

# The Village in Transition

Development and Socio-Economic and  
Cultural Change in Mae Kampong Village,  
Chiang Mai

Kodai Harada

Critical  
Perspectives  
on Regional  
Integration

08

Thailand  
in Transition

## Series Foreword

The monographs that comprise the Critical Perspectives on Regional Integration series have emerged from dissertations based on original primary field research, and written as a major part of the requirements for the Master of Social Science (Development Studies) program of the Regional Center for Social Science and Sustainable Development (RCSD), in the Faculty of Social Sciences, Chiang Mai University.

As Senior Editorial Adviser, I was engaged by the Center to conduct an overview of the dissertations—dating back to 2001 and now well over 100 pieces of work—and select which of them would best illustrate the quality of graduate student research. This was by no means an easy task, but it was decided to choose primarily those written in the past few years, given that empirical research in social science tends to date rapidly. Another consideration was that the monographs should give expression to the main theme of the series of Critical Perspectives on Regional Integration.

As the selection and editorial work proceeded it was then decided to organize the publications into sub-series focused on different parts of mainland Southeast Asia. The first several volumes focus on Myanmar, covering such subjects as livelihood strategies, changing ethnic identities, borders and boundary-crossing, and the commoditization of culture within the context of ethnic tourism. Following volumes are devoted to Thailand, Lao PDR, Vietnam, and Cambodia.

The series also illustrates the concern to bring together social science and natural science knowledge in order to further the understanding of sustainable development issues. Over some 20 years Chiang Mai University has developed considerable research expertise in such fields as resource management, environmental impact assessment, upland agricultural systems and indigenous knowledge, health, and ethnic and gender relations. Teaching and research in development issues also deploys social science concepts within the development field to address decision-making, policy and practice, and the responses and adaptations of local populations.

This current monograph series also focuses on the processes of social, cultural, economic, political and environmental change among populations and territories undergoing rapid transformations within the Greater Mekong Subregion (GMS) and the ASEAN Economic Community (AEC).

*Victor T. King*

Senior Editorial Adviser, Critical Perspectives on Regional Integration Series

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# The Village in Transition:

## Development and Socio-Economic and Cultural Change in Mae Kampong Village, Chiang Mai

Kodai Harada

In rural Northern Thailand, decades-long state-led development programs have brought a multitude of economic, social, and cultural changes to village communities, significantly transforming their livelihood strategies and meanings. Tourism development has emerged as a new main source of income for many rural communities. This study investigates the development of tourism and the resulting changes in the socio-economic and cultural dimensions of a rural Northern Thai village—Mae Kampong, Chiang Mai—once known as one of the key producers of *Mieng* (fermented tea product consumed by local people), recognized as a key element of this northern Thai community's culture.

The study focuses on and argues for the cultural role of *Mieng* production as a mainstay of village livelihood amidst the various changes that tourism development has brought. The continued vitality of *Mieng* culture in the context of the development of tourism in Mae Kampong shows how villagers have mobilized it for their livelihood survival and adapted to changes in the development trajectory and its impact on the social relations of Mae Kampong.



Thailand  
in Transition



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## Chapter 1

# Introduction

### Background and Rationale of the Study

Starting from the 1950s, Thailand had experienced an unprecedented economic boom in the nation's history until the 1980s. The average annual growth in the 1960s was 8 per cent, 7 per cent in the 1970s, and 4-6 per cent in the beginning of the 1980s (Bello, Cunningham, & Li, 1998: 10). Thai people, especially those who are in the nation's capital, Bangkok, enjoyed the economic boom and started to live a "modernized" lifestyle. However, behind the scenes of a national economic success, rural villages faced a predicament because the urban-centered industrial economy was based on neo-liberal economic beliefs. The national economic boom was coupled with the political views of the elite, disregarding the countryside as peripheral, stagnant, and a threatened area, preferring to invest in cities as the predominant driving force of the national economy (Pasuk and Baker, 1996: 146). The flourish of the cities today came largely from the sacrifice of the rural sector's interests, depriving farmers in rural areas of substantial income and turning them into politically powerless smallholders, urban employers, workers, and civil servants for the sake of the interests of the people in the commercial sector, bureaucratic, and military elites (Bello, Cunningham, & Li, 1998: 135). In addition, it has been widely claimed that the government's agro-export policy was aimed to obtain foreign exchange so as to finance urban industrialization, affecting the self-sufficiency of the rural peasants. In the 1960s and 1970s, the integration of rural agriculture into international trade forced many owners/cultivators to be engaged in

growing non-rice cash crops such as tobacco, soybeans, and temperate vegetables; by growing these crops, the farmers became more and more dependent on the international market economy and were forced to purchase a large amount of agricultural inputs such as fertilizer and pesticides (Bello, Cunningham, & Li, 1998: 141). This led people who had been traditionally engaged in agriculture and other primary sectors to be cast in the vicious cycle of debt payments, forcing some to either seek employment in urban construction or in manufacturing industries.

In the case of rural communities in Northern Thailand, development came into being in the 1970s, initiated by Thai government policy, which was influenced by the US's anti-communism schemes. In the mid-1970s, many student activists fled to mountainous areas of Northern Thailand for communist activities; for this, the construction of paved roads that connected cities and provided access to the local areas was deemed necessary by the government in order that the state could mobilize power and surveillance of these areas (Santasombat, 2008: 93). After that, the national export-oriented economic policy led the local communities to grow cash crops such as baby corn for export. Also, as a relatively recent phenomenon, local communities rich in natural resources are seen as potential tourist destinations for the sake of the national tourism industry, and now account for no less than 10 per cent of the Thai GDP (Vaswani, 2015). Indeed, over the decades, the tourism industry in Thailand has been acclaimed as a "ticket to development" and the largest earner of foreign exchange (Williamson & Hirsch, 1996: 186), and because of the development of the country's official tourism strategy, this has created a number of negative socio-cultural consequences especially for local livelihood: accelerated land speculation; displacement of farmers; commercialization and commoditization of traditional cultures such as that of ethnic minority peoples; increased prostitution; and environmental degradation (Bell, 1996: 58).

For this phenomenon, in the late 1980s, there was a growing awareness of self-sufficient community building as a countermovement to the government-led development policies that are based on a top-down approach. The community culture (*wattanatham chumchon*) movement was materialized by peasant leaders, NGO workers, and intellectuals; it created an ideology of peasant defense based on bottom-up decision-making (Pasuk & Baker, 1996: 159). However, the statements of the community culture activists have been criticized by many scholars who regard it as a romantic view towards past



communities, which, critics state did not exist in the history of Thailand. The arguments between community culture movement proponents and the opponents will be further discussed in a chapter below.

Bearing in mind the current debate mentioned above, this study aims to examine the socio-cultural changes that occurred in the village over the course of the contemporary development movement, and ultimately analyzes the outlook of community self-sufficiency and self-reliance, deploying a realistic, empirical approach to looking at Thailand's contemporary phenomena happening in the rural communities.

In light of the historical context of the relationship between Thai communities and the high-powered state authority, examining one specific community which is struggling to find a way of development in the globalized world today will be of great help to understand the contemporary notion of rural development in Thailand. In this study, I will focus on the village, Mae Kampong, which has been under great influence of government policies in terms of development, and yet has a great deal of potential for achieving a self-reliant way of community governance due to its' traits as a traditional agrarian rural community.

Mae Kampong is the village No. 3 of seven villages in Huay Kaew sub-district, Mae On district, Chiang Mai province, Northern Thailand, known as a major producer of a Northern Thai traditional snack of tea leaves called *Mieng*. It is located in the east of Chiang Mai province, about 50 km from the city. It lies at an average height of 1,300 meters above sea level. It has been about 100 years since the first generation of villagers, who had been searching for suitable places for tea cultivation, came from nearby areas to settle and form the community. Now the village has 134 households and 374 people in total. The village consists of six clusters, Pang Nok, Pang Klang, Pang Khon, Pang Ton, Pang Nai No. 1, and Pang Nai No. 2. The village was named after '*maenam*' (translated as river in Thai) and its native flower called '*dok kampong*', thus the name, Mae Kampong, is a short and combined form of river and a local flower. Today, the production of *Mieng* is not the sole economic industry in Mae Kampong. In fact, in 1982, as a government-led rural development project, two micro hydro power generators were installed near the river that runs through the village, and electricity generated is supplied within the village. Also, in 2000, the village started its official tourism project as a form of community-based tourism (CBT), introducing the village homestay service.



Here, some problems facing the village should be mentioned. Currently, there are three noteworthy problems in Mae Kampong. First, because of the changing lifestyles of Northern Thai people, the demand of Mieng is declining; Northern Thai people nowadays think Mieng is not tasty and old-fashioned compared to the contemporary substitutes such as chewing gum and coffee (Reichart & Philipsen, 1996: 129). As a consequence, it would be natural that the economic and cultural significance of Mieng in Mae Kampong would diminish. Second, the development of Mae Kampong itself should be reconsidered and analyzed. Although Mae Kampong seems to have an egalitarian system of village management, there are actual power relations working behind the scenes between the village and the national authority. Third, as differentiation of labor in the village occurs groups made up of homestay services, tea leaf pillow making, Thai massage, and so on emerged as a consequence of the involvement of village tourism; fragmentation of the village entity seems to have been occurring and the consequent change of the social relations among the villagers might be inevitable. In fact, the income gap between homestay serving households and non-homestay serving households should be significant since one family which accepts homestay visitors can earn 520-580 Baht per visitor for one night. What can be deduced from this is that since the involvement of tourism, which is based on the market system, commercialism came to play a role in the human relations of the villagers. All the problems here will be discussed in the following chapters.

Tourism in the contemporary world economy is one of the fastest growing sectors and plays a significant role in international transactions and creation of employment around the world. Today, the tourism industry accounts for as much as 10 per cent of the world's GDP and creates a tremendous amount of job opportunities – one in every 11 jobs in the entire world is thought to be directly or indirectly related to tourism (World Tourism Organization, 2016). The significance of tourism and its' role in the world economy has been increasing since the end of World War II. In fact, according to Burkart and Medlik, many governments of nation states started to multiply their economic scales and foreign exchanges through the involvement into international tourism, and in 1967, the UN general assembly states that "Tourism is a basic and most desirable human activity deserving the praise and encouragement of all peoples and governments." (as cited in Wood, 1993: 51).

In the case of Thailand, the foundation of Tourism authority of Thailand (TAT) in 1950 was the start of its official nation-wide tourism policy. Later on, early stages of its tourism development as an international tourism destination is said to have started from the end of Vietnam war (in fact, world-famous Pattaya beach was at first developed as a resort place for the US military soldiers seeking rest and comfort during the Vietnam war), and it started to gain popularity among international tourists as a result of the waning presence of US military after the war (Hitchcock, King, & Parnwell, 1993: 16). Since then, for international tourists, especially those from the Western hemisphere, Thailand has been a popular tourist destination. Furthermore, Thailand launched its first *Visit Thailand Year* in 1987, and the *Amazing Thailand* campaign was subsequently launched, with its aim of rescuing the country from the financial crisis in 1998/1999 (Lattanasouvannaphonh, 2011: 2).

Today, thanks to its abundance of cultural capital and splendid natural resources, a lot of tourists visit Thailand every year. Today, it is calculated that tourism accounts for no less than 10 per cent of Thailand's annual GDP (Vaswani, 2015). Since tourism is considered one of the most important industries to secure foreign currencies, the government has invested a great amount of money into the tourism industry, and regards the rural areas of Thailand that are rich in natural resources such as Northern area as potential tourist destinations for tourists who seek pristine natural scenery of Southeast Asia. According to the Tourism Authority of Thailand (TAT) in 2007, Thailand attracted more than 14 million foreign visitors, creating an expected wage of 547,782 million Thai Baht (around \$15 million USD) (TAT, 2008). With respect to Chiang Mai area, the number of visiting tourists in this area was 5,356,867 (67 per cent Thai and 33 per cent foreigners) in 2007, and these tourists directly and indirectly helped generate 38,894 million Baht (around \$1.1 million USD) in terms of tourist income (TAT, 2008).

Generally speaking, the tourism industry in Thailand brought about both economic growth and negative impacts on Thai societies. Certainly, as the World Tourism Organization states, tourism brings about a number of positive effects for the tourists and in destinations: influx of money into economic capital; increase in local employment; acquisition of foreign exchange with ease for destination countries; interaction between tourists and hosts; unique experiences for tourists that are otherwise unfelt in their home places, etc. These are the major reasons why governments and international agencies

hail tourism as a preferable economic activity and are keen to promote it as a driving force for the national economic development. However, it has to be noted that the true impact of tourism goes far beyond simple economic benefits such as revenues, job creation, and foreign exchange acquisition.

Narratives about tourism development have been revolving around the negative economic and socio-cultural effects it brings to local communities. From an economic point of view, it has been argued that tourism created a new predominance of foreign ownership in the industry, resulting in a core-periphery relationship between developed and developing countries, which prevents destination communities and the local people from benefiting fully from tourism (Telfer, 2002: 54). In many cases, tourism development is often led by foreign tour companies and service providers and does not reflect a destination community's interest, or rather marginalizing the local people. In many international tourist sites, situations in which tourist facilities such as hotels, restaurants, shops, etc. are owned by affluent foreign investors – they have advantages in the tourism business in that not only they tend to have more economic resources, but also they have knowledge about what international tourists expect from the destinations because they themselves are foreigners, and local people are nothing more than employees hired by them for meager wages. Reid states that in this way, mainstream tourism turns local destination communities and the local people into the objects of development but not subjects (as cited in Dallen, 2002: 149). This is how leakage of money in tourist destinations occurs. It is a flow of money from tourists from other countries to business owners who are also from other countries with little trickling down to local people. This is one of the major reasons why tourism is criticized as another dependency theory or “a new type of plantation economy” (Telfer, 2002: 54).

Negative impacts in terms of socio-cultural dimensions on destination communities brought about by tourism have been also widely discussed. Such issues include environmental degradation, destruction of local cultures, changing value systems, changing human relations among host communities, and any possible conflicts between hosts and tourists. A lot of literatures point out that the interaction of tourists with the common activities of local communities is potentially harmful because there is a great deal of risks of marginalizing local culture, of casting local economies into a dependence on the whims of tourists, and of creating some unwelcome social pathologies and behaviors in the communities (Fagence, 2003: 55).



Those issues can be boiled down to the concepts of cultural imperialism and assimilation by tourists from developed countries and commoditization of culture. Since it is often true that tourists from developed countries expect their hosts to secure the same level of living standards for them such as electric apparatus, transportation, and food; the tourism industry tends to impose the tourists' cultural values to destination countries. Because of this imposition, in order to be successful in the tourism business, destination communities have to abandon their own culture to some extent and be subjugated under the tourists' culture (Hashimoto, 2002: 220). By the same token, people in the host community, especially the youth, tend to appreciate and be tempted to follow the lifestyles of these western tourists. According to McCarthy, the blind copying of westerners by host community population causes a number of detrimental influences on the spiritual and cultural norms of them such as disrespectful attire and behaviors during religious occasions, demonstration of affection in public, and tourists' diet patterns (as cited in Hashimoto, 2002: 221).

In addition, the support from the government of the tourist destination for protecting their culture is often inadequate. In international tourism, governments are always beneficiaries of free movement of capital, namely acquisition of foreign exchange, and often do not take care of some negative impacts brought about by the free movement of people (e.g. conflicts between tourists and locals, pollution in the destination community). Uniqueness of destination communities' culture, to which the tourists are attracted, is nowadays politically utilized by a government policy, which often views cultural tourism as a sole economic option to the local communities. Moreover, the environmental and socio-cultural consequences of tourism are often ignored by the government, and the consequences and the responsibility of protection from them often falls to the destination communities themselves, usually without sufficient political support (Smith, 2009: 61).

In addition to the cultural changes in host communities, the tourism industry can also cause changes to social relations within the communities. Since tourists from developed countries can commonly spend much more money in one day than the local people in destination communities could earn in a year, there would be often scrambles among local people to make money from some businesses to the tourists. For this, if it is not managed well, tourism can create a negative social influence on the host communities, opening up some previously non-existent social divisions because of the broadening

economic gap between those who are active in tourism industry and those who are not. For negative influences such as those mentioned above, the notion of community-based tourism (CBT) is expected to play a significant role as countermeasures. In fact, in Mae Kampong, tourism has brought about various changes and CBT is one of the most important elements of Mae Kampong today. The changes and the concept of CBT will be explained in the following chapters.

Considering the various threats and problems that can face Mae Kampong, there is a need to re-evaluate the development trajectory that has been taken so far in order to examine preferable paths they can take from now on. All in all, despite the fact that Mae Kampong has achieved a great deal of development, it has to be said that the development was chiefly brought about by the government under the framework of rural development in the Northern Thai context mentioned above, not by the villagers themselves. Thus, one has to accept that the development of Mae Kampong is a result of the Government-led rural development schemes and that the initiation by the villagers has not played a major role in the village's contemporary development.

In the case of Mae Kampong, a change in the mode of the village's economy, namely from traditional production of Mieng to community-based tourism, brought about wealth and the material abundance to the villagers. However, tourism development often has two sides of which a negative one can possibly lead to the destruction of essential elements for the community cohesion. Much criticism has been made to the current development debate, pointing out that examining culture and regional distinctiveness is often missed out in the existing literatures. In fact, according to Brohman (1995), development should be contextually defined because overlooking each local context cannot only be a mere oversight but also a blind spot (as cited in Rigg, 1997:43). Therefore, in this study, emphasis will be made on the examination of Mae Kampong's tourism development and the resultant changes in terms of cultural, social, political, and economic perspectives. Over the course of the development, the meaning of culture in Mae kampong has been also in need of change. Amidst the currency of tourism development and its increasing role as the main source of income for many villagers, Mieng continues to be the mainstay of livelihood in Mae Kampong. Its meaning for the community, however, has been less relevant to economic return as in the past but rather shifting towards becoming a symbolic capital as villagers integrated it in their community-based tourism activities and practices.

In summary, this study will evaluate the tourism development in Mae Kampong and resultant changes in terms of economic and socio-cultural dimensions within the village and decision-making process in terms of participation and leadership in order to explore the reality of contemporary Thai rural communities by examining Mae Kampong as a case study.

## **Research Questions and Objectives**

### ***Research Questions***

- How has the culture of Mieng played a role in the contemporary development of Mae Kampong, and how has the meaning of Mieng been changing in the context of tourism development in Mae Kampong?
- What are villagers' perceptions of the development of community-based tourism, and how has this development affected social relations among villagers?
- What are the roles of villagers and leaders in tourism development?

### ***Research Objectives***

- To examine the role of culture of Mieng production and the changing meaning of Mieng in Mae Kampong through the course of development.
- To investigate the impacts of development and the resultant changes on social relations among villagers.
- To examine the common villager's level of involvement in the decision-making process of the village and the leadership role of the village leaders.



Conceptual Framework

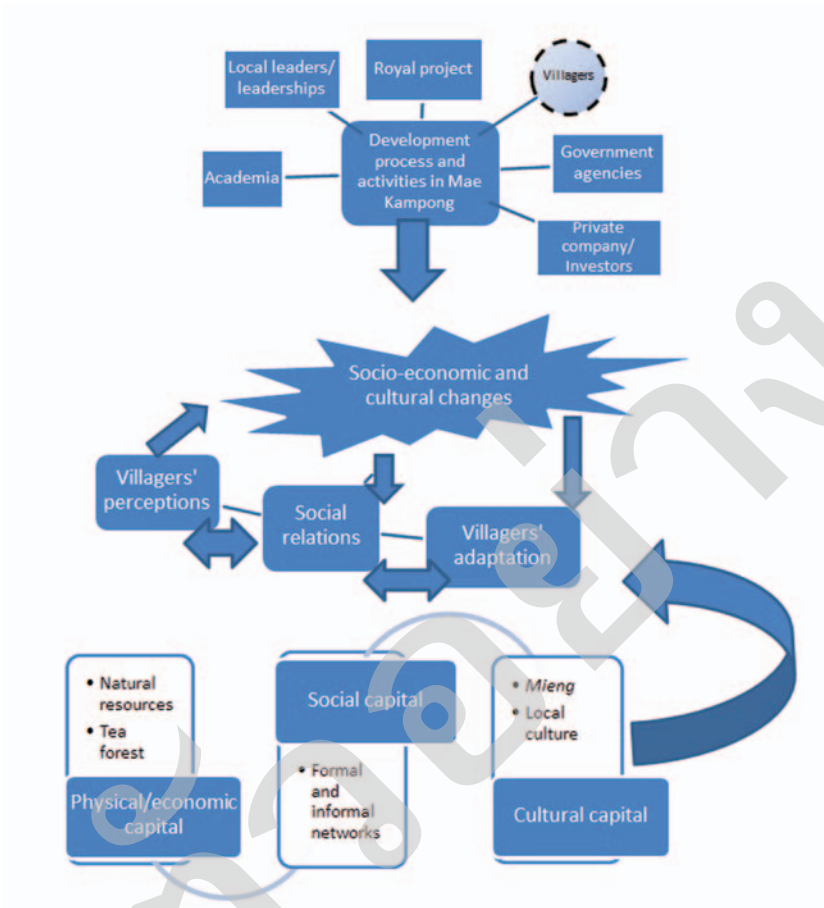


Figure 1.1: Conceptual framework

The conceptual framework signifies the focus of my study on the socio-economic and cultural changes in Mae Kampong as a result of the development activities initiated and operated by various actors. Also, the roles of local villagers in the participation in this development process will be analyzed by this study. Of great importance to this study is how these changes due to development in Mae Kampong will have impacts on the changing meaning of Mieng production and social relations among villagers and on the social cohesion of the community as a whole. It is also important to investigate