular individual whom they trust and can rely on for financial help. Traders do compete with each other in winning more lūk nōng and nāi nā as well as lūk rai lūk nā by offering loans and other services. Since many farmers in the uplands are not able to grow rice they rely on traders who, therefore, stock rice as part of their service. Some agricultural traders also sell soft drinks to village shopkeepers who are often their lūk nōng. They usually travel into villages with their own transport so it is easy for them to carry soft drinks as well as local whisky for village shopkeepers. Such services strengthen their relations in the marketing process and increase their supply of agricultural produce for they are acquainted with both village shopkeepers and peasant farmers.

Sometimes, such as when outside demand increases, the Wang Thong traders face competition with those from Phichitr and Sak Lek. However, this is infrequent because it is laborious for the outsiders to break into the network, especially in the uplands. Breaking in is hampered by the mistrust that the local people have for stranger-traders and the risks involved. Kemp (1976: 237) reports the case of a farmer who acts as hūa nā or nāi nā in obtaining rice for a trader from Bangkok. After collecting the crops, no more was heard from the dealer and the farmer had to sell her maize fields to pay off the debt. At present villagers in the lowlands are reluctant to become nāi nā for a dealer unless they know each other. "In return for this

minor supplement to his income the hūa nā (or nāi nā) places himself at considerable risk, for should the dealer default on his payment the hūa nā (or nāi nā) is personally responsible for the sum owed" (Kemp 1976: 237). Personal trust is, therefore, a basic element in buying and selling crops in agricultural market sector.

Most traders are only concerned with their family businesses and do not cooperate with neighbouring firms. They compete with each other to the extent that prices cannot be locally controlled. Their aim is to obtain and increase their stock of agricultural cash crops not from gaining in each transaction. This certainly favours the farmer and as long as the market remains competitive farmers are not oppressed in terms of prices. They may be subject to unfair and dishonest practices, such as the lack of uniformity of weighing system, but their increasing awareness makes it more difficult for traders to employ such methods.

There are limited signs of cooperation such as when small-scale traders jointly hire a truck to carry produce to Bangkok, but this is short-lived and the group dissolves after the produce is sold. Large-scale traders also cooperate during the quiet periods when each trader does not have enough stock to fill a truck. To overcome this problem the trader approaches the other firm to buy at a price a little higher than the cost. Normally the neighbouring firm is prepared to accept the deal as a sign of goodwill and the hope that it will be offered the same help next time.

It must also be remembered that most large-scale agricultural traders are members of Chinese associations in Phitsanulok. They join because their trade involves large sums of money, and information concerning prices and demand is of prime importance particularly when their profits are largely dependent on speculation. The Phitsanulok traders are in a better position as regards communications (e.g. telephone to Bangkok) and can provide Wang Thong traders with further information.<sup>15/</sup> Without such contacts through the association risks would be increased. In this respect it becomes almost impossible for Thai who are mainly small-scale traders or lūk nōng and nāi nā to gain entry into the large-scale agricultural market sector. The failure of the Ruam Acheep Wang Thong Company is a good example in this respect.

#### Marketing Co-operatives <sup>16/</sup>

To complete this study of the organisation of the agricultural market I conclude by considering the performance of marketing co-operatives and their provision of credit. The Wang Thong Agricultural Co-operative (WTAC) or farmers' group is a branch of the Provincial Agricultural Co-operative in Phitsanulok. This, in turn, is directly responsible to the National Agricultural Co-operative in Bangkok. In addition to offering credit to farmers, the Wang Thong Agricultural Co-operative buys crops from farmers for export to headquarters in Bangkok. To a certain degree the WTAC competes with traders for farmers' crops but its activity is very limited owing to the shortage of capital and personnel

Moreover, it is not a grass-roots organisation but imposed from outside. Members join mainly to borrow money and there is no obligation on them to sell to the Co-operative. Consequently, for farmers the Co-operative is but a branch of government from which services and help are always expected.

Prior to the promulgation of the 1972 law there were two main co-operatives in Wang Thong, the land co-operative and the marketing co-operative. Now the two are combined and organised under the name of the Wang Thong Agricultural Co-operative. The structure is shown in Diagram 5.

The WTAC is situated about one kilometre to the south of the District Office. The total membership is 1,129 divided into 30 farmers' groups (an average of 37.6 members per group) scattered in various villages throughout the district. The WTAC co-ordinates activities with the District Office in matters concerning the introduction of new crops and modern equipment where it relies on the district agricultural officer. However, the WTAC is still at the experimental stage and is not financially viable on its own. It has to depend on higher levels of organisation for financial assistance. Such 'weaknesses' are seen in the lack of personnel: it has been unable to recruit all the permanent staff listed in the Diagram. The present president of the WTAC acts as president-cum-manager for the organisation cannot afford to fill both posts.

In addition to the promotion of the modern agricultural practices and the provision of co-operative activities, two

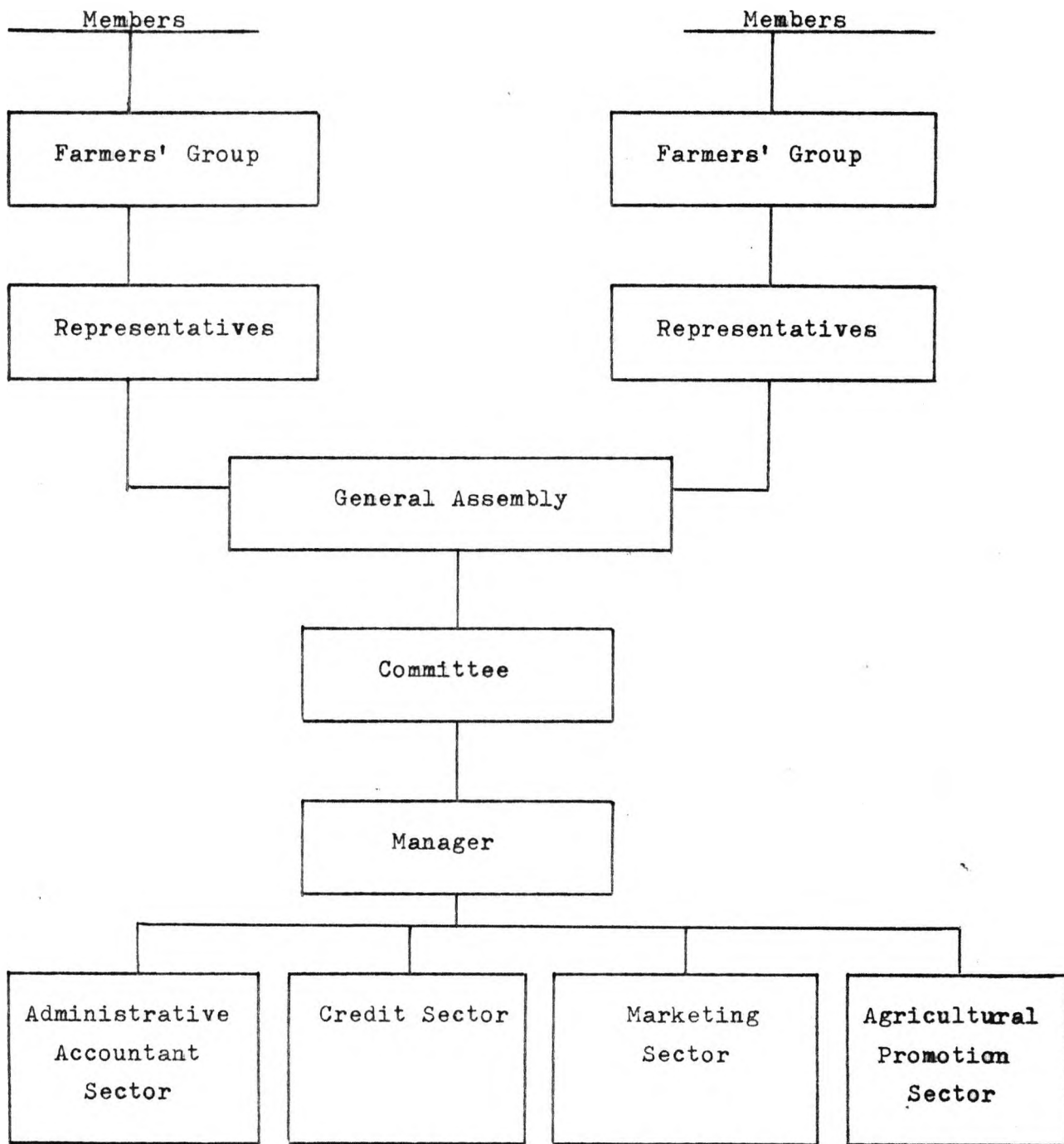


Diagram 5: Structure of the Wang Thong Agricultural Co-operative

other main functions are performed. Firstly, the WTAC grants two types of credit, short-term (to cover expenses of cultivation within one year) and medium-term (to obtain modern equipment with a three year loan). Secondly, the WTAC functions as a centre purchasing crops from member-farmers. It also provides cheap fertilizers, at least 40 tons in 1975. The main problem at present is that of farmer credit: it cannot collect debts owing to bad harvests in successive years. Less than 50% of farmer-debtors had managed repay their loans; indeed by the end of 1975 the WTAC had lent 4,466,938.50 baht (£111,673.46) of which only 692,539.25 baht (£17,313.48) had been repaid, that is 15% of the sum borrowed. Consequently, the WTAC is unable to make any more loans. The interest is 12% per annum and to borrow members must have land for collateral with two supporting members as guarantors.

The WTAC is itself granted loans chiefly from the Bank of Agriculture and Agricultural Co-operatives (BAAC) at 9% per annum. At present the WTAC owes the BAAC 3,985,076.20 baht (£99,626.91) and the remainder to the Provincial Agricultural Co-operative and the Department of Co-operative Promotion. It is clear that without such assistance from other credit organisations, the WTAC can scarcely survive. It has to rely on higher organisations for both financial and technical support. Farmers, on the other hand, are not well informed about the objectives and the significance of the WTAC: they join merely to obtain loans at a lower interest rate than that charged by other sources. To a certain degree the WTAC serves to benefit those who have land

assets. Because of the lack of collateral and the difficulty in getting two guarantors, poor farmers and agricultural wage labourers are hampered from fully utilising the services though it is this group which needs most help and attention.

The other major service of the WTAC relevant here is marketing. The WTAC aims to provide farmers with consumption goods, fertilizers and agricultural equipment, but at present it only purchases cash crops mostly maize and rice from members and non-members (see Diagram 6). It contracts with the Thailand Assembly of Marketing Co-operatives (TAMC) in Bangkok to supply a specified quantity of crops. The TAMC determines the prices it wishes to pay and advances funds to the WTAC which then endeavours to obtain the crops, mostly from members, and transport them to the TAMC. However, there are two main obstacles in this. Firstly, there is the problem of bureaucratic red-tape whereby the funds provided for purchasing crops normally reach the WTAC when most farmers have already sold their produce to town traders. Except for obtaining agricultural produce from its indebted members it is hard for the WTAC to compete with traders. After the harvest most farmers prefer to sell immediately for the need for cash is high. Though some make formal agreements to sell their crops to the WTAC, there is no guarantee that they will not sell to traders who frequently offer better prices and transport services. Having access to ready capital most traders are in a more advantageous position than the WTAC. It seems that the WTAC often has to buy crops from small-scale traders in order to meet the contracts made with the TAMC. Hence, instead of reducing

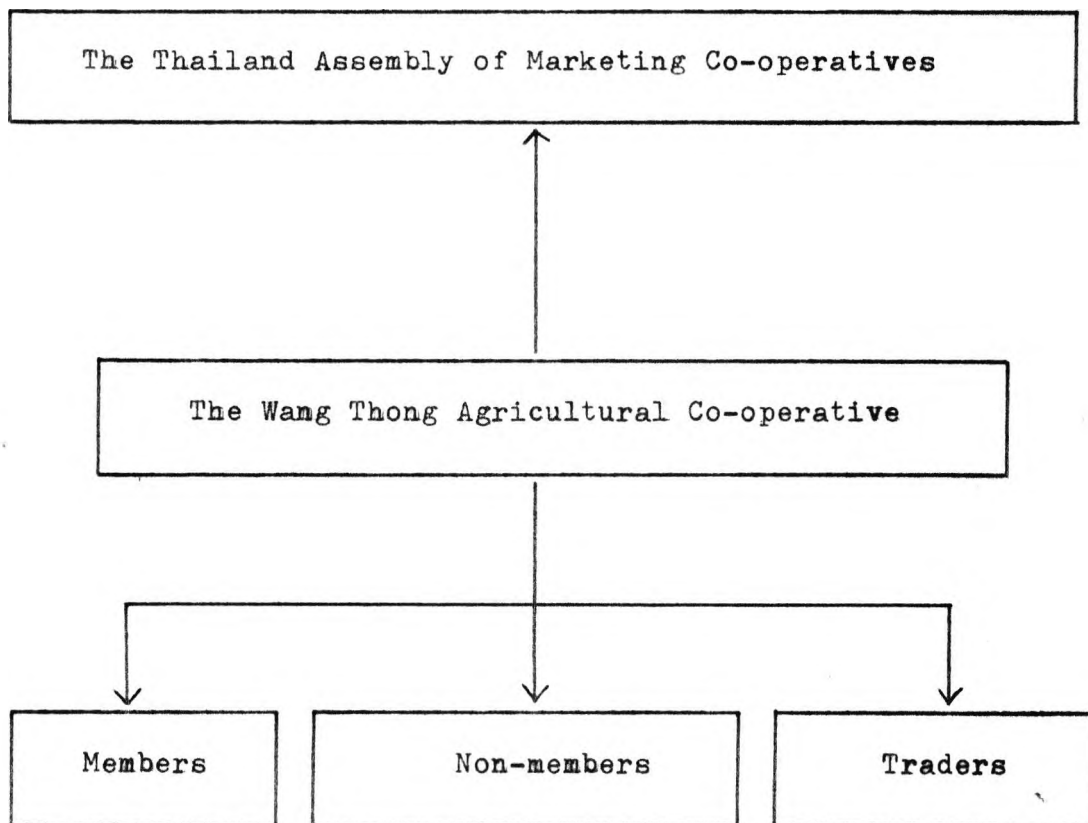


Diagram 6: Marketing Network of the Wang Thong  
Agricultural Co-operative



the number of traders the WTAC supports the activities of small-scale traders in the same way that large-scale traders have done.

The second major obstacle is that the WTAC does not have its own transport and relies on private trucks mostly belonging to Wang Thong traders. Consequently, during the peak of trade even when money is available it is difficult for the WTAC to immediately obtain transport.

The WTAC has had one positive effect on marketing practices: traders now have to offer a market price to farmers. The WTAC helps to fix the market price in general. Nonetheless, since the agricultural market sector is controlled by a few traders in Bangkok there is no reason that the price offered by the TAMC and other exporters should be dissimilar (Petchprasert 1975). Prices are determined from the outset and local traders do not have the power to control them, especially given the large number of competitive traders. The prices offered by the WTAC and by traders are, in fact, not different except for the fact that the former serve as the government mechanism or propaganda to win the support of the people in the rural areas.

It is also significant that relationships between farmers and the WTAC are more formal than those with traders who employ informal, personalised relations in dealing with farmers. Consequently, farmers do not feel obligated to the WTAC and often sell their crops to others. These problems are well recognised by the WTAC but, operating as they do, with a restricted financial budget and shortage of personnel and transport facilities they

can do little about them. It is also important that farmers join the WTAC solely for immediate gain and the ideology of cooperation has not been fully developed. People regard it as something belonging to the government and expect to receive help and services. It is not so surprising that farmers borrow money from the WTAC but sell their produce to the town traders. Moreover, they obtain loans from the WTAC in order to repay their debts to the traders, and when the new season comes they go back to the traders again to borrow. When the debt is due to be repaid they then go back to the WTAC to get the money. This is certainly a vicious circle and has to be coped with if the co-operative society is to be successful.

CHAPTER VI

NOTES

1. A number of small-scale traders do combine agricultural purchase with other commercial activities such as running small grocery stores in the town.
2. For further details on Bangkok exporters who control the agricultural market sector see Petchprasert (1975).
3. Such teams of hired labourers are also evident in villages where they are needed in certain tasks such as harvesting and rice transplanting.
4. Such a preference for selling crops to a particular trader has been recorded in many areas. See for example Van Roy (1971) and Amyot (1976).
5. For a full treatment of the concepts of saksi (dignity), bun khun (gratitude), and katanyu (grateful) see Rabibhadana (1975).
6. Petchprasert (1975) has, in fact, shown how the agricultural market sector is controlled by only a small number of exporters in Bangkok. In this sense one can argue that farmers are exploited. In addition, farmers are also exploited by the government's policy of the rice 'premium'. However, these problems are beyond the scope of this study. For further discussion of the rice premium see from Siamwalla (1974).
7. Hang cheng is also frequently used to refer to the Bangkok exporters.
8. Large-scale traders certainly obtain the information on prices and demand in the market from a Thai commercial review (Commercial News), but they complain that the news is not up-to-date and thus rely more on hang cheng information.
9. I would certainly bear in mind that though the price is established by Bangkok traders it is also subject to conditions in the international market.
10. It is also claimed that traders make excessive profits in extending money to farmers. This is probably true but again one must recognise that credit has been extended to various levels of traders before it reaches the farmer. Small-scale traders pay 3% interest per month to large-scale traders and they thus gain only 2% interest from farmers to whom they charge 5%. Above all, the interest charged by traders

is not so different from that charged by other private local Thai money-lenders. As has been pointed out traders themselves have to pay more than 15% per annum to bank. Furthermore, lending money to farmers is risky, given the dependence on natural conditions and the unwillingness of most commercial banks to participate. Hongladarom has summed up the causes of high interest rates as follows:

It would be so naive to state that interest rate is high because lenders are taking advantages of the farmers through exploitation. Undoubtedly there is some exploitation but that is not only or even the primary cause for high interest rates on agricultural loans. There are some of the reasons which cause the high rate of interest:

(1) because of the scarcity of capital, all interest rates in most underdeveloped countries are high,

(2) agricultural loans involve risks of bad debts, high cost of administration and seasonality, farmers' incomes are uncertainty and in bad years they may not be able to pay back, moreover most farmers cannot give their lenders good collateral,

(3) farmers are small borrowers and the administrative costs of lending a given amount of capital rises sharply as the size of the individual loans decreases,

(4) most agricultural loans are outstanding for less than in one year because farm borrowing is concentrated on the second half of the year (the planting and growing period) so lenders have free unearned capital in the first half of the year.

(1971: 17)

11. I am here referring only to traders who lend money to farmers. Other categories of money-lender such as landlords and wealthy farmers are excluded and require separate treatment.
12. These institutions are mainly organised from above. Peasant farmers lack the know-how of the system. Most only know them by name as a source to borrow money. Full participation by farmers is scarcely expected.
13. There are instances when traders cannot collect the crops. Since 1972 a number of small-scale traders have been unable to recover debts because of crops failures in successive years. In one particular known case a trader went bankrupt after lending money excessively and being unable to collect his debts when he had to pay back what he owed to other traders. In another case there were 52 client-debtors and the money lent was 151,166 baht or about £3,779. The average loan to each client was 3,000 baht (£75). These cases are not unusual and many traders complain that they have invested large sums in loans to farmers but have been unable to collect back the crops.

14. Traders in Wang Thong also lean on the big exporters in Bangkok for financial assistance. To a certain degree these exporters act as informal banks, willing to support their clients (i.e. middlemen traders) in exchange for cash crops. To be able to do so they must have traded and been acquainted with each other for some time. See further detail in Anantakul (1968).
15. Telephone services have not yet reached Wang Thong though a number of traders have been asking for them. To contact Bangkok exporters most traders have to use telegrams or letters, otherwise they have to rely on information from Phitsanulok.
16. In fact, the first co-operative credit society in Thailand was organised in Phitsanulok as early as 1917. Following this the government established co-operatives in many other districts and provinces throughout the country. In 1951 there were 9,985 credit co-operatives in the country and total membership amounted to 150,000 households. The development of other kinds of co-operative societies has also been encouraged. These are marketing or sale co-operative societies, and land co-operatives, which were classified into three main groups: a) land settlement, b) land tenant, and c) land improvement. In order to utilise to the full capacity of the co-operative societies, farmers found that they had to be members of these various co-operatives. To make effective use of these small co-operatives, a new law was promulgated in 1969 specifying that all small co-operatives must amalgamate and there had to be one co-operative society within each district. The result was that more than 9,000 co-operatives were reduced to 400, each with an average membership of 400 households. The co-operative society became a multi-purpose co-operative. Under the new arrangements there are three levels of agricultural co-operatives: 1) primary co-operatives or District Co-operatives, 2) secondary co-operatives or the Provincial Agricultural Co-operatives, and 3) a national co-operative society composed of Thailand Assembly of Marketing Co-operatives and the Co-operative League of Thailand. For further details see Hongladarom (1971) and Co-operatives in Thailand, Department of Co-operative Promotion, Ministry of Agriculture and Co-operatives, 1973.

CHAPTER VII

MARKET FOR SERVICES AND LOCALLY MANUFACTURED GOODS

Wang Thong is the centre for a number of personal and recreational services which include tailoring, dress-making, barbering, hair-dressing, mechanical repairs and welding, cinema, and a number of restaurants and food stalls. These services are scattered about the town and market place and are patronised by both town-dwellers and people from the rural area, where the demand is often insufficient to make provision worthwhile. There are, in addition, a few cottage industries which further strengthen the role of Wang Thong as a central place for the surrounding villages. Among these are cement block, Chinese noodle (kūay tēo), knife-making, slipper, and home-made basket manufacturers. The only rice mill in the town was closed down in 1967 after it caught fire and the owner<sup>was</sup> declared bankrupt. There are other manufacturers in the villages such as the mat-makers of Mae Raka, but these are small-scale operations and the products are either sold locally or brought for sale in the market place.

Occasionally teams of carpenters come from the North (Lampoon and Prae) with cupboards, chairs, tables, and other similar items. Demand here is high, especially after the maize harvest in October. Each team comprises an elderly carpenter with two or three young assistants.<sup>1/</sup> The artefacts are made at their homes in the North. In Wang Thong they rent a house as a base for finishing and painting their wares before selling them in villages or market centres. Normally they stay for one or two months to sell their goods and receive new orders for delivery the next time round. Because their products, though lower in quality, are cheaper than those made in Wang Thong they find a

ready market especially among farmers who cannot afford to buy from the only furniture shop in Wang Thong.

Each shop in the service market has its own particular group of customers and the consumption patterns reflect the basic class structure of the town. Food stalls in the market place serve mainly farmers whereas traders and government officials have their own restaurants outside the market place. In particular, two restaurants specialising in relatively expensive high quality food are patronised by government officials and have become, so to speak, their status preserve; one serves noodles during the day time and the other food and whisky in the evening.<sup>2/</sup> Similarly, hair-dressers and dress-makers serve mainly townspeople in the lower income bracket and nearby villagers. Peasants use these services only on special occasions such as weddings or New Year celebrations. The rich and government officials prefer to go to Phitsanulok where 'modern' styles in goods and services are available. The only cinema in the town is another indication of class differences. Large-scale traders and government officials never visit the local cinema, they go to Phitsanulok for the newer films.<sup>3/</sup>

#### Nature and Size of Business

For analytical purposes I categorise the market for services and locally manufactured goods into two types according to the scale of business, large and small-scale though the distinction is by no means absolute. The large-scale services tend to recruit members from outside the family whereas the small-scale rely mainly



on family labour. However, to enter dress-making, motorcycle-repairs and barbering, one needs a certain amount of skill and training. Thus, though categorised as small-scale, these businesses have their own pattern of dealing with the problem of recruitment. It is because of this kind of difficulty that I present a number of detailed examples rather than emphasis the formal categorisation.

Large-scale services require more capital; most recruit workers from outside the family and provide jobs for local people, mainly unskilled workers. They include the ice-cream factory, cinema, and the Wang Thong Bus Company (see Table 8). Their organisation is on a firm-type basis with workers recruited mainly on an impersonal basis and have a rational and elaborate system of book-keeping. Their business is not confined to Wang Thong and they compete with many other firms in the city. Even so the management staff recruitment remains based on personalistic ties with family members and other close kin. Indeed, most such businesses are still run by a single family.

The small-scale services are also family-based. Except for barbering, tailoring and dress-making they do not employ any outsiders. Basically they are owned and operated by a single person who has skill and training. Their turnover is small and competition is high. Dress-makers and barbers recruit apprentices, young boys and girls from nearby villages wanting a career,<sup>4/</sup> who pay a fee for this but who may earn extra money during their apprenticeship with the approval of the owners, particularly during peak periods such as the New Year when demand is high. Some eat and sleep in the shop but the majority prefer to live at

Table 8: Types of Services and Manufactures in the Market  
for Services and Locally Manufactured Goods

Types of Services	Large-scale Services	Small-scale Services
Local manufactured goods	ice-cream factory	noodle, knife-making, basket-making, slipper manufactures
Recreational services	cinema	billiard room
Personal services	restaurants	barbering, tailoring, hair-dressing, food stalls
Craft manufactures	-	bicycle - motorcycle and car-repair shops, welding shop, furniture manufacture
Transportation	Wang Thong Bus Company	small pickup buses

home. After finishing the course they may work in the shop sharing the earnings with the owner for a few more months before returning to their villages to set up on their own. In the case of barber shops the owner normally has two or three assistants to serve the customers. These are not hired but pay a commission to the owner who provides them with chairs, hair cream, towels and soaps. Though not recruited on a kinship basis, assistants are close friends.

The more general pattern is for husbands and wives to help each other but the specialised nature of some occupations makes this impossible. Where the wife is the operator, her husband works elsewhere or has his own business. If it is the other way round the wife normally stays at home, cleans the shop and looks after the children. Women face poor job prospects unless they are prepared to set up in the market place. Two examples illustrate this. Kwang (household No. 81) has run a bicycle-repair shop for almost five years.<sup>5/</sup> He is the only specialist responsible for contacting shops in the city for supplies and for repairing and fixing customers' bicycles. His wife has never learnt the trade but looks after the house and their three children. Their eldest son can now help Kwang doing simple jobs such as repairing or fitting tyres. He is allowed to help his father in a task which is meant for men.

Another example is Mali (household No. 82) who as a young girl set up a dress-making shop with financial help from her mother. She graduated from a well-known dress-making school in Phitsanulok and later married an army man. Both keep separate

household accounts though the husband shares the expenses of keeping the house. At present Mali has two students from the nearby villages attending her dress-making course. To a certain extent the two cases exemplify the division of labour pertaining to children, i.e. the jobs they are trained to do: boys follow fathers; girls, mothers.

There are as many Chinese or Sino-Thai as Thai involved in the service market though the number of the latter has increased in recent years. Like the market place, the service sector offers Thais a chance to enter into business. Apart from the only expensive restaurant which serves mainly government officials, all food stalls are run by Thai. Entry into this area is exceptional in that it does not require any specific training, only a small amount of capital. The number of people involved is high and readily observable, for around the market place there are many food bars and snack stalls, and people move easily in and out. Similarly, the degree of Thai domination in hair-dressing, dress-making and barbering is increasing, particularly among the younger generation who would like an early independence from their parents and have their own careers.<sup>6/</sup> Involvement in such businesses is considered more prestigious than having a stall in the market place; because these jobs are lighter and require specific training.

The other job preferred by Thais is public transport. At least 50 small pickup buses travel daily to and from the provincial city. They belong to Thai, some of whom are wealthy farmers, spending their free time earning extra money. Investing

in a bus is a long-term business. Normally the owner is the driver and on a busy day can earn more than 100 baht which is three or four times what a wage labourer earns. Moreover, there are not many alternatives where a relatively rich farmer can invest. There is the added advantage that an owner can loan the vehicle or sell it after getting back his initial investment. Because of high demand and an ever increasing tax (import), used motor vehicles hold their price.

All buses must be registered with the Wang Thong Bus Company which has been granted a monopoly of the route between Phitsanulok and Wang Thong. The Company arranges the schedule so that buses do not compete for passengers. Not all buses operate at the same time, and there are not more than 20 each day. Others are engaged in private transport, being hired by villagers for specific purposes. Apart from arranging the time table, the Company has its own coaches travelling further from Phitsanulok to Lomsak and Khao Sai. The number of Company owned buses is 24. Out of the 17 shareholders only one is Thai, the rest are Chinese or Sino-Thai.

The Company was established in 1964 when the government promulgated a law requiring that all bus operators be organised into companies in order to gain concessions for public transport. Thus time-tabling and safety matters could be controlled. They promptly took the opportunity and called a meeting among the important bus owners to form such a company. He was nominated the director and his eldest son was appointed manager. Because of his reputation and because most members were his or his wife's

relatives, the Company functioned well. At present it is the only one in Wang Thong, the others having succumbed. To increase his own fortune Thep established a petrol station which all Company buses use. As the Company gained control over public transport, the petrol station became a necessary adjunct to the Company and managed by Thep's daughter-in-law (the eldest son's wife).

The establishment of the Company represents a trend towards the development of a modern firm-type economy. The owners operate in order to reduce competition and to enlarge the enterprise: the Company now monopolises public transport between Phitsanulok - Wang Thong and Khao Sai. Modern management techniques such as book-keeping and fixed time tables have been used and, except for top management, workers are recruited mainly on an impersonal basis. Nevertheless, the success of the Company lies chiefly in Thep's personal ability to draw other members to join together. Without him it would have been difficult for them to cooperate, and it is because of his kinship links and his charismatic personality that he is able to enjoy the confidence and respect of others.

Another example of the large-scale business employing wage labourers is the ice-cream factory set up towards the end of my research. The owner is a great-great-grandson of Yai Muang, the founder of the market. Two permanent workers are hired at 600 baht and 400 baht a month with food and lodging provided. At present the factory has about 25 regular customers who buy in bulk for retail in the villages. Normally, they come early in

the morning with their motorcycles to load up with the ice-cream boxes and then travel as far as Nakhon Thai District.<sup>2/</sup> The ice-cream factory represents a firm-type business making use of book-keeping and modern machines. Workers and customers are recruited from outside on an impersonal basis. However, it is still at an experimental stage and has to compete with the larger factories in Phitsanulok.

#### Marketing Relations and Marketing Network

The market sector for services and locally manufactured goods is distinct from other sectors in that it is decentralised with many small firms competing with each other so that restrictive control of the market is impossible. Entry into business is easy and requires small amounts of capital and, in general, the cost of operations is low. The marketing network is simple and involves only pairs of seller and customer, and relations are rather short-term and impersonal. Though it usually requires specific experience and training, recruitment is often from people outside the personal network and individuals easily move in and out. Experience and training can be acquired simply by attending a vocational training school or by becoming apprenticed to one of the big firms in the city.

After graduating from one of the vocational schools in Phitsanulok, Daeng (household No. 52) set up a small motorcycle workshop in Wang Thong. His wife is a māe khāá (woman trader) in the market place and has nothing to do with the repair business. Daeng is responsible for the whole process of repairing including

obtaining spare parts from Phitsanulok. Relations with suppliers are purely economic. He has not established any khā prācham (regular buyer) relations with any city firm. When his younger brother (household No. 2) joined him to learn the trade, he was apprentices without any salary and only received small sums occasionally given to him. After three years the brother could do most of the jobs himself and wished to be independent. Daeng then helped him to set up by providing him with the initial capital. At present the brother is fully independent running his own business which has become a centre for young motorcyclists.

Nid is a housewife in her mid-forties seeking extra income. Using her house site she runs a kūay tēo (noodle) shop serving mainly townspeople. She earns a net profit of at least 20 baht a day. Her husband is a carpenter who often has to be away from home. However, whenever he is free he is seen helping his wife washing dishes and serving; their only daughter is too young to lend a hand. Whenever the wat has a festival she opens up a kūay tēo stall serving those who come to the fair from nearby villages.

These two examples and especially the kūay tēo shop instance the ease of entry into business. Many housewives spend their free time by running food stalls within and outside the market place. As with market shops, the place from which to run a service business is often the family home. There is no hard and fast distinction between private life and business and this makes it easier for the house to function as a shop. Entry into temporary enterprises is also easy, especially during religious festivals



and wat fairs. On such occasions not only will such businesses as hair-dressing and dress-making be busy but there is also an opportunity for members of the service market to set up snack bars and food stalls on the fair sites.<sup>8/</sup> Part-time sellers in the market place and even village housewives often gain extra income by peddling foods and snacks on these occasions. The capital needed is very low, often not more than 50 - 100 baht. A number of village girls also start a business career at such fairs. This is an achievement for them and in this they are supported by their parents. To a certain degree, therefore, the market for services and locally manufactured goods functions as an economic arena providing jobs for both full-time and part-time.

Marketing organisation is here decentralised and most businesses are small in scale, market relations are single-stranded and involve merely suppliers and customers (see Diagram 7). Commodities such as cloth fabric, motorcycle spare parts, etc. are obtained occasionally and in small amounts from suppliers in Phitsanulok. Purchasers prefer to shop around to get the latest style and do not establish close relationships with any shop, so cash is required immediately on purchase and credit is rarely granted. Similarly, service shop owners, though treating customers in friendly fashion, do not develop long-lasting relationships with them. Some hair-dressing and barber shops may be the centres for local gossip but they do not normally lead to the formation of many-stranded long-lasting relationships. Customers come and go and even visit each other but the

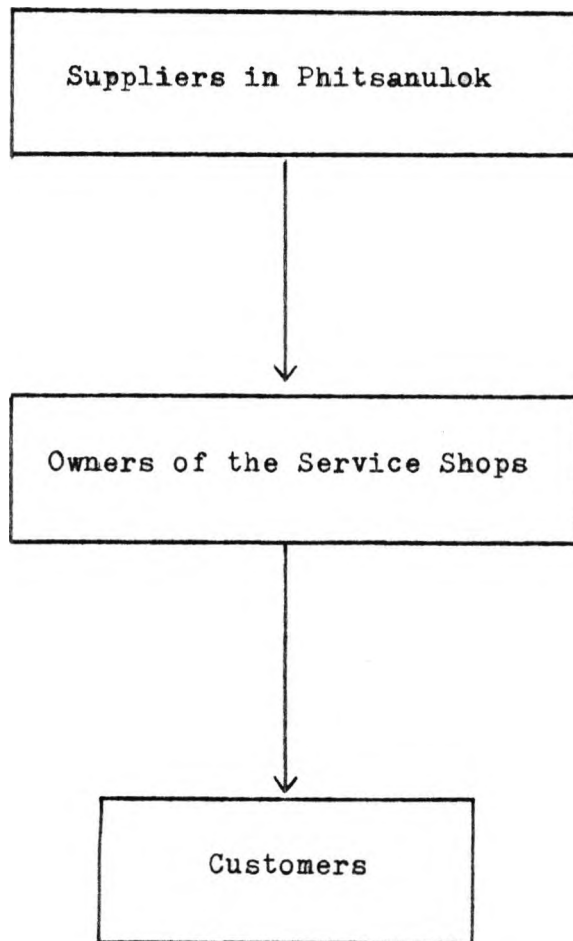


Diagram 7: Marketing Network in the Market for  
Services and Locally Manufactured Goods

relationship does not go beyond the economic transaction. Some service shops such as kūay tēo shops have khā prācham or 'regulars' but without credit bonds they are free to terminate the relationship without ill-feeling. Often customers are from the surrounding villages and, to a certain degree, strangers in the town. The nature of business is small and deals in luxury goods, so that it is only occasionally patronised by people; there is no need for either traders or customers to know each other personally. In other words, personal relationships do not constitute a major part in the transactions particularly when credit is not granted.

There are, however, variations from this general pattern of organisation: the marketing network of basket-makers is very different from the general trend (see Diagram 8). It is the only instance where the market is dominated by a small group of traders because supply is restricted while demand is required by a wide area. Traders who are village shopkeepers organise the market: they obtain large supplies of bamboo from remote villages in the uplands such as Chomphu and Ban Mung and distribute these to their home-workers (lūk mūe) most notably in the village of Khao Samo Klang where most villagers are landless farmers. Each trader has about 10 - 12 home-workers who are able to obtain goods on credit from him. The debts are paid when they deliver the baskets to the traders. For each basket the home-worker gets 5 - 10 baht depending on size, and the maximum that can be made a day is 5 baskets. In addition to providing the home-workers with raw materials, traders design the shape and style. Arrangements are

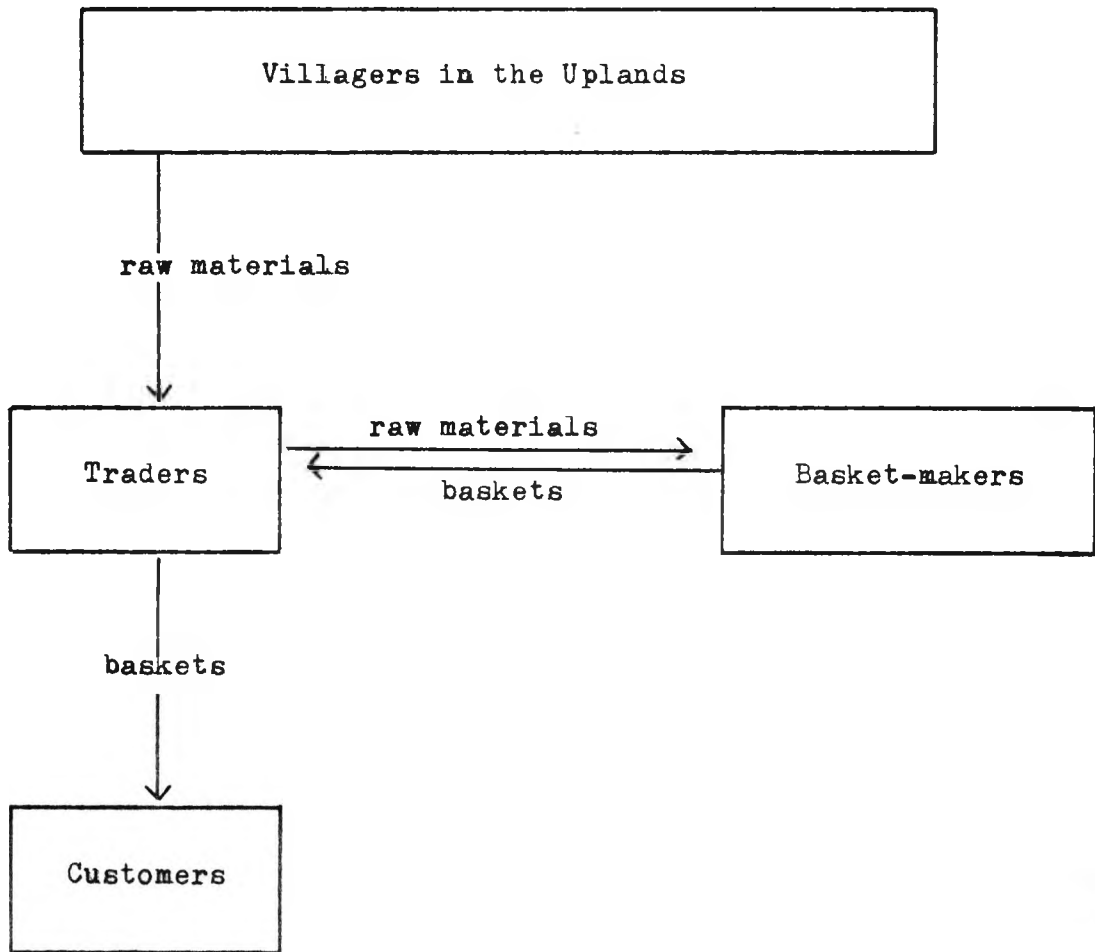


Diagram 8: Marketing Network of Basket-making

separately arranged with each luk mue and not on a household basis: a mother and daughter may work for the same trader but they are paid individually. The baskets are distributed in Phitsanulok, Phetchaboon and Sak Lek where they are used as vegetable containers.

The relationship between trader and basket-maker does not become one of patron-clientage because villagers only take up the craft when they have free time. They thus do not rely completely on traders as happens in the uplands discussed earlier. In many cases they prefer to work in the city or wherever there are construction sites, and so only the wife remains at home making baskets. Demand varies from season to season: the peak period is between June and August when there are plenty of vegetables and the demand for containers is high. In such cases most of the families remaining at home in Khao Samo Klang become home-workers making baskets.

### Capital and Skill

As with the market place the service market sector provides a 'social welfare system' in the sense that anybody who has time and needs a job can become the owner of a snack bar or food stall. Getting involved in such a business at a low level requires but a small sum of capital. Suk, in his mid-fifties, found it hard to get a job and be away from home. With about 100 baht he set up a snack bar selling grilled cassava and baked bananas in front of the market place. He earns at least 10 baht a day. Similarly, Kaew, a housewife, seeks to gain an extra income by selling

banana fritters to passers-by. All that she needed initially were the bananas and mixed flour bought from a shop in Wang Thong.

There are variations in the amount of capital required by specific businesses. Large-scale businesses require much higher capital than the small ones. For instance, the capital required to invest in the ice-cream factory and the car-repair shop is high and the skills specific, whereas barbering and bicycle-repairs need only small amounts of capital and certain basic skill which are easily acquired. The case of restaurants is probably a good example. Strictly there are only two restaurants in Wang Thong, the others are merely kūay t̄o (noodle) shops or prepared food stalls (r̄an kh̄ao kaeng). The two restaurants are owned by Chinese who have been in this business for more than 20 years. Comparatively speaking they serve a better quality of food than that generally offered in the market place. The initial capital required is thus much higher; one of the two has invested more than 100,000 baht (£2,500) in the shop-house. They provide wider range of food and their customers are mainly officials and townspeople. Villagers prefer to go to food stalls in the market place. To invest in a food stall one needs not more than 1,000 baht (£25) and, as a result, there are more than 15 food stalls within and outside the market place.

Most initial capital comes from personal savings. Often an individual learning a skill at a vocational training school or in the large firm in the city is supported by parents or siblings. Banks are simply used for savings. Except for the larger concerns, most businesses are too small to obtain bank loans.

In the case of the ice-cream factory the owner has borrowed 20,000 baht (£500) from a bank using land as collateral. This case is exceptional for he was familiar with the banking services and had been used to bank credit when he was engaged in cattle raising. Usually if need arises most small business operators prefer to open up a 'share game' to raise money. Indeed, the share game is very popular among service shop owners and local manufacturers. Most have plenty of time to follow up the game. The amount of money invested is not high compared to the games set up by shop owners (see Chapter IV).

Because of the small amounts of capital required and decentralised organisation, Thai people find it easier to get involved. The Chinese or Sino-Thai invest mainly in large-scale services and manufactures which recruit workers from outside. Except for petty trading in the market place the opportunities for Thai involvement are higher than in the other market sectors and achievement is evident. It is evident that Thai farmers "acted like rational economic men" (Muscat 1966: 25). When chances are available the Thai are ready to take risks to venture into new businesses. Their main problems are lack of financial support and organisation. They prefer to run businesses on an individual basis and thus cooperation to venture into large-scale business is rare. As one of them points out: "khon Chin chuay lua kan samoe", "Chinese always help each other", and thus Thai people cannot compete with the Chinese.

### Cooperation and Competition

Except for the Wang Thong Bus Company no other important instance of a cooperative venture exists. Given the lack of credit no further ties are developed vertically. Buying and selling is an end in itself. There is strong competition horizontally between many businesses. In tailoring and dress-making price-cutting is not uncommon.

Cooperation, however, does occur between siblings and close friends. Although he now has his own motorcycle-repair shop Daeng's younger brother relies on him for assistance from time to time. Whenever there is a complicated job he always refers the customer to his brother's shop. Borrowing special equipment is also not uncommon. Daeng is always available to offer help to his brother. However, they have never considered joining together to enlarge the business. It is important to be independent and self-reliant, and both Daeng and his brother are proud of being on their own and having separate shops. For them it is the epitome of maturity to have one own's shop (liang tua eng) independent of parents or siblings. Unlike the Chinese whose kinsnip bonds and obligations to one another are strong, the Thai attempt to be independent as early as they can. Without any experience in business they have to learn and start the business on their own as soon as possible. Moreover, the idea of "a right to survive" (i.e. the idea that everybody has a right to make a living) is accepted by everybody in Wang Thong, and this makes it easier for the younger generation to set up shop.



Other instances of cooperation occur between market place food stall operators. Normally, whenever there is a fun-fair several of them join together. To establish a shop in the fair, which requires a certain sum of capital, the food stall owners pool their resources and share the expenses. Each then selects a specific variety of food; one may prefer to sell kuay teo while another may sell beverages or barbecue pork (sa-te). Each is responsible for his/her own food but assists the others in taking orders as well as clearing the tables and washing dishes. The income from the sales is kept separate only the expenses being shared. Such cooperation is short-term for when the fair is over the group disperses. Cooperation here is an attempt by food stall owners to compete with the larger enterprises.

Competition is another aspect of marketing relations among traders and customers. Haggling in this sector is uncommon, prices are fixed by the owners and vary from shop to shop. Customers have to shop around for the price they can afford, and this applies to both large and small-scale services as well as local producers. Price competition is fierce to the extent that price information is advertised in the window and some traders employ price-cutting as a strategy to gain more customers. To prevent overt conflict this can only be done when directly approached by customers. The most important strategy in winning more customers is by personal charm and hospitality. In hair-dressing, dress-making and barbering, the owners must ao chai luk khaa', 'follow the wish of the customer'. It is common to hear the customers recommend: "ran ni borikan di", "this shop offers

good service". Punctuality is also significant. Among dress-makers time can be a factor which determines success. Failure to deliver or finish orders on time can harm reputation and business. Thus during peak periods dress-makers employ additional village girls to assist in general work such as sewing the buttons or embroidering shirts.

Except for the hair-dressers who serve mainly townspeople, service shops are generally busy. People from rural areas use these services when they come to the town. Though they compete with each other they still have enough customers to carry on their business. One important factor is that their goods and services are imperishable and can be kept for a long time. There is no question of too few customers. Each shop is always busy especially during the New Year and other festivals. The car-repair shop is a little different but since it is the only one in the town it manages to survive well enough and, in fact, it monopolises any repairs needed by the District Office cars.

A factor reducing competition is the fact that most operators are chao Wang Thong, members of the Wang Thong town community. They are friends and many are related through kinship. Daeng and his brother are cases in point; they not only assist each other but also introduce new customers to each other whenever possible. However, service shop owners generally do compete with each other to a certain degree. Though overt conflict is not revealed most service shop owners are individualistic and concerned only with their own businesses.

Finally, it is also interesting to note that there is a correlation between the age of the owner and his or her customers. Young adults prefer to go to shops whose owners are closer to their age. In the case of Mali, for example, her shop is full most of the time with young girls, either her friends or customers. Similarly, Kwang's and Daeng's repair shops are meeting places for young adolescents who have the same sort of interest. To a certain degree these shops provide a place for young people to get to know each other which can lead to marriage. In contrast, older people meet at a coffee shop whose owner is an elderly Chinese man. There, they discuss matters ranging from politics to commercial enterprises and the conditions of the market in general. Gossip and family affairs are also matters of concern. As mentioned above, government officials have their own meeting place, an expensive restaurant. Though each shop does compete with others to a certain extent it also usually serves a certain set of people and has its own sphere of influence and operation. Customers choose not only the kind of service they like but also the venue at which to meet people of the same status and interests. To a certain extent the services offered by a particular shop reflect the interest and social status of the customers.

### Mobility

The market for services and locally manufactured goods is similar to the market place in being characterised by a high degree of movement in and out. Entry is easy and the market is not static; during my fieldwork at least three shops opened: a dress-maker, barber, and welder. In the same period a hair-dresser closed down when the owner embarked on another business. Closing down is no problem, stock and equipment are easily disposed of, and bits and pieces may be kept for personal use.

An interesting point is that many are not chao Wang Thong by birth. Kwang, for example, moved from Phitsanulok when he got married because there was only one bicycle-repair shop in the town and the business did not require much capital. He is now very successful and has ventured into motorcycle-repairs. Similarly, the owners of the welding shop and slipper-maker are from the Northeast. The slipper shop stopped production when the owner was finally able to buy land which he had dreamed of doing for a long time. He and his family have now moved to work on this land in Sap Praival. Other examples include the owner of a local bus between Wang Thong and Chomphu who is from Nakhon Thai. This woman's sister has also set up a food stall next to the District Office and her younger brother has just established a coffee bar in the market place.

Despite the opportunities for entry in the service sector the operators are mainly from the outside. As one trader puts

it: "khon Wang Thong mai hen ruay, khon khang nak ma ruay thi ni mak", "Wang Thong people have never got rich; it is the people from outside who become wealthy". Though this is not always true there is a noticeable number of outsiders who have set up in Wang Thong. Many do not intend to stay there permanently but after acquiring sufficient wealth they either wish to move to the provincial city where demand is higher or simply switch occupations such as becoming land owners as in the case of the slipper-maker. Another interesting example concerns a restaurateur who after successful years spent in Wang Thong finally migrated to Phitsanulok where he set up a restaurant. The ease of moving in and out exemplifies the fact that everybody has a right to make a living. The decentralised nature of the market and the lack of restrictive control render it easier for newcomers to settle down and compete with the existing ones.

Upward mobility within a business can also be observed. Mali, the dress-maker, now not only serves customers but teaches dress-making to a number of village girls. From being a school girl she has become well established and is seen as a good example to Wang Thong young girls. However, downward mobility is not uncommon. One barber shop after a number of years cannot compete with others and only the owner remains. His business is falling down about his ears and he is considering switching to another job. There are also a few dress-making shops which do not command many customers and the owners have entered the market place to supplement their incomes. Nonetheless, because the demand for such services has been increasing owing to

the expansion of other market sectors, more experience upward mobility than downward.

The expansion of this sector and the mobility of its members cannot be considered on its own. One has to look at the other sectors for the way they complement one another. The expansion of the service market is, to a certain degree, a consequence of the condition of other market sectors particularly the agricultural market and the market shop sectors. The establishment of a branch of the Bangkok Bank Ltd. is itself a good indication of the commercial growth of Wang Thong market. The consequence is that the service market has expanded both in the types of service offered and the number of specialists; the latest being a private clinic with a qualified doctor which was established at the end of my period of fieldwork.

CHAPTER VII

NOTES

1. Their activities in bringing furniture for sale are well known and they even travel to Bangkok --the biggest market. Their work is facilitated by the ready availability of cheap teak in the North. The price of their products is also low because they employ mainly family labour and the design is not as modern as in Bangkok or in other large cities.
2. In fact, the government officials and big traders often have to go to the provincial city where they have more alternatives. The group of young traders, for example, have a monthly meeting in one of the popular restaurants in Phitsanulok.
3. Apart from the cinema in the town there are films shown by the agents of the big companies from Bangkok occasionally. Normally, they are held in the wat and are free of charge for they are part of the advertising campaign to sell the companies' products.
4. Such courses as dress-making, barbering and motorcycle-repairs are popular among village boys and girls. The course is not usually long but varies from 3 - 6 months. No specific qualification is needed.
5. Though he is accepted as chao Wang Thong, Kwang in fact migrated into Wang Thong only five years ago. His case is a good example of a person from outside who has established himself well in Wang Thong.
6. The popularity of such services is not confined to Wang Thong. A similar pattern can be observed in any Thai town (see Pongsapich 1974 and Hafner 1974).
7. To my surprise these small ice-cream petty traders can earn up to 100 baht a day. They are willing to travel into remote villages especially when there are fun-fairs there.
8. Fairs are frequently arranged either by the wat or by the agents of the big companies from Bangkok as part of an advertising campaign. A large number of villagers attend the fair in the evening. This offers opportunities to small food stall operators to set up in business.

CHAPTER VIII

CONCLUSION



'Traditional' and 'Modern' Marketing Organisation

For analytical purposes the Wang Thong market has been divided into four related sectors. Each has its own organisational characteristics and is different from the others. Nevertheless, it would be misleading to treat the four sectors separately. Each sector is dependent on the others and, in certain circumstances, they overlap. Indeed, to understand one sector it is necessary to view it in its relationship to others. An analysis of the four sectors brings us to an understanding of the 'total whole' of Wang Thong marketing organisation, that is the structure of social relations among large-scale and small-scale traders, māe kháá, lūk rai lūk nā, and farmers. As noted by Belshaw:

... if exchange is thought of as a primary form of interaction, exchange patterns can define group composition; the relations between group members, and interaction across boundaries. Trade and marketing constitute one concrete form of exchange and hence given one major indication of social structure, an indication which has been underused by comparative sociologists and anthropologists.

(1965: 78)

It is also important to note that Wang Thong market, as a standard marketing level in the national hierarchy of markets, provides us with an arena of interaction between 'modern' and 'traditional' forces, though these two forces again cannot be treated as polar systems. In reality both exist concomitantly; the market place, for example, represents 'traditional' patterns of trade and marketing in that entry into the business is easy and involves a lot of haggling and bargaining. Most traders there operate on a small scale with very limited capital. On the other

hand, the market shop and agricultural market sectors involve large sums of money and, to a certain extent, are organised as a 'modern' firm-type economy. Entry into such businesses is difficult and the markets are dominated by the Chinese and Sino-Thai. They are highly centralised and hierarchical with recruitment from within, and utilise techniques such as telephones, the telegraphs, trucks, and banking services.

Such differences are frequently discussed in terms of a 'dual economy' thereby implying that within one political framework there are two different separate economic and social sectors. One operates according to the principles of 'modern' capitalism with commercial businesses that are sophisticated and dominated with motives of maximisation. This is almost entirely in the hands of aliens. The opposing sector is 'traditional' in being conservatively-oriented and not concerned with the maximisation of profits. Participants are incapable of engaging dynamically in trade and commerce. The majority of an indigenous population practise within this sector. A pure version of this theory holds that there is minimal interaction between the two sectors, and that the progress in the commercial sector does not bring about change and innovation in the traditional sector (Belshaw 1965: 95-101).

Though there is evidence to support this view the theory as a whole has been largely abandoned. First of all, as Belshaw points out, the notion that traditional societies are uninterested in maximisation is demonstrably false. This has become a major theoretical issue during the past decade (LeClair &

Schneider 1968). On the one hand, there is the substantivist view that asserts 'modern' economic theory cannot be applied in toto to the study of traditional societies, that is to primitive and peasant societies. Maximising, economising, and other economic concepts can be used only in the study of Western economies after the Industrial Revolution, where the market has come to dominate. The substantive meaning of 'economic' is derived from empirical facts and not from deductive logical assumptions. The formalist, on the other hand, believes that economic concepts are useful tools to study any society even non-Western economies, and thus the term 'economic' is defined quite differently. It implies the allocation of scarce available resources among alternative ends with reference to the maximisation principle of profit making (Firth 1967: 5). The debate interested a number of anthropologists during the late 1960's and the first half of the 1970's.<sup>1/</sup> However, it has proved less fruitful, for most agree on facts but differ in theoretical interpretations.

As Belshaw points out:

... if there is any distinction it is because maximisation is of different things, with different values and using different methods. (1965: 96)

Maximisation, it is argued, is a general principle governing human behaviour both in traditional and modern societies, though it may differ in degree, forms, and values attached to it (Cancian 1968). Similarly, the usefulness and applicability of the dichotomy, 'traditional' and 'modern', is questionable especially in the changing societies of the Third World. Some elements belonging to traditional societies may appear in the

city which are marked by material well-being. Cohen (1969) has shown that the Hausa trade which appears to be 'traditional' is in fact not petty trade but involves large sums of money and people. The Hausa know well about the existence of modern facilities such as banking systems and modern transportation and have even made use of these services. Attempts were made by Europeans to oust the Hausa by introducing 'modern' organisation. They failed because it proved uneconomic and the Hausa still carry out their business in the 'old way' which is both highly valued and 'efficient'. Thus the dichotomy can be misleading because it is highly value laden : to be 'modern' is to be judged rational and effective so that to be 'traditional' is to be inferior.

This brings me to the second point, that it is not true that there is no interaction between the economies (Belshaw 1965). One can argue that it is because of the interaction between the two sectors that there results a difference in orientation. Evidence from Wang Thong suggests that the two economic sectors are closely related. In the uplands the economies are imperfectly articulated owing to the difficulties in communications. However, through the system of luk rai luk na employed by both parties, the inefficiencies are reduced and farmers are 'articulated' to the outside world. Diversification of cash crops and the use of modern equipment are certainly a function of the expansion and penetration of the commercial sector into the traditional rural world. Other factors which tend to hold back 'progress' include indebtedness, small capital accumulation and

lack of investment, and landlessness. Such problems must be dealt with otherwise the gap between the two sectors will be widened until it becomes politically untenable. As far as economic interest is concerned, political conflict always exists and hence political articulation is as important as economic one.

Finally, the 'related' nature of the four market sectors should be emphasised. For the local people the differences are sometimes not obvious. Indeed, they are chāo talāt Wang Thong, 'market people of Wang Thong', and involved in the same activity, i.e. doing business. Members of one sector may participate in activities in the other sectors, i.e. the multiplexity of roles. However, by picking up the major roles and classifying other major elements such as ethnicity, sex, scale of business, and the ease of entry, the demarcation of the four sectors finally becomes clear. An alternative is to follow several major items of commodities, but to do this is to distort the wholeness of the market. For small markets such as Wang Thong, an analysis of the four sectors is most appropriate and, to a certain degree, the market sectors also deal with different types of commodities.

#### Summary and Comparison of the Four Market Sectors

As part of a rapidly changing society, marketing in Wang Thong is in a transitional stage. The volume of business and numbers of participants have both increased remarkably during the past two decades. The division of labour has become more complex: even though traditional divisions based on age and sex are still

crucial, specialisation is more pronounced and increasingly important. Such changes are obvious in the agricultural market sector where specific skills in judging the quality of crops, price speculation, and assessment of market conditions are required. However, as I have noted earlier, in order to overcome the difficulties in communications and the risks involved in the marketing, traditional patron-client relations continue to be employed, especially for the upland trade. This is not to say that both traders and upland farmers are blinded by force of custom or ignorance, rather the system of lūk rai lūk nā helps to reduce risks and uncertainties. Thus we see that even in the agricultural market sector, which is highly capitalised and to a certain degree 'modernised', traditional forms of patron-clientage are still important and I discuss this in the next section.

In marked contrast are commercial activities in the market place. No standardisation either of crops or prices has occurred; rather deals are still made mainly through haggling. The market place is the only sector which can accommodate a large number of buyers and sellers. Farmers and housewives can easily gain extra income simply by peddling goods around the market. Organisation is decentralised and traders compete fiercely. Profit margins are very low. Unlike the agricultural market which is dominated by Chinese or Sino-Thai, traders in the market place are predominantly Thai. A number are very successful and seek new ventures in the service market. This is crucial for it proves that the Thai can compete with the Chinese if the circumstances are in their favour. The Thai, however, cannot enter the higher levels of trade in the

agricultural market and the market shops. They cannot break into the Chinese trading network.

Chinese domination is most pronounced in the highly centralised shop sector. From Bangkok to Phitsanulok to Wang Thong, the hierarchical network is completely organised by Chinese. The Thai traders are customers of the Chinese shops in Wang Thong and operate their businesses at the village level. The Chinese extend credit and services to them, and in most cases they have traded with one another over a long period of time. Though large sums of money are involved the Chinese firm remains family-oriented and recruitment is from within. The firm expands to a certain limit when it splits into several smaller units complementing and assisting each other. Among the Chinese, setting up one's own shop is always the aim and the measurement of success. To a certain degree the market place and shop complement each other in the sense that the market place provides a training ground to the traders who eventually set up the shops and operate their business outside the market place domain.

In the market for services and locally manufactured goods business can be categorised into two broad types: large-scale and small-scale. Geographical and social mobility in this market is high. Most are not local people and once they are successful, the entrepreneurs move to the provincial city where demand is greater. The market serves mainly peasant farmers of the nearby villages. Town-dwellers prefer to go to the provincial market because it is more prestigious and the range of choice is far better. Both Thai and Chinese are involved in the service market. Thais find it

Table 9: Comparison of the Four Market Sectors

Participants	Market Sector	Marketing Input	Scale of Trade	Ethnicity	Organisation
pp - co; s - co; w - v	market place	labour intensive	small	Thai	decentralised
sh - co; sh - v	market shop	capital intensive	large	Chinese	centralised
pp - v; w - s	agricultural market	capital intensive	large	Chinese	centralised
s - co	service market	increased capital- isation in large-scale service	small/ large	Thai	decentralised

\* co = consumer  
pp = peasant producer

s = small-scale trader  
sh = shop owner

v = village shopkeeper  
w = wholesaler



easier to do business here especially in investing in transportation. Even so, where large-scale services are concerned the Chinese are the owners. To conclude I present a schematic comparison of the four market sectors (see Table 9).

#### Social Relations in the Wang Thong Market

It is only in recent years that anthropologists and sociologists have turned their attention to formal face-to-face, primary interaction in contemporary industrial societies (Cohen 1969). Such 'rediscovery' is well documented by anthropologists. Wolf, for example, has pointed that:

... the formal framework of economic and political power exists alongside or intermingled with various other kinds of informal structures which are interstitial, supplementary, parallel to it. (1966: 2)

Similarly, in simple societies anthropologists seem to over-emphasise the personal nature of relationships by overlooking the other side, i.e. the impersonal aspect of relationship. As Cohen points out:

... the great sociologists over-simplified the nature of pre-industrial society by emphasising its primary, communal character, as individuals are submerged in the world of multiplex relations. On the other hand, they also over-simplified the nature of industrial, mainly urban, society by emphasising its 'impersonal' character, as a man's personality is broken down to its constituent roles which are submerged within separate, different, single-interest associations. (1969: 197-98).

He concludes:

Today many sociologists hold that in both the industrial and simple societies people spend their lives within a two-dimensional world, where formal and informal relations are interconnected, interdependent and continual interacting. (1969: 198)

Materials from Wang Thong confirm this, for there we find that both personal and impersonal relations exist side by side. First of all, however, I refer to the nature of market relations in Modjokuto in Indonesia, and in the Philippines.

Dewey's (1962) and Geertz's (1963) studies of Modjokuto market hold that market relations in Indonesia are quite consistent with profit-seeking and rationality. The authors thus hold them to be as universalistic and impersonal as in industrial societies. To be rational and to pursue profit, one must ideally put aside all other extraneous considerations of personal ties which might work against the profit motive (Belshaw 1965). As Geertz notes:

... relationships between traders ( and between traders and customers) are highly specific: commercial ties are carefully insulated from general social ties. Friendship, neighbourliness, even kinship are one thing, trade is another; and the impersonal calculating, rationalistic approach to economic activity which has sometimes been held to characterise only advanced economy is present in the Modjokuto pasar to a marked degree... Whatever 'traditionalism' may mean --commerce in Modjokuto is largely free of the constraints of diffusely cultural norms. (1963: 46)

In the Philippine markets, Szanton (1972) and Davis (1973) see that market relations are largely characterised by the personal obligation known as 'suki' (see Chapter I). Davis stresses the importance of personalism as against universalism. He writes:

... sellers in Baguio attempt to reduce risks by building up steady clienteles rather than by attempting to optimise profit returns from each transaction... The majority of all transactions take place between persons who habitually trade with one another, and who are said to be one another's suki. Each seller then pursues strategies aimed at acquiring as many suki as he can manage. (1973: 216-17)

Because of the 'suki' relation, in the long-run traders are able to accumulate higher amounts of capital by reducing the risks apparent in the market place economy where competition is fierce and profit margins low. Therefore we see that to maximise profit one has to employ personal contracts and arrangements. It is not surprising that such relationships have also been employed in the specific personal relationship known as 'compadrazgo'.

Differences between the two countries' markets are crucial as far as empirical and theoretical orientations are concerned. In Wang Thong it is essential to distinguish between lūk kháá práçham, 'regular customers', and lūk kháá çhôn, 'temporary customers' (see Chapter V). The relationship between khá práçham is personal and long-standing whereas lūk kháá çhôn is short-term and impersonal. Traders try hard to compete to win more khá práçham, for this assures them of steady trade even at the time when trade is quiet. The allocation of credit and capital is the mechanism holding traders and khá práçham together. The relationship between them is reciprocal and will last as long as they remain in trade without any breach of the norms of obligation. Through time the dyadic single-stranded relationship based on mutual interest assumes a many-stranded form. Both parties are related through a series of multiplex relationships similar to 'pratik' (Mintz 1967) and 'suki' relations.

By distinguishing between lūk kháá práçham and lūk kháá çhôn we see clearly the two patterns of marketing relationships based on particularism and universalism. However, another aspect of marketing relationships still has to be considered, i.e. the

vertical and horizontal relationships; the former being between persons in a superior-inferior relationship, and the latter being between equals. Except for immediate kin, traders on the same horizontal level compete with each other fiercely, and little cooperation is evident. However, traders and buyers, especially kha pra<sup>h</sup>am, are bound together vertically through a number of links and personal relationships are significant. This is not because of conservatism or continuity. The continuities of customs and social formalities are certainly there, but their functions have changed (Cohen 1969). To reduce risk and maximise profit traders rely on the lower level traders to supply or dispose of commodities. At least they can be sure of continued flow of business throughout the year.

The most obvious example of such articulation is patron and client ties between traders and farmers. Under the present circumstances both need each other: traders attempt to obtain as much crops from farmers as possible. By credit and other services they are assured that their luk rai luk na supply them with sufficient crops to carry on business for the whole year, and net profits consequently increase. On the other hand, farmers are guaranteed at least a subsistence level of financial help. Furthermore, to overcome problems of communication and the uncertainties of the market economy traders and farmers have to rely on each other, a situation not unique to Wang Thong. Van Roy (1971) instances the situation of trade between traders and miang (fermented tea) farmers where patron and client relationships are also employed. The modern tea plantation cannot break into

such a relationship to obtain more tea leaves from upland farmers but rely mainly on what they can produce themselves. The upland farmers prefer to trade with their patrons who are prepared to offer them financial help whenever need arises. Certainly, they know that by selling the tea leaves to the plantation they can obtain a better price, but there is no guarantee of future financial security.

Under present circumstances such contact is a rational act though Van Roy holds that it is the traditional value attached to the patron-client system which obliges farmers to trade with a particular dealer. However, I have maintained that whenever there is a better opportunity farmers are ready to grasp it. If another trader offers a better price they will certainly sell their crops to him. At present the majority of farmers in the uplands do not do this because they weigh the 'temporary' present profit against future financial demands when they will have to rely on particular trader. Certainly personal ties and obligations help to strengthen economic bonds and contracts, but individuals do not follow this if it is not to their own advantages (Belshaw 1965).

The patron-client relationship between upland farmers and town traders is thus a function of the uncertainty and difficulties in communication (cf. Delaney 1976: 21). In the lowland area farmers are more independent and sell crops to any trader who offers the better price. They are even able to bring their crops for sale to any warehouse in the town. To a certain degree

relations between traders and independent farmers are impersonal and contractual, though a number still prefer to trade habitually with a particular trader whom they can trust and lean on for other services.<sup>2/</sup> It is expected that by improving market conditions and communications the pattern of trade in the uplands will eventually follow that in the lowlands, and the patron-client system may change its function drastically.

Under the present market conditions where competition is fierce and cooperation limited, it is precisely the creation of personalistic bonds that makes the market system work. Even among traders of the same level we find that kin do help each other and their businesses often complement each other. The dictum, "business is business", is true but without support from kin, friends, and even customers it is difficult to make the business survive in the competitive world. Wolf points out the possibility:

Complex societies in the modern world differ less in the formal organisation of their economic or legal or political systems than in the character of their supplementary interpersonal sets... (which) make possible the functioning of the great institutions. (1966: 19)

The Wang Thong market provides a good example of the concomitance of the principles of universalism and particularism. The situations in the three market places --Modjokuto, Baguio, and Wang Thong-- can be heuristically arranged in a continuum between the two extremes. At the one end we have situations similar to the Modjokuto market place where the formal impersonalistic relationship is paramount. At the other end we have Baguio and

Estancia market places where relationships are based mainly on personal, subjective, and long-term obligation. Wang Thong market place can be placed in the middle close to the former end. There is no absolute clear-cut of the two extremes, and to stress only one side is misleading. As Belshaw remarks:

... the personalistic-universalistic polarity is invalid in absolute terms. There is no such thing as an enduring non-personalistic relationship, and no economy in the world can be based entirely or even largely on non-personalistic relationship, for this would be the negation of continuity and security and would be atomistic group behaviour rather than behaviour in a society.

(1965: 80)

In most situations which lie between the two extremes of the continuum we have at one and the same time the principles of personalism and universalism operating simultaneously, and this is crucial and fundamental to the organisation of all four market sectors though the degree of personalism and universalism in each sector varies depending on the duration and scale of trade.

#### Political Aspects of Marketing: Luk Rai Luk Na and Their Mobilisation

An important aspect of marketing organisation which has not yet been dealt with is political articulation and the mobilisation of luk rai luk na. In this section I look at the involvement of traders and farmers in a local political campaign. With the system of luk rai luk na, farmers and traders are obliged to assist each other and this diminishes the degree of conflict between the two. Traders liang luk na, 'feed their followers', in order to acquire cash crops and political support. This is not to deny that the relationship between traders and farmers is

not without tensions, for there is always a potential conflict of interest between the two. But under the present system neither is organised as a group to protect its interest and to compete with the other.<sup>3/</sup> Thus in Wang Thong we find that traders, particularly in the agricultural market sector, maintain a number of lūk rai lūk nā clients who depend on them for financial support, and this offers the traders the opportunity to mobilise them for political interests or social prestige. In this respect Thep is a good example.

As mentioned previously Thep is a leading figure in the Wang Thong trading community and because of his reputation, whenever there is a general election he is approached by various political parties to act as hūa khañāñ, 'chief political campaigner', to seek votes from the people.<sup>4/</sup> Thep, in fact, does not commit himself to any political party and insofar as he remains neutral all political parties are happy. Hence it is essential that all political parties keep in contact with Thep to ensure that he will not take sides.

His influence became apparent when his eldest son (the manager of the Wang Thong Bus Company) went into politics in the February 1975 election for the Provincial Council. Members of this Council are locally elected and are responsible for the matters concerning the people of Phitsanulok Province. Each district elects its representatives, the exact number being determined by the size of the population. The Council has 30 members and Wang Thong which is the second largest district sends



seven representatives. In 1975 in Wang Thong there were 36 candidates; most were kamnan and phū yai bān who had experience working with the District Officer and of the seven elected representatives, four were kamnan. The others were a tambon medical practitioner (phāt pračham tambon), an active trader (Thep's son), and a political activist farmer.

To help launch the campaign Thep's younger son, a lawyer, was called back to Wang Thong to organise the campaign. He visited villages with his trader uncle where the father had a number of lūk rai lūk nā. Wherever they went they stressed the fact that one of the candidates was Thep's son and a large number of farmers promised to vote for him. Thep could only effectively influence voting in six tambon, elsewhere he had to rely on relatives and friends, notably Bog (household No. 8) and Chuan (household No. 122) who mobilised votes from their lūk rai lūk nā primarily located in the uplands. In addition, all buses of the Wang Thong Bus Company carried posters emphasising that Thep's son was a candidate. On the election day the Bus Company provided free transport for those voting for Thep's son. Indeed, a number of pickup buses belonging to Thep's lūk nōng were also employed to transport Thep's lūk rai lūk nā to and from the election sites (see Diagram 9). With such a well planned campaign and careful mobilisation of lūk rai lūk nā it is not surprising that Thep's son won a seat. Analytically the organisation of the campaign is roughly comparable to Mayer's discussion of the quasi-group (Mayer 1968).

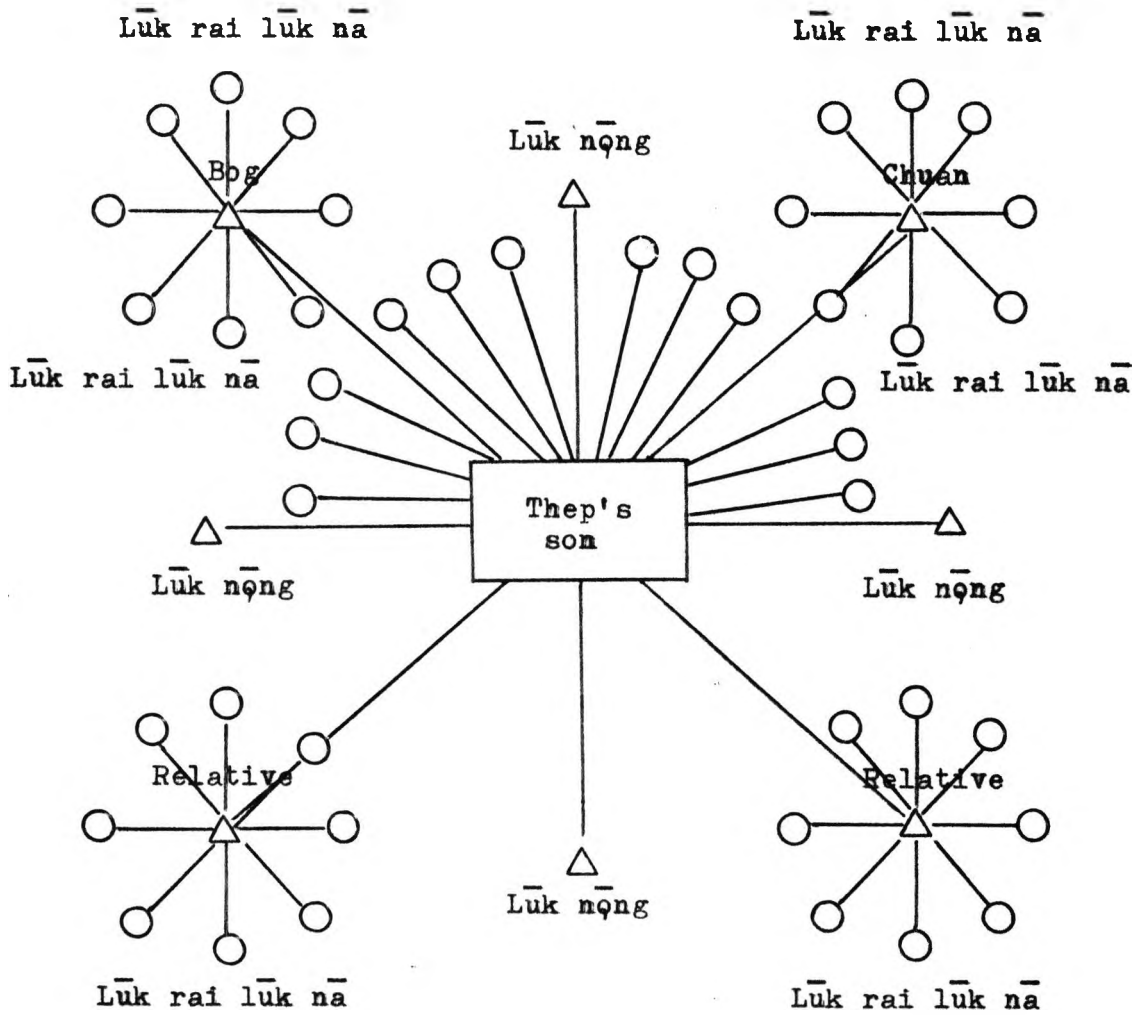


Diagram 9: Political Network of Thep's Son

A further point of interest about this campaign is that most wealthy traders in the market shop and agricultural market sectors supported Thep's son, whereas the māe khāá in the market place gave votes to a candidate named Kaew, a poor villager of peasant stock. Kaew was well known to the māe khāá for, though he was poor, he was willing to intervene in any dispute between māe khāá and government officials. In the dispute between traders and government officials over the right to build a house on the river bank, Kaew was the first to act as the traders' representative and discussed problems with the District Officer. Kaew won a lot of supporters from the māe khāá in the market place, and with this support of māe khāá and of many farmers he won a seat. As a sign of good-will the māe khāá then contributed a sum of money for Kaew to have a new suit made to attend the Council meetings.

Throughout the election campaign the whole market was divided: the wealthy traders in the market shop and in the agricultural sectors supported Thep's son for he was 'honest' and had had a good education, while the māe khāá gave their votes and sympathy to Kaew who was of the same background as themselves and was 'courageous'. Both sides attempted to mobilise votes from their lūk rai lūk nā (in the case of agricultural traders) and kha pracham (in the case of māe khāá) both in the villages and in the town. Of sociological importance is the fact that the māe khāá united for the first time in opposition to the wealthy traders.

Marketing and Change

Wang Thong market plays a crucial role in linking the agricultural sector to the outside world. It is largely agricultural-oriented and, to a certain degree, its success is a reflection of agricultural expansion and diversification of crops. As late as 1966 Wang Thong had to rely on traders from outside, from Phitsanulok and Phichitr and elsewhere, in disposing of its produce (Kemp 1976). Nowadays most trade is in the hands of traders in Wang Thong. Furthermore, one of the major roles of traders is that they do not simply act as middlemen but also as innovators introducing modern equipment and new crops to farmers. Traders are in a position to advise, inform, or even demonstrate new ideas. On the whole they are closer to farmers than government officials, and "are particularly important in the transmission of information which might lead to an expansion or contraction of village production for the cash market" (Keyes 1970: 113). Bell and Tai also remark:

A ... factor which may modify intersectoral linkage in a dual economy is the presence of important intermediaries in the marketing mechanism. Although Chinese middlemen play an important role in the agricultural relations of Southeast Asia, their impact on the nature and strength of the links between advanced and traditional sectors has been largely neglected. (1969: 35)

Therefore one may suggest that economic development is likely to be effected through the marketing network.<sup>5/</sup> This is possible for the Wang Thong market is competitive and information concerning prices and marketing conditions cannot be concealed. As far as economic interests are concerned, traders are ready to buy back any agricultural produce to keep their businesses viable and to

increase and enlarge their operations.

Furthermore, the Wang Thong market provides opportunities for those who need extra income or a job. Among the townspeople the market place is still the only place where they can engage in business activities. A number of them would be unemployed were it not for the 'jobs' in the market place. Similarly, the agricultural market sector provides extra work for farmers from nearby villages who are taken on as wage labourers. For young people the service market offers the opportunity to start a career and some, after acquiring skills, return to their villages and set up there. On the whole the Wang Thong market is not a closed system, mobility is obviously evident. Some move to the city market whereas some remain and expand their activities by fragmenting business into two or three small shops to suit the local marketing conditions. However, its expansion is limited by its proximity to the provincial city market. It also has to compete with the market of Sap Praival which has become an important market handling agricultural produce within the past decade.<sup>6/</sup>

At present the market remains dominated by Chinese and Sino-Thai, who provide the leaders of the commercial community. However, through education and inter-marriage they are assimilating into Thai society. Most know well the Thai way of life and within twenty years the old generation will be replaced by the new. "It is unlikely that they will maintain any degree of self-restricting exclusiveness if Thais do not exclude them" (Tobias 1971: 76).

CHAPTER VIII

NOTES

1. For further details of the substantivist and formalist debate see LeClaire & Schneider (1968).
2. Amyot has recorded the same phenomenon in Ayuthaya. He notes:

Farmers tend to have stable relationships based on friendship and trust with specific individuals... and these relationships tend to be highly personalised... which is a protection against exploitation. Even independently of this situation, competition among rice traders is such... that few are in a position to exploit farmers by giving lower than market prices. Prices are well known, and should one trader not give satisfaction, there are others to turn to. (1976: 160-61)
3. In some areas in the North, such as Chiang Mai, peasant movements are evident. Conflicts between peasant farmers and large land-owners are manifested. For the first time peasant farmers have distinctively organised themselves as the Peasants' Federation. Turton (1978) provides a good analysis of the situation and conflicts between the peasants and the landlords.
4. Normally, the hūa khañān receives financial support from the political party he works with. But this does not interest Thep for he is always busy with his own business.
5. For the full treatment of marketing development see Belshaw (1965) and Nash (1966), for Thailand see Anderson (1970).
6. Formerly the Sap Praival market used to be a satellite of Wang Thong depending on Wang Thong for goods and services. When the new highway was completed in 1956 Sap Praival turned to the provincial market and has now become another major market in Wang Thong district by-passing the Wang Thong market.



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