

The Dynamics of Thai Household Poverty and Its Implications.



A Dissertation Submitted in Partial Fulfillment of the Requirements  
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การศึกษานี้มีวัตถุประสงค์เพื่อศึกษาปัญหาความยากจนในประเทศไทยโดยวิเคราะห์ปัจจัยกำหนดความยากจนและพลวัตจากทั้งมุมมองที่เป็นตัวเงินและไม่ใช้ตัวเงิน นอกจากนี้ยังสัมภาษณ์ครัวเรือนยากจนและวิเคราะห์บทบาททุนทางสังคมในการลดความยากจน การวิเคราะห์เชิงปริมาณใช้ข้อมูล SES ครัวเรือนกลุ่มตัวอย่างซ้ำในปี พ.ศ. 2550 พ.ศ. 2555 และ พ.ศ. 2560 จำนวน 3,567 ครัวเรือน ขณะที่การวิเคราะห์เชิงคุณภาพใช้การสัมภาษณ์เชิงลึกเก็บข้อมูล 90 ครัวเรือนในจังหวัดแม่ฮ่องสอน บุรีรัมย์ และปัตตานี โดยใช้แนวทางการวิเคราะห์ประวัติชีวิตร่วมด้วย

ผลการศึกษาพบว่า การได้รับเงินโอนจากนอกครัวเรือนและการเพิ่มขึ้นของจำนวนปีการศึกษาเฉลี่ยลดโอกาสการตกเป็นครัวเรือนยากจนได้ เห็นได้ชัดว่าความเปราะบางต่อความยากจนของครัวเรือนมาจากการพึ่งพารายได้หลักจากภาคเกษตร นอกจากนี้การศึกษาประวัติชีวิตครัวเรือนชี้ถึงลักษณะของความยากจนโดยธรรมชาติที่มีหลากหลายมิติ ซึ่งไม่ได้มีเฉพาะความยากจนด้านวัตถุ แต่ยังหมายถึงการขาดแคลนโอกาสและการขาดความสามารถในการเข้าถึงองค์ประกอบอื่น ๆ ที่จำเป็นต่อการดำรงชีวิต และงานศึกษานี้ยังให้ผลเช่นเดียวกับแบบจำลองถดถอยที่เห็นความสำคัญของทุนทางสังคมที่มีต่อการลดความยากจน ผ่านการได้รับเงินโอน หรือความสามารถในการกู้ยืมจากสมาชิกนอกครัวเรือนหรือเครือข่าย หรือการมีเครือข่ายชุมชนที่ดี เหล่านี้เป็นตัวอย่างที่เห็นได้ชัดเจน

ข้อเสนอแนะทางนโยบายได้แก่ การเสนอให้มีระบบสนับสนุนเงินโอนและการลงทุนในทุนมนุษย์ระยะยาว งานศึกษานี้ยังเสนอให้มีระบบการประกันเพื่อครัวเรือนเกษตรกรรมในการป้องกันความเสี่ยงจากสภาพภูมิอากาศและภัยธรรมชาติ ยิ่งกว่านั้นการกระจายงบประมาณและอำนาจในการบริหารจัดการจากรัฐบาลลงสู่ระดับท้องถิ่น จะเป็นการเพิ่มอำนาจให้ท้องถิ่นสามารถวางแผนขจัดความยากจนได้ถึงระดับรากหญ้าอีกด้วย

สาขาวิชา เศรษฐศาสตร์  
ปีการศึกษา 2566

ลายมือชื่อนิสิต .....  
ลายมือชื่อ อ.ที่ปรึกษาหลัก .....  
ลายมือชื่อ อ.ที่ปรึกษาร่วม .....

# # 5985901729 : MAJOR ECONOMICS

KEYWORD: POVERTY, CHRONIC POOR, TRANSIENT POOR, VULNERABLE HOUSEHOLD,  
REMITTANCES, SOCIAL CAPITAL, PANEL DATA, LIFE HISTORY APPROACH,  
POVERTY DYNAMICS, POVERTY REDUCTION POLICY

Nattabhorn Leamcharaskul : The Dynamics of Thai Household Poverty and Its  
Implications.. Advisor: Asst. Prof. SAWARAI BOONYAMANOND, Ph.D. Co-advisor: Prof.  
ISRA SARNTISART, Ph.D.

This study aims to examine poverty in Thailand by identifying determining factors of poverty incidence and dynamics from both monetary and non-monetary perspectives. It also explores the voices of the poor and analyzes the role of social capital in poverty reduction. Quantitative analysis utilizes the SES panel dataset from 2007, 2012, and 2017, comprising 3,567 households, while quantitative analysis involves in-depth interviews conducted with 90 households in Mae Hong Son, Buri Ram, and Pattani, using the life-history approach.

The findings show positive impact of remittances and increasing average years of schooling on poverty status. The vulnerability of households relying solely on agricultural income streams is highlighted. In addition, the life-history approach reveals the broad nature of poverty in Thai society, encompassing not only a lack of material wealth but also opportunities and access to essential life components. Together with regression results, the important role of social capital, namely, remittances and borrowings from external household members or relatives as well as a close community network is exemplified.

Policy recommendations include implementing measures to support remittances and long-term investments in human capital. This study suggests implementing insurance programs for agricultural-income households to protect against weather-related adversities. Furthermore, decentralizing budgets and authorities to local governments is recommended, empowering them to implement grassroots-level poverty action plans.

Field of Study: Economics

Academic Year: 2023

Student's Signature .....

Advisor's Signature .....

Co-advisor's Signature .....

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Lastly, I firmly believe that family provides the greatest support. Despite my father's seven-year illness, I managed my studies while caring for him. It was my wish for him to see this thesis. My mother and younger brother have always been by my side. If any errors exist within this article, I take full responsibility.

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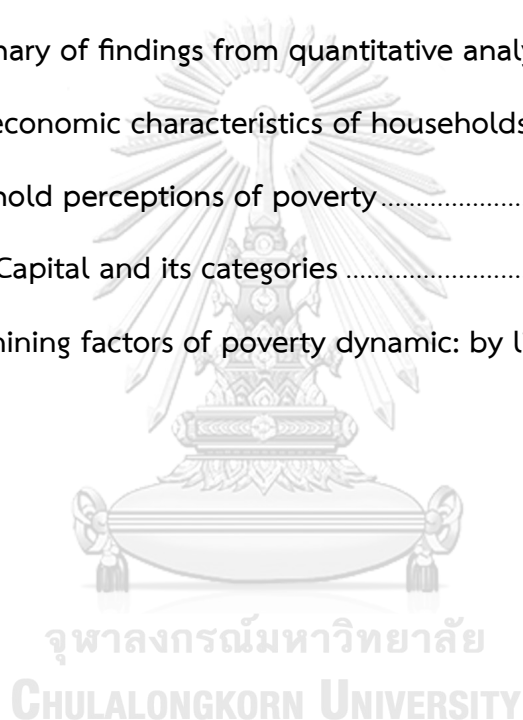
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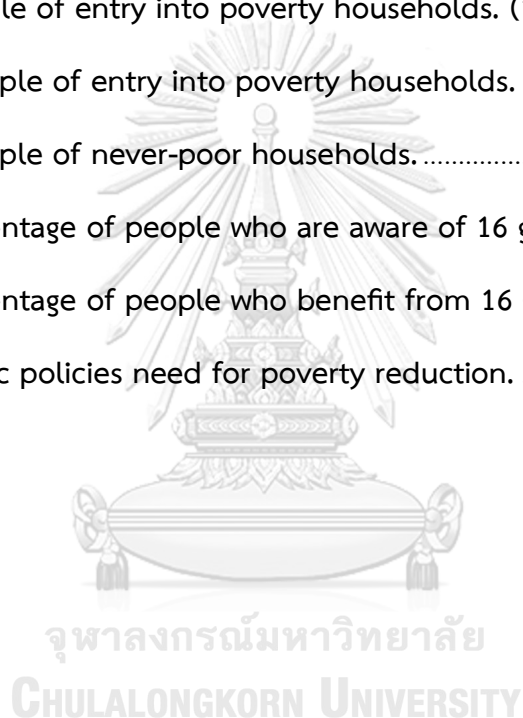
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## Chapter I

### Introduction

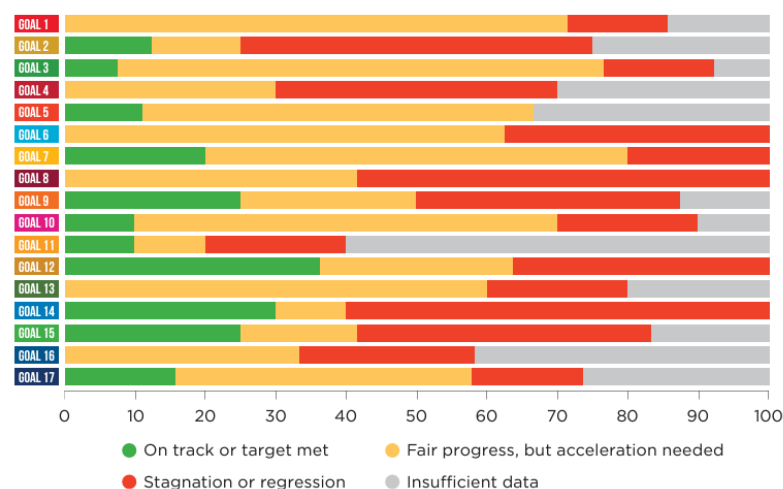
#### 1.1 Significance of the study

A primary goal of economic development and global public policies is the alleviation of poverty. This imperative is grounded not only in the ethical principle that no individual should endure deprivation as doing so would violate a basic sense of justice and human rights, but also in the recognition of poverty's consequential effects on various economic facets. This commitment is underscored by the United Nations' Sustainable Development Goals (SDGs), which express a comprehensive agenda for eradicating poverty in all its forms and dimensions in 2030.

While there have been notable advancements in reducing child mortality, lowering unemployment rates, and enhancing access to electricity in various developing nations, progress in poverty reduction appears to be comparatively slower (figure 1.1). Despite numerous efforts since the initiation of the SDGs in 2015, the global fight against poverty has encountered impediments. The challenges have been intensified by the widespread impact of coronavirus disease (COVID-19) and escalating climate disasters over the past three years, leading to a perceptible stagnation in the pursuit of poverty alleviation across many countries, as highlighted in the United Nations Statistical Division's report of 2023.(UNSD, 2023)

**Figure 1. 1 Progress assessment for the 17 Goals based on assessed targeted, 2023**

Progress assessment for the 17 Goals based on assessed targets, 2023 or latest data (percentage)



Source: UNSD (2023)

In Thailand, the commitment to poverty eradication has consistently held a prominent position in government priorities since the inception of the National Economic and Social Development Plan (NESDP). The evolution of poverty reduction policies is evident in the key programs implemented across different periods. The initial NESDPs focused on fundamental infrastructure support, progressing through subsequent plans to emphasize provincial and regional development in the fourth and fifth NESDPs. The sixth NESDP introduced initiatives like the Jor-Por-Tor program, directing public quality development projects to rural areas based on essential need criteria. Notably, the ninth and tenth NESDPs marked a shift towards investment in human capability and the embrace of the sufficient economy concept. With the advent of the 11th NESDPs, policies targeting well-being have focused on specific groups, exemplified by initiatives such as the Debt Moratorium (DM) and the National Welfare Card. This trajectory reflects the dynamic and responsive nature of Thailand's approach to addressing poverty across various stages of its economic and social development.

**Table 1. 1 Government projects related to poverty reduction by NESDPs**

NESDPs	Year	importance Government projects	World/Country situation
1 <sup>st</sup> - 2 <sup>nd</sup>	1961-1971	➤ Basic infrastructures	➤ Communist ➤ Vietnam war
3 <sup>rd</sup>	1972-1976	➤ Land reform project for agriculture ➤ Launch the family planning.	➤ Oil crisis, drought
4 <sup>th</sup>	1977-1981	➤ Provincial development plan ➤ Village development projects	➤ Great inflation ➤ Loss in natural resources ➤ Capital and resources concentrated in urban and Central region
5 <sup>th</sup>	1982-1986	➤ Poverty stricken Area (Paan Pattana Chon-na-bot nai Phuen Thi Yak-jon) target to the North East and the North and the South (216 districts) <sup>1</sup> ➤ Provided land title deeds for agriculture	➤ National security: Terrorism and violence in 1982

<sup>1</sup> Sample of this projects such as the village fishery project, the Cattle and Buffalo bank project, The Alkaline soil development project in The North East regions, the Basic Health project (NESDC. (1982). *National Economic and Social Development Plan (NESDP): The fifth (1982-1986)*. Retrieved from [https://www.nesdc.go.th/ewt\\_dl\\_link.php?nid=3780](https://www.nesdc.go.th/ewt_dl_link.php?nid=3780), p.14) However, 45% of government project lunched in the production and recovered the natural resources, and follow by the investment in health (40%), supported the basic needs (10%) and the last 5% was the investment in education and knowledge of people residing in rural.



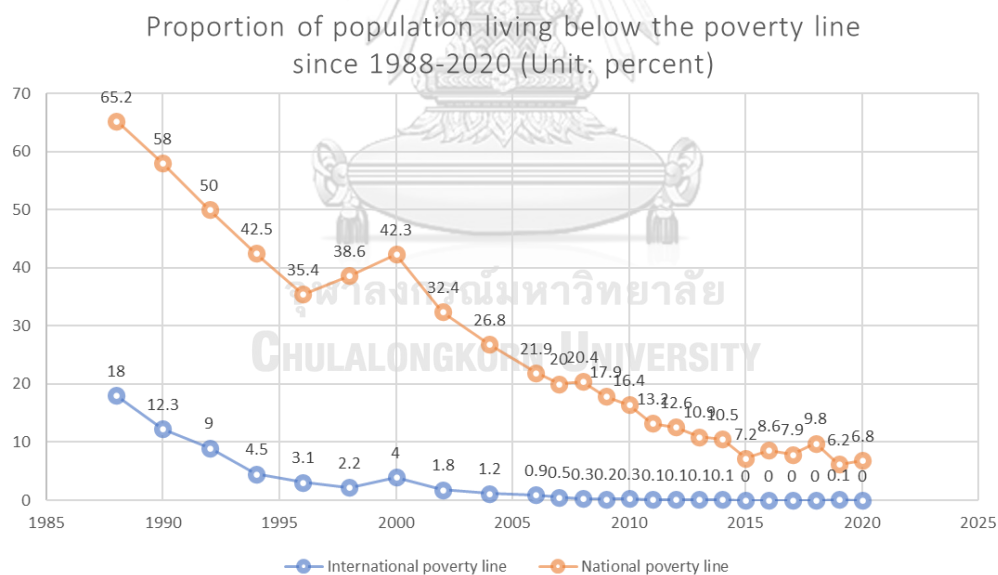
NESDPs	Year	importance Government projects	World/Country situation
		<ul style="list-style-type: none"> <li>➤ Established The National Rural Development Committee (Kor-Chor-Chor) and the village primary database system (Kor-Chor-Chor)</li> <li>➤ Training the Village Health volunteer in rural areas.</li> </ul>	
6 <sup>th</sup>	1987-1991	<ul style="list-style-type: none"> <li>➤ Poverty reduction in rural areas (continue from 5<sup>th</sup> NESDPs)</li> <li>➤ Public quality development project in rural areas by basic need criteria (Jor-Por-Tor)</li> </ul>	➤
7 <sup>th</sup>	1992-1996	<ul style="list-style-type: none"> <li>➤ Decentralization to local governments</li> </ul>	➤
8 <sup>th</sup>	1997-2001	<ul style="list-style-type: none"> <li>➤ Focus on the human development</li> <li>➤ Launch the National Village and Urban Community Fund Office in 2001, as the microfinance for the small entrepreneurs</li> </ul>	➤ Economic bubble
9 <sup>th</sup>	2002-2006	<ul style="list-style-type: none"> <li>➤ Sufficient economy &amp; Self-reliance</li> <li>➤ Focus on the concept of sustainable development and well-being.</li> <li>➤ Launch the Universal welfare scheme (UC card) in 2002</li> </ul>	➤ Increasing in inequality
10 <sup>th</sup>	2007-2011	<ul style="list-style-type: none"> <li>➤ Continue the philosophy of sufficient economy.</li> <li>➤ Enhance the educational attainment by Free-15 years of education project</li> </ul>	<ul style="list-style-type: none"> <li>➤ World economic crisis 2008</li> <li>➤ Rising Income inequality</li> <li>➤ The obstacle in the process of decentralization from state to local government</li> </ul>
11 <sup>th</sup>	2012-2016	<ul style="list-style-type: none"> <li>➤ Launched the Debt Moratorium (DM) for the agriculture</li> </ul>	<ul style="list-style-type: none"> <li>➤ Risk of Aging society</li> <li>➤ Middle income trap</li> <li>➤ Climate change</li> </ul>
12 <sup>th</sup>	2017-2022	<ul style="list-style-type: none"> <li>➤ Targeting to the poverty reduction and income inequality</li> <li>➤ Launched the National welfare policies: the welfare card, and etc.</li> </ul>	➤ Reduced in poverty incidence but still inequality in opportunities:

NESDPs	Year	importance Government projects	World/Country situation
			technology, human capital
			➤ Pandemic: coronavirus (COVID19)

Source : Summary from NESDC

In the case of Thailand, United Nations Statistics Division (UNSTAT) has provided contrasting insights into the assessment of poverty when examining both the international and national poverty lines. According to the UNSTAT database in 2023 in Figure 1.2, Thailand's poverty situation appears less severe compared to other countries, as evidenced by the significant reduction in the proportion of Thais living below the international poverty line of \$2.15 per day, decreasing from 12.3% in 1990 to 0% in 2020. However, an examination of poverty incidence using the national poverty line reveals a persistent challenge, with 6.8% of the Thai population remain in poverty in 2020.

Figure 1. 2 Proportion of population living below the poverty line 1988-2020

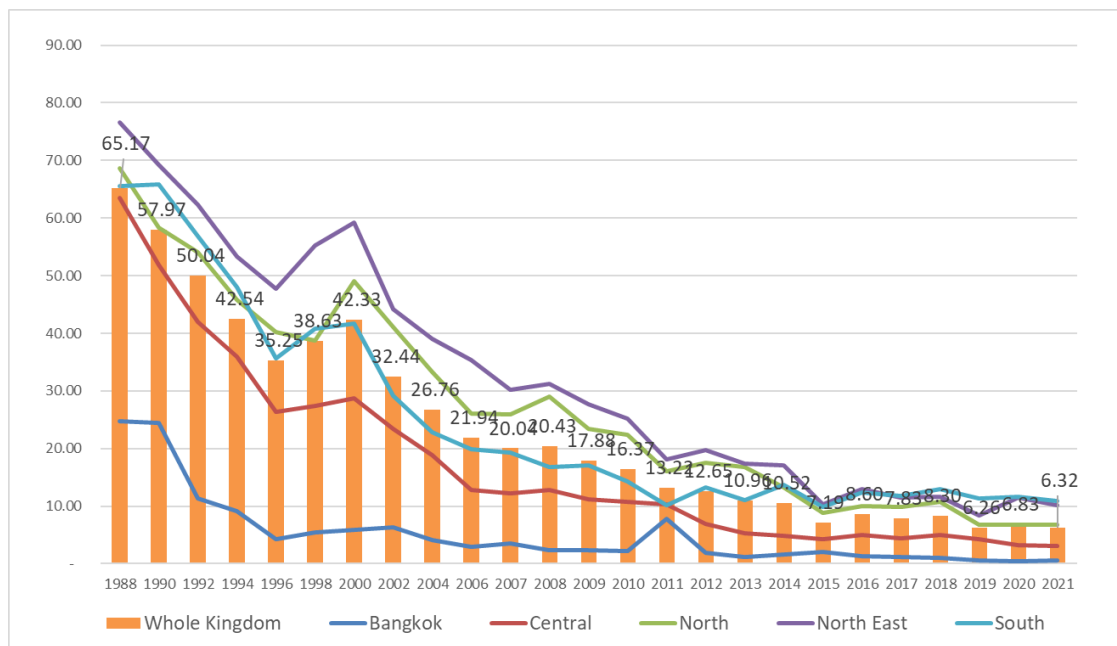


Source: UN (2023).

Upon closer examination of poverty incidence at the regional level, as shown in Figure 1.3, a discernible positive trend is evident. The northeastern and northern regions, historically recognized as the two poorest areas, have undergone substantial improvements. Notably, the poverty rate in the northeastern region has plummeted from 77% in 1997 to 10% in 2021, while the northern region has seen a reduction from 69% to 7% over the same period. It is crucial to emphasize that the sluggish pace of

poverty reduction since 2015 underscores the need to focus on the most poor households and those at risk of falling into a poverty trap. These groups may not automatically escape poverty solely through economic growth, signifying targeted interventions and comprehensive policies to address their specific challenges.

**Figure 1. 3 Poverty incidence of Thailand by region, 1997-2021**



Source: NESDB

While cross-sectional data offer valuable insights into the current distribution of poverty, it may fall short in providing a comprehensive understanding of poverty dynamics. This includes crucial questions such as whether extremely poor households can escape poverty and what factors place them at risk of falling into poverty. Consequently, research utilizing longitudinal data on the dynamics of poverty has experienced significant expansion since the 1990s. This growth is evident in studies by

Bane and Ellwood (1986), Duncan et al. (1993), Steven (1994), Baulch and Hoddinott (2000), Finnie and Sweetman (2003), Justino and Verwimp (2006), Baulch and Davis (2008), Neilson et al. (2008), Dhamija and Bhide (2010), and Reyes et al. (2011).

However, research on the dynamics of poverty in Thailand has been notably limited. Examples include Isvilanond et al. (2000), Cherdchuchai and Otsuka (2006), Rigg et al. (2012), Jitsuchon (2013), Sakondhavat (2013), Rigg and Salamanca (2015), and Pawasuthipaisit (2017). and Furthermore, most poverty dynamics studies in Thailand have been either area-based or case studies, such as Pawasuthipaisit (2017). Other studies demonstrated poverty dynamics in specific occupations, like Isvilanond et al.

(2000) and Sakondhvat (2013), which focused on the lives of Thai farmers in Thailand's northeast. This study therefore attempts to explore poverty dynamics by employing panel data to encompass a broader spectrum of the population and longer time periods..

While monetary poverty is a significant concern, it is inevitable that poverty exerts adverse effects on various dimensions within poor households. This extends beyond financial aspects to impact human capital, living conditions, political freedom, and more. Recognizing this multifaceted nature of poverty, the United Nations Development Programme (UNDP) introduced the Multidimensional Poverty Index (MPI). This index goes beyond the sole consideration of income to encompass a range of non-monetary dimensions such as health, education, and standard of living. By doing so, it provides a more nuanced understanding of deprivation, capturing characteristics that cannot be adequately described solely through monetary measures.

Thailand's National Economic and Social Development Council (NESDC) has also embraced the concept of multidimensional poverty. By incorporating non-monetary dimensions into the poverty measurement framework such as the quality of public services and financial security, it enhances the MPI by offering a broader comprehension of the multifaceted challenges faced by individuals and communities. Living conditions emerged as the foremost factor affecting the MPI, closely followed by healthy living and financial security. Notably, the absence of a pension emerged as a significant determinant impacting the probability of households falling into poverty in Thailand. These findings further substantiated the increased vulnerability of rural-poor households, demonstrating a headcount ratio of 26.4%, which is twice the 9.4% observed in urban areas in year 2017.

In addition, in 2019, the NESDC identified the most vulnerable provinces based on MPI scores. Narathiwat, Buri Ram, Surin, Mae Hong Son, and Pattani were identified as the top five provinces with the highest MPI scores. These provinces closely corresponded with the top-poorest provinces identified through the national poverty line based on monetary measures (table 1.2).

**Table 1. 2 Provincial poverty incidence, 2007-2016**

Region	Province	Provincial Poverty incidence between 2007-2016									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
North	Mae Hong Son	74.40	70.39	74.39	70.39	58.85	63.17	65.16	46.08	32.19	39.21
	Tak	37.08	39.70	37.61	45.87	43.50	35.93	34.00	36.53	24.48	27.54
North Eastern	Buri Ram	47.29	42.84	47.18	32.82	33.67	31.61	25.35	39.13	23.34	24.32
	Kalasin	40.23	57.00	51.18	51.64	28.55	39.80	31.03	42.67	17.78	31.99
South	Pattani	44.99	51.07	49.65	54.26	33.39	46.80	37.44	39.15	34.91	35.98
	Narathiwat	53.40	40.13	54.94	35.24	33.39	46.80	37.44	39.15	34.91	35.98

Source: NSO Poverty incidence by expenditure

Nevertheless, the role of social capital in Thailand's poverty assessment is underemphasized, despite its pivotal impact on poverty dynamics. Conventional metrics often fail to capture the profound influence of social interdependencies on poverty alleviation and societal well-being. Thai societal norms, emphasizing resource and time-sharing, foster strong bonds, exemplified by practices like communal farmer ceremonies and remitting earnings to support rural families.

While utilizing panel data for the study of poverty dynamics can provide insights into changes in poverty over time, it may fall short in capturing the non-monetary aspects of poverty. Qualitative analysis is, therefore, essential to complement the quantitative approach and offer a more comprehensive understanding of poverty.

In contrast to conventional interviews that rely on narrative explanations, the life-history approach aims to clarify the dynamics of poverty by providing a perspective on the household's experiences. This method involves conducting in-depth interviews with household heads or members, encouraging them to recall significant events and family history. They are then asked to create a historical graph to visually depict the trajectory of their household's well-being through the ups and downs of events over time.

In summary, this study attempts to bridge a current research gap by exploring the dynamics of poverty in Thailand and its determinants, utilizing the Socio-Economic Survey (SES) panel dataset on 2007, 2012, and 2017. In addition to quantitative analysis, this study also delves into the multidimensional aspects of poverty, encompassing non-monetary dimensions. It particularly focuses on the experiences of the poorest individuals and their social capital, employing the life-history approach. The aim is to provide a comprehensive understanding of poverty to inform the design of targeted and effective poverty reduction policies in Thailand.

### 1.2 Objectives of the study

- To identify the determining factors of poverty incidence and dynamics from monetary and non-monetary perspectives.
- To explore the voices of the poor and analyze the role of social capital in poverty reduction.
- To evaluate government poverty reduction policies and propose policy recommendations.

### 1.3 Scope of the study

This study employs quantitative research to analyze Thailand's poverty incidence and dynamics, utilizing SES panel data from 2007, 2012, and 2017, covering 3,567 households across all three waves. Multinomial logit and sequential logit models will be used to investigate the key determinants of poverty in Thailand.

Moreover, it incorporates qualitative research on poverty dynamics, employing in-depth interviews and a life-history approach with 90 households in Buri Ram, Mae Hong Son, and Pattani. The research will examine social capital and other relevant factors as determinants of poverty.

## Chapter II

### Literature Review

This chapter is structured to cover various facets of poverty, including the development and conceptualization of poverty, the methodology employed for identifying the poor, the evolution of the poverty line, the specific development of the Thailand's poverty line, an exploration of poverty dynamics, an examination of determinants influencing poverty, and an introduction to the life-history approach.

#### 2.1 Development and conceptualization of poverty

The definition of 'poor' varies among times and cultures. This part explores the evolution of the concept of poverty. Hamel (1990) elucidated the biblical perspective<sup>2</sup> on poverty, defining it as the state of living in troublesome situations. Two terms, penes (Πενες) and ptochos (ΠΤΟΧΟΣ), signify poverty or deprivation. "Penes" refers to a laborer working for daily subsistence, while "Ptochos" describes a person who begs for help and assistance implying a beggar rather than a laborer. Ptochos individuals lack resources, including family or social ties (Neyrey, 2002).<sup>3</sup>

During the medieval age, England faced widespread poverty, with Christ Church playing a crucial role in helping the poor through almsgiving and health services. The study of Lambert (2016) described the prevalent poverty situation, noting an exacerbation in the 16th century when employment opportunities were scarce. There were thousands of people who looked for work, leading some beggars to feign madness to get alms designated for disabled beggars. To address this issue, the Tudor government tried to solve this problem by supporting disabled individuals and enacting laws against vagabonds and able-bodied people resorting to begging.<sup>4</sup>

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<sup>2</sup> There were many concepts of poverty in various regions, such as the Buddhist and Islamic perspectives. However, this thesis focuses solely on the concept of poverty from the viewpoint of Christianity, as it is intricately linked with the development of economics during the medieval age and its influence on the concept of poverty in the Western world.

<sup>3</sup> The poor, or Ptochos, can be referred as the poorest of the poor. So, in general, the poor in "Ptochos" is more severe than the poor in "Penes"

<sup>4</sup> This law (1547) announced the terrible penalty for the vagabond. They will become slaves for 2 years, and if they tried to escape, they were branded and became a slave for life. Anyway, this law was abolished in 1550. Lambert, T. (2016, 2016). *A Brief History of Poverty in Britain*. Localhistories.org. Retrieved 12 December 2017 from

The marking or branding of the poor was a practice in the 17th century. For example, in 1697, the government enacted a law mandating paupers to put a blue or red letter “P” to their clothing in order to mark them as poor (Lambert, 2016). Furthermore, ‘poverty’ and ‘idleness’ were considered synonymous, and the most effective way to assist the poor was by encouraging them to work (Mencher, 1967).

The study conducted by Gibert in 1997 reviewed Adam Smith’s book and found that, in the mid-18th century, Smith mentioned the poor and poverty in his work “*The Theory of Moral Sentiments (1759)*”. Although Smith did not address poverty as a problem, he emphasized its impact on individuals, asserting that it led to social isolation and feelings of inferiority, rather than focusing on physical hardships like malnutrition, disease, or a lack of clothing. Smith advised the poor to ascend socially by enhancing their skills or pursuing professional growth.

The Poor Law Amendment Act 1834 (PLAA), commonly known as the New Poor Law, was an example of the implicit concept of poverty. Influenced by Jeremy Bentham, a utilitarian philosopher, this legislation introduced workhouses as a solution. Under the New Poor Law, approximately 250 workhouses were built to accommodate those unable to afford the basic cost of living. In general, they received a meal of “*Spartan food*”, shelter, and clothing. These workhouses were supported and financed by the urban elite or the wealthy, and in return for assistance, paupers were required to contribute through labor (Bentham, 1843).<sup>5</sup>

However, the method of defining poverty remained unclear until 1889. The study by Booth (1889) presented the first systematic approach to classifying the poor. Booth examined the lives of people in London and gave a definition of being ‘poor’ by studying their total income and total expenditure<sup>6</sup>. According to Booth, the ‘poor’ were those with a sufficiently regular though modest income, specifically 18-21 shillings per

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<http://www.localhistories.org/povhist.html>. This maybe the first time which showed that the government was tried to identify the poor and targeting the poor from the non-poor.

<sup>5</sup> Even the idea of workhouse was good for the poor, but in practical, the situation and the environment in the workhouse were inhumane. The concept of workhouse was for discourage the people from claiming poor, not for assisting the poor. With this reason, living conditions in workhouse were unbearable to live.

<sup>6</sup> Booth divided families into 8 classes (Class A, B, C, D, E, F, G and H) when Class A is the lowest class of occasional labour. For Class A, there some occasional labours, street-sellers, loafers, criminals, and semi-criminals. Booth did not count class A into the study of the poverty line. He used only Class B, C, D and E (1/2 of the 8 classes) when Class B is also the very poor class, the casual earning. and Class H is the upper middle class.



week for a moderate family<sup>7</sup>, while the 'very poor' were those who falling below this standard<sup>8</sup>. Moreover, Booth delved into the causes of poverty<sup>9</sup>.

Later, Rowntree (1901) conducted a study on the lives of workers in York. His study demonstrated the nature of poverty, categorizing it into two types: primary poverty and secondary poverty.

- *Primary poverty refers to the state of a family that does not have enough total earnings to meet the minimum necessities required to maintain their physical efficiency.*

- *Secondary poverty describes the state of a family that has enough total earnings to cover their minimum necessities. However, these earnings are absorbed by other expenditures, whether useful or wasteful, not utilized for their basic needs.*

The concept of the poverty line was developed from Booth's article (Booth, 1889). Booth and Rowntree introduced the concept of four basic living standards into the definition of poverty. The concept of poverty evolved over time, greatly influenced by the research of Booth and Rowntree. Rowntree's methodology was later adopted by the Social Security Administration of the United States, where the poverty index was estimated based on the costs of food and the basic standard of adequate nutrition (Townsend, 1979)

In 1965, Mollie Orshansky, an American statistician and food economist, tried to find the level of poverty using the 'food plan', which outlined the subsistence calorie intake individuals should consume per day.<sup>10</sup> Orshansky began her paper by posing

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<sup>7</sup> Moderate family was the family who had husband, wife and two children in schooling . 4 members Booth, C. (1889). Life and Labour of the People in London. In *Poverty* (Vol. 1, pp. 131-171). Macmillan. <https://archive.org/details/labourlifeofpeop01bootuoft> .

<sup>8</sup> Booth mentioned about the meaning of "poor" and "very poor". The poor, in sense of Booth, was people who lived under struggle to obtain the necessities of life when the 'very poor' was people who lived in a state of chronic want *ibid.*.

<sup>9</sup> For Classes A and B, 55% of them fell into the "Great poverty" because of their employment status; casual work, irregular work or had a low pay. For 27% of them fell into the "Great poverty" because of their circumstances; having a large family or had an illness. Lastly, for 14% they fell into the poverty because of their own habit; drunk or thriftless.

<sup>10</sup> This concept was determined as the base for calculating the new poverty line. Orshansky's idea about food plan was first presented in 'Children of the Poor' Orshansky, M. (1963). *Children of the Poor*. Social Security Bulletin

the question, “How much is too little?”. Her research not only created the ‘poverty threshold’ or nutritional poverty line for each family type, but also developed various food plans for rural and urban families, as well as food plans for whites and non-whites. In summary, Orshansky's poverty line encompassed both food and non-food items, allowing for an expenditure around 70 cents per day on food and about \$1.40 per day on non-food items (Orshansky, 1965).<sup>11</sup>

As previously mentioned, the concept of being poor continues to revolve around the tangible basic needs for living. However, the definition of poverty underwent further development in the late 20th century by sociologist Peter Townsend. In 1962, Townsend introduced the concept of “relative deprivation” into poverty measurement, viewing poverty as a dynamic concept. As humans are social animals; their behavior responds to the context, structure, physical environment, and other resources within their society. For this reason, notions of poverty as ‘absolute’ were deemed inappropriate and misleading.<sup>12</sup>

Furthermore, the concept of relative deprivation has had a significant impact on shaping the definition of the poor and poverty. In the late 20th century, Ellis (1984) expanded the understanding of the poor by incorporating various dimensions beyond economics, including political, social, legal, psychological, and ideological aspects.<sup>13</sup>

Nevertheless, in 1983, Amartya Sen expanded on the concept of ‘relative deprivation’ introduced by Townsend. He suggested that absolute deprivation and relative deprivation were interconnected<sup>14</sup>. Moreover, Sen introduced the idea of

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Retrieved from <https://www.ssa.gov/policy/docs/ssb/v26n7/v26n7p3.pdf>. The article had created the important impact for the U.S.A. policy on the poverty. President Lyndon Johnson had declared a war on poverty 6 months after Orshansky published her article Fisher, G. M. (1992). The Development and History of the Poverty Thresholds. *Social Security Bulletin*, 55(4 (Winter 1992)), 1-14. <https://www.ssa.gov/policy/docs/ssb/v55n4/v55n4p3.pdf> .

<sup>11</sup> Non-food items in Orshansky's idea was included from housing, medical care, clothes, transportation and etc.

<sup>12</sup> “People’ needs, even for food, are conditioned by the society in which they lived and to which they belong, and just as needs differ in different societies, so they differ in different period of the evolution of single societies” Townsend, P. (1979). *Poverty in the United Kingdom*. Allen Lane and Penguin Books.

<sup>13</sup> Economic poverty: the lack of resources, such as financial, natural, human and technological resources. Social poverty: the restrict/prevent one from obtaining the benefit, such as social network and other supportive social structures. Political poverty: the lack of degree of access to power, such as bargaining power in their issues. Legal poverty: the unable to access to legal structure or to procedure that operate within the existing social, economic or political systems, include the ability to correct them, such as the law enforcement Ellis, G. F. R. (1984). The Dimensions of Poverty. *Social Indicators Research*, 15(3 (October 1984)), 229-253. [www.jstor.org/stable/27521247](http://www.jstor.org/stable/27521247) .

<sup>14</sup> His interest on the poverty and the poor had revealed in 1973 when he published his paper “*Poverty, Inequality and Unemployment: Some Conceptual issues in Measurement*” which mentioned that poverty as a concept is

“capability” into the concept of poverty <sup>15</sup> The capability approach was firstly mentioned in 1983 and was formalized in “Capability and Well-Being” in 1993.<sup>16</sup> Sen (1993) introduced the meaning of capability as the actual ability to achieve valuable functioning. Individuals are concerned with their functioning, which represents various aspects of their state of being and the things they aspire to do or be in their life.

“...The (Capability) approach is based on a view of living as a combination of various “doings and beings”, with quality of life to be assessed in terms of the capability to achieve valuable functioning” (Sen, 1993)

Finally, Sen (1993) referred in Sakondhawat (2013) explained the concept of poverty transitioned from income-based and basic needs approaches into a multidimensional concept that includes the capability approach or the well-being approach.



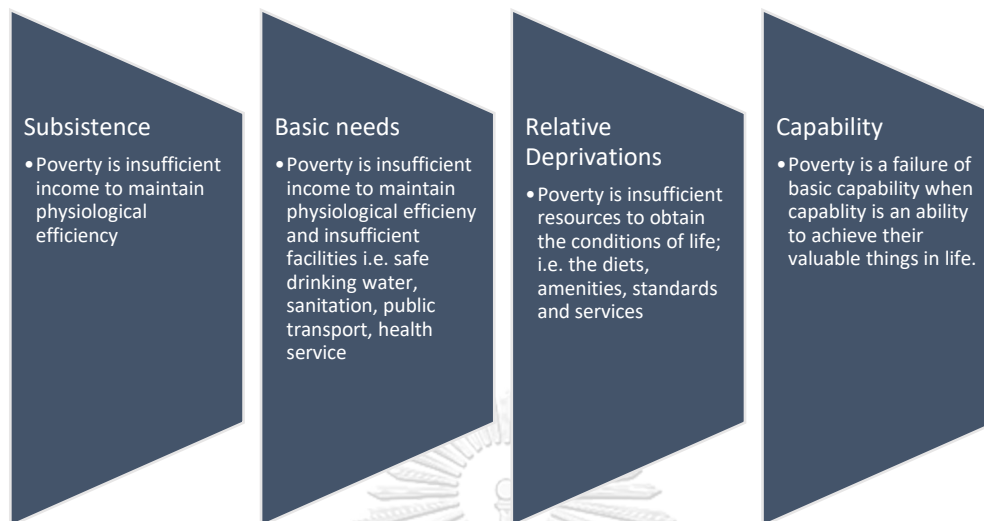

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closely related to inequality and the unemployment Sen, A. (1973). Poverty, Inequality and Unemployment: Some Conceptual Issues in Measurement. *Economic and Political Weekly*, 8(31/33, Special Number (Aug. 1973)), 1457-1464. and he had also attempted to propose his new measurement of poverty. “Poverty Measure P”, poverty index was made up of head - count ratio, the income gap ratio and Gini Coefficient. This measure P was completely invariant with respect to changes in the income of people above the poverty line and depends only on the incomes of the poor Sen, A. (1976). Poverty: An Original Approach to Measurement. *Econometrica*, 44(2 (Mar., 1976)), 219-231. .

<sup>15</sup> Anyway, in 1985, there was a slight debate between Amartya Sen, economist, and Peter Townsend , sociologist, in a concept of “Deprivation”, especially about the absolute and relative deprivation. This debate enhanced the understanding about the capability approach of Sen, see also Townsend, P. (1985). A Sociological Approach to the Measurement of Poverty-- A Rejoinder to Professor Amartya Sen. *Oxford Economic Papers*, 37(4 (Dec.1985)), 659-668. and Sen, A. Ibid.A Sociological Approach to the Measurement of Poverty: A Reply to Professor Peter Townsend. (4 (Dec. 1985)), 669-676. .

<sup>16</sup> “.... poverty is an absolute notion in the space of capabilities but very often it will take a relative form in the space of commodities or characteristics.... The poverty line is not just a reflection of some relative characteristic of the distributional statistics, but it represents a line with some absolute justification of its own. For example, in the capability view, the poverty line may be defined to represent the level at which a person can not only meet nutritional requirement but also achieve adequate participation in communal activities (as characterized by Townsend) and be free from public shame from failure to satisfy conventions (as discussed by Adam Smith)” Sen, A. (1983). Poor, Relatively speaking. *Oxford Economic Papers*, 35(2 (Jul.,1983)), 153-169.

Figure 2. 1 Definitions of the Poverty



Source: Summarized from (Townsend, 1984) and (Sen, 1993)

## 2.2 Identifying the poor

According to the literature on poverty, the concept of being poor has evolved over time. The methodology for identifying the poor has also developed, categorized into two types: monetary and non-monetary mechanisms.

- **The monetary mechanisms** include the poverty line determined by household expenditure or household income per capita, alongside the mean-tests (MTs), which is the method to examine the eligible for the financial supports
- **The non-monetary mechanisms** consist of the proxy-mean test (PMTs), the poverty scorecard, the multidimensional poverty index (MPI), and the community-based assessment.

Table 2. 1 Monetary and non-monetary mechanism for identifying the poor.

<i>Mechanism</i>	<i>Strength/Weakness</i>	<i>Countries/Projects</i>
<i>Monetary mechanism</i>		
<ul style="list-style-type: none"> <li>▪ <i>Poverty line</i></li> </ul>	<p><b>Strength:</b> Easily evaluable, it can be compared across developing and developed countries.</p> <p><b>Weakness:</b> Not as straightforward for developing or underdeveloped countries.</p>	<ul style="list-style-type: none"> <li>▪ Developing or developed countries.</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Mean-Test (MTs)</i></li> </ul>	<p><b>Strength:</b> Utilizing the household income database as a tool.</p> <p><b>Weakness:</b> In certain developing countries, a comprehensive tax revenue database may not be suitable, as it requires the registration and reporting of income, which can be challenging for individuals living in poverty.</p>	<ul style="list-style-type: none"> <li>▪ The Food stamp (U.S.)</li> <li>▪ Sector 8 (Housing) (U.S.)</li> <li>▪ Free school meal (UK)</li> <li>▪ Health benefit (UK)</li> <li>▪ Income-based jobseeker's allowance (UK)</li> <li>▪ Income testing targeting (Canada)</li> <li>▪ Cash social assistance (Estonia, Hungary)</li> <li>▪ National welfare card (TH)</li> </ul>
<i>Non-monetary mechanism</i>		
<ul style="list-style-type: none"> <li>▪ <i>Proxy-Mean-Test (PMTs)</i></li> </ul>	<p><b>Strength:</b> Suitable for developing and underdeveloped countries or countries with informal sector activities where real income cannot be accurately detected solely by salaries.</p> <p><b>Weakness:</b> Field surveys and proxy items cannot be easily compared across the country, and these items vary over time. Researchers need to adjust for economic conditions every 5–10 years, and it requires a significant allocation of government budget.</p>	<ul style="list-style-type: none"> <li>▪ Bangladesh</li> <li>▪ Peru</li> <li>▪ Uganda</li> <li>▪ Indonesia</li> <li>▪ Sri Lanka</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Poverty Scorecard (PS)</i></li> </ul>	<p><b>Strength:</b> Easy to interpret and user-friendly for non-specialists. It requires a</p>	<ul style="list-style-type: none"> <li>▪ Thailand and others*</li> </ul>

<i>Mechanism</i>	<i>Strength/Weakness</i>	<i>Countries/Projects</i>
	<p>field survey, yet its simplicity is evident as it involves only 10 straightforward questions.</p> <p><b>Weakness:</b> The results cannot be compared across countries.</p>	
<ul style="list-style-type: none"> <li>▪ <i>Multidimensional Poverty Index (MPI)</i></li> </ul>	<p><b>Strength:</b> The national assessment comprises three primary poverty dimensions—education, health, and living standards—displaying simplicity akin to a poverty scorecard.</p> <p><b>Weakness:</b> Time constraints pose a limitation, and certain indicators, such as child malnutrition, prove challenging to investigate.</p>	<ul style="list-style-type: none"> <li>▪ The World bank with 103 countries around the world</li> </ul>
<ul style="list-style-type: none"> <li>▪ <i>Community-based assessment (CBs)</i></li> </ul>	<p><b>Strength:</b> Suitable for low-income countries, it captures the actual poverty groups according to an alternative definition of poverty. The poverty identified through this assessment represents a more accurate depiction of what it means to be poor.</p> <p><b>Weakness:</b> It relies on subjective assessments by village leaders or local experts and utilizes focus-group discussions or in-depth interviews as the primary tools, which might introduce perception biases.</p>	<ul style="list-style-type: none"> <li>▪ Low-income countries</li> </ul>

Source: synthesis from (Alatas et al., 2013; Alkire & Robles, 2017; Coady et al., 2004; Diamond et al., 2016; Gugushvili & Hirsch, 2014; Johannsen, 2006; OPHI, 2017; Savadogo et al., 2015; Schreiner, 2015; WORLDBANK, 2010)

Most poverty studies typically rely on the monetary mechanism or the poverty line as the primary tool to identify the poor. However, it's important to note that the poverty line isn't the sole mechanism. In developing countries or those driven by informal economies like South Africa, Uganda, Bangladesh, etc., the income database might not suffice to accurately evaluate the true poverty status due to limitations in data collection.

Non-monetary mechanisms such as the proxy-means test (PMT), the poverty scorecard, or community-based assessments, which employ household assets to assess poverty, tend to be more suitable than using the poverty line. Conversely, in developed countries or those with formal economies equipped with systematic revenue databases, means-tested benefits (MTBs), or the multidimensional poverty index (MPI), may be more appropriate for evaluating poverty at the national level.<sup>17</sup>

### 2.3 Development of poverty line

David Davies and Frederick Eden (1795) collected the history of the poverty line and concluded that its development can be traced back to the late 18th century. The concept of 'tolerable comfort' represents the minimum total earnings necessary for families to afford all necessities and live in tolerable conditions. Additionally, in the late 19th century, Gazeley and Verdon (2014) reported that the concept of a minimum income or expenditure for sustenance reemerged when discussed by the London School Board. They sought to identify poor children eligible for the remittance of their school fees, necessitating an effective mechanism to screen truly needy families.

In 1886, Henrietta Barnett established a poverty line by calculating the cost of carbonaceous and nitrogenous foods necessary for health. Additionally, she included expenditures on schooling and clothing in her poverty line calculation. Barnett's poverty line determined the weekly expenditure for a family to be around £1, 4 shillings, and ten pence. Consequently, the distinction between the poor and the very poor lay between 26 and 28 shillings per week. A family earning less than 28 shillings was classified as 'the poor,' while those with an income below 26 shillings were considered 'the very poor.'<sup>18</sup> (Gillie, 1996)

A couple of years later, in 1889, Charles Booth, a British researcher, introduced the concept of the poverty line. He utilized the official census of London to investigate the minimum standard of living per 'male adult' per week, considering factors such as food, rent, and other expenditures. By gathering the total expenditures of families, he created the first 'poverty line' specifically for London (Booth, 1889).<sup>19</sup>

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<sup>17</sup> Example of poverty scorecard of Thailand are presented in the appendix at end of Thesis .

<sup>18</sup> Remark: Barnette's poverty line was created for 8 family members: 2 parents with 6 children while Booth's poverty line was created under 'moderate' family (2 parents with 2 children)

<sup>19</sup> This poverty line was created for only the poor socio-economic classes (Class B, C, D and E).

In 1901, Rowntree developed Booth's concept of the minimum standard of living. Rowntree's poverty line incorporated essential expenses required for daily life, including food, rent, household necessities such as clothes, and fuel, among others. The discrepancy between Booth and Rowntree lies in the consideration of calorie intake and adequate nutrients required for each person based on age and gender. Ten years later, Rowntree and Kendall studied the lives of laborers in rural England. They made slight adjustments to their concept of minimum necessary expenditure by incorporating additional or personal expenses into their calculations (Rowntree, 1908; Rowntree & Kendall, 1917).<sup>20</sup>

However, the problem of the arbitrariness of the standard still exists: *'Why was item A deemed necessary, and why not item B?'* In 1954, Townsend referred to Rowntree's attempt to mitigate this problem by surveying family spending on each item and studying household consumption patterns. The concept of a single poverty line for every income group may not be appropriate. Peter Townsend, a sociologist, suggested a new methodology by proposing different poverty lines for each income group (Townsend, 1954).

In 1965, Millie Orshansky developed the concept of the poverty threshold using census data. Orshansky (1965) demonstrated that the poverty threshold consisted of one-third for food and two-thirds for non-food items. These non-food items encompassed housing, medical care, clothing, and other essentials, while the food threshold was based on a minimum diet designed to provide sufficient nutrition for basic living.

#### 2.4 Development of Thailand's poverty line

In Thailand, the first official poverty line was developed based on the World Bank's concept of an adequate minimum income for subsistence food expenditure. (Meesook, 1979) The Thailand poverty line has been revised multiple times using updated consumption price indexes. The earlier poverty line in 2002 was

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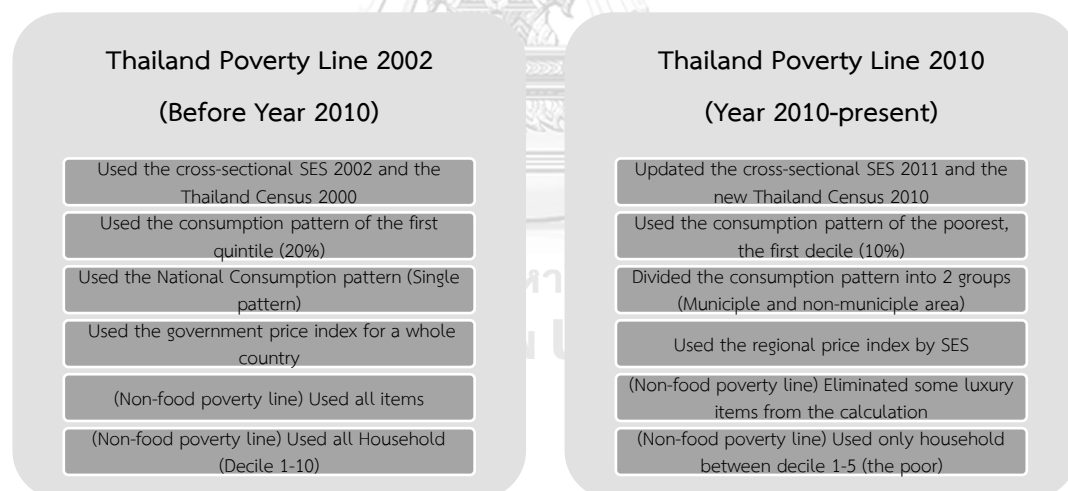
<sup>20</sup> *"From the point of view of judicious expenditure, the be all and the end all of life should be physical efficiency. It means that people have no right to keep in touch with the world by taking in a weekly newspaper.... It means that toys and dolls and picture books, even of the cheapest quality, should never be purchased, that birthdays should be practically indistinguishable from other days.... It means a life without colour, space, or atmosphere, that stifles and hems in the labourer's soul as in too many cases his cottage does his body"* Rowntree, B. S., & Kendall, M. (1917). *How the Labourer Lives : A Study of the Rural Labour Problem*. Thomas Nelson and Sons, Ltd.



established by utilizing cross-sectional data from the Socio-Economic Survey (SES) obtained from the National Statistical Office (NSO) in 2002, with the Thailand Population Census in 2000 serving as the base year.

In 2021, Jitsuchon and Plangprapan (2013) introduced the new poverty line for NESDC. The concept was modified based on the new demographic structure of Thailand's population census in 2010 and utilized the consumption pattern of the poorest in the 1st decile instead of the 1st quintile. It also focused on discerning differences in consumption patterns between municipal and non-municipal areas. Additionally, the national price index was replaced by the regional price index, and expenditures on luxury items were excluded from calculating the non-food poverty line. This new structure of the poverty line aimed to represent the genuine minimum expenditure required for the poor to live in Thailand. A comparison between the criteria of the poverty line in 2002 and 2010 is illustrated in Figure 2.2 below (Jitsuchon & Plangprapan, 2013).

**Figure 2. 2 The change in the poverty line estimation procedures**



Source : Summary from (Jitsuchon & Plangprapan, 2013)

In summary, the new poverty line established in 2010 exceeded the previous poverty line set in 2002 by approximately 634 baht per head per month, representing a notable increase of 35.6%. This revised poverty line comprises two components: the food poverty line and the non-food poverty line. According to SES, nine non-food expenditures are considered. Moreover, within this updated poverty line, certain expenses on luxury items have been excluded from the non-food poverty line. For instance, expenses on private school education, purchasing new vehicles and their

associated expenses, Out-Patient Department (OPD) visits, house renovations, etc., were eliminated (Jitsuchon & Plangprapan, 2013).

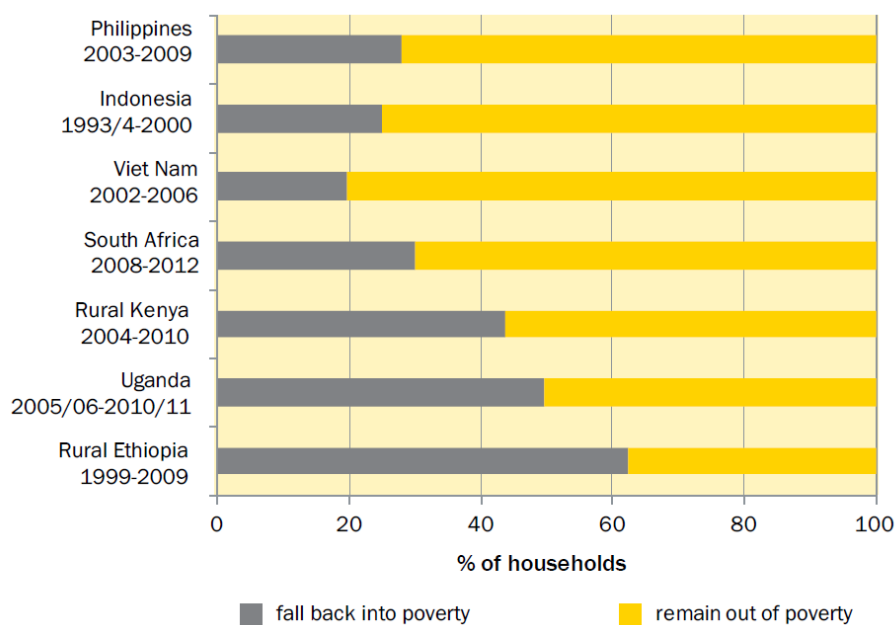
In this thesis, the poverty line will serve as the primary criterion for distinguishing between poor and non-poor households, determining their poverty status. The study classified the poverty line based on regions and areas of residence (urban and rural) as primary indicators to precisely determine the household poverty status for each household. The results will be presented in Chapter IV.

## **2.5 Dynamics of poverty**

The state of being poor or non-poor is dynamic and can change over time. Many studies on poverty dynamics around the world have shown that the poor do not necessarily remain in poverty indefinitely. Both the study by Baulch & Hoddinott (2000) and the study by Sakondhavat (2013) presented the number of people moving into and out of poverty under specific conditions, such as changes in their economic status, demographic changes, or shocks (Baulch & Hoddinott, 2000; Sakondhavat, 2013).

Furthermore, the 2014 study conducted by the Chronic Poverty Research Centre (CPRC) presented results from household panel surveys across numerous countries, illustrating the nature of poverty. For example, in Kenya and South Africa, the survey revealed that 30–40% of households that managed to escape poverty eventually relapsed. In rural Ethiopia, over 60% of households experienced a return to poverty (CPRC, 2014).

Figure 2. 3 What happens to people who escape from extreme poverty



Source: (CPRC, 2014) : page 2.

The study of the dynamics of poverty was introduced in 1986 by Mary Jo Bane and David Ellwood. They utilized a spell-based approach to investigate the poverty situation in the United States between 1970 and 1980. According to their findings, most people who fall into poverty experience only a short duration of poverty. Conversely, they have the greatest likelihood of exiting poverty within the first year; however, their chances of exiting decrease significantly thereafter. The majority of those experiencing poverty are trapped in prolonged periods of financial hardship. (Bane & Ellwood, 1986).

Steven (1994) developed and utilized the same database as Bane and Ellwood (1986). The study found that half of those who exited poverty fell back into poverty within 5 years. This probability was higher among female-headed households and individuals with less than a high school education. Additionally, in Steven's later work (1999), he investigated the persistence of poverty over a lifetime. The study revealed that half of blacks and 30% of whites returned to poverty, with family income remaining below the poverty line within 5–10 years (Steven, 1994; Stevens, 1999).

Moreover, the study of poverty dynamics worldwide revealed a larger proportion of people trapped in 'transient poverty' compared to those experiencing chronic poverty, particularly noticeable in developing countries across Asia and Africa (Baulch & Hoddinott, 2000; Dercon & Shapiro, 2007).

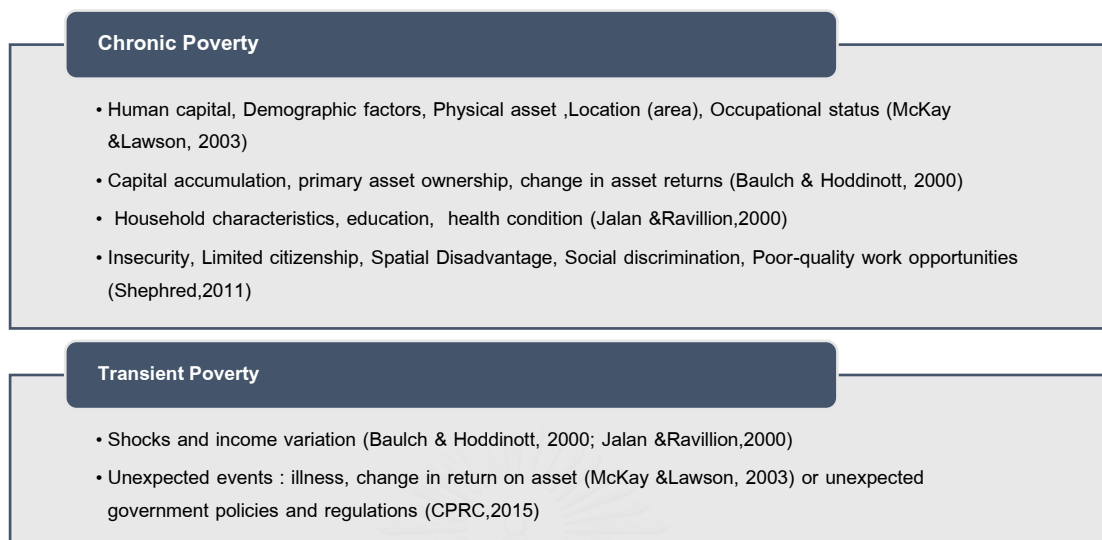
Table 2. 2 Examples of the dynamics of poverty

Article	Country	Panel data	Dynamic of Poverty		
			Always	Sometimes	Never
<b>Asia</b>					
<i>Jalan &amp; Ravallion (1999)</i>	China	1985-1990	6.2	47.8	46.0
<i>McCulloch &amp; Calandrino (2002)</i>	China	1991-1995	9.6	22.5	67.8
<i>McCulloch &amp; Baulch (1999)</i>	Pakistan	1986-1991	3.0	55.3	41.7
<i>Gaiha (1998)</i>	India	1968-1970	33.3	36.7	30.0
<i>Bhide &amp; Mehta (2004)</i>	India	1970-1982	25.5	35.7	38.8
<i>Suryahadi, Widyanti and Sumarto (2003)</i>	Indonesia	1998-1999	17.5	40.3	42.2
<i>Sen (2003)</i>	Bangladesh	1987-2000	31.4	33.4	25.1
<i>Kabeer (2004)</i>	Bangladesh	1994-2001	11.7	30.6	57.8
<i>Justino &amp; Litchfield (2004)</i>	Vietnam	1992-1997	28.7	32.0	39.2
<i>Sakondhavat (2013)</i>	Thailand	1988,2009	7.9	41.7	50.4
<b>South America</b>					
<i>Cruces and Wodon (2003)</i>	Argentina	1995-2002	14.0	29.0	57.1
<i>Contreras et. al (2004)</i>	Chile	1996-2001	10.1	21.1	68.8
<b>Africa</b>					
<i>Carter (1999)</i>	South Africa	1993-1998	22.7	31.5	45.8
<i>Dercon &amp; Krishnan (1999)</i>	Ethiopia	1994-1995	24.8	30.1	45.1

Source: collected from (Baulch & Hoddinott, 2000; Dercon & Shapiro, 2007; Sakondhavat, 2013)

Many researchers have criticized various groups of factors associated with the long-term and short-term effects of poverty. Most studies have demonstrated that long-term factors typically contribute to chronic poverty, whereas short-term or shock factors tend to lead to transient poverty (Baulch & Hoddinott, 2000; Jalan & Ravillion, 2007; McKay & Lawson, 2003). Baulch and Hoddinott (2000) suggested that the ability to cope with shocks or household vulnerability is one of the key factors in experiencing transient poverty, whereas asset depletion creates long-term or chronically poor households, as shown below.

Figure 2. 4 Collected factor groups influence the chronic and transient poverty



## 2.6 Determinants of poverty

Poverty dynamics have shown that the state of being poor is not stable; households can move into and out of poverty due to various reasons, such as improvements in their economic situation, changes in demographic attributes, or encountering fortunate or unfavorable occurrences. These factors are divided into four categories: demographic concerns, economic factors, the long-term impact of unexpected occurrences, and institutional issues.

### 2.6.1 Demographic factors

Many studies have been conducted to examine the influence of demographic characteristics on the likelihood of falling into poverty. Booth (1889), Diagne (2017), Haddad and Ahmed (2003), and Jalan and Ravallion (2007) discovered that an increase in family size, the number of dependent members, and dependence ratio raised the likelihood of slipping into poverty.

Additionally, research conducted by McKernan and Ratcliffe (2002), Sakondhavat (2013), Steven (1994), and Vaalavuo (2022) found that the gender of the family's head increased the likelihood of poverty. Specifically, households headed by women were more likely to experience poverty compared to those headed by men. Cellini, McKernan, and Ratcliffe (2008) discovered that single-mother households in some wealthy countries, like the United States, were more prone to falling into poverty than other demographic groups. This discovery was supported by research conducted in

Canada and other developed countries (Jalan & Ravillion, 2007; McKernan & Ratcliffe, 2002; Sakondhavat, 2013; Steven, 1994).

Data from UNDP (1995) and United Nations (1996) show that between 60 and 70 percent of female-headed households had low income earnings. According to McKernan and Ratcliffe (2002) and Jalan and Ravillion (2007), gender seemed to exert a more significant influence on chronic poverty than on transitory poverty.

Except for the discovery that widows and single women often faced greater challenges compared to female heads of families with immigrant spouses, Klasen, Lechtenfeld, and Povel's (2010) study revealed minimal evidence suggesting that female-headed households in Thailand were more susceptible to shocks than male-headed households (Klasen et al., 2010).

Differences in race and ethnicity also influenced the probability of experiencing poverty. Corcoran & Chaudry (1997) presented that 90% of poor U.S. children in 1992 were African-American. This situation is similar to findings by Duncan et al. (1993), where black female-headed households were more likely to remain in poverty for extended periods compared to white female-headed households (Corcoran & Chaudry, 1997).

One factor that impacts an individual's poverty status is their place of residence. According to Christiaensen and Subbarao (2005), living in rural Kenya increased the likelihood of falling into poverty by 39%. Moreover, Bumrungrkit (2014) conducted research in Thailand indicating that while residing in urban areas increased the risk of experiencing poverty, living in rural regions heightened vulnerability to chronic poverty (Bumrungrkit, 2014; Christiaensen & Subbarao, 2005).

Finally, it was discovered that the personal actions of the household head were influential. Booth (1889) and Narayan et al. (2009) found that drinking and gambling habits increased the likelihood of falling into poverty (Narayan et al., 2009).

Table 2. 3 Demographic factors

<i>Factors</i>	<i>Article</i>	<i>Entry</i>	<i>Exit</i>
<i>Race</i>	(Cellini et al., 2008; Corcoran & Chaudry, 1997; Duncan et al., 1993; McKernan & Ratcliffe, 2002; Steven, 1994; Stevens, 1999)	Black (+)	White (+)
<i>Ethnicity</i>	(McKernan & Ratcliffe, 2002)	Hispanics (+)	
	(Obucina, 2014)	Immigrant (+)	
<i>Gender (Female/Male)</i>	(McKernan & Ratcliffe, 2002; Sakondhavat, 2013; Steven, 1994)	Female-HH head (+)	Female-headed household (-)
<i>Marital Status</i>	( Cellini et al. , 2008; Curtis & Rybczynski, 2014; Duncan et al. , 1993; Finnie & Sweetman, 2003; McKernan & Ratcliffe, 2002)	Single- parent ( + ) , unattached individual ( + ) , Divorced/ Separation (+)	Marriage (+), shift from female-headed to two-parents household (+), Divorced/ Separate (-)
<i>Age</i>	(McKernan & Ratcliffe, 2002)	Household head age <25 years (+)	
<i>Health Condition</i>	( Neilson, Contreras, Cooper, & Hermann, 2008)		Household-headed health condition (-)
<i>Family size</i>	( Booth, 1889; Diagne, 2017; Haddad & Ahmed, 2003; Jalan & Ravillion, 2007; McKernan & Ratcliffe, 2002; Sakondhavat, 2013)	Entry of Children into the household (+), large family size (+), high dependency ratio (+)	
<i>Disability</i>	(McKernan & Ratcliffe, 2002)	Disability of HH head (+)	
<i>Drunkenness</i>	(Booth, 1889)(Narayan et al., 2009)	Drunkenness (+)	

Remark: (+) = increased the probability of entry into poverty or exit from poverty

(-) = decreased the probability of entry into poverty or exit from poverty

### 2.6.2 Socioeconomic factors

Household and individual income serve as key indicators of poverty status. Therefore, transitions within the labor market and the influence of employment significantly correlate with the likelihood of entering or escaping poverty. Diagne's (2017) meta-analysis identified various variables contributing to households falling into poverty, such as unemployment, labor force participation, and other dependent factors.

On the other hand, the education level of the head of the household is an essential factor that positively correlates with the probability of escaping poverty. Curtis and Rybczynski (2014) found that a higher level of education increased the likelihood of escaping poverty in Canada. This conclusion aligns with Diagne's (2017) findings; Diagne utilized a meta-analysis approach, examining 36 research articles focused on developing nations in Africa, Asia, and Latin America.

Diagne (2017) discovered that education, household size, and physical possessions all have an impact on one's ability to escape poverty. Increased household size impacts the increasing probability of entry into poverty. However, compulsory education alone is insufficient to prevent a family from falling into poverty. The study highlighted the significance of improving the quality of compulsory education as a policy goal. This finding aligns with the conclusions of a Thai study. Sakondhavat (2013) investigated the poverty dynamics of Thai farmers in the northeastern region of Thailand and argued that the household head's level of education increases the chances of escaping poverty. Pawasuthipaisit (2017) also stressed the importance of years of schooling as another crucial factor in breaking the cycle of poverty. —

Booth (1889), Duncan et al. (1993), McKernan & Ratcliffe (2002), and Ojha (2007) all discovered that households experiencing job loss or underpayment were more likely to fall into poverty. Conversely, households that attained secondary sources of income stood a better chance of avoiding poverty. This finding aligns with Vaalavuo's (2022) research on the significance of gaining employment in Europe and the comparatively lower impact of shorter or part-time work on escaping poverty

Furthermore, working hours serve as an indicator of the likelihood of overcoming poverty. The indicator for the necessary working hours to escape poverty was reported



by the OECD (2019), representing the weekly hours required for households earning the minimum remuneration necessary to break free from poverty. For instance, in Japan, a single household without children requires 8 working hours per week to surpass poverty. The required weekly hours vary based on the household type. To lift a single household, comprising a husband and wife with no children, out of poverty, 22 hours per week are necessary. A jobless couple without children needs 30 hours per week to escape poverty, whereas a jobless couple with two children requires the most hours, at 35 per week. It's important to note that Thailand was not included in this study.

The source of income is also important. When agricultural employment serves as the primary income source in a household, it seems to raise the likelihood of that household being classified as poor. According to a 2020 World Bank report by Judy Yang et al., the rural extremely poor are more vulnerable to climatic shocks and weather disasters due to their dependence on agriculture. This finding significantly affected severely poor households, predominantly located in rural areas, which relied on agricultural activities for their livelihoods (Yang et al., 2020).

In Thailand, rural poor households may face various constraints, such as landlessness or owning only a small plot of land. Several studies conducted in Thailand aimed to demonstrate the cultural aspects of land allocation within the country. Rabibhadana et al. (1995) identified a reduction in available land, particularly in the North and Northeast, where allocation was based on the number of boys and girls in the household. This approach led to a decrease in land productivity in marginal areas. Ultimately, when the profit derived from the land falls below the opportunity cost, rural poor households tend to shift their income from agriculture to non-agricultural activities (Rabibhadana et al., 1995).

Moreover, Bumrungrit (2014) confirmed that land ownership is a crucial component in reducing vulnerability to poverty. This finding is consistent with Yang et al. in 2020, who indicated similar research findings in South Asia and Sub-Saharan Africa.

Furthermore, several studies have been conducted on the impact of remittances on poverty dynamics. Some studies have highlighted the importance of remittances for low-income households. For instance, Acharya and Leon-Gonzalez (2012) emphasized the impact of remittances on Nepal's headcount ratio and poverty

severity. According to Imai, Malaeb, and Bresciani (2017), remittances not only promote economic growth but also influence poverty reduction in Asia. Arapi-Gjini and colleagues (2019) examined the role of remittances in poverty alleviation in Kosovo. Their findings aligned with those of Abduvaliev and Bustillo (2020), who observed that a 1% increase in remittance flows reduces poverty severity by 2%. (Abduvaliev & Bustillo, 2020; Acharya & Leon-Gonzalez, 2012; Musakwa & Odhiambo, 2020)

In Thailand, research on the impact of remittances has been limited. Poapongsakorn et al. (2011) presented the fact of income transfer from daughters to parents who lived in rural areas using cross-sectional SES data. Furthermore, the Disney et al. (2022) study, which used a Townsend Thai data selected village in Thailand's Northeast region, demonstrates the drop in inequality caused by remittance head of poor households received from a large number of children of the household head who lived outside their hometowns (Disney et al., 2022; Poapongsakorn et al., 2011).

**Table 2. 4 Socioeconomic factors**

<i>Factors</i>	<i>Article</i>	<i>Entry</i>	<i>Exit</i>
<i>Education level</i>	(Curtis & Rybczynski, 2014; Diagne, 2017; McKernan & Ratcliffe, 2002; Sakondhvat, 2013; Steven, 1994)	Low education (+)	Higher education (+) Secondary school(+),
<i>Average year of schooling</i>	Pawasutitpaisit (2017)		Average year of study (+)
<i>Employment</i>	(Booth, 1889; Corcoran & Chaudry, 1997; Curtis & Rybczynski, 2014; Duncan et al., 1993; McKernan & Ratcliffe, 2002; Narayan et al., 2009; Ojha, 2007)	Job loss (+) Reduction in work (+), Loafers/casual work, irregular work (+), Training skill for labour (-) Change in employment of family member (+)	Be employed (+), informal sector job (+), Improving employment opportunity for the poor (+) Having second source of household income (+)

<i>Factors</i>	<i>Article</i>	<i>Entry</i>	<i>Exit</i>
<i>Income</i>	(Bane & Ellwood, 1986; Booth, 1889)	Low pay (+)	Increasing int HH head's earning (+)
	Sakondhawatt (2013)	Agriculture as main source of household income (+)	
<i>Remittance</i>	Poapongsakorn et al. (2011), Disney et al. (2022), Acharya and Leon-Gonzalez (2012), Imai, Malaeb, and Bresciani (2017), Arapi-Gjini and colleagues (2019)		Receiving remittance (+)
<i>Financial Behavior</i>	(Booth, 1889) (Narayan, Pritchett, & Kapoor, 2009)	Thriftlessness (+), Gambling, Alcohol consumption (+)	
<i>Social insurance</i>	(Duncan et al., 1993; Jitsuchon, 2013; Pawasuthipaisit, 2017)		Have social insurance (+) Universal health care (+)
<i>Social Assistance</i>	(Curtis & Rybczynski, 2014)		Social Assistance policy (-)
<i>Asset/Properties</i>	(Justino & Verwimp, 2006; Narayan et al., 2009; Sakondhawatt, 2013)	House lost (+) Asset depletion (+) Land lost (+)	Asset accumulation (+) Utility from land use (+)

Remark: (+) = increased the probability of entry into poverty or exit from poverty

(-) = decreased the probability of entry into poverty or exit from poverty

### 2.6.3 Unforeseen occurrences

Unexpected occurrences are another element that increases the risk of poverty. These unforeseen events include the death or illness of a family member, job loss, career promotion, natural disasters, and economic downturns. Booth (1889), Narayan

et al. (2009), and Ojha (2007) indicated that the loss of an active household member due to illness or death reduces the household's labor force, increases the number of dependents, and raises the opportunity cost for the active member who has to quit their job to care for the patient. Families unable to manage unforeseen circumstances are more likely to fall into poverty.

The most unexpected events in Thailand were climatic disasters like floods and droughts because agriculture serves as the primary income source for rural households. According to TDRI (2020), rapid climate fluctuations have negative effects on the volatility of Thai farm revenue. For instance, the Big Flood of 2011 incurred agricultural losses of 140 million US dollars. In response, the Thai government promptly implemented the National Catastrophe Insurance Fund Decree, facilitating public-private partnership funding to mitigate flood-related hazards. This initiative was also supported by Poontirakul's investigation in 2022. Poontirakul (2022) further suggested the adoption of non-life insurance against floods and droughts to alleviate poverty (TDRI, 2020).

**Table 2. 5 Unexpected event or Shock factors**

<i>Factors</i>	<i>Article</i>	<i>Entry</i>	<i>Exit</i>
<i>Illness/Death</i>	(Booth, 1889; Narayan et al., 2009; Ojha, 2007)	Medical Expensed (+), Household problem (+) Household expenditure (+), Sickness of household head (+)	
<i>Natural Disaster</i>	(Narayan et al., 2009)	Natural disasters (+)	

*Remark: (+) = increased the probability of entry into poverty or exit from poverty*

*(-) = decreased the probability of entry into poverty or exit from poverty*

#### 2.6.4 Government and institutional factors

Government policy and political considerations also have an impact on the likelihood of sliding into poverty. According to Valletta (2006), a decrease in government transfers increased the likelihood of sliding into poverty in Canada, Germany, the United Kingdom, and the United States. Furthermore, Narayan (2009) and the OECD (2013) found that a decline in national and local affluence increased the likelihood of sliding into poverty.

Furthermore, another political element associated with the likelihood of sliding into poverty is the loss of power. According to Narayan (2009), poverty is defined as powerlessness and voicelessness. Narayan posits that poverty encompasses multiple dimensions, encompassing not only a lack of basic requirements but also a lack of independence, decision-making power, and insecurity, among others.

Moreover, the OECD investigation in 2013 confirmed this discovery. According to the OECD report, numerous countries experienced enhanced competition, increased access to new innovations, greater competitiveness in the export market, and accelerated GDP growth, exemplified by China. While economic advancement and robust competition may drive prices up, they can also lead to hardship for the poorest and most vulnerable households, potentially excluding them from the labor market due to limited human capital and their struggle to keep pace with new innovations.

The OECD (2013) demonstrated that economic growth may affect the well-being of all people, including the poor. However, while growth and decreases in food prices may positively impact poverty, they will not always eliminate it. Moreover, other government policies, such as trade, anti-corruption measures, and taxation, are also crucial in combating poverty. Consequently, the poor require specific public policies that are implemented to address their problems.

In Thailand, Pawasutthipaisit (2017) found that the function of village funds, one of the government initiatives, can boost the possibility of escaping poverty. This study will evaluate the access to financial institutions via the MNLs.

**Table 2. 6 Government and political factors**

<i>Factors</i>	<i>Article</i>	<i>Entry</i>	<i>Exit</i>
<i>Poverty Spells</i>	(Curtis & Rybczynski, 2014)		<i>Poverty Spell (-)</i>
<i>Democracy</i>	(Narayan et al., 2009)	<i>Functioning of local democracy (+)</i>	<i>Functioning of government (+)</i>
<i>Government</i>	Valletta (2006)	<i>Decrease in Government transfer (+)</i>	
<i>Country growth</i>	(Narayan et al., 2009)	<i>Decrease in national/local prosperity (+)</i>	<i>Increasing in community prosperity (+)</i>

Remark: (+) = increased the probability of entry into poverty or exit from poverty

(-) = decreased the probability of entry into poverty or exit from poverty

To summarize, there are various internal and external factors that influence the likelihood of falling into poverty. This thesis will confirm the significance of these external elements and investigate the impact of policies as determining factors.

## 2.7 Life-history approach

The income-based approach's definition of the poor or non-poor fails to account for all dimensions of poverty. While quantitative analysis is insufficient in capturing the multidimensional nature of poverty as it only examines the pattern of poverty dynamics, it falls short in explaining the underlying facts, processes, and external factors influencing these dynamics. Therefore, combining quantitative and qualitative analyses in research will yield a more comprehensive explanation of poverty dynamics (Baulch & Hoddinott, 2000).

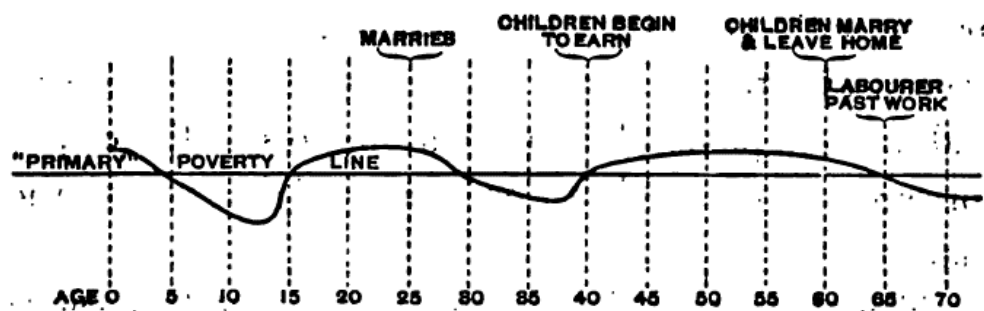
So, the voice of the poor, or participatory poverty assessment, is an important approach to extracting the truth from the lives of poor individuals (Narayan et al., 2000). One of the qualitative methods the researcher used to analyze the dynamics of poverty is the 'life history approach' or 'life story approach" (Baulch & Davis, 2008; Rowntree, 1908).

The life history approach is utilized across a wide array of disciplines, including social science, history, psychology, and cultural studies. This method is increasingly being employed in additional disciplines such as family studies, political science, education, and even development economics (Bertaux & Kohli, 1984; Ojermark, 2007). It has been derived from the structuralist standpoint and should be centered on 'practices' rather than perceptions or feelings (Bertaux & Kohli, 1984).

This approach has the advantage of offering a long-term view of poverty by explaining multidimensional changes that cross-sectional or panel data surveys cannot provide (Bottema et al., 2007). Furthermore, this method tends to collect missing variables and demonstrate the interaction between quantitative and qualitative methods, all while filling knowledge gaps that other methods cannot (Bertaux & Kohli, 1984; Ojermark & Bird, 2011). This approach consumes a lot of resources and time because it relies on a semi-structural framework, interviewer competence, and requires consideration of ethical perspectives (Baulch & Davis, 2008, 2010).

The life history interview was first used in 1908. Rowntree (1908) proposed the concept of domestic life and poverty. According to Rowntree's study, which used the poverty line as the benchmark, household deprivation usually occurs during childhood, with an increase in household size, and during the period when their offspring decide to start their own families (see Figure below). However, Rowntree's analysis did not mention the pattern of poverty dynamics.

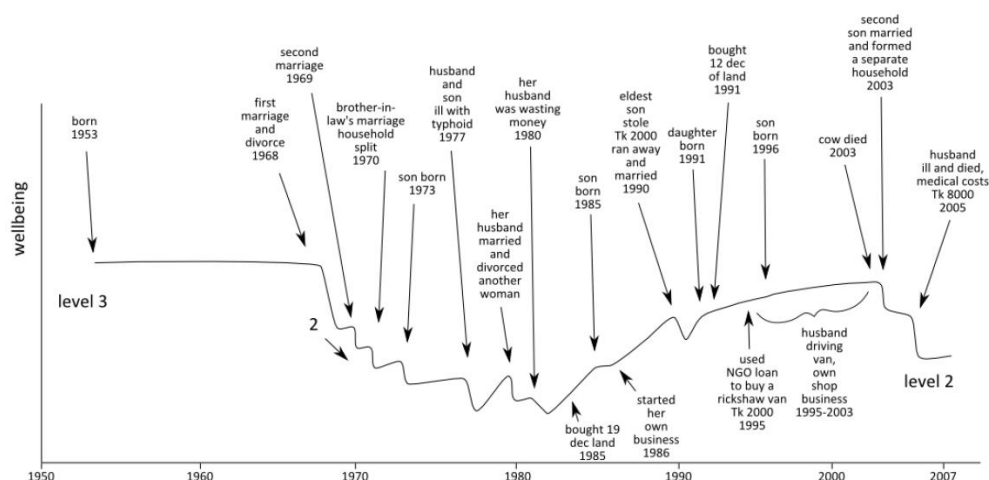
Figure 2. 5 Diagram of life history and poverty line by Rowntree (1908)



Source : (Rowntree, 1908) , p.137.

There are several methods that explain household life history. Some papers have used narrative life-history interviews or family-history interviews. (Bottema et al., 2007; Kothari & Hulme, 2004). In their study, Baulch and Davis (2010) utilized a historical graph to illustrate significant events or shocks within households. They employed a mixed-method approach, combining qualitative and quantitative methods (Baulch & Davis, 2010).

Figure 2. 6 Example of life-history graph



Source: (Baulch & Davis, 2010), p. 44.

Table 2. 7 Interview guideline for life history

General Topic areas	Particular events and issues
- Family life history	Marriages, births, deaths, separation of property
- Education and training history	Own education, level, reason for leaving education, sibling's education, children's education
- Employment history	Dates of jobs, who helped to get job, business starting -finishing, asset bought/sold, how they bought asset, promotion, job lost, migration for work
- Assets and loans history	Land, livestock, building, pond, material, tress, jewellery, loans, saving,
- Migration and Place history	Reason for moving, family members moving
- Health and illness history	Chronic illness, illness before death of relatives, accidents, medical expense
- Identity and membership history	NGO, neighborhood groups, kinship, religious groups, labour unions, political group, who helps in times of crisis?
- Crisis and Coping history	<b>Crisis</b> , (illness, flooding, crop loss, livestock loss business loss, unemployment, job loss, divorce, court cases, land and property division, migration, death of family members, accident, injury, cheating, theft, violence, threats, intimidation, extortion, conflicts and disputes, loans) <b>In this crisis who helped and why?</b> <b>Coping:</b> <b>Forms:</b> sales, loans, saving, labour, business, mortgage, informal help, local collection, religious charity,



<i>General Topic areas</i>	<b>Particular events and issues</b>
	begging, common property, divorce, migration, marriage, child labour, sending children away, crime <b>Channel:</b> Own resource, kinship, friends, employers, neighbours, community groups, NGOs, public programme, political leaders, etc.
- <i>Opportunities and improvements history</i>	Job, land, dowry, remittances, loan, government programme, pension, provident fund, saving, son working, daughter working
- <i>Additional contextual information to look for</i>	How social structure (roles, values, norms, sanction) have constrained or enabled people's agency (choice, options, opportunities) How endowments and circumstances (Economic, health, education)

Source: (Baulch & Davis, 2010)

In summary, this chapter provides an overview of the poverty literature, focusing on six main sections. The first section explores the definition of poverty, emphasizing the capability to achieve valuable things in life. The methodology for identifying the poor has evolved from monetary approaches to non-monetary concepts such as the Multidimensional Poverty Index (MPI) of the UNDP, which considers factors like access to education, sanitation, drinking water, and child mortality.

The third section discusses the development of the concept and methodology for calculating the poverty line. This process involves analyzing consumption patterns, government price indices, and socio-economic survey data. The fourth and fifth sections examine the dynamic nature of poverty and its determining factors, categorizing households into chronic, transient, and never-poor households. Factors affecting the probability of falling into poverty include large household sizes, an increasing dependency ratio, a higher likelihood for female-headed households to enter poverty, and an increase in average schooling year. Additionally, receiving remittances and having a second source of income reduce the probability of falling into poverty.

The last section introduces the qualitative life-history approach (LHA), which uses in-depth interviews to capture changes in household life and identify key events that have both positive and negative effects on household well-being.

Based on the previous literature reviews, the non-monetary approach to identifying the poor has evolved over time, progressing from the proxy mean test to the Multidimensional Poverty Index (MPI). Thailand's NESDC has already introduced the Thailand MPI index. However, one crucial aspect that has received little focus is the influence or intervention of social capital on poverty dynamics. For example, examining the impact of groups and networks, trust, and solidarity within the Thai context. Some literature reviews have highlighted the characteristics of Thais, often associating households and non-member households through remittances. Several sociological studies have noted the existence of a remittance culture. These significant factors underscore the role of social capital in the Thai context. The literature's findings confirm a knowledge gap regarding social capital in the study of poverty dynamics in Thailand.



## Chapter III

### Research Methodology

This chapter presents the two primary research methodologies utilized in this study: quantitative and qualitative methods. It will offer a comprehensive description of the data used, providing an overview of the methods and tools employed in each analysis.

#### 3.1 Quantitative methods

The quantitative method was employed to address the study's initial objective: identifying the key factors that determine poverty incidence and dynamics from a monetary perspective.

##### 3.1.1 Data

This study utilized data from the Socio-Economic Survey (SES), a compilation by the National Statistical Office (NSO). The panel SES constitutes a national survey encompassing households from 76 provinces across both rural and urban areas. It is important to note that while the NSO possessed a six-panel dataset covering the years 2005, 2006, 2007, 2010, 2012, and 2017, this study specifically chose a three-year period—2007, 2012, and 2017—maintaining a consistent 5-year gap between the selected years. Notably, the study exclusively selected households that remained in the survey for three years, excluding institutional households<sup>21</sup>. Consequently, the focus of this study was on a total of 3,567 balanced panel households. The regional and area poverty lines served as benchmarks or criteria for categorizing households as poor or non-poor<sup>22</sup>.

Each year, the SES panel contains two datasets: the household dataset and the member dataset.

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<sup>21</sup> The institutional household is the household who has member lived in an official place but didn't have any relationship, for example, the member who lived in the barracks, jail or a dormitory.

<sup>22</sup> The SES included households in both rural and urban areas, totaling all 76 provinces in Thailand. Six years of panel surveys were conducted on an occasional basis; the first year of panel data was collected in 2005, 2006, 2007, 2010, 2012, and 2017, which was the survey's final year. Some questions, however, cannot be compared between years due to changes in the key questionnaires. This is why the study limited the sample to the years 2007, 2012, and 2017.

The **Household dataset** collects general information about households and their living conditions, including details such as the household's location, dwelling, living circumstances, equipment, current house and lodging value, vehicle value, and house ownership.

The **member dataset** gathers information about each member in various ways, displaying details such as age, gender, highest educational attainment, health condition, employment status, occupation, personal income and salary, monthly expenses, debts and borrowing, and life challenges.

### 3.1.2 Methods

#### 3.1.2.1 Dependent variables

This study utilized multiple variables to capture poverty incidence and dynamics, including the simple poverty status, the poverty gap, and the detailed poverty status.

- **Poverty status**

The household simple poverty status ( $hpov_{it}$ ) is defined by the difference between household income per capita ( $Y_{it}$ ) and regional poverty lines ( $Z_t$ )

$$hpov_{it} = \begin{cases} 1, & \text{if } Y_{it} < Z_t \\ 0, & \text{if } Y_{it} \geq Z_t \end{cases} \quad (\text{Equation 1})$$

When ( $hpov_{it}$ ) is the state of household poverty status (1= poor and 0= non-poor), ( $Y_{it}$ ) is the household income per capita, ( $Z_t$ ) is defined as the poverty line in year  $t$  of the region and area where the household lived (urban and rural) and  $t$  is the year of survey (denoted by 2007, 2012 and 2017)

- **Poverty gap**

For the second measure, the Foster-Greer-Thorbecke (FGT) poverty gap is employed to explain the severity of poverty of household  $i^{\text{th}}$  at time  $t$ . The dependent variable ( $hgap_{it}$ ) is calculated as the average ratio of the shortfall of  $i^{\text{th}}$  household's average income per head ( $Y_{it}^*$ ) from the poverty line and the regional poverty line at time  $t$ , ( $Z_t$ ) and  $t$  is the year of survey (denoted by 2007, 2012 and 2017).

$$hgap_{it} = \frac{1}{N} \sum_{i=1}^q \left( \frac{Z_t - Y_{it}}{Z_t} \right) \quad (\text{Equation 2})$$

- **Household detailed poverty status**

This measure classified the state of household poverty status into five categories: chronic poor, entry-into-poverty, re-entry-into-poverty, exit-from-poverty, and never poor households as discrete dependent variables under the change in state of poor and non-poor in each year.

**Table 3. 1 Household detailed poverty status**

<i>HPOV</i>	Household poverty status		
	2007	2012	2017
<i>Chronic</i>	Poor	Poor	Poor
<i>Entry into poverty</i>	Non-poor	Poor/Non-poor	Poor
<i>Re-entry into poverty</i>	Poor	Non-poor	Poor
<i>Exit from poverty</i>	Poor	Poor/Non-poor	Non-poor
<i>Never-poor</i>	Non-poor	Non-poor	Non-poor

- **The Chronic poor household:** This household consistently remained poor throughout the study period; their average income per capita was below the poverty line in all three years.

- **The Entry into poverty household:** Initially part of a non-poor household in 2007, by 2012 and/or 2017, they had transitioned into poverty; their average income per capita fell below the poverty line by 2017.

- **The Re-entry poverty household:** Initially a poor household in 2007, they managed to escape poverty by 2012. Unfortunately, by 2017, they had fallen back into poverty, with their average income per capita dropping below the poverty line.

- **The exit from poverty household:** Initially a poor household in 2007, they were still poor or no longer considered poor in 2012. By 2017; their average income per capita had risen above the poverty line.

- **The Never-Poor household:** This household consistently remained non-poor throughout the study period, with an average income per capita above the poverty line in all three years.

### 3.1.2.2 Independent variables

The list of variables used for the quantitative methods was presented as follows:

Table 3. 2 Independent variables for quantitative methods

Variables	Description
<b>Demographic factors</b>	
<i>Hmem</i>	Household size (i) in year t
<i>Agehead</i>	Age of household leader of household I in year t
<i>Rural</i>	[Dummy] Place of living, rural = 1
<i>Female</i>	[Dummy] Household head (i) in year (t) is female
<i>SkipH</i>	[Dummy] Type of household: skipped household = 1, else =0
<i>SingH</i>	[Dummy] Type of household: single household = 1, else =0
<i>Pchild</i>	% children (<15 years)/household members
<i>Pelderly</i>	% elderly (>60 years)/household members
<b>Human capital and health factors</b>	
<i>Avy</i>	Average year of schooling of household I in year t
<i>Dchro</i>	Household member suffers from a chronic illness.
<i>Dcanc</i>	Household member has cancer
<i>Hsick</i>	Household head's health is poor or very poor
<b>Economic and working factors</b>	
<i>Pagri</i>	% of member who work in agriculture sector
<i>Hwork</i>	Household head's hour of work per week
<i>Dtransfer</i>	[Dummy] Receive remittances
<i>Secondinc</i>	Household have a second source of income
<i>Workrat</i>	% of working member per household size
<i>dumSav</i>	Household leader have the saving
<i>Hsav</i>	Amount of household saving per month (baht/month)
<i>dumBAAC</i>	[Dummy] Access to BAAC
<i>dumCom</i>	[Dummy] Access to Commercial Banks
<i>dumVfund</i>	[Dummy] Access to Community Fund/Village fund
<b>Unexpected events in households</b>	
<i>Hnumpsh</i>	Number of Positive shock ( <i>Getting job, income increase, getting promote and etc.</i> )
<i>Hnumnsh</i>	Number of Negative shock ( <i>Job lost, income decrease, member illness or death ,etc</i> )
<b>Main Source of Household Income*</b>	
<i>Agriculture</i>	Factor group: Main source of household income from agriculture
<i>Nonwage**</i>	Factor group: Main source of household income from non-wage income
<i>Household business</i>	Factor group: Main source of household income from household business
<i>Wage and salary</i>	Factor group: Main source of household income from wage and salary
<b>Change in household characteristics from 2007 to 2017</b>	
<i>Dhem</i>	Change in household size
<i>Dagehead</i>	Change in age of household leader

Variables	Description
<i>Dnelderly</i>	Change in number of the elderly in household
<i>Dnchild</i>	Change in number of children in household

Remark:

\* Main source of household income is the source of household income which more than 50% of total household income

\*\* Non-wage is the source of household income from subsidy, transfer, allowance ,remittance ,interest, gambling, windfall, rent and other not-productive sources of households

### 3.1.2.3 Multinomial logit model

Multinomial logit models were used in this study to investigate the factors contributing to poverty. The research approach was based on Sakondhavat's study (2013). The basic model, regulating all other factors as independent variables, can be represented in the following form:

$$P_{it} = \sum_k \beta_k X_{kit} + \varepsilon_{it} \dots\dots (1)$$

Where  $P_{it}$  is a poverty indicator of the  $i^{\text{th}}$  household at time  $t$ ,  $X_{kit}$  is the determining factors related to poverty,  $\beta$  is the parameter of the factors,  $i = 1, 2, 3, \dots, n$  represents the  $i^{\text{th}}$  household and  $\varepsilon$  is the residuals.

The multinomial logit model is used to determine the probability that the  $i^{\text{th}}$  household will get the outcome, where the household poverty status (*dypov*) are the probability is given by the following equation:

$$P(P_i = dypov) = \frac{e^{\beta_h x_i}}{1 + \sum_{k=1}^H e^{\beta_k x_i}} \text{ for } dypov = 1, 2, 3, \dots, H$$

$$P(P_i = 0) = \frac{1}{1 + \sum_{k=1}^H e^{\beta_k x_i}}$$

In this general equation, 'P()' denotes the probability of each event. When household detailed poverty status was used as a dependent variable

$P(P_i = 1)$  is the household 's probability of being the **Chronic poor** household

$P(P_i = 2)$  is the household 's probability of being the **Entry into poverty** household

$P(P_i = 3)$  is the household 's probability of being the **Re-entry poverty** household

$P(P_i = 4)$  is the household 's probability of being the **Exit from poverty** household

$P(P_i = 5)$  is the household 's probability of being the **Never-poor** household

The base model utilized all independent variables, outlined in Table 3.2, as the primary determining factors. The differenced model expanded upon the base model by incorporating the differences in household characteristics between 2007 and 2017 (as outlined below).

### (1) Based model

The probability of being household detailed poverty status ( $P_{it}$ ) analyzed by considering demographic factors (D), human capital factors (H), economic factors (E), and unexpected events or shocks (S).

$$\ln \left[ \frac{P(P_i = 1,2,3,4)}{P(P_i = 5)} \right] = f(D_i, H_i, E_i, S_i)$$

### (2) Extended model

In the extended model, the analysis incorporated several changes in household characteristics between 2007 and 2017 into the study. For instance, it considered alterations in household size, the average years of schooling among members, and the number of children and elderly individuals.

$$\ln \left[ \frac{P(P_i = 1,2,3,4)}{P(P_i = 5)} \right] = f(D_i, H_i, E_i, S_i, \Delta E_i, \Delta D_i, \Delta H_i,)$$

#### 3.1.2.4 Sequential logit model (SL)

However, there were some limitations to the discrete categories used to determine household poverty status. Research by Baulch and Dat (2010) and Sakondhavat (2013) identified three major objections to these categories.

Firstly, the conversion of the continuous variable (in this case, household income) into five discrete categories posed a limitation. Secondly, the assumption of odds ratios in the MNL model, requiring independence (IRR), remains problematic in relation to the discrete choice model. Finally, the MNL's consideration of discrete choice or unordered categorical outcomes fails to account for the dynamic nature of order.

For these reasons, the study employed the sequential logit model to identify determining factors and address the limitations of the MNL. The sequential logit model, initiated in 2007 as the starting point, presented seven sequences as follows:

1. **Initial year 2007:** poor vs non-poor in the year 2007, with a value of 1 if the household was poor in the year 2007 (Poor household) and 0 otherwise (*non-poor*).



2. **Year 2012:** poor vs non-poor in the year 2012, given the household was poor in 2007, with a value of 1 if the household was non-poor in 2012 (moved out of poverty) and 0 otherwise (*Still poor*).
3. **Year 2012:** poor vs non-poor in the year 2012, given the household was non-poor in 2007, with a value of 1 if the household is poor in 2012 (moved into poverty) and 0 otherwise.
4. **Year 2017:** poor vs non-poor in the year 2017, given the household was poor in both 2007 and 2012, with a value of 1 if the household was poor in 2017 (Chronically poor) and 0 otherwise.
5. **Year 2017:** poor vs non-poor in the year 2017, given the household was poor in 2007 and non-poor in 2012, with a value of 1 if the household was poor in 2017 (re-entry into poverty) and 0 otherwise.
6. **Year 2017:** poor vs non-poor in the year 2017, given the household was non-poor in 2007 and poor in 2012, with a value of 1 if the household was non-poor in 2017 (temporarily poor/exit from poverty) and 0 otherwise.
7. **Year 2017:** poor vs non-poor in the year 2017, given the household was non-poor in both 2007 and 2012, with a value of 1 if the household was non-poor in 2017 (never poor) and 0 otherwise.

According to the models mentioned above, the methodology of the quantitative methods can be summarized in Table 3.3.

Table 3. 3 Quantitative methods used

	Incidence and severity of poverty		Poverty Dynamics	
Dependent variable	(1) <i>The poor vs non-poor</i>	(2) <i>poverty gap</i>	<i>Discrete variable</i>	
	(1) $P_{it} = \begin{cases} 1, & \text{if } Y_{it}^* < Z_t \\ 0, & \text{if } Y_{it}^* \geq Z_t \end{cases}$	(2) $P_{it} = \frac{1}{N} \sum_{i=1}^q \left( \frac{Z_t - Y_{it}}{Z_t} \right)$	(3) $P_i = (1,2,3,4,5)$ <p>When            1= chronic            2= entry into poverty            3= Re-entry into poverty            4= Exit from poverty            5= Never-poor household</p>	(4) $P_i = (1,2,3,4,5,6,7)$ <p>When            1= poor model            2= move out from poverty in 2012            3= move into poverty in 2012            4= chronic in 3 years            5= Re-entry into poverty in 2017            6= Temporary poor or exit in 2017            7= Never-poor in 3 years</p>
Independent Model	Multinomial Logit Model		Sequential Logit Model	
	$P_{it} = f(E_{it}, D_{it}, H_{it}, G_{it}, S_{it})$			

### 3.2 Qualitative methods

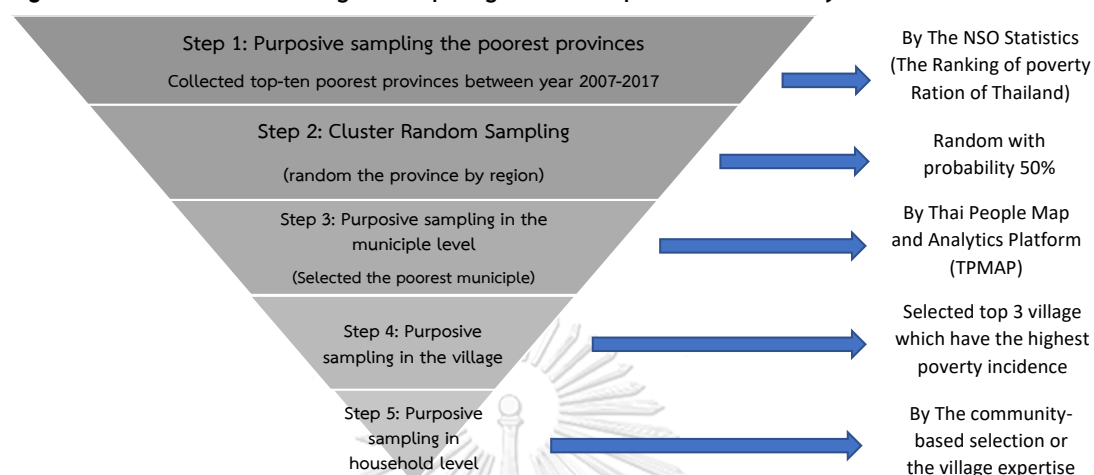
The objectives of the qualitative study were to address the second aim of the study, which was to capture the voices of the poor and examine the impact of social capital as a determining factor for poverty reduction. The life-history approach is employed to analyze the determining factors or events that facilitated both the decline and improvement in household well-being over the course of its lifespan. This serves as an additional mechanism to identify the factors influencing entry into and exit from poverty within Thai households.

#### 3.2.1 Data

The study utilized qualitative primary data gathered from household interviews. The primary objectives of using this data were to elucidate and confirm the significance of institutional factors, to explore the in-depth experiences of poverty within poor households, and to evaluate the government policies necessary for alleviating the

poverty crisis. The observations in this section were collected using the multi-stage sampling technique

**Figure 3. 1 The Multi-stage sampling for the qualitative study**



Source: the study

The primary goal of qualitative approaches was to study the in-depth poverty situation from the perspective of a poor Thai household. Purposive or selective sampling is appropriate for research involving a small number of major data points. Furthermore, this technique is useful for qualitative research seeking detailed information on the characteristics of poor households.

The study focused on the top ten poorest provinces in Thailand between 2007 and 2017. According to NSO poverty statistics, six provinces from three regions consistently ranked among the poorest provinces each year (2007–2017), as indicated in Table 3.4)

The study selected the poorest province from each region—Mae Hong Son, Buri Ram, and Pattani—as representatives.

**Table 3. 4 The poorest province of Thailand by Poverty incidence**

Region	Province	Provincial Poverty incidence between 2007-2016									
		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
North	Mae Hong Son	74.40	70.39	74.39	70.39	58.85	63.17	65.16	46.08	32.19	39.21
	Tak	37.08	39.70	37.61	45.87	43.50	35.93	34.00	36.53	24.48	27.54
North Eastern	Buri Ram	47.29	42.84	47.18	32.82	33.67	31.61	25.35	39.13	23.34	24.32
	Kalasin	40.23	57.00	51.18	51.64	28.55	39.80	31.03	42.67	17.78	31.99
South	Pattani	44.99	51.07	49.65	54.26	33.39	46.80	37.44	39.15	34.91	35.98

Narathiwat	53.40	40.13	54.94	35.24	33.39	46.80	37.44	39.15	34.91	35.98
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Source: NSO Poverty incidence by expenditure

The study utilized the Thai People MAP (TPMAP) database from 2019 (the year of the thesis proposal defense) as a key indicator to define the study area. TPMAP employed the multidimensional poverty index developed by the Oxford Poverty and Human Development Initiative and the United Nations Development Program, presenting five dimensions of poverty: health, living standards, education, household income, and accessible public government services.

The primary sources for TPMAP comprised 36 million observations from the Basic Need Criteria Database of Thailand (Jor-Por-Tor database) and 11.4 million individuals enrolled in the Ministry of Finance's National Welfare Card Program. TPMAP focused on poor individuals recorded in the Basic Needs Criteria database who had also acquired the National Welfare Card.

According to TPMAP, the surveyed areas were Na Pu Pom Subdistrict in Mae Hong Son, Mueang Yang Subdistrict in Buri Ram, and Mai Kaen Subdistrict in Pattani. The study randomly selected households across five types of household poverty statuses and identified the top three villages with the highest number of instances of poverty according to TPMAP. These selected villages are presented in Table 3.5 as representative samples.

Table 3. 5 Area of survey and the number of household sample sizes per area

5 Types of Household Poverty Status		North			North Eastern			South		
		Mae Hong Son			Buri Ram			Pattani		
		Pang Mapha district, Na Pu Pom Subdistrict			Chamni district, Mueang Yang Subdistrict			Mai Kaen district, Mai Kaen Subdistrict		
		M.6	M.7	M.9	M.9	M.11	M.13	M.1	M.2	M.4
1.	The chronic poor	2	2	2	2	2	2	2	2	2
2.	The transient poor	2.1 Entry into poverty	2	2	2	2	2	2	2	2
		2.2 Reentry into poverty	2	2	2	2	2	2	2	2
		2.3 Exit from Poverty	2	2	2	2	2	2	2	2
3.	The Never poor	2	2	2	2	2	2	2	2	2
Total (90 households)		10	10	10	10	10	10	10	10	10

Source: the study

### 3.2.2 Methods

This study employed a life-history approach to investigate the impact of social capital as a determining factor in poverty reduction. The primary method involved conducting in-depth interviews with households to address the research questions. These questions comprised six main sections and required approximately 1 hour of in-depth interviews per household. All the key findings resulting from these interviews have been reviewed, adjusted, and approved by the Index of Item-Objective Congruence (IOC) since October 2022.

**Table 3. 6 Key-questions under Life-history-approach**

Key-questions	Questions
1. Basic household information	<ul style="list-style-type: none"> <li>▪ Gender</li> <li>▪ Age</li> <li>▪ Highest Education Level</li> <li>▪ Marital status</li> <li>▪ Working status (main and supplements)</li> <li>▪ Number of household members</li> </ul>
2. The overview of household living	<ul style="list-style-type: none"> <li>▪ The changes in households within 20 years (land ownership, occupation, remittance, expenditure, caregiver, borrowing) [open-ended questions]</li> </ul>
3. Life-history of household	<ul style="list-style-type: none"> <li>▪ Life-History Graph (LHG) of households (since age 15 to the present)</li> <li>▪ Explained the important event to support the downward and upward trend of the LHG.</li> </ul>
4. Social capital in 6 components	<ul style="list-style-type: none"> <li>▪ Group and Networks</li> <li>▪ Trust and solidarity</li> <li>▪ Collective action and cooperation</li> <li>▪ Information and communication</li> <li>▪ Social and inclusion</li> </ul>

Key-questions	Questions
	<ul style="list-style-type: none"> <li>▪ Empowerment and political action</li> </ul>
5. The awareness of households about government policies and their benefits	<ul style="list-style-type: none"> <li>▪ Awareness of and benefits from 16 government policies</li> <li>▪ Top rank of the poverty reduction policies the household desired.</li> </ul>
6. Poverty discourses	<ul style="list-style-type: none"> <li>▪ 10 Poverty discourses</li> </ul>

### 3.2.3 Ethic committee approval for qualitative methods

According to the requirements of the ethics committee, research involving or affecting humans necessitates permission and approval from the committee, alongside confirmation that the observer's identity or personal information will be treated confidentially. A field survey conducted in Mae Hong Son, Pattani, and Buri Ram received ethical approval in November 2022; the research approval certificate is provided in Appendix C.

In essence, this chapter delineates the methodology and dataset employed in the thesis. The methodologies employed comprised quantitative and qualitative analyses. The quantitative segment utilized a dataset of 3,567 households nationally in 2007, 2012, and 2017. The primary mechanisms used were multinomial logit and sequential logit models, aiming to identify determinants across four models. The regional poverty line served as the basis for distinguishing between poor and non-poor households. Nonetheless, the utilization of quantitative methods might underestimate significant factors, such as the impact of social capital and the voices of the poor.

The qualitative method employed a life-history approach, providing an in-depth examination of poverty. This involved 90 households in Mae Hong Son, Pattani, and Buri Ram, exploring household well-being through life-history graphs, discussions on poverty, the influence of social capital, and informal community rules and regulations. The results from both perspectives complemented each other, enriching the understanding of poverty and bridging social divides.

## Chapter IV

### Results from Quantitative Analysis

This chapter presents the results obtained from panel data analysis. Initially, it provides an overview of poverty and highlights the characteristics of households. The second and third sections delve into regression analyses, exploring the factors influencing poverty incidence and dynamics. The chapter also includes comparative results from all models and discusses their implications.

#### 4.1 Descriptive statistics

##### 4.1.1 Situation of poverty line, headcount ratio and others

This study utilized the Panel SES dataset, covering 3,567 households surveyed in three waves - 2007, 2012, and 2017. Poverty classification relied on regional and area poverty lines as thresholds for distinguishing between poor and non-poor households. It was found that there was a substantial increase in all poverty indicators, particularly in 2017. The headcount ratio surged from 14.69% in 2007 to 25.82%, and the poverty gap nearly tripled, indicating not only a heightened incidence of poverty but also more severe state of impoverishment.

Contrary to the NESDC's reported findings, this study employed regional and area poverty lines to accurately capture the nuanced nature of poverty in specific locales. The NESDC, in contrast, used the national poverty line. Additionally, the NESDC utilized a cross-sectional SES dataset, incorporating weights for each household calculated by the NSO, while this study grappled with small sample sizes and did not apply any weights due to data limitations, rendering it unable to nationally represent households in Thailand.

Table 4. 1 Headcount ratio, poverty gap and poverty severity by region

Region/Whole Kingdom	Headcount ratio			Poverty gap			Poverty severity		
	2007	2012	2017	2007	2012	2017	2007	2012	2017
Bangkok and others	0.77	5.43	5.19	0.12	1.55	2.96	0.03	0.74	2.12
Central	11.64	13.28	21.37	3.11	4.25	10.76	1.46	2.10	7.23
North	16.18	15.09	28.82	4.68	4.37	13.63	2.25	1.97	8.68
Northeastern	22.97	21.98	35.63	8.08	6.56	17.86	4.20	3.08	11.91
South	12.95	8.98	28.40	3.40	2.44	14.94	1.86	0.98	10.13
Total	14.69	14.72	25.82	4.64	4.38	12.90	2.31	2.05	8.56

Source: SES Panel data with 3,567 households

#### 4.1.2 Characteristics of household

The majority of households were situated in rural areas with a noticeable trend of labor migration from rural to urban areas. The percentage of households residing in urban areas increased from 31.65% in 2007 to 41.74% in 2012 and further to 47.55% in 2017. Interestingly, urban poor households also experienced a significant rise, with their population share increasing from 16.98% in 2007 to 33.98% in 2017.

While about 60% of Thai households had a male head, the percentage of households with a female head increased from 38.4% in 2007 to 44.9% in 2017. Regarding household size, there was no significant difference in household size between poor and non-poor households, with an average of about 3.3 members per household.

Nevertheless, the proportion of active members differed between poor and non-poor households. In 2012, the proportion of active members in poor households was only 42.9%, whereas non-poor households had 60.43% of members who were active. Additionally, poor households tended to have a higher dependency ratio, increasing from 18.8% in 2007 to 36% in 2017.



Table 4. 2 Descriptive statistics of Thai household by poverty status

Category	2007			2012			2017		
	Household poverty status			Household poverty status			Household poverty status		
	Poor	Non-poor	Total	Poor	Non-poor	Total	Poor	Non-poor	Total
Average age of leader	52.38	45.99	46.93	53.29	48.7	49.38	55.63	48.02	49.98
(sd)	(15.92)	(13.27)	(13.88)	(14.95)	(13.26)	(13.62)	(16.25)	(14.92)	(15.63)
Household size	2.88	2.9	2.89	3.93	3.59	3.64	3.26	3.45	3.4
(sd)	(1.18)	(1.3)	(1.28)	(1.85)	(1.71)	(1.73)	(1.62)	(1.82)	(1.77)
% of Active member	61.08	72.64	70.94	42.92	60.43	57.85	49.18	62.42	59.00
(sd)	(35.55)	(29.57)	(30.79)	(30.75)	(28.48)	(29.48)	(34.70)	(29.72)	(31.62)
Dependency ratio	18.86	9.96	11.26	41.45	25.85	28.15	36.02	24.48	27.46
(sd)	(30.26)	(21.4)	(23.13)	(29.89)	(25.61)	(26.85)	(33.28)	(27.52)	(29.55)
Average year of schooling	5	7.19	6.87	4.81	7.12	6.77	5.68	7.96	7.38
(sd)	(2.91)	(3.87)	(3.82)	(2.51)	(3.36)	(3.35)	(2.73)	(3.48)	(3.45)

Source: SES data.

Table 4. 3 Characteristics of households by poverty status

Category	2007			2012			2017		
	Household poverty status			Household poverty status			Household poverty status		
	Poor	Non-poor	Total	Poor	Non-poor	Total	Poor	Non-poor	Total
<b>Demographic factors</b>									
Area of resident : Urban	16.98	34.18	31.65	29.90	43.79	41.74	33.98	52.27	47.55
Rural	83.02	65.82	68.35	70.10	56.21	58.26	66.02	47.73	52.45
Gender of leader : Male	64.89	61.03	61.59	64.95	62.03	62.46	56.99	54.44	55.10
Female	35.11	38.97	38.41	35.05	37.97	37.54	43.01	45.56	44.90
<b>Household generation</b>									
One generation	42.37	42.79	42.72	22.86	24.88	24.59	32.14	28.16	29.18
Two generation	44.85	48.80	48.22	29.52	43.00	41.01	32.79	42.03	39.64
Three generation	10.11	7.46	7.85	32.57	26.20	27.14	23.56	25.36	24.89
Skipped-generation	2.67	0.95	1.21	15.05	5.92	7.26	11.51	4.46	6.28
<b>Marital status</b>									
Single	8.21	11.86	11.33	8.95	13.35	12.70	12.27	19.84	17.89
Married	72.14	74.27	73.96	72.00	71.24	71.35	65.47	62.66	63.39
Widowed	14.89	9.50	10.29	13.71	10.06	10.60	17.16	10.02	11.86
Divorced	1.91	1.91	1.91	1.90	2.66	2.55	2.71	3.74	3.48
Separated	2.86	2.46	2.52	3.43	2.70	2.80	2.39	3.74	3.39
<b>Health welfare</b>									
None	2.67	3.15	3.08	0.57	0.59	0.59	0.00	0.00	0.00
UC	92.37	60.53	65.21	93.52	65.61	69.72	91.53	55.78	65.01
Social Security	1.53	16.14	13.99	3.43	17.46	15.39	2.61	27.10	20.77
Government	2.67	14.30	12.59	1.90	13.91	12.14	5.10	15.38	12.73
Others	0.76	5.88	5.13	0.57	2.43	2.15	0.76	1.74	1.49
<b>Socioeconomic factors</b>									
of Employed Leader	76.15	88.47	86.66	73.90	89.41	87.13	70.36	89.42	84.50
<b>Reason of unemployed</b>									
waiting seasonal	18.40	16.24	16.81	14.60	11.80	12.64	6.59	3.21	4.88
Retired	52.80	48.43	49.58	56.20	56.21	56.21	62.64	62.86	62.75
Sickness/Disable	12.80	9.40	10.29	13.87	9.63	10.89	15.38	10.71	13.02
Job loss	6.40	5.98	6.09	2.19	4.04	3.49	2.20	2.50	2.35

Category	2007			2012			2017		
	Household poverty status			Household poverty status			Household poverty status		
	Poor	Non-poor	Total	Poor	Non-poor	Total	Poor	Non-poor	Total
Caregiver	8.80	13.11	11.97	9.49	11.18	10.68	6.96	10.71	8.86
Others	0.80	6.83	5.25	3.65	7.14	6.10	6.23	10.00	8.14
<b>Occupation</b>									
Agriculture	49.81	21.56	25.71	48.76	31.30	33.87	47.01	11.87	20.94
Production	1.72	4.07	3.73	1.52	2.43	2.30	3.58	2.76	2.97
Business	9.92	22.21	20.41	11.62	19.36	18.22	7.38	20.90	17.41
Government	2.67	12.65	11.19	2.10	11.11	9.78	1.09	15.91	12.08
Private enterprise	8.78	24.55	22.23	9.71	23.83	21.75	6.19	31.22	24.75
Labour	9.54	7.20	7.54	4.76	3.68	3.84	4.67	6.31	5.89
Non-working and others	17.56	7.76	9.20	21.52	8.28	10.23	30.08	11.04	15.95
<b>Main Income source</b>									
Agriculture	37.98	14.43	17.89	34.10	16.80	19.34	17.05	0.42	4.71
Non-wage	27.67	13.93	15.95	32.76	13.28	16.15	57.76	20.86	30.39
Household business	8.40	19.78	18.11	10.67	19.56	18.25	8.03	18.82	16.04
Wage and salary	21.95	45.74	42.25	17.33	41.16	37.65	16.07	56.76	46.26
Multi-source	4.01	6.11	5.80	5.14	9.20	8.61	1.09	3.14	2.61
of having secondary source of income	26.15	50.31	46.76	25.52	52.53	48.56	16.72	59.03	48.11
Household income per capita (Baht/month)	1,245	7,953	6,968	1,639	10,273	9,002	1,260	12,547	9,632
Amount of Remittances	547	893	842	795	1,188	1,130	851	1,727	1,501
of remittance/ HH income	15.06	4.04	4.34	12.19	3.58	3.86	20.65	4.41	4.98

Source: SES Panel data with 3,567 households

The study revealed a significant difference in the average years of schooling between poor and non-poor households, indicating that wealthier households tended to attain higher levels of education. Poor households had an average of only 5.2 years of schooling, often concluding at primary school or less. Nevertheless, by 2017, the average years of schooling for poor households had increased from 5 years to 5.68 years, while for non-poor households, it had risen from 7.1 years to 7.96 years. The primary reason behind this shift in the average years of schooling could be attributed to the implementation of the 15-year free education program established in 2009.

Regarding the primary source of health services for Thai households, the Universal Health Care Scheme (UC) significantly alleviated the financial burden, particularly for the poor. The study revealed that 92% of poor households regularly relied on the UC as their main source of medical assistance, while only 60.86% of non-poor households utilized this scheme.

While 89% of non-poor household heads were employed, only 73% of poor households had jobs. Unemployment reasons included retirement, illness, and caregiving, with about 56.5% retiring, aligning with Thailand's aging society trend. Sickness-related unemployment rose from 10.3% (2007) to 13% (2017).

Unemployment due to waiting for seasonal work declined from 18.4% (2007) to 6.59% (2017), indicating shifts from agriculture to non-agricultural activities during non-harvesting seasons.

It is worth mentioned that while agriculture was the primary job for poor households, constituting about 47–49%, non-poor household heads mainly worked in the private sector, household businesses, or government. However, the proportion of households relying on agriculture as their primary income source decreased from 37.98% in 2007 to 17.05% in 2017. In contrast, non-wage sources, including remittances, subsidies, interest, rent, and government allowances, increased from 27.67% in 2007 to 57.76% in 2017. These non-wage sources indicating uncertainty and a lack of self-reliance among poor households. These findings underscore how climate change and market fluctuations significantly impact poor households, aligning with Yang et al.'s (2020) research on environmental shocks and food price fluctuations increasing vulnerability.

Non-poor households typically possessed a secondary source of income more frequently than poor households, that is approximately 50% of non-poor households had secondary occupations, and by 2017, this proportion had increased to 59%. In contrast, the percentage of households with a secondary source of income decreased from 26.15% in 2007 to 16.72% in 2017. This decline indicates limitations in employment opportunities for poor households.

Remittances from external household members play a more significant role in poor households compared to non-poor households. The percentage of remittances in relation to total poor household income increased from 15.06% in 2007 to 20.65% in 2017. This proportion was four times higher than that observed in non-poor households. This finding underscores the significance of family ties through remittances in contributing to the income of poor households.

Finally, average income of poor households barely changed, in stark contrast to non-poor households, whose average income almost doubled from 2007 to 2017. While the per capita average income of poor households gradually increased from 1,245 baht per person (41.1 dollars) in 2007 to 1,260 baht per person (41.6 dollars) in 2017, non-poor households, mainly reliant on wages and salaries, saw their average

annual income soar by 1.57 times over the same decade, climbing from 7,953 baht in 2007 to 12,547 baht in 2017.

When households were classified into detailed household poverty statuses, namely chronic poor, entry into poverty, re-entry into poverty, exit from poverty, and never-poor households, their distribution can be shown in Figure 4.1. Of the total, 2.97% were classified as chronic poor households, nearly 20% entered poverty, approximately 3.67% re-entered poverty, and only 13.8% managed to escape poverty. The largest group, comprising 60.39% of this sampled population, consisted of never-poor households.

Figure 4. 1 Distribution of households by detailed poverty status

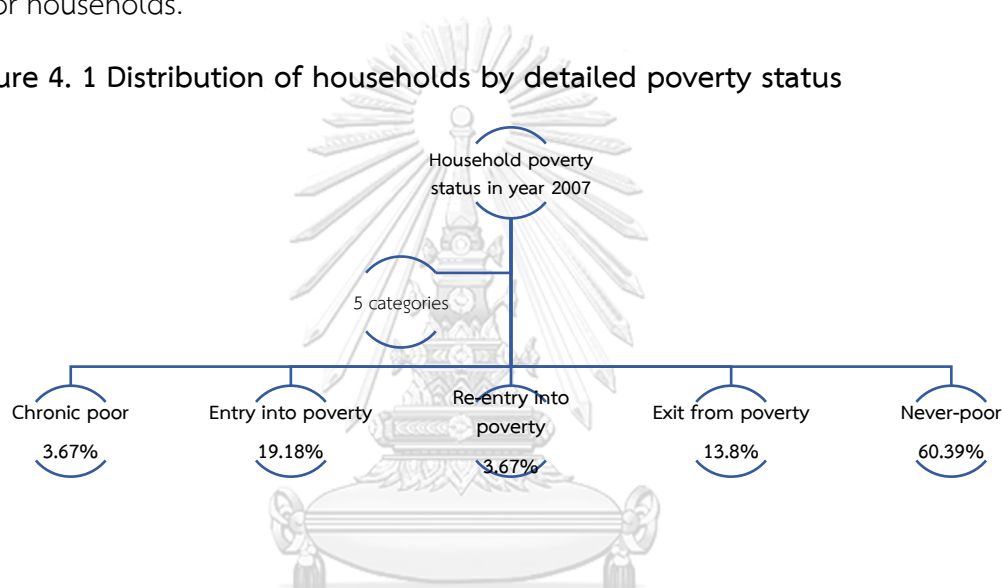


Table 4. 4 Descriptive statistics of households by detailed poverty status

Characteristics	Household poverty status					Total
	Chronic poor	Into-poverty	Re-entry	Out-poverty	Never-poor	
Average age of leader (Year)	57.15	55.02	57.58	48.78	47.84	49.98
(sd)	(17.13)	(16.05)	(16.42)	(17.29)	(14.32)	(15.63)
Household size (Unit)	3.37	3.29	3.01	3.38	3.47	3.4
(sd)	(1.9)	(1.6)	(1.48)	(1.89)	(1.8)	(1.77)
% of Active member	45.47	49.25	51.8	58.57	63.3	59
Proportion of child	0.13	0.14	0.11	0.10	0.10	0.11
Proportion of elderly	0.29	0.22	0.23	0.19	0.14	0.17
Dependency ratio	42.22	35.46	33.91	28.8	23.49	27.46
Average year of schooling	5.13	5.84	5.32	6.45	8.31	7.38
(sd)	(2.46)	(2.76)	(2.67)	(2.61)	(3.55)	(3.45)

Table 4. 5 Demographic characteristics of households by detailed poverty status

Characteristics	Household poverty status					Total
	Chronic poor	Into-poverty	Re-entry	Out-poverty	Never-poor	
<b>Demographic</b>						
<i>Area of resident : Urban</i>	34.91	35.67	24.43	38.21	55.48	47.55
<i>Rural</i>	65.09	64.33	75.57	61.79	44.52	52.45
<b>Region: Bangkok &amp; others</b>	0.00	3.95	0.00	6.30	21.45	14.58
<i>Central</i>	13.21	18.71	15.27	20.12	23.07	21.25
<i>North</i>	25.47	24.85	23.66	22.56	20.98	22.18
<i>NorthEastern</i>	53.77	38.30	51.91	41.26	23.03	30.45
<i>South</i>	7.55	14.18	9.16	9.76	11.47	11.55
<b>Gender of leader: Male</b>	51.43	57.42	59.23	54.81	54.35	55.10
<i>Female</i>	48.57	42.58	40.77	45.19	45.65	44.90
<b>Household generation</b>						
<i>One generation</i>	31.13	31.87	34.35	30.69	27.58	29.18
<i>Two generation</i>	33.02	32.31	35.11	35.77	43.45	39.64
<i>Three generation</i>	25.47	23.98	19.85	26.22	25.16	24.89
<i>Skipped-generation</i>	10.38	11.84	10.69	7.32	3.81	6.28
<b>Marital status</b>						
<i>Single</i>	17.92	11.40	12.21	19.31	19.96	17.89
<i>Married</i>	54.72	67.40	64.12	59.96	63.28	63.39
<i>Widowed</i>	22.64	15.94	19.08	13.82	9.15	11.86
<i>Divorced</i>	4.72	2.34	3.05	3.05	3.90	3.48
<i>Separated</i>	0.00	2.92	1.53	3.86	3.71	3.39
<b>Health welfare</b>						
<i>UC</i>	95.28	90.06	96.18	77.85	50.74	65.01
<i>Social Security</i>	0.00	3.22	1.53	14.84	29.90	20.77
<i>Government</i>	3.77	5.85	2.29	5.89	17.55	12.73
<i>Others</i>	0.94	0.88	0.00	1.42	1.82	1.49

The vulnerable households and those that were never poor usually resided in distinct locations. According to the panel data, vulnerable households experiencing chronic poverty, entry into poverty, and re-entry into poverty were primarily concentrated in rural areas. Approximately 65% of chronically poor households, along with those entering poverty and re-entering poverty (at 64.33% and 75.57% respectively), were located in rural areas. In contrast, over 55.5% of households that were never poor lived in cities.

The Northeast and the North housed the majority of vulnerable households compared to those that were never poor. The study revealed that Bangkok had the lowest number of chronically poor individuals. The majority of the chronically poor

population resided in the Northeast (53.77%), followed by the North (25.47%), and the Central region (13.21%), respectively.

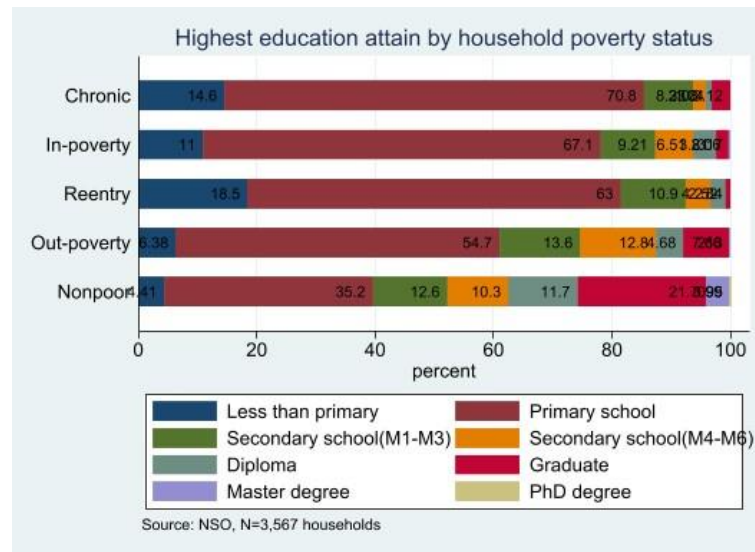
The household size is comparable between the vulnerable and never-poor households, averaging roughly 2–3 people per household. However, it notably increases for the chronically poor residing in rural areas, where the average household size is around 4 people.

Furthermore, the dependency ratio and the proportion of active members exhibited similarities to those in the previous section. Chronically poor households demonstrated the highest dependence ratio at 42.22%. Notably, this proportion was even larger in urban-chronically poor households, reaching 49.74%. This trend corresponds with the proportion of active members, which was only 45.47% in chronically poor households. By comparison, in urban-chronically poor and rural-chronically poor households, the percentages were 38% and 49.4%, respectively.

Differences in household poverty status significantly influenced access to education. The study revealed that, on average, households had approximately 7.38 years of schooling. However, both chronic-poor and re-entry-poor households had notably less schooling, averaging only 5.13 years and 5.32 years, respectively. In contrast, non-poor households had an average of approximately 8.31 years of schooling. When considering geographical location, there was a considerable disparity in educational attainment based on area. Urban households had easier access to educational services and received more years of schooling compared to their rural counterparts.

Furthermore, access to higher education appears to be limited for vulnerable households. Approximately 70% of chronically poor households graduated from primary school, while only 14% graduated from secondary school. Shockingly, a mere 1% of them obtained a university degree. In contrast, among never-poor households, a higher percentage of household heads—21.7%—successfully completed university education.

Figure 4. 2 Educational attainment of households by detailed poverty status



The household generation showed minimal differences between vulnerable and never-poor households. The research findings unveiled a shift in the Thai household structure from extended to single-family units. Approximately 60% of households comprised either one or two generations, typically consisting of a husband and wife, or a husband, wife, and their children.

However, the proportion of skipped-generation households—where the elderly and children reside without any adults—is notably higher in vulnerable households, estimated at around 10–11%. This figure is approximately four times greater than that found in never-poor households.

The Universal Health Coverage (UC) remained the primary source of health services for vulnerable households, with over 90% of such families relying on it. Commonly known as the '30 Baht Universal Healthcare Scheme', it served as the main healthcare services for these families. In comparison to households that had risen out of poverty or those that had never experienced poverty, a smaller percentage of vulnerable households utilized UC; for instance, only 51% of never-poor households made use of UC.

**Table 4. 6 Socio-economic characteristics of households by detailed poverty status**

<i>Characteristics</i>	Household poverty status					Total
	Chronic poor	Into-poverty	Re-entry	Out-poverty	Never-poor	
<b>Socio-economic</b>						
<i>% of Employed Leader</i>	64.15	71.78	67.94	84.35	90.58	84.50
<b>Reason of unemployed</b>						
<i>waiting seasonal</i>	5.26	5.70	11.90	5.19	2.46	4.88
<i>Retired</i>	65.79	63.21	57.14	61.04	63.55	62.75
<i>Sickness/Disable</i>	18.42	13.47	21.43	12.99	9.85	13.02
<i>Job loss</i>	2.63	2.59	0.00	2.60	2.46	2.35
<i>Caregiver</i>	7.89	6.22	9.52	9.09	11.33	8.86
<i>Others</i>	0.00	8.81	0.00	9.09	10.34	8.14
<b>Occupation</b>						
<i>Agriculture</i>	40.57	46.93	52.67	20.12	9.98	20.94
<i>Production</i>	3.77	3.22	5.34	2.85	2.74	2.97
<i>Business</i>	2.83	8.77	3.82	17.68	21.63	17.41
<i>Government</i>	0.00	1.46	0.00	8.54	17.60	12.08
<i>Private enterprise</i>	9.43	5.99	4.58	25.00	32.64	24.75
<i>Labour</i>	8.49	4.68	1.53	9.35	5.62	5.89
<i>Non-working and others</i>	34.91	28.95	32.06	16.46	9.80	15.95
<b>Main Income source</b>						
<i>Agriculture</i>	11.32	17.98	16.79	0.41	0.42	4.71
<i>Non-wage</i>	60.38	55.85	65.65	30.89	18.57	30.39
<i>Household business</i>	4.72	9.21	4.58	15.85	19.50	16.04
<i>Wage and salary</i>	21.70	15.79	12.98	49.19	58.50	46.26
<i>Others: multi-source</i>	1.89	1.17	0.00	3.66	3.02	2.61
<i>%of member in agriculture sector</i>	41.05	42.33	49.56	26.13	18.38	25.86
<i>% of having second source income</i>	27.36	15.64	13.74	55.49	59.84	48.11
<i>% of having remittance from outer</i>	40.57	38.30	44.27	38.62	25.35	30.81
<i>Average Household income</i>	4,254	4,212	3,532	22,968	42,892	30,133
<i>Household income per capita (Baht/month)</i>	1,259	1,279	1,160	7,201	13,768	9,632
<i>Amount of Remittances</i>	830	836	944	2,236	1,611	1,501
<i>% of remittance/ HH income</i>	22.49	20.92	24.32	16.53	8.40	12.93

In terms of economic and employment status, differences existed in the likelihood of employment among various poverty groups. Specifically, while 84.5 percent of households were employed, the never-poor households exhibited the highest proportion of employment at 90.58%. In contrast, chronically poor households had a substantially lower percentage, with only 64.15% of household heads being employed.



The main causes for not working were retirement (62.75%), illness (13%), and caregiving (8.86%). Surprisingly, joblessness patterns didn't notably vary between chronically poor and never-poor households. However, it's clear that over 21% of households slipping back into poverty were due to illness. This suggests that household illnesses or unexpected events significantly impact the chance of falling into poverty. Furthermore, a significant portion of household heads are unemployed because of caregiving responsibilities, comprising 7.89% of chronically poor households and 11.33% of never-poor households.

Additionally, household occupations were evenly distributed among private employees, agricultural laborers, private enterprises, and government employees. Yet, chronically poor households mainly depended on agriculture (40.57%), followed by employees (9.43%) and laborers (8.49%). Surprisingly, approximately 35% of these households were unemployed.

Never-poor households had a unique job distribution, mainly comprising company employees (32.64%), private business owners (21.63%), and government employees (17.6%)—all sharing the trait of stable incomes. This starkly differs from poor households, where primary occupations rely significantly on agricultural earnings, subject to seasonal and annual fluctuations. In chronically poor, transitioning into poverty, and re-entering poverty households, agriculture-related occupations averaged approximately 40.57%, 46.93%, and 52.67%, respectively.

The main source of household income<sup>23</sup> differed among household groups. Moreover, 60% of chronically poor households relied on non-wage income, which included transfers from youth or relatives, government allowances, interest, profits, rent, and other sources. Only 22 percent of chronically poor households relied on wages and salaries. Conversely, wages and salaries were the primary sources of income for the exit from poverty and never-poor households, accounting for 49% and 58%, respectively. This trend reinforces the assumption that vulnerable households frequently face financial insecurity.

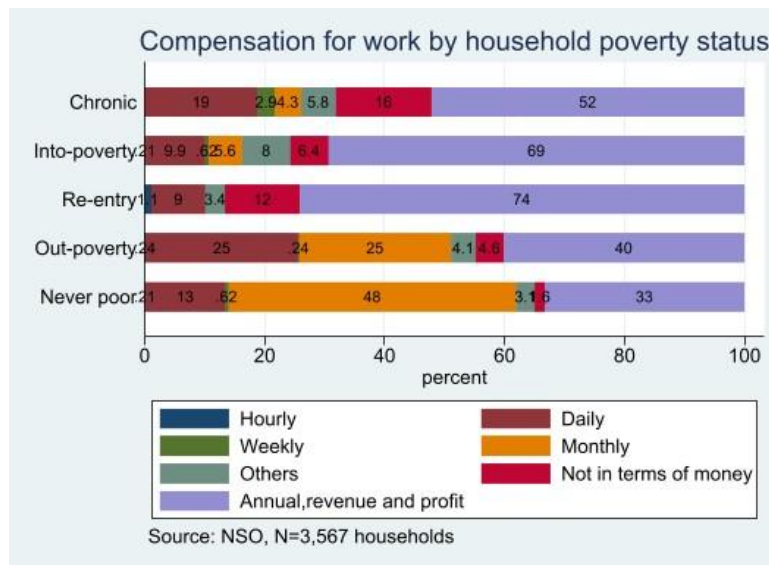
An intriguing aspect was how the remuneration type revealed the vulnerability of households. Most vulnerable households received annual revenue as remuneration, while 48% of never-poor households received monthly income. This difference

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<sup>23</sup> The method of diversify the main source of household income is in Appendix D.

highlights financial insecurity in vulnerable households, impacting their ability to maintain consistent household consumption.

**Figure 4. 3 Type of Compensation of households by detailed poverty status**



This study highlights limitations in vulnerable households' ability to secure a second income. Most vulnerable households, especially those re-entering poverty, rely on just a mere 14% from a secondary income source. Such single-income households tend to take greater risks compared to others. The research underscores widespread financial constraints and insecurity within these households. In contrast, 55% of households exit from poverty and 60% of never-poor households have multiple income sources. This finding prompts interest in exploring methods or policies that aid vulnerable individuals in acquiring a second source of income.

The study showed that remittances are vital for vulnerable households. On average, 30.8% of households received these remittances from family members living elsewhere, excluding governmental or non-governmental subsidies. In contrast, remittances refer to income sent by spouses, children, or other household-related relatives, often including earnings from migrant workers abroad.<sup>24</sup>

On average, those re-entering poverty and chronically poor households gain the most from remittances, making up 24% and 23%, respectively, of their total household income. In contrast, households that have never experienced poverty rely far less on

<sup>24</sup> The SES panel data code is G17, transfer.

remittances, comprising only 8.4% of their monthly income. This indicates that vulnerable households often rely on varying amounts of financial aid, leaving them exposed to risks if unexpected events occur, like the illness or death of a contributing member from another household.

#### **4.2 Regression results: poverty incidence and severity**

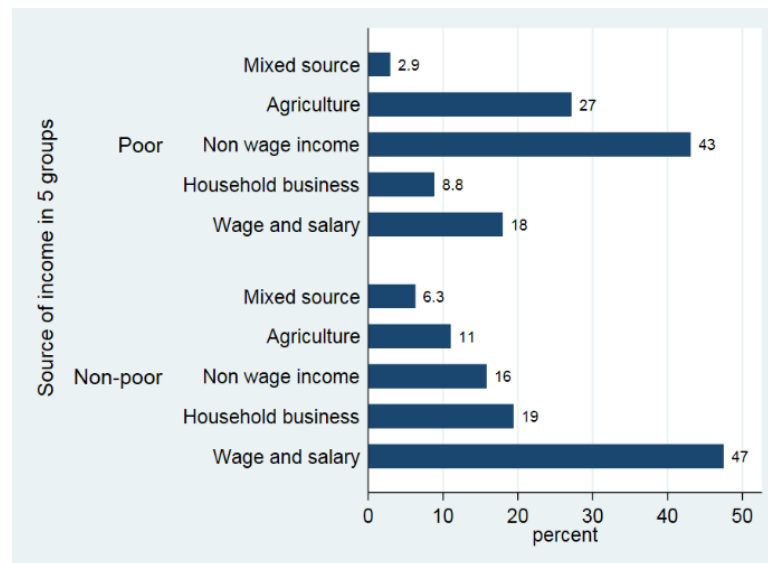
The study employed the fixed effect multinomial logit model as suggested by the Hausman test. Regression results echo the demographic trends observed in descriptive statistics. Larger household sizes showed a 5.25% higher likelihood of falling into poverty, while female-headed households exhibited a greater vulnerability to poverty compared to male-headed ones. This aligns with a prior study by Klasen, Lechtenfeld, and Povel (2011) analyzing the Townsend Thai Data, which similarly found that households led by women were more prone to poverty than those led by men.

Several studies confirm that the agricultural sector significantly increases the risk of households falling into poverty. For instance, each 1% rise in active members working in agriculture escalates the probability of slipping into poverty by 10.9%. Sakondhavat's (2013) research also supports this, showing that a higher ratio of farmers in a household elevates the chances of experiencing poverty. Furthermore, relying on agriculture as the primary income source increases the likelihood of a household being classified as poor by 17.2%.

The study's results unveiled a surprising discovery regarding the impact of non-wage income as the primary household revenue source. When non-wage income, derived from sources like interest, rent, subsidies, remittances, or lottery winnings, becomes the main income stream, it elevates the likelihood of a household being in poverty by 31.57%. These households relying on non-wage income are notably more vulnerable than others.

Data from the SES panel spanning 2007 to 2017 highlights that 43% of poor households depend primarily on non-wage income (Figure 4.4). Moreover, the study found that households relying on agricultural income exacerbate the severity of the poverty gap by 1.41 times.

Figure 4. 4 Main source of household income by household poverty status



The primary source of household income holds immense importance, as does the ability to secure a secondary income. The logit model revealed a 21.12% reduction in the likelihood of households slipping into poverty when a second income source was present. Descriptive statistics support this, showing that only 21.57% of poor households possess a secondary income, compared to 53.73% of non-poor households. This disparity underscores the challenges faced by low-income households in diversifying their income streams and occupations, emphasizing the crucial role of a secondary income in alleviating poverty.

The attainment of a secondary household income might correlate with the initial human capital of the household. Additionally, an increase in average years of schooling significantly decreases the likelihood of experiencing poverty by 1% for each additional year of schooling, a point to be further explored.

This study highlights Thai contexts where family ties are reinforced through remittances, reducing the likelihood of a household slipping into poverty by 18.10%. This aligns with previous research by Rabibhadana et al. (1995), Poapongsakorn et al. (2011), Acharya and Leon-Gonzalez (2012), Imai, Malaeb, and Bresciani (2017), and Arapi-Gjini et al. (2019), confirming the significance of remittances in poverty reduction, particularly in rural-urban familial connections.

External factors significantly influence poverty. Positive events like securing employment or receiving promotions decrease the risk of falling into poverty by

11.13%, while negative events such as the death or illness of a household member, and job loss, increase this risk by 5.6%.

In summary, applying the multinomial logit model to Thai SES panel data from 2007 to 2017 reveals crucial socioeconomic factors contributing to the increased risk of household poverty and the widening of the poverty gap. Over-reliance on a primary non-wage or agricultural income stands out as a significant factor, reflecting household vulnerability and financial dependence. Conversely, possessing a secondary income and receiving remittances emerge as influential factors in reducing the risk of falling into poverty.

**Table 4. 7 Coefficients and marginal effects of multinomial logit models**

<i>Indicators</i>	Being poor household Model I (Poor=1, Non-Poor=0)		Poverty gap Model II	
	Coef. (se)	Marginal effect (dy/dx)	Coef. (se)	P>t
<b><i>Demographic factors</i></b>				
<i>Household size</i>	0.2752 (0.0591)	0.0525 ***	0.2601 (0.1547)	0.093
<i>Age of household leader</i>	0.0049 (0.0051)	0.0009	0.0132 (0.0083)	0.112
<i>Living in rural</i>	-0.5490 (0.2119)	-0.1047 **	-0.5488 (0.2883)	0.057
<i>Household head is female</i>	0.0535 (0.1258)	0.0102	0.5335 (0.2711)	0.049 *
<i>Being skipped household</i>	0.2867 (0.2602)	0.0547	1.0958 (0.9764)	0.262
<i>Being single household</i>	-0.1137 (0.1687)	-0.0217	-0.0928 (0.2424)	0.702
<i>% children (&lt;15 years)/household members</i>	0.6076 (0.4240)	0.1159	0.0478 (0.6266)	0.939
<i>% elderly (&gt;60 years)/household members</i>	0.3225 (0.3622)	0.0615	-0.7047 (0.8833)	0.425
<b><i>Human capital and health factors</i></b>				
<i>Average year of schooling</i>	-0.0524 (0.0239)	-0.01 *	0.1102 (0.0527)	0.036 *
<i>Household member suffers from a chronic illness.</i>	0.0848 (0.1254)	0.0162	0.1597 (0.1707)	0.349
<i>Household member has cancer</i>	0.4430 (0.4059)	0.0845	0.6508 (0.5460)	0.233
<i>Household head's health is poor or very poor</i>	0.1537 (0.3088)	0.0293	0.0014 (0.1978)	0.994
<b><i>Economic and working factors</i></b>				
<i>% of member working in agriculture sector</i>	0.5728 (0.2068)	0.1092 **	-0.1269 (0.6130)	0.836
<i>Household head's hour of work per week</i>	-0.0086 (0.0032)	-0.0016 **	-0.0154 (0.0041)	0.000 ***
<i>Receive Remittances</i>	-0.9489 (0.1489)	-0.1810 ***	-0.8839 (0.4124)	0.032 *

<i>Indicators</i>	Being poor household Model I (Poor=1, Non-Poor=0)		Poverty gap Model II	
	Coef. (se)	Marginal effect (dy/dx)	Coef. (se)	P>t
<i>Household have a second source of income</i>	-1.1074 (0.1407)	-0.2112 ***	-0.9714 (0.3878)	0.012 *
<b>Unexpected events/unforeseen occurrence</b>				
<i>Number of Positive events (Getting job, income increase, getting promote, etc.)</i>	-0.5836 (0.1246)	-0.1113 ***	-0.2245 (0.0906)	0.013 *
<i>Number of Negative events (Job lost, income decrease, member illness, etc)</i>	0.2949 (0.0869)	0.0562 ***	0.2954 (0.1574)	0.061
<b>Main Source of Household Income</b>				
<i>Agriculture</i>	0.8324 (0.2393)	0.1720 ***	1.4118 (0.4952)	0.004 **
<i>Non-wage Income</i>	1.6496 (0.2493)	0.3157 ***	0.6309 (0.5901)	0.285
<i>Household Business or Non-farm business</i>	-0.1415 (0.2481)	-0.0295	-0.5920 (0.2594)	0.023 *
<i>Wage Income and salary</i>	0.2255 (0.2247)	0.0474	-0.1492 (0.1523)	0.327

Remark: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$

### 4.3 Regression results: poverty dynamics

#### 4.3.1 Multinomial logit model

This analysis focused on a comprehensive set of five distinct household poverty statuses as the dependent variable, utilizing a fixed effect multinomial logit model as recommended by the Hausman test. It was found that physical characteristics of the household head may not predict the likelihood of poverty dynamics. Certain demographic characteristics, such as household size, the age and gender of the household leader, and being a single-parent household, were not significant factors in assessing poverty dynamics.

The study found that an increase in the proportion of children (under 15 years old) per household reduced the probability of exiting poverty by 40%. This indicated that households with a high dependency ratio are more likely to remain trapped in poverty.

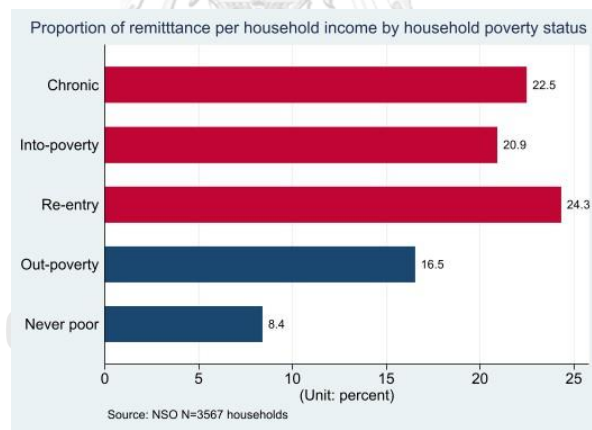
The average years of schooling significantly affect poverty dynamics. Increasing this average reduces the probability of belonging to vulnerable groups, though the extent of this impact is relatively small. For instance, raising the average schooling by one unit decreases the chances of chronic poverty, entering poverty, and re-entering

poverty by 0.34%, 1.2%, and 0.36% respectively. Conversely, it increases the likelihood of a household never experiencing poverty by 3.2%. This finding aligns with the human capital theory, asserting that higher investments in human capital improve long-term household well-being and indirectly influence economic status.

The effect of the main source of income confirms this conclusion. If the household's primary source of income is agriculture, the probability of entering poverty increases by 42.39%, whereas the probability of a household never being in poverty decreases by roughly 39.36%.

The main contribution of this section is the effect of remittance. Having remittances reduces the likelihood of entering poverty by 6.3% and also improves the probability of exiting poverty by 3.8%. This finding is consistent with Pouponsakorn et al. (2011), which revealed a close interaction between members and others through remittances. This finding is also confirmed, especially in skipped-generation households, which receive more than 30% of household income from remittances.

**Figure 4. 5 Proportion of remittance per household income by poverty status**



Moreover, households that have a second source of income will significantly reduce the probability of falling into poverty by 9.75%. A household with non-wage income as the primary source increases the probability of entering poverty by 10%, the likelihood of re-entering poverty by 4.7%, and decreases the probability of remaining a never-poor household by 12.1%.

The fluctuation of non-wage income, influenced by transfers or government subsidies, highlights the uncertainty in a household's income flow. This uncertainty

causes issues with consumption smoothing and raises the risk if the government reduces subsidies or decreases remittances from external household members.

Finally, experiencing a positive shock or unexpected events can decrease the likelihood of falling into poverty by 5.58% while increasing the probability of remaining a never-poor household by 4.35%. According to the findings, having positive shocks, can reduce the likelihood of entering poverty.

**Table 4. 8 Marginal effects of multinomial logit model**

<i>Household panel data</i>	Chronic poor		Entry into poverty		Re-entry into poverty		Exit from poverty		Never poor	
	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z
<b>Demographic factors</b>										
<i>Household size</i>	0.0028	0.79	0.0141	1.83	0.0007	0.16	-0.0109	-1.48	-0.0066	-0.73
<i>Age of household leader</i>	0.0004	1.21	0.0006	0.94	0.0002	0.72	-0.0006	-0.88	-0.0006	-0.76
<i>Living in rural=1</i>	0.0092	1.42	-0.0022	-0.18	0.0076	1.05	0.0256	1.97*	-0.0402	-2.63**
<i>Household head is female</i>	0.0022	0.37	0.0096	0.8	-0.0091	-1.37	-0.005	-0.4	0.0024	0.16
<i>Being skipped household</i>	-0.0072	-0.62	0.0149	0.64	-0.0323	-2.13*	0.0603	2.27*	-0.0357	-1.09
<i>Being a single household</i>	-0.0255	-2.56*	-0.0056	-0.29	-0.0121	-1.2	-0.0064	-0.32	0.0497	2.03*
<i>% of children per household members</i>	-0.0488	-1	0.0567	0.55	0.0217	0.37	-0.4012	-3.56***	0.3716	2.77**
<i>% of the elder per household members</i>	0.0388	1.57	-0.1182	-2.20*	-0.0235	-0.83	0.1157	2.13*	-0.0128	-0.19
<b>Human capital and health factors</b>										
<i>Average year of schooling</i>	-0.0034	-2.53*	-0.0121	-4.44***	-0.0036	-2.49*	-0.0128	-4.91***	0.0319	10.04***
<i>Household member suffers from a chronic illness.</i>	-0.0043	-0.73	0.0068	0.56	0.002	0.31	-0.0115	-0.86	0.0069	0.43
<i>Household member has cancer</i>	0.0211	1.28	0.0131	0.33	0.0095	0.48	-0.0555	-1.02	0.0119	0.2
<i>Household head's health is poor or very poor</i>	-0.0196	-0.88	0.0104	0.28	0.008	0.47	0.0334	0.8	-0.0321	-0.62
<b>Economic and working factors</b>										
<i>% of member who work in agriculture (%)</i>	0.0386	3.02**	0.1422	6.02***	0.0337	2.44*	-0.023	-1.08	-0.1916	-7.31***
<i>Household head's hour of work per week</i>	-0.0006	-3.75***	-0.0004	-1.05	-0.0003	-1.72	-0.0007	-1.96*	0.002	4.62***
<i>Having the remittance</i>	-0.0111	-1.48	-0.0631	-4.04***	-0.0008	-0.11	0.0383	2.47*	0.0367	1.91
<i>Household have a second source of income</i>	0.0033	0.38	-0.0975	-5.75***	-0.011	-1.05	0.0405	2.46*	0.0646	3.33**
<i>% of working member per household size</i>	0	-0.08	-0.0019	-5.20***	-0.0004	-1.86	0.0002	0.61	0.002	4.36***
<i>Household leader have the saving</i>	-0.001	-0.14	-0.0092	-0.72	-0.0047	-0.67	-0.0275	-2.07*	0.0423	2.67**



<i>Household panel data</i>	Chronic poor		Entry into poverty		Re-entry into poverty		Exit from poverty		Never poor	
	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z
<i>Amount of household saving per month (baht/month)</i>	0	-2.45*	0	-0.57	0	-0.73	0	0.93	0	4.32***
<b>Access to microfinance:</b>										
<i>BAAC</i>	-0.0188	-1.38	0.0022	0.09	0.0035	0.32	0.08	2.70**	-0.0669	-1.76
<i>Commercial Banks</i>	-0.2802	-0.01	0.2602	0.01	-0.3388	-0.01	-0.0762	-0.01	0.4351	0.03
<i>Village fund</i>	0.0129	1.68	0.0136	0.75	0.0048	0.53	-0.0131	-0.6	-0.0181	-0.71
<b>Shock/unexpected factors</b>										
<i>Number of Positive shock (Getting job, income increase, getting promote and etc.)</i>	0.0103	1.34	-0.0558	-2.83**	0.0039	0.42	-0.002	-0.12	0.0435	2.11*
<i>Number of Negative shock (Job lost, income decrease, member illness and etc)</i>	-0.005	-0.96	0.013	1.27	0.0023	0.42	0.0043	0.37	-0.0145	-1.08
<b>Main Source of Household Income</b>										
<i>Agriculture business</i>	0.0396	1.58	0.4239	6.24***	0.073	3.12**	-0.143	-2.76**	-0.3936	-5.48***
<i>Non-wage Income (transfer, interest, rent, subsidies and etc.)</i>	0.0256	1.55	0.093	2.14*	0.0469	4.66***	-0.0445	-1	-0.1212	-2.31*
<i>Household Business</i>	-0.0011	-0.08	-0.0265	-0.67	0.0137	2.40*	-0.026	-0.58	0.04	0.79
<i>Wage and salary</i>	0.0052	0.4	-0.0162	-0.42	0.0145	2.88**	-0.0492	-1.21	0.0457	0.97
<b>Change in Household factors from 2007-2017</b>										
<i>Change in household size</i>	-0.0024	-0.97	-0.0047	-0.86	0.0012	0.4	0.0012	0.22	0.0047	0.69
<i>Change in age of household leader</i>	-0.0003	-1.62	-0.0003	-0.68	-0.0005	-1.93	-0.0013	-2.75**	0.0024	4.16***
<i>Change in number of the elderly in household</i>	-0.0047	-1.03	0.0278	2.48*	-0.0111	-1.94	-0.0474	-4.33***	0.0354	2.58*
<i>Change in number of children in household</i>	0.0145	1.41	-0.0191	-0.81	-0.0093	-0.66	0.0669	2.79**	-0.053	-1.82

Remark: N=2,986 observations

Note: \*\*\* Significant at 1% level \*\* Significant at 5% level \* Significant at 10%

### 4.3.2 Sequential logit model

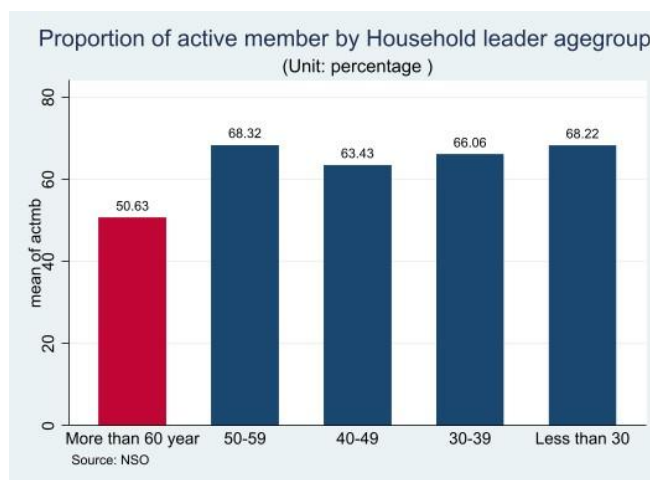
The sequential logit model (SL) was employed to elucidate the dynamics of poverty by comparing changes in household factors. The impact of demographic characteristics was found to be consistent with the multinomial logit models (MNLs). Specifically, demographic characteristics were not found to be significantly associated with an increased likelihood of entering or exiting poverty, except for household size,

single-household status, skipped generation households, and the proportion of elderly individuals within the household. For instance, an increase in household size raised the probability of a household becoming poor by 1.8% (See model 1).

Conversely, an increase in the proportion of elderly individuals within the household reduced the likelihood of the household falling into poverty by 10.57%. This finding aligns with preliminary statistics indicating that the majority of Thai elderly individuals continue to work beyond retirement age. However, the proportion of active members within elderly-led households is roughly 50%.



Figure 4. 6 Proportion of active member by household age group



However, more comprehensive data reveals that an increase in the proportion of agricultural members in households complicates overcoming poverty. Hard work, quantified by weekly hours worked, significantly influences the ability to escape poverty. Moreover, having a household savings account aids in breaking the cycle of poverty.

Conversely, residing in a skipped-generation household raises the probability of falling into poverty by 5.28%. Conversely, an increase in average years of schooling substantially diminishes the likelihood of falling into poverty ( $P < 0.000$ ). Additionally, the savings behavior of the household head is crucial; saving money reduces the chances of falling into poverty

For chronically poor households, a higher age of the household head increases the probability of becoming chronically poor. However, increasing the average years of schooling reduces the likelihood of chronic poverty. Moreover, a higher proportion of households with agricultural workers amplifies the chance of chronic poverty by 53.55%. On the other hand, receiving remittances decreases the probability of becoming a chronically poor household by 25.43%.

Households with access to BAAC tend to reduce their chances of chronic poverty by 30.88%, highlighting the advantage of community financial resources. However, relying on agriculture as the primary income source increases the likelihood of chronic poverty by 65.16%. Similarly, households relying on non-wage sources face a 51.53% higher probability of chronic poverty.

Table 4. 9 Marginal effects of sequential logit model

Household data	Year 2007		Year 2012				Year 2017							
	Poor VS non-poor In year 2007 (1)		Poor/Non-poor in 2012, given poor in 2007 (Move out from poverty =1, else =0) (2)		Poor/Non-poor in 2012, Given Non- Poor in 2007 (Move into poverty=1, else =0) (3)		Poor/Non-poor in 2017 Given poor in 2012				Poor/Non-poor in 2017 Given non-poor in 2012			
							Given Poor in 2007 (Chronic poor=1, else=0) (4)		Given non- poor in 2007 (Temporary poor/ Exit =1, else=0) (5)		Given Poor in 2007 (Re-entry into poverty=1, else=0) (6)		Given non- poor in 2007 (Never-poor = 1, else=0) (7)	
	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z
<b>Demographic factor</b>														
Household size	0.018	2.40*	-0.0465	-1.59	0.0003	0.04	0.0034	0.08	-0.0423	-1.21	0.0583	1.74	-0.0145	-1.87
Age of household leader	0.0012	1.88	-0.0018	-0.76	-0.0006	-0.86	0.009	2.04*	0.0014	0.54	0.0002	0.08	-0.0011	-1.65
Living in rural	0.0136	1.11	-0.0365	-0.7	0.022	1.73	-0.0896	-1.04	0.0112	0.21	0.0352	0.65	-0.0119	-0.94
Household head is female	0.0014	0.11	-0.0469	-0.98	-0.0047	-0.38	-0.0655	-0.78	0.0103	0.2	-0.0408	-0.78	-0.0072	-0.59
Being skipped household	-0.0225	-0.94	-0.0684	-0.69	0.0538	2.41*	-0.2484	-1.45	-0.0854	-1.04	-0.1909	-1.43	0.0159	0.62
Being a single household	-0.0408	-2.08*	0.0866	1.17	-0.0292	-1.41	-0.1715	-1.48	-0.0182	-0.19	-0.0656	-0.87	0.017	0.85
% of children per household members	0.0155	0.15	0.0656	0.15	-0.1386	-1.35	-0.1753	-0.22	-0.3222	-0.69	0.8315	1.86	-0.0028	-0.03
% of the elderly per household members	-0.1057	-1.97*	-0.396	-1.91	0.0789	1.5	0.1853	0.48	0.3482	1.56	-0.1669	-0.76	0.1068	1.9
<b>Human capital and health factors</b>														
Average year of schooling of household	-0.0191	-7.07***	0.0156	1.42	-0.015	-5.54***	-0.0592	-2.36*	0.0161	1.15	-0.0309	-2.36*	0.0145	5.4***
Household member suffers from a chronic illness.	0.0046	0.38	0.0499	1.02	-0.0117	-0.91	0.1127	1.32	-0.0442	-0.83	-0.0311	-0.64	-0.0082	-0.64
Household member has cancer	0.0414	1.04	-0.1529	-0.85	0.0023	0.05	0.3763	0.76	0.04	0.24	0.2315	1.24	-0.0181	-0.41
Household head's health is poor or very poor	-0.0003	-0.01	-0.0842	-0.61	0.033	0.86	-0.5476	-2.69**	-0.1834	-1.15	-0.0867	-0.54	0.0004	0.01
<b>Socio-Economic factors</b>														
% of member who work in agriculture (%)	0.2151	9.63***	-0.1913	-2.16*	0.0084	0.37	0.5355	3.41**	-0.1865	-2.07*	0.3561	3.83***	-0.177	0.2151
Household head's hour of work per week	-0.0013	-3.79***	0.0027	2.04*	-0.0006	-1.75	-0.0068	-2.65**	0.0036	2.48*	-0.0009	-0.58	0.0006	-0.0013
Having the remittance	-0.0748	-4.80***	0.0425	0.72	-0.0014	-0.09	-0.2543	-2.67**	0.1357	2.14*	-0.0943	-1.59	0.0594	-0.0748
Household have a second source of income	-0.1046	-6.80***	0.0362	0.45	0.0033	0.21	0.1147	0.82	0.1912	3.19**	-0.0691	-0.91	0.096	-0.1046
% of working member per household size	-0.0023	-6.23***	-0.001	-0.64	-0.0001	-0.33	-0.0052	-1.82	0.0035	2.32*	-0.0046	-3.14**	0.0019	-0.0023
Household leader have the saving	-0.0175	-1.37	-0.0628	-1.16	-0.0368	-2.83**	-0.0351	-0.41	-0.0126	-0.22	-0.0426	-0.8	0.0159	-0.0175
Amount of household saving per month (baht/month)	0	-3.58***	0	2.09*	0	-1.15	-0.0001	-3.08**	0	1.62	0	-0.76	0	0

Household data	Year 2007		Year 2012				Year 2017							
	Poor VS non-poor In year 2007 (1)		Poor/Non-poor in 2012, given poor in 2007 (Move out from poverty =1, else =0) (2)		Poor/Non-poor in 2012, Given Non- Poor in 2007 (Move into poverty=1, else =0) (3)		Poor/Non-poor in 2017 Given poor in 2012				Poor/Non-poor in 2017 Given non-poor in 2012			
							Given Poor in 2007 (Chronic poor=1, else=0) (4)		Given non- poor in 2007 (Temporary poor/ Exit =1, else=0) (5)		Given Poor in 2007 (Re-entry into poverty=1, else=0) (6)		Given non- poor in 2007 (Never-poor = 1, else=0) (7)	
	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z	Marginal	P> z
<b>Financial Accessibility</b>														
▪ BAAC	-0.0162	-0.6	0.041	0.43	0.0055	0.19	-0.3088	-2.03*	0.2104	1.81	-0.1	-0.87	-0.024	0.041
▪ Commercial Banks	-0.1019	-1.29			-0.0923	-1.02							0.0439	0.65
▪ Village fund	0.0325	1.78	-0.0717	-1.03	0.0239	1.25	0.035	0.32	-0.1104	-1.47	-0.0043	-0.06	-0.01	-0.5
<b>Unexpected events factors</b>														
Number of Positive shock (Getting job, income increase, getting promote, etc.)	-0.0414	0.027*	0.0249	0.37	-0.0215	-1.2	0.1225	0.81	0.0399	0.584	-0.0424	-0.52	0.05	2.46*
Number of Negative shock (Job lost, income decrease, member illness, etc)	0.0105	1.04	0.0553	1.38	-0.0141	-1.21	-0.111	-1.54	-0.0159	0.725	0.029	0.81	-0.0141	-1.33
<b>Main source of income</b>														
▪ Agriculture business	0.5336	8.08***	-0.0763	-0.44	0.0585	-1.26	0.6516	2.99**	-0.5909	-2.46*	n.a.	n.a.	-0.4715	-5.88***
▪ Non-wage Income (transfer, remittance, interest, rent, subsidies,etc)	0.1659	3.74***	-0.0636	-0.4	0.0366	-0.97	0.5153	2.2*	-0.1712	-0.77	0.2368	2.38*	-0.1171	-2.38*
▪ Household Business	-0.0105	-0.26	-0.0023	-0.01	0.0278	0.76	0.1632	0.68	-0.0291	-0.13	n.a.	n.a.	0.0498	1.14
▪ Wage and salary	0.0043	0.11	-0.1038	-0.73	-0.0055	-0.17	0.2346	1.22	0.0121	0.06	-0.0418	-0.45	0.0285	0.68
<b>Change in Household factors from 2007-2017</b>														
Change in household size	-0.0065	-1.2	0.0114	0.52	0.0133	2.35*	0.0372	0.75	0.0056	0.22	0.0041	0.18	0.0068	1.22
Change in age of household leader	-0.0011	-2.43*	0.0008	0.49	0.0007	1.37	-0.0028	-0.95	-0.0014	-0.67	0.0017	0.89	0.0012	2.49*
Change in number of the elderly in household	0.0116	1.06	0.0418	1.11	-0.0306	-2.7**	-0.0357	-0.48	-0.0666	-1.34	-0.045	-1.07	-0.0135	-1.16
Change in number of children in household	-0.0104	-0.45	-0.0697	-0.77	0.0126	0.56	-0.0073	-0.05	0.1399	1.29	-0.2167	-2.12*	0.0018	0.08
<b>Number of observations</b>	3,567		524		3,043		171		354		353		2,689	
<b>Pseudo R2</b>	0.4097		0.1074		0.0976		0.4412		0.363		0.4205		0.4142	
LR chi2	1,271.47		52.19		168.62		73.7		127.37		118.45		868.41	
Log Likelihood	-915.92		-216.98		-779.85		-46.66		-111.73		-81.61		-614.15	

#### 4.4 Comparative results

Models I and II were employed to explore the impact of demographic, socio-economic, and various factors on both the occurrence and severity of poverty. In

contrast, Model III, which categorized households into five distinct groups across three waves, provides deeper insights into how these factors specifically influence certain households—in particular those that are chronically poor, entering, or re-entering into poverty. Additionally, Model IV was incorporated to examine the actual dynamics of poverty over the sequence of years.

**Table 4. 10 Summary of findings from quantitative analyses**

<i>Factors</i>	Model I Poverty status	Model II Poverty gap	Model III Detailed poverty status	Model IV Sequential poverty status
<b><i>Demographic factors</i></b>				
<i>Household size (i) in year t</i>	Poor (+) ***			Poor (+) *
<i>Age of household leader</i>				Chronic (+) *
<i>Living in rural=1</i>	Poor (-) **		Never-poor (-) **	
<i>Household head is female</i>		Poverty gap (+) *		
<i>Being skipped household</i>			Re-entry (-)*	Move-into poverty (+) *
<i>Being a single household</i>			Chronic (-)* Never-poor(+)*	Poor (-) *
<i>% of children per household members</i>			Exit-poverty (-)*** Never-poor (+)**	
<i>% of the elderly per household members</i>			Exit-poverty (+) *	Poor (-) *
<b><i>Human capital and health factors</i></b>				
<i>Average year of schooling</i>	Poor (-)*	Poverty gap (+) *	Chronic (-)* Entry (-)*** Re-entry (-) * Exit (-) *** Never -poor (+)***	Poor (-) *** Move-into poverty (-) *** Chronic (-) * Re-entry (-) * Never -poor (+) ***

<i>Factors</i>	Model I Poverty status	Model II Poverty gap	Model III Detailed poverty status	Model IV Sequential poverty status
<i>Household member suffers from a chronic illness.</i>				
<i>Household member has cancer.</i>				
<i>Household head's health is poor or very poor</i>				Chronic (-) **
<b><i>Economic and working factors</i></b>				
<i>% of member who work in agriculture (%)</i>	Poor (+) **		Chronic (+)** Entry (+)*** Re-entry (+) * Never-poor (-)***	Poor (+) *** Move-out (-) * Chronic (+) ** Temporary (-) * Re-entry (+) ***
<i>Household head's hour of work per week</i>	Poor (-) **	Poverty gap (-) ***	Chronic (-) *** Exit (-) * Never-poor (+) ***	Poor (-) *** Move-out (+) * Chronic (-) ** Temporary (+) *
<i>Having the remittance</i>	Poor (-) ***	Poverty gap (-) *	Entry (-) *** Exit (+) *	Poor (-) *** Chronic (-)** Temporary (+)
<i>Household have a second source of income</i>	Poor (-) *** 21.12%	Poverty gap (-) *	Entry (-) *** Exit (+)* Never-poor (+) **	Poor (-)*** Temporary (+) **
<i>% of working member per household size</i>			Entry (-) *** Never-poor (+) ***	Poor (-) *** Temporary (+) * Re-entry (-) **
<i>Household leader has the saving</i>			Exit (-) * Never-poor (+) **	Move-in (-) **
<i>Amount of household saving per month (baht/month)</i>			Chronic (-) * Never-poor (+)***	Poor (-) *** Move-out (+)* Chronic (-) **

<i>Factors</i>	Model I Poverty status	Model II Poverty gap	Model III Detailed poverty status	Model IV Sequential poverty status
<b>Access to microfinance:</b>				
▪ BAAC			Exit (+) **	Chronic (-) *
▪ Commercial Banks				
▪ Village fund				
<b>Shock/unexpected factors</b>				
<i>Number of Positive shock (Getting job, income increase, getting promote and etc.)</i>	Poor (-) ***	Poverty gap (+) *	Entry (-) ** Never-poor (+)*	Poor (-) * Never-poor (+)*
<i>Number of Negative shock (Job lost, income decrease, member illness and etc)</i>	Poor (+) ***			
<b>Main Source of Household Income</b>				
▪ Agriculture business	Poor(+) ***	Poverty gap (+) ****	Entry (+) *** Exit (-) ** Never-poor (-) ***	Poor (+) *** Chronic (+) ** Temporary (-) * Never-poor (-) ***
▪ Non-wage Income (transfer, interest, rent, subsidies and etc.)	Poor (+) ***		Entry (+)* Re-entry (+) *** Never-poor (-) *	Poor (+) ***, Chronic (+) * Re-entyr (+) * Never-poor (-)*
▪ Household Business		Poverty gap (-) *	Re-entry (+) *	
▪ Wage and salary			Re-entry (+) **	



<i>Factors</i>	Model I Poverty status	Model II Poverty gap	Model III Detailed poverty status	Model IV Sequential poverty status
<i>Change in Household factors from 2007-2017</i>				
■ <i>Change in household size</i>			N.A.	Mover-in (+) *
■ <i>Change in age of household leader</i>			Exit (-) ** Never-poor (+) ***	Poor (-) * Never-poor (+)*
■ <i>Change in number of the elderly in household</i>			Entry (+) * Exit (-) *** Never-poor (+) *	Mover-in (-) **
■ <i>Change in number of children in household</i>			Exit (+) **	Re-entry (-) *

Remark:

1. MNLs = Multinomial Logit model, SL= Sequential Logit model
2. Household poverty status: chronic poor, Entry into poverty, Re-entry into poverty, Exit from poverty and the Never-poor household
3. 7-sub models of SLs are poor model, moving out from poverty, moving into poverty, Chronic poor, Re-entry into poverty, Temporary poor, and Never-poor
4. (+) is the positive relationship, (-) is negative relationship
5. \*\*\* Significant at 1% level \*\* Significant at 5% level \* Significant at 10%

Table 4.10 indicates that several demographic factors exert similarly influences on poverty. Larger household sizes raise the risk of falling into poverty, as do skipped-generation households. Conversely, single households face challenges in transitioning into poverty and are more likely to remain non-poor. Interestingly, the number of elderly members in the household enhances the chances of escaping poverty and reduces the likelihood of falling into poverty. This finding is consistent with the roles of the elderly in Thai society and their active participation in the workforce, coupled with benefits from the elderly allowance.

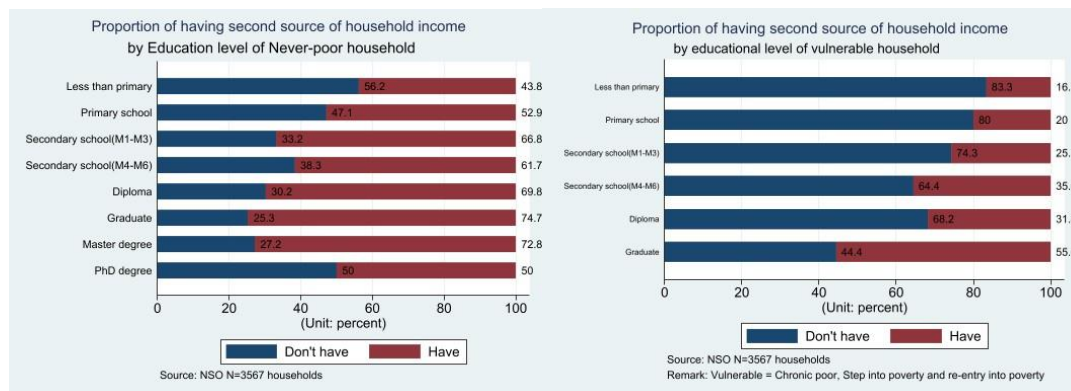
Regarding socio-economic factors, the results underscore the pivotal role of education in mitigating household poverty in all models. Model I illustrates a significant reduction in the likelihood of a household becoming impoverished with an increase in the average years of schooling. When employing a detailed household poverty status approach in Model III, it becomes apparent that a higher average years of schooling diminishes the risk of a household persistently experiencing poverty or re-entering into poverty, while simultaneously increasing the likelihood of remaining a never-poor household. However, an increase in average years of schooling has a negative effect on the likelihood of exiting poverty and leads to an increase in the poverty gap.

The regression results highlight that households with a higher percentage of members engaged in agriculture are more prone to experiencing poverty, entry or re-entry into poverty, and less likely to remain non-poor. Furthermore, households reliant on agricultural activities as their main source of income face a higher risk of being a chronically poor household, falling into poverty, and encountering lowered prospects of escaping poverty. This finding may be attributed to the volatility of agricultural product prices, heavily influenced by weather conditions like flooding and drought, posing a significant risk to these households.

Another aspect that has consequences for portraying the role of family ties in Thai culture is remittances from outside households. The estimation results of Model I, III, and IV show that receiving remittances reduces the likelihood of being a poor household. The findings are consistent with empirical data, which show that remittances play a substantial role, particularly among chronically poor households.

The study further highlighted the importance of facilitating households to secure a secondary source of income. The presence of an additional income source alongside regular wages or salaries proves advantageous by diminishing the likelihood of a household slipping into poverty. This is particularly pertinent considering that most impoverished households often encounter constraints in human capital, resulting in more limited access to diverse employment or career opportunities compared to non-poor households.

Figure 4. 7 Proportion of having second source of household's income between never-poor and vulnerable households



Source: SES data with 3,567 households

This study analyzed the impact of access to financial resources from three key institutions—BAAC, commercial banks, and community funds—on household poverty dynamics. It found that accessing loans through BAAC reduces the likelihood of households experiencing chronic poverty and increases their chances of escaping poverty. This aligns with BAAC's action plan from 2005 to 2010, aimed at becoming a primary financial institution for rural development, particularly focusing on the welfare of Thai farmers. BAAC's strategies include expanding loan amounts to enhance agricultural productivity for farmers, village funds, local cooperatives, community enterprises, and similar initiatives

## Chapter V

### Results from Qualitative Analysis

This chapter contains the findings of a qualitative study based on a survey of sample households in Mae Hong Son, Buri Ram, and Pattani. The objective of this chapter is to listen to the voices of the poor and investigate the implications of social capital as a determining factor in poverty reduction. The sequence of explanations is separated into five sections as follows: basic information and observed poverty problems, definition of poverty and discourse, the role of social capital as a tool for reducing poverty, the poverty dynamics of Thai households, and the government's policies for poverty reduction.

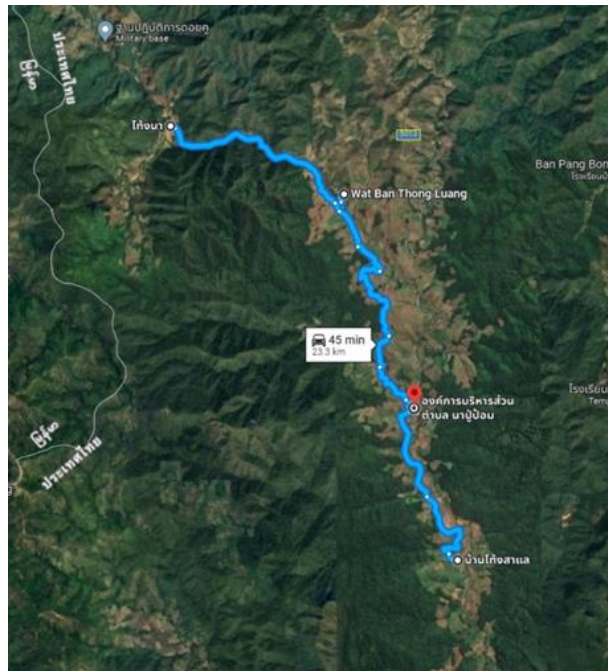
#### **5.1 General information of households**

The study employed in-depth interviews to address poverty, uncovering institutional factors that affected it, such as the role of social capital in contributing to poverty reduction, and the public policies necessary for assisting the poor.

##### **5.1.1 Na Pu Pom district of Mae Hong Son**

Na Pu Pom district is one of the municipalities where most people are farmers and self-employed. These areas are among the hill and are located near the border of Burma, where transportation is not convenient. This study area are cover several nationalities and cultures because most of the residents belong to hill tribes, such as Thai-Yai, Moo-ser, and La-huu. These ethnic groups were born and raised in Thailand. Most of their ancestors immigrated from Burma and married Thai people in the area.

Figure 5. 1 Geography of Na Pu Pom district, Mae Hong Son



Due to the highland terrain and predominantly mountainous living conditions, villagers in Na Pu Pom have previously encountered numerous challenges with infrastructure and transportation. Roads in the area depend on funding from the Subdistrict Administrative Organization, while some routes were constructed by villagers using their own funds and labor. Several roads are steep and challenging to access, covered in red dirt and gravel, making the path fairly rugged.

Furthermore, the area's water supply system continues to rely on the mountain water supply system, which is operated by the private sector and involves diverting water from streams and connecting pipes up the mountain. The state agency's water supply infrastructure remains inoperable in the area.

Thai People Map and Analytics Platform (TPMAP) 's Poverty Report in 2017 indicated that the Na Pu Pom area mainly suffers from income poverty and education poverty. This field survey in 2023 found that income poverty still exists. Farmers in the area mainly grow corn and garlic using a terraced farming system. In the past, there have been problems with encroachment and clearing of forest areas for shifting cultivation, but nowadays, such problems have been reduced.

Households in Na Pu Pom face a pressing issue: they lack land rights due to residing in an area with overlapping territorial claims between the Department of National Parks Wildlife and Plant Conservation and the Royal Forest Department.

Without any title deeds, spanning generations, they only possess permission for limited land use, hindering their ability to leverage the deeds as collateral for investment. Adding to this, satellite surveillance by the Department of National Parks, Wildlife, and Plant Conservation monitors land usage. If land remains unused for over five years, households face the imminent risk of losing their land rights and subsequent eviction. Consequently, elderly residents who cannot cultivate in their land because of their health and be the elderly. find themselves compelled to seek external assistance to cultivate their land such as offered the low rent for tenant. This measure taken to safeguard their right to occupy their own property.

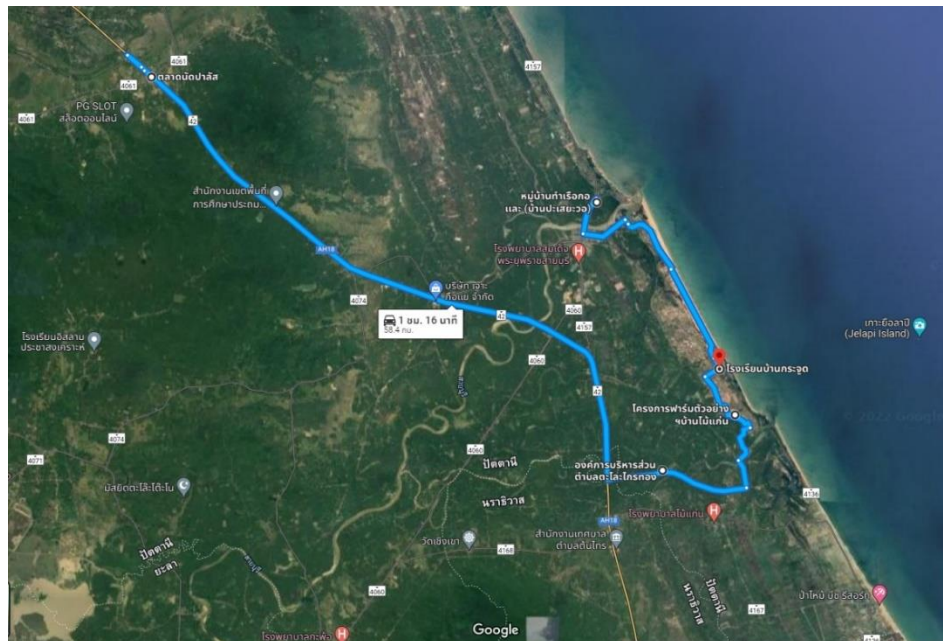
Furthermore, some poor households in Na Pu Pom didn't have the identification card, even though they were born in Thailand, because their parents didn't know the right and they couldn't pay for the transportation costs from the village to the city. This problem still exists in many villages. For this reason, many households cannot access government public policies, for example, UC health care, the free-education program, or the national welfare card program.

#### **5.1.2 Mai Kaen district of Pattani**

Mai Kaen district is situated among the municipalities bordering the Gulf of Thailand. It stands as one of the three southern border provinces plagued by conflicts between the state and local extremist groups. This region fosters collaboration between Thai Buddhists and Thai Muslims. Despite its proximity to the Gulf of Thailand, the majority of the population engages in agriculture, including contract farming, fruit orchards, coconut and rubber plantations, while some villages rely on coastal fishing. Additionally, community enterprises have emerged, specializing in the production of Budu sauce for sale, among other products.

While some transit routes in the area are paved with concrete, others remain dirt roads. The scarcity of clean water poses a significant challenge in Pattani. Proximity to the sea exacerbates issues related to rising sea levels and the difficulty of accessing groundwater for drinking purposes.

Figure 5. 2 Geography of Mai Kaen district, Pattani



The poverty report by TPMAP highlighted that the Mai Kaen area is grappling with poverty concerning livelihood and income. Analysis of the field area in 2023 revealed that a majority of households are still contending with income poverty, primarily due to fluctuations in agricultural prices.

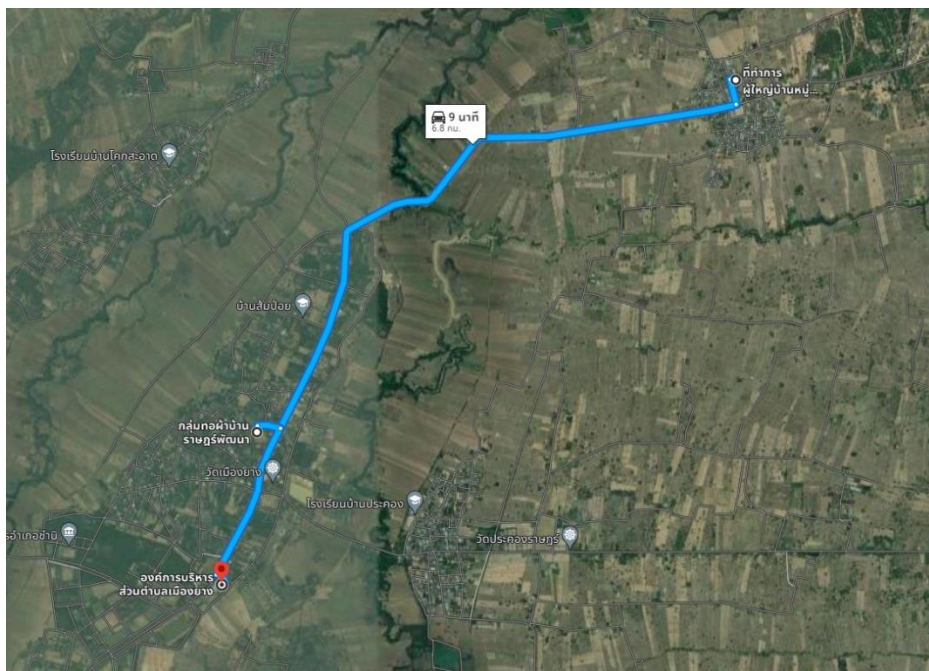
The primary issue faced by households is the instability and decline in agricultural commodity prices, notably in rubber. Consequently, many farmers have resorted to selling their land to meet daily needs, resulting in a loss of farmland for numerous households. Additionally, some households have opted to seek employment abroad for better income prospects, such as migrating to Malaysia for work, while others have chosen to hire laborers to tap rubber on their farms.

Another significant concern in the Mai Kaen Subdistrict is the religious divisions and terrorism-related violence. Religious disparities persist as a worry for some Thai Buddhists, leading to limited interaction between Thai Buddhists and Thai Muslims due to mistrust and paranoia. Interviews revealed that many individuals avoid to contact with Thai Muslims from other villages due to a lack of trust. Moreover, the area grapples with a problem of drug smuggling, particularly prevalent among teenagers in specific areas, further eroding trust within the community.

### 5.1.3 Mueang Yang district of Buri Ram

Mueang Yang Subdistrict is a part of Chamni District, containing 13 villages and situated in a upland area. More than 90% of households in this subdistrict are engaged in agriculture. The area boasts a public school, temples, and monasteries. In terms of community welfare, the Subdistrict Administrative Organization actively supports the local villagers through various initiatives..

Figure 5. 3 Geography of Mueang Yang district, Buri Ram



When compared to Mae Hong Son and Pattani, the transit, roads, and water supply systems in Mueang Yang Subdistrict are better. Most of the roads consist of paved concrete streets, making navigation simple, and there is no problem with access to drinking water. People can easily get services and travel.

According to TPMAP facts and figures from 2017, the primary cause of poverty in Mueang Yang Subdistrict is mainly the lack of a reliable source of income, leading to economic hardship. Apart from educational issues, it was revealed that the majority of people have low levels of education. A field study discovered that living conditions and income poverty remain the top concerns, consistent with the situation in 2017.

The main problems faced by households in Mueang Yang Subdistrict include falling agricultural product prices, water shortages for farming, flooding, and agricultural household debt.



The scarcity of arable land in the Northeast is akin to the scarcity of land suitable for rubber cultivation in the South. Interviews with sampled households revealed that many chose to sell their land to finance their children's education. Consequently, households lost their farmland and transitioned into hired laborers on other people's farms, eventually leading some to migrate to nearby countries such as Malaysia or South Korea. Moreover, many households heavily rely on the remittances as their primary source of household income, constituting nearly 30 percent of total household income.

In summary, there are differences among the three provinces analyzed in terms of geography, cultural beliefs, the average education level of household heads, and the specific challenges each area faces, such as the risk of political and cultural violence in Mai Kaen Subdistrict, geographical obstacles in Na Pu Pom Subdistrict, and the lack of sources of income in Mueang Yang Subdistrict.

Additionally, the survey revealed that when comparing the average per capita income level in the three provinces with the expenditure poverty line in 2021, nearly 65.56 percent of the 90 households fell below the poverty line. It is crucial to emphasize that poverty cannot be assessed solely in monetary terms. The next section will expound on the definition of poverty drawn from the household interviews.



Figure 5. 4 Characteristics of households

Mae Hong Son (Na-Pu-Pom)	Pattani (Mai-Kaen)	Buri Ram (Mueang Yang)
<ul style="list-style-type: none"> <li>• 95% lived in the valley</li> <li>• 13 villages</li> <li>• Most of household are farmers (agricultural sector)</li> <li>• Hiltribe (Tai-Yai)</li> <li>• <b>5 dimensions of poverty:</b> <i>Education and Income</i></li> <li>• <b>Infrastructure:</b> worse</li> <li>• <b>Remark:</b> Risk of crime and drugs</li> </ul>	<ul style="list-style-type: none"> <li>• lived near the sea</li> <li>• 4 villages</li> <li>• 50% of household are farmers, labour, fishery,</li> <li>• Muslim-Budha</li> <li>• <b>5 dimensions of poverty:</b> <i>Living standard and Income</i></li> <li>• <b>Infrastructure:</b> moderate</li> <li>• <b>Remark:</b> Risk of violence and drugs</li> </ul>	<ul style="list-style-type: none"> <li>• lived in North-eastern</li> <li>• 13 villages</li> <li>• 90% of household are farmers (agriculture sector) and labour</li> <li>• Thai</li> <li>• <b>5 dimensions of poverty:</b> <i>Living standard and Income</i></li> <li>• <b>Infrastructure:</b> moderate</li> <li>• <b>Remark:</b> economic growth and migration</li> </ul>

In comparison, when we examine a sample household, Table 5.1 demonstrates that 90% of Na Pu Pom households rely on agriculture as their primary source of income. The average age of household leaders is around 38 years. Additionally, 36.6% of household heads had no formal education, while only 26.67% of them graduated from secondary school. Most households consist of two generations. Some villagers work as daily laborers on farms. Na Pu Pom is quite peaceful, and households rarely work abroad or travel to other areas.

The structure of Buri Ram presents a different view; the proportion of Mueang Yang's villagers with a skipped generation is the highest compared to Mae Hong Son and Pattani. Mueang Yang has a large elderly population in the village, and many offspring have decided to work abroad. Although most of them work in the agricultural sector, the aging structure is quite different. The average age of the household head is about 56.83 years, compared to Mae Hong Son. 90% of Mueang Yang's household heads graduated from primary school.

In Pattani, it is the only province that focuses on fishery and labor. Mai-Kaen has an average household income higher than the others, at 12,000 baht per month compared to Na Pu Pom and Mueang Yang. The highest educational attainment in this area is higher than in other areas. There was a household head who graduated with a bachelor's degree more frequently than in other provinces.

Table 5. 1 Socio-economic characteristics of households (Unit: %, Baht)

Characteristics	Area			Total
	Buri Ram (Mueang Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Kaen)	
<b>Gender of household heads (%)</b>				
Male	23.33	13.33	3.33	10
Female	76.67	86.67	96.67	90
<b>Average age of household head (Year)</b>	56.83	38.8	43.9	46.5
<b>Educational Level of leader (%)</b>				
No education/less than primary	0.00	36.67	0.00	12.22
Primary school	90.00	23.33	36.67	41.11
Secondary school (M1-M3)	0.00	10.00	23.33	15.00
Secondary school (M4-M6)	10.00	26.67	26.67	23.89
Vocational certificates	0.00	0.00	3.33	1.67
High vocational certificates	0.00	3.33	0.00	1.11
Graduated	0.00	0.00	10.00	5.00
<b>Marital status of household heads</b>				
Single	6.67	0.00	3.33	2.78
Married	60.00	93.33	66.67	74.44
Divorced	13.33	6.67	13.33	11.11
Separated	3.33	0.00	6.67	3.89
Widow	16.67	0.00	10.00	7.78
<b>Main occupation of household heads</b>				
Government agent	3.33	0.00	3.33	2.22
Private employee	3.33	0.00	3.33	2.22
Household business	0.00	0.00	10.00	5.00
Farmers	33.33	90.00	23.33	47.22
Labor	26.67	3.33	36.67	23.89
Others	6.67	3.33	23.33	13.89
Unemployed	26.67	3.33	0.00	5.56
<b>Type of Household, generation (%)</b>				
Single	6.67	0.00	3.33	2.78
One-generation	20.00	3.33	3.33	6.11
Two-generation	33.33	60.00	53.55	52.22
Three-generation	23.33	36.67	36.67	34.44
Skip-generation	13.33	0.00	3.33	3.89
Live with relative	3.33	0.00	0.00	0.56
<b>Household income per month (baht)<sup>1</sup></b>	9,192.78	9,120.10	12,899.83	10,398.24
<b>Household expenditure per month (baht)</b>	7,048.24	9,780.82	6,741.56	7,856.87
<b>Household income per head per month</b>	2,690.27	2,035.85	2,955.65	2,560
<b>Average remittance per month (baht)</b>	2,786.21	330	1,150	1,406

Characteristics	Area			Total
	Buri Ram (Mueang Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Kaen)	
% of household remittance by total income	21.54	2.83	8.16	10.72
Average Government allowance per month (baht) <sup>2</sup>	1,662.07	1,186.67	1,240.00	1,359.55
% of government allowance by total income	29.28	21.84	12.17	21.00

Remark: N=90 households: 30 households per provinces

1. Household income in this table via the surveys
2. The government allowances included the poverty card, child allowance, elderly allowance, and disabled allowance.

## 5.2. Definition of poverty and poverty discourse

In this section, interviews were utilized to explore the concept of poverty. One of the open-ended questions asked households to articulate their perceptions of poverty, prompting them with: *'What have you considered poverty throughout your life?'*

In previous chapter, quantitative method relied on the poverty line as the threshold to categorize household poverty statuses, it primarily assesses poverty through an income-based component. This approach lacks an in-depth comprehension of poverty as perceived by poor households. Therefore, presenting household perspectives on the concept of poverty will enhance our understanding and potentially lead to more suitable solutions in the future.

An intriguing revelation from the study was that a majority of the 90 households did not view poverty solely as an absence of income. Instead, they defined poverty in terms of lacking leverage, rights, opportunities, assets, and various other factors.

### 5.2.1. Lack of income

Most Thais typically consider money or income as the primary dimension of poverty. However, in rural areas where natural resources play a vital role in livelihoods, access to food serves as another indicator that households consider when contemplating poverty. For example, households in Mae Hong Son, they usually have their own fowl and vegetables, in this case the poverty is not in terms of money, but poverty is the lack of food, or if they are idleness, did not do the crop they will starve.

*"Poverty is when there is no rice to eat, only rice left but no food..."*

*(Head of household, 30 years old, Mae Hong Son Province)*

*"Poverty is when there is nothing to eat"*

*(Head of household, 37 years old, Mae Hong Son Province)*

*"A poor person is someone who has no food to eat. Today, I worked as a contractor just to afford a meal. After finishing my meal, I had leftovers for tomorrow. However, tomorrow, there won't be anything to eat.."*

*(Head of household, 56 years old, Mae Hong Son Province)*

*"Poverty means constantly worrying about where our next meal will come from. Despite working this much, I still barely have enough to eat"*

*(Head of household, 34 years old, Mae Hong Son Province)*

*"Poverty is No money to buy meat, Not even a blanket."*

*(Head of household, 55 years old, Mae Hong Son Province)*

*"...I never buy pork because it is expensive. I can't afford it. I pick vegetables from the garden and cook them with chili paste mixed with rice..."*

*(Head of household, Buri Ram Province)*

### **5.2.2. Lack of leverage**

The concept of leverage is often observed in households where the head is typically elderly. Some conversations suggest that poverty results from bad fortune, while some households accept it as a destiny beyond their control. This finding aligns with one of the poverty discourses: "Poverty is passed down from generation to generation," which approximately 79% of households in Buri Ram agree with, compared to only 55% of 90 households elsewhere. In Mae Hong Son and Pattani, this myth about the lack of leverage seems less prevalent than in Buri Ram, with figures of 48.2% and 51.3% respectively. This might imply that age and education have shaped the idea of poverty.

*"Poverty is my destiny; I was born to repay my sins."*

Household leader, Buri Ram

*"Poverty denotes a lack of money." You know, money is needed for every activity. As a result, everyone born poor will face difficulties."*

*(Head of household, 51 years old, Pattani Province)*

### 5.2.3. Lack of right

Mae Hong Son is one of the areas where this perspective is evident. In various discussions, individuals have highlighted that their rights were different when they were children. This type of deprivation leads to the lack of access to fundamental citizen rights, which is crucial for every individual.

*"I don't have an ID. When I take my wife to give birth, I have to pay the hospital expenses alone, which can amount to more than 6,000 baht. I haven't had an ID card since I was born because my mother misplaced my birth certificate. I have never had any rights, no gold card, no voting privileges, and only completed Grade 3 before discontinuing my studies. I no longer receive a Poor Card."*

*(27-year-old head of household from Mae Hong Son Province)*

It was discovered that many of the sampled households lacked voting rights. Household members without an ID card forfeit their citizenship rights and are consequently ineligible to receive essential state benefits such as healthcare, opportunities for childbirth, or education.

### 5.2.4. Lack of opportunity

Another dimension of poverty from the interview centered around the notion of 'lack of rights.' The household primarily highlighted educational attainment as the foremost concern. The lack of rights is usually followed by differences in the ability to achieve valuable things in life. The example of lack in opportunities such as education, electricity, or lack of partisan.

*"A poor person is someone who lacks everything. There aren't enough study opportunities, and there isn't enough farmland. But in the end, what can the poor do?"*

*(Head of household, 57 years old, Buri Ram Province)*

*"I must send him to school. If I lack funds, I'll borrow to ensure his education. I once aimed to study but didn't follow through. I aspire for him to receive a better education, avoiding the struggles I faced.."*

*(Head of household, 37 years old, Mae Hong Son Province)*

*"In contrast to wealthier people, being poor means having fewer opportunities. The cost of living differs, as does the standard of education."*

*(Head of household, 32 years old, Pattani Province)*

*"My chances are limited. I want to study, but I can't. It appears that others are aware, but I am not."*

*(Head of household, 40 years old, Pattani Province)*

*"... I recently received my bachelor's degree and have applied for the SAO exam. However, when I arrived at the exam date, other candidates informed me that the organization already had the candidate they needed...."*

*(Head of household, Pattani Province)*

*"Poor people are those who lack money and opportunities in many aspects of life."*

*(Head of household, 54 years old, Pattani Province)*

*"Poor due to a lack of chance and capital to start life. The stereotype of poor people being lazy is untrue because they are so diligent that they don't know what to do. But it is still this way."*

*(Head of household, 49 years old, Buri Ram Province)*

The interview revealed that poor households perceive unfairness in opportunity, particularly in access to education. This issue is echoed in Puey Ungphakorn's (1973) article "A Chronicle of Hope from Womb to Tomb," which highlights the disadvantages faced by disadvantaged families.

### 5.2.5. Lack of asset

Many households face the issue of lacking assets. In Na Pu Pom, land is the primary asset that households desire. The lack of land ownership rights leads to insecurity in agricultural employment for households.

*"A poor person is one who lacks farmland. Being a poor household in the past is the basis of being poor. You will not be poor if you have enough land to farm."*

*(Head of household, 49 years old, Buri Ram Province)*

*"A poor person is someone who has nothing, who is suffering, who does not have a home or money."*

*(Head of household, 48 years old, Pattani Province)*

*"It is depend on government. If they does not allow (the right), we must leave"*

*(Head of Household, Mae Hong Son)*

*"The (Royal) State surveyed by satellite. If there is no cultivation for 5 years, they come and take it all back. (We) must move out of here. Nowadays, we have to hire other people to do the farming. I'm afraid they take it back and I won't have a place to live." <sup>25</sup>*

*(Head of Household, Mae Hong Son)*

*"Poverty is defined by a lack of money, education, and farmland."*

*(Head of household, 35 years old, Pattani Province)*

According to Thai government figures, in 2020, there were communities living in every. One of the 227 major protected forest areas, a total of roughly 4,265 villages covering an area of 4.273 million rai (Talerngsri, 2023). The majority of owners reside in the north and northeast, with only 19,867 households having land ownership documents.

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<sup>25</sup> The primary reason for not cultivating the land is the lack of available labor. Hiring is solely to maintain ownership rights as the land is a cherished heritage passed down through generations, integral to their way of life.



Arable land scarcity affects households in Na Pu Pom Subdistrict and Mueang Yang subdistrict of Buri Ram. Many agricultural households struggle to preserve their property due to factors like dividing land among children and abandoning unproductive land. As a result, many sell land to raise expenses for university education. This situation is deeply ingrained in Thai culture.

**Figure 5. 5 Dimension of poverty definition from household's perspective.**

lack of income	lack of leverage	lack of right	lack of opportunity	lack of asset
<ul style="list-style-type: none"> <li>• lack of money</li> <li>• Access to food</li> </ul>	<ul style="list-style-type: none"> <li>• be the disable</li> <li>• born to be the poor</li> </ul>	<ul style="list-style-type: none"> <li>• Citizen right: don't get identification card</li> </ul>	<ul style="list-style-type: none"> <li>• Access to education</li> <li>• Access to financial capital</li> </ul>	<ul style="list-style-type: none"> <li>• Land for cultivation</li> <li>• Accommodation</li> </ul>

In summary, the findings of this study are quite consistent with Amartya Sen's Capability Approach, which defines poverty as more than just a lack of income; it also involves the capability of accessing numerous resources desired by households. When discussing the meaning of poverty, many households in the area voiced their pessimism about acquiring resources, as indicated by interviews conducted with them.

The perception of poverty in the Mae Hong Son area mainly revolves around land ownership rights. It was discovered that the land is situated in overlapping areas of government entities. Consequently, no household in the Na Pu Pom Subdistrict possesses its own land title deed.

The perception of "poor" by households is linked to inequality of opportunity, power, and institutions. The National Statistical Office's panel data survey lacks information on inequality and institutional factors, making it difficult to explain the significance of these variables. A field survey in three provinces found that most Thai households agree on inequalities in opportunity and power. Table 5.2 was the sample of Thai poverty discourse on power and opportunity.

Table 5. 2 Household perceptions of poverty

<i>Poverty discourse</i>	Area			Total
	Buri Ram (Muang Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Kaen)	
<b>1. Poverty is passed down from generation to generation</b>				
<i>Strongly Disagree</i>	3.45	20.69	17.24	16.09
<i>Disagree</i>	17.24	31.03	31.03	28.74
<i>Agree</i>	41.38	31.03	17.24	25.86
<i>Strongly agree</i>	37.93	17.24	34.48	29.31
<b>2. If you don't want to be poor, don't be lazy</b>				
<i>Strongly Disagree</i>	56.67	7.14	24.14	24.28
<i>Disagree</i>	23.33	14.29	10.34	13.87
<i>Agree</i>	16.67	32.14	44.83	35.84
<i>Strongly agree</i>	3.33	46.43	20.69	26.01
<b>3. Poor! Stressed! Let's drink!</b>				
<i>Strongly Disagree</i>	55.17	31.03	57.69	47.88
<i>Disagree</i>	10.34	20.69	23.08	20.00
<i>Agree</i>	27.59	48.28	15.38	29.09
<i>Strongly agree</i>	6.9	0.00	3.85	3.03
<b>4. Not being the son of a wealthy family, our lives must be difficult.</b>				
<i>Strongly Disagree</i>	0.00	3.57	3.45	2.89
<i>Disagree</i>	6.67	0.00	10.71	4.62
<i>Agree</i>	36.67	53.57	34.48	41.04
<i>Strongly agree</i>	56.67	32.14	62.07	51.45
<b>5. Obtain a higher education so that you will not be as poor as your parents.</b>				
<i>Strongly Disagree</i>	0.00	6.90	3.45	4.02
<i>Disagree</i>	10.34	10.34	24.14	17.24
<i>Agree</i>	41.38	31.03	31.03	32.76
<i>Strongly agree</i>	48.28	51.72	41.38	45.98
<b>6. If there is no partisan, prisons are only for holding poor people.</b>				
<i>Strongly Disagree</i>	0.00	7.41	0.00	2.37
<i>Disagree</i>	0.00	11.11	10.34	8.88
<i>Agree</i>	21.43	59.26	41.38	43.79
<i>Strongly agree</i>	78.57	22.22	48.28	44.97
<b>7. "You can't compete with wealthy individuals who have partisans, no matter how diligent or skilled you are"</b>				
<i>Strongly Disagree</i>	0.00	0.00	0.00	0.00
<i>Disagree</i>	3.45	14.29	0	5.33
<i>Agree</i>	24.14	42.86	28.57	32.54
<i>Strongly agree</i>	72.41	42.86	71.43	62.13

Poverty discourse	Area			
	Buri Ram (Muang Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Kaen)	Total
8. "The world is unjust to the poor. There are only poor people who have to hustle every day to find rice to fill their pots."				
<i>Strongly Disagree</i>	0.00	0.00	3.45	1.84
<i>Disagree</i>	7.14	4.17	6.90	6.13
<i>Agree</i>	42.86	33.33	48.28	42.94
<i>Strongly agree</i>	50.00	62.50	41.38	49.08
9. "Stupid leaders, we'll all starve to death."				
<i>Strongly Disagree</i>	7.41	0.00	14.81	8.75
<i>Disagree</i>	14.81	30.77	22.22	23.75
<i>Agree</i>	22.22	23.08	11.11	16.88
<i>Strongly agree</i>	55.56	46.15	51.85	50.63
10. "If politics is good, Thais will not be poor."				
<i>Strongly Disagree</i>	0.00	0.00	3.57	1.83
<i>Disagree</i>	0.00	0.00	7.14	3.66
<i>Agree</i>	53.57	65.38	35.71	48.17
<i>Strongly agree</i>	46.43	34.62	53.57	46.34

Source: the survey.

According to the above table, Poverty is a significant struggle in Thailand, with approximately 60% acknowledging its pervasive presence. It is often passed down through families, often beginning in childhood and perpetuated by limited access to education. In areas like Mae Hong Son, households differ in their perceptions of poverty, with many focusing on the behavior and dedication of household members. Many households do not consume alcohol, as it is often a lack of money to purchase it. Poverty is often linked to a lack of opportunity and power, with 92.4% of households agreeing on this. Investing in children's education is highly valued, with over 75.81% of households agreeing that it will prevent them from falling into the same poverty trap as their parents.

The patronage system in Thai society is criticized for its inherent flaws, with 88.76% agreeing that prisons are primarily for detaining underprivileged individuals without favoritism. Competition with affluent individuals backed by favoritism is challenging, regardless of hardworking or intelligence. Households are also concerned with politicians and political institutions, with over 67.51 percent agreeing that leadership effectiveness has an impact on poverty. However, households place greater importance on institutions than people, with 94.51 percent believing that if the country's politics were good, the economy would not be poor.

Social capital is a vital tool for finding societal ties, community networks, and minimizing the likelihood of sliding into poverty.

### 5.3 Role of social capital in poverty reduction.

Social capital is a crucial factor in poverty reduction, as highlighted by Deepa Narayan's 1999 study "Bonds and Bridges: Social Capital and Poverty." It provides social cohesion and is essential for poverty reduction. This section explores the value of social capital in three provinces, focusing on six categories: group and network, trust and solidarity, collective action, information and communication, social cohesion, inclusion, and empowerment.

**Table 5. 3 Social Capital and its categories**

<i>Social capital</i>	Area			Total
	Buri Ram (Muang-Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Khen)	
<b>1. Group and network</b>				
<i>Average group and community</i>	1.73	1.16	1.26	1.38
<i>Average close friends and neighbors</i>	4.7	6.03	7.06	5.9
<i>Average close friend who can borrowed</i>	0.66	1.53	0.43	0.87
<i>Amount of Borrowing from neighbor and friend</i>				
<i>Not borrow</i>	40.00	26.67	70.00	50.56
<i>Less than 1,001</i>	26.67	30.00	20.00	24.44
<i>1,001-3,000</i>	13.33	30.00	6.67	15.56
<i>3,001-5,000</i>	6.67	10.00	3.33	6.11
<i>5,001-10,000</i>	3.33	0.00	0.00	0.56
<i>More than 10,000</i>	10.00	3.33	0.00	2.78
<i>Average amount of borrowing</i>	5,816	1,950	480	2,749
<i>Reason of borrowing</i>				
<i>Consumption</i>	77.78	86.36	88.89	85.39
<i>Pay for debt</i>	0.00	4.55	0.00	2.25
<i>Investment</i>	16.67	4.55	11.11	8.99
<i>Personal use and others</i>	5.56	4.55	0.00	3.37
<b>2. Trust and Solidarity</b>				
<i>Do you believe most individuals in most societies can be trusted, or do you believe they must be careful?</i>				
<i>Yes, I can Trust.</i>	50	86.36	100.00	83.15
<i>No, I cannot.</i>	50	13.64	0.00	16.85
<i>Suppose you drop your wallet in the village. Do you think a neighbor will bring it back?</i>				
<i>Definitely get it back</i>	5.56	36.36	33.33	29.21
<i>Definitely won't get it back</i>	66.67	27.27	22.22	33.71
<i>Not sure</i>	27.78	36.36	44.44	37.08
<b>3. Collective action and Cooperation</b>				

Social capital	Area			
	Buri Ram (Muang-Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Khen)	Total
<i>Have you ever participated in volunteer activities for society? (Volunteer or beg)</i>				
<i>I volunteered to help them.</i>	93.75	90.91	87.50	90.48
<i>The village leader begged me to join.</i>	6.25	9.09	12.50	9.52
<i>If there was a public project that the majority of the community would benefit from, would you support that project? and how to support it (pay money or labor).</i>				
<i>Labour support</i>	53.33	56.67	63.33	59.44
<i>Money support</i>	10.00	6.67	6.67	7.22
<i>Labour and money support</i>	36.67	36.67	26.67	31.67
<i>Not support</i>	0.00	0.00	3.33	1.67
<i>Do you think village residents will come to support each other if anything horrible happens to a neighbor, such as a fire or an accident?</i>				
Yes	100.00	96.67	70.00	83.89
No	0.00	3.33	3.33	2.78
Maybe	0.00	0.00	26.67	13.33
<b>4. Information and Communication</b>				
<i>Main sources of information from government?</i>	Mobile, Village megaphone	Mobile, Village megaphone, LINE	Mobile, Village megaphone, LINE	
<i>Average mobile with internet per household</i>	1.06	1.5	2.17	1.58
<i>How has government communication changed from 4-5 years ago?</i>				
Better	96.67	100.00	100.00	99.44
The same	3.33	0.00	0.00	0.56
<i>How do you think your village's roads have improved or become more comfortable?</i>				
Better	93.33	100.00	100.00	98.89
The same	6.67	0.00	0.00	1.11
<i>Average number of visiting city per year</i>	2.8	7.7	2.6	4.4
<b>5. Social cohesion and inclusion</b>				
<i>How close do you think you are to the people of this village?</i>				
Very close	33.33	56.67	43.33	46.11
Close	33.33	26.67	23.33	26.11
Moderate	20.00	10.00	0.00	6.67
A bit close	6.67	0.00	16.67	9.44
Leave them alone	6.67	6.67	16.67	11.67
<i>Do you think there are differences in beliefs, religion, and status within this village?</i>				

Social capital	Area			
	Buri Ram (Muang-Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Khen)	Total
Yes, a bit different	30.00	36.67	63.33	48.89
Yes, a big different	30.00	6.67	0.00	7.22
Not different among us	40.00	56.67	36.67	43.89
<b>If there are differences, do you think that those differences will cause serious conflicts or not?</b>				
Yes, it does	26.67	0.00	0.00	4.44
No, it doesn't	73.33	100.00	100.00	95.56
<b>Has your family ever been excluded from participating in community activities?</b>				
Yes	3.33	0.00	13.33	7.22
No	96.67	100.00	86.67	92.78
<b>6. Empowerment and political action</b>				
<b>Do you think you'll be able to transform your and your family's lives today, for example, by opening your own shop or sending your children to college?</b>				
I cannot do	20.00	40.00	26.67	30.00
Not sure	53.33	33.33	40.00	40.00
I can do	26.67	26.67	33.33	30.00
<b>Has your village joined the campaign to effect positive change?</b>				
None	0.00	6.67	50.00	27.22
Annual	23.33	13.33	3.33	10.00
2-5 times	60.00	63.33	43.33	52.78
More than 5 times	16.67	16.67	3.33	10.00
<b>How frequently do you and your household exercise your political right to vote?</b>				
Never	0.00	3.33	0.00	1.11
Sometimes	0.00	0.00	3.33	1.67
Almost every time	0.00	6.67	3.33	3.89
Every time	100.00	90.00	93.33	93.33
<b>Which election do you prioritize between the Prime Minister's election and the election of local officials?</b>				
Prime minister	50.00	0.00	30.00	23.81
Local officials	42.31	96.15	23.33	48.81
Both of them are important	7.69	3.85	46.67	27.38
<b>How the government election important to your living?</b>				
Very important	3.33	16.67	0.00	6.11
Quite important	3.33	10.00	6.67	7.22
Moderate	0.00	6.67	13.33	8.89
A bit	66.67	40.00	30.00	39.44

<i>Social capital</i>	Area			Total
	Buri Ram (Muang-Yang)	Mae Hong Son (Na Pu Pom)	Pattani (Mai-Khen)	
<i>No, not important</i>	26.67	26.67	50.00	38.33

### 5.3.1 Group and network

The survey reveals that most households in the sample belong to informal groups or networks, such as members of the Bank for Agriculture and Agricultural Cooperatives (BAAC), health volunteers, and village funds. Membership benefits households through privileges like borrowing rights and free tuition for health volunteers' daughters.

The ties between households and neighbors are close, with close friends playing a crucial role in supporting households in restricted locations like Na Pu Pom Subdistrict. Around 85.39 percent of borrowing is for household consumption, such as acquiring commodities, rice, and school uniforms. Many households wait until the end of the harvest season to repay their lenders in installments. Additionally, informal groups and networks are essential for households in Na Pu Pom Subdistrict, as they lack access to financial institutions that require land title deeds as security.

*"I've volunteered as a village health volunteer for many years. I was given the Outstanding Village Volunteer Award this time. This prize provided free tuition for my child to study nursing."*

*(Head of household, 37 years old, Mae Hong Son Province)*

### 5.3.2 Trust and solidarity

Regarding trust and solidarity, over 100% of households in constrained regions such as Na Pu Pom and Mai Kaen indicated they could trust their neighbors. This is primarily due to the fact that most people in villages are all related. However, if it is a financial trust, for example, imagine dropping your wallet in the village. According to the report, as many as 66.67% of households said they were unlikely to receive their wallets. However, in closed villages such as Na Pu Pom and Mai Kaen, households had a higher level of confidence that they would receive their wallets.

### 5.3.3 Collective action and cooperation

Volunteerism and community cooperation are another aspect of social capital. It was discovered that the nature of Thai society is still quite supportive, with volunteers assisting one another. More than 90% of households stated they are keen to support the community in any way they can. Almost 60% of households are willing to participate in terms of labor support rather than financial support. Many households stated that they had to send at least one person to participate in the village activity as a volunteer.

*“You must join the village activities, no matter how busy you are. I’ll send 1-2 family members to participate in local activities because it will be a valuable lesson for others.”*

*(Head of household, 37 years old, Mae Hong Son Province)*

#### 5.3.4 Information and Communication

Furthermore, communication and information Thai households utilize technology to communicate more than ever before. Previously, the primary form of communication was one-way communication using village megaphones to inform village news. However, it has recently been discovered that technology such as LINE has begun to be used to get news from the community. And each household has at least 1–2 mobile phones with an internet connection. Households agree that communication and transportation are far superior today.

*“Previously, we simply had a village megaphone. It is now also announced on the village LINE. Receiving news is a lot easier now than it was previously.”*

*(Head of Household, 37 years old, Mae Hong Son Province)*

*“In the past, it used to take 1.30–2 hours to get to Mueang Mae Hong Son.” During the rainy season, some settlements were sealed off from the outside due to mudslides and dirt slides. There was a death because the patient was unable to get to the hospital in time. However, it is currently extremely simple to get to Mueang Mae Hong Son in less than an hour.”*

*(Head of household, 37 years old, Mae Hong Son Province.)*



Technology has been discovered to be used in Pattani to buy and sell things in the village, such as advertising for food sales ready for home delivery in the same village area. In certain places, when young people return home, technology is used to communicate and sell things via the internet.

In contrast to Buri Ram, some villages do not use technology as thoroughly as others. Some villages continue to rely primarily on phone calls. This could be because the majority of them are elderly people who are unfamiliar with technology. Some houses claimed that they were unaware of village information since the sound from the village megaphone did not reach their dwellings.

### 5.3.5 Social cohesion and inclusion

In terms of close ties and communal conflict, it was discovered that there were very few confrontations of ideas in most communities. Only a small number of conflicts occur in villages, such as Pattani. However, the disagreements may result in a loss. The vehicle bombs in Pattani harmed people's confidence and trust in the community. In Pattani, there does not appear to be any confrontation between Thai Buddhists and Thai Muslims. According to several Thai Buddhists, "if you feel unsafe, just leave them alone and stay only in your village."

### 5.3.6 Empowerment and political action

The political tensions in the sampling household were not addressed in the survey. Most households avoid critiquing or debating politics with others. The majority of confrontations in the area are generally caused by differences in economic status or discrimination among people.

*"In this village, they have a partisan. Because we are poor, we have never gotten any news or donations from them. Only their partisans received it first. We'd like to join a village group and do business with them. But they refused to accept us. They merely chose their partisans and met among themselves."*

*(Head of household, Pattani Province)*

*"There have also been some political disagreements. However, because it was a small village, there was no real dispute... Whoever becomes Prime Minister is also a good choice."*

*(Head of household, 37 years old, Mae Hong Son Province)*

Overall, this section suggested that organized and informal networks of ties in the community have an effect on the strength and dependability of households. This trait fosters a strong network of ties and aids in the alleviation of poverty. According to Narayan (1999), social capital, which includes having social networks, both formal and informal, will influence policy making and the effectiveness of public policy on poverty reduction. The study discovered that houses in Na Pu Pom Subdistrict are an outstanding example that illustrates the closeness and social networks between people in the community and leads to financial aid in times of difficulty.

The following section will offer an overview of the dynamics of Thai households categorized into four groups: chronically poor households, Entry into poverty, Exit from poverty, and never-poor households. This will be done using life-history diagrams to illustrate the differences among these household groups..

#### **5.4 Poverty dynamics of households**

From in-depth data collection of poor households in Mae Hong Son, Pattani and Buri Ram, poor households can be divided into four groups, consisting of chronically poor households, entry into poverty, exit from poverty and never-poor households. It was found that most of the household surveys in the area were chronically poor households. and transiently poor households that enter and exit poverty due to various determinants.

The Life-history approach compares a household's level of well-being during that period to a description of its lifespan along with determining the reasons for the rise or fall in the standard of living. The analytical framework focuses on significant change scenarios that affect the life span of a household, such as changes in household members, migration, graduation, or abrupt exit from school, debt issues, natural disasters, illness of household members, and so on. The results from the life-history approach can be summarized in the following table.

##### **5.4.1 Chronically poor households**

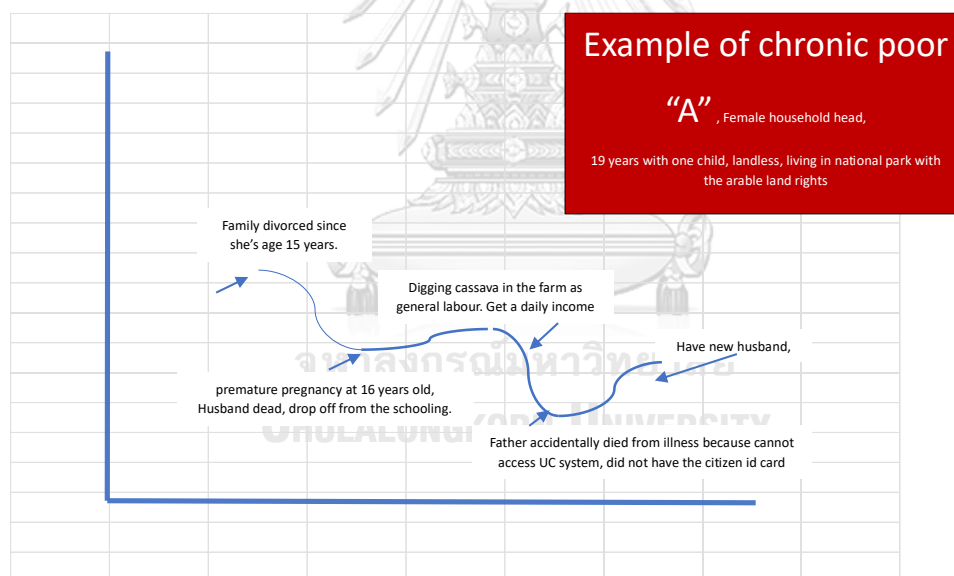
One example of a chronically poor household where the living conditions were bad due to a lack of four fundamental essentials of life, especially housing. When compared to other households in the same society, some of them confront shortages

at the start, such as basic citizenship rights, forcing them to fall into a condition of poverty from the start.

An intriguing discovery is that chronically poor households have more internal problems than other groups of households, such as being landless since the parents' generation, suffering from illness, or dropping out of school too soon. All of these contribute to a poorer possibility of escaping poverty than others. Some households had a young household leader, less than 20 years old, because they became orphans and lacked essential production factors such as land, human capital, and so on.

Some chronically poor households are unable to exercise their citizen rights. They were not given an identification card. As a result, individuals are unable to use government health services such as the UC system and are not eligible for government subsidies.

Figure 5. 6 Example of chronically poor households.



*My father passed away many years ago. Since my infancy, Dad hasn't owned any land since my younger sibling turned one. He sold off all his possessions to make ends meet. The house where I currently reside has lacked a title deed since my childhood. It's where I was born and raised. I met my ex-husband in the village when I was just 13, with no intention of starting a family, but a mistake led to the birth of my child. My ex-husband and I divorced long ago. He went to work and tragically was assassinated.*

*Now, I find myself unable to pursue my dreams. I didn't graduate due to struggling with math. I feel like I'm falling behind my friends. Despite my efforts, my parents couldn't afford to send me to school, except for my father, who supported my education. My mother has been living with her new husband and has developed a heavy drinking habit. When she ran out of money, she turned to me for help, and despite my own limitations, if I have something, I try to assist her.*

*I'm unaware of any government assistance programs. During his lifetime, my father didn't have an ID card because of a registration issue during his birth. Consequently, he never acquired rights, such as a UC card when he fell ill or elderly allowances. He was unwell on the day he passed away and couldn't afford hospital expenses, forcing him to stay at home.."*

*(Household leader, 19 years old with 4 years old kid, Mae Hong Son)*

It was discovered in some circumstances that households with persons with difficulties are another group that should be wary of falling into chronically poor households, especially the intellectually disabled. When this is combined with religious beliefs and culture, it causes people to fall into more vulnerable group.

*She has a mental disability." She was mistreated by her mother when she was 13 years old, and she now had cerebral palsy. She was forced to marry a cowherd when she was 16 years old. She was given a dowry of 15,000 baht, which her uncle held in order for her to take 100 baht at a time. Her spouse abused her, and she now has two small children, ages 6 and 7. The doctor at the hospital attempted to offer birth control, but her husband refused due to religious culture that forbids birth control. She recently had an abortion on her third child since she was in poor health.*

*(Household leader, 24 years old with 2 kids, Pattani)*

In conclusion, the government should prioritize filling gaps in basic rights for chronically poor households. For example, access to citizenship rights, literacy support, and social welfare measures that benefit specific communities. Furthermore, the government should fund and repair public utility systems, such as providing electricity in rural places and universal access to safe drinking water because there are many villages that cannot access to electricity.

#### 5.4.2 Exiting from poverty households

Households that are able to escape poverty frequently have human capital and social capital aspects involved. Many households discovered that even though they had poor internal characteristics, such as a lack of farmland, they still had access to education and the ability to work and save money. This trait frequently leads to an opportunity to exit poverty.

Furthermore, households in areas with high social capital are more likely to escape poverty than households in places with low social capital. Households in Buri Ram Province are one example. Mueang Yang Subdistrict has benefited from the SML project, which has been ongoing since 1997. The SML project stimulates money circulation in the village and increases the locals' chances of finding work. Communities with a high level of social capital have a greater chance of escaping poverty.

*My family faced significant financial struggles. Raised by my grandparents, I experienced hardship when my parents had to sell our house to cover attorney fees. This period was incredibly challenging. After high school, I started working in a factory, gradually increasing my daily wage from 185 baht to 250 baht over 4-5 years. Unfortunately, the factory moved its operations to Vietnam, leading to my layoff and return to Buri Ram.*

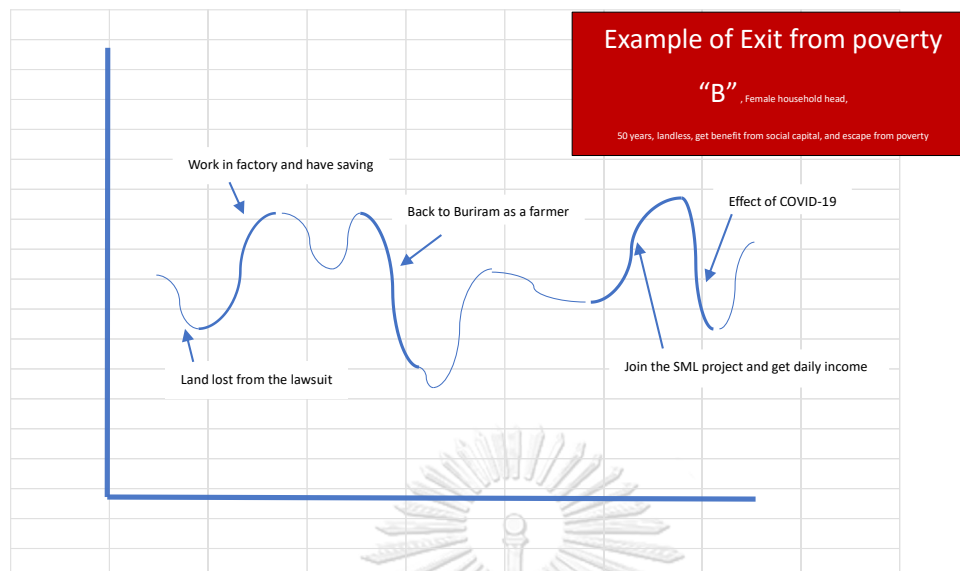
*Initially exhausted by the 1997 economic crisis, compounded by the loss of my father, I made a decision to become a farmer. However, my farming venture incurred losses, forcing me to resort to renting a farm field.*

*At the age of 35, I learned about a government SML program through the village leader, who mentioned a vacancy for a salesperson in the local grocery store. I applied for the position, and the neighborhood council used the initial state funding to establish a community shop. Although my salary began at only 100 baht per day, the leader encouraged me to persist, emphasizing the community's reliance on the store for their daily necessities.*

*With time, my daily income increased to 200 baht. Moreover, the collective purchase of items from our store by villagers enables everyone to receive a dividend from the store's profits. Additionally, being a part of this project has provided me with a complimentary lunch.*

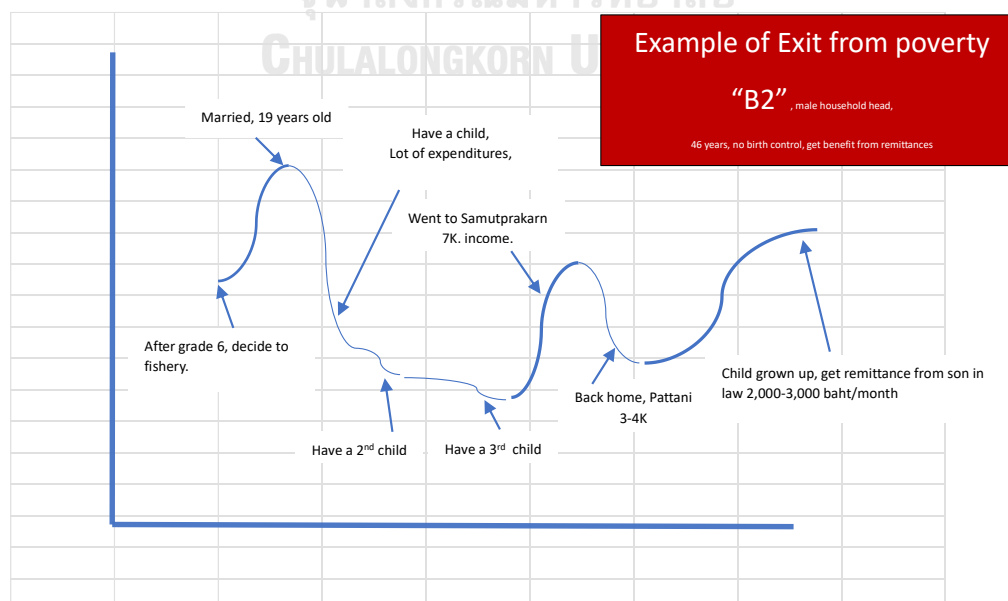
*(Household leader, 50 years old with 2 kids, Mae Hong Son)*

Figure 5. 7 Example of Exiting from poverty households (1)



Another finding from the survey is the significance of remittances in households. It was found that in many areas, transfer funds actually had an effect on raising the economic status of households. Both from money transfers from children and from spouses and wives who travel to work abroad. This outcome is consistent with the findings of the preceding chapter's multinomial logit model analysis, which found that remittances are extremely significant for improving the status of Thai households. It also shows the long-established role of social capital in Thai society.

Figure 5. 8 Example of Exiting from poverty households (2)



### 5.4.3 Entry into poverty households

The study discovered a number of characteristics for households that are on their way to being poor. Most households suffer from a lack of internal resources as well as external causes that are beyond their control, such as the loss of an active member of the household, debt problems from a spouse, fraud issues, increasing intermediate agricultural product, or having to emigrate back to their hometown to care for their sick parents.

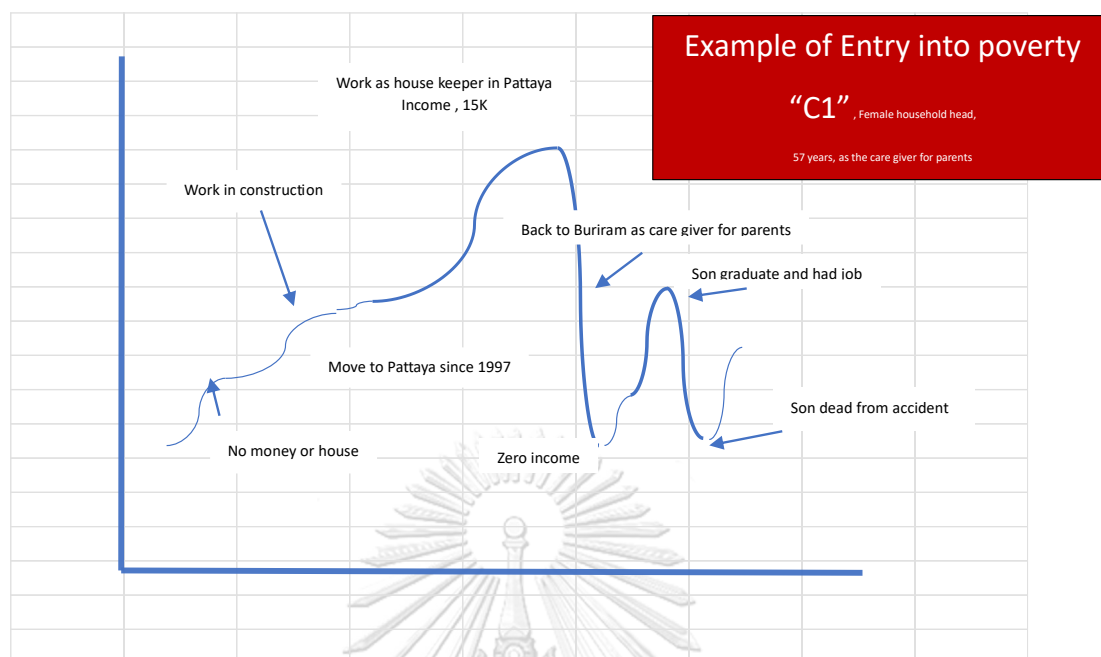
What's intriguing is that Thai culture, or family ties in which children care for elderly parents, is another factor that influences the chance of falling into poverty. At the present time, it has been discovered that the agricultural sector is not the country's primary production sector. Many children from farming families relocate to large cities to work in the service industry, such as trade, services, and even tourism, which is the country's primary source of income.

Many families relocated to cities while their parents remained in farmland. As a result, when parents get older, it is necessary for a family member to care for them. If they are unable to adjust to shifting occupations or find adequate work in their homeland, they may end themselves in poor households.

*"I had to leave school because I could only attend for a few days each week due to my responsibility to help my mother care for my younger sibling. At the age of 12, I began working in construction. My work took me to different places like Bangkok, Pattaya, and Kanchanaburi; wherever there was work available. Initially, my savings amounted to around 7-8 thousand baht. The peak of my financial success was when I worked as a housekeeper for a foreign employer, earning up to 15,000 baht per month. However, my time in Pattaya was short-lived as my siblings needed me to take care of our parents. Since then, I have been living without any income."*

*(Household leader, 57 years old, Buri Ram)*

Figure 5. 9 Example of entry into poverty households. (1)



When comparing household heads by age group, it was discovered that households with youthful and educated heads of households adjust better than heads of households who return to their hometowns when they are old. These two groups have distinct flexibility as well as access to diverse technologies. This certainly has an impact on the change in household income.

*"I worked after graduating from high school and moved to Bangkok to sell medical goods at drug stores." My monthly income was around 4-5 thousand baht, and I had a family with children in Bangkok at the time. My mother grew ill after nearly 20 years there, so I chose to return here to care for her and bring my child with me. My husband didn't enjoy being here, so we separated. After some time, I established a farm to cultivate vegetables for sale. Family income has increased little."*

*(Household leader, 50 years old, Pattani)*

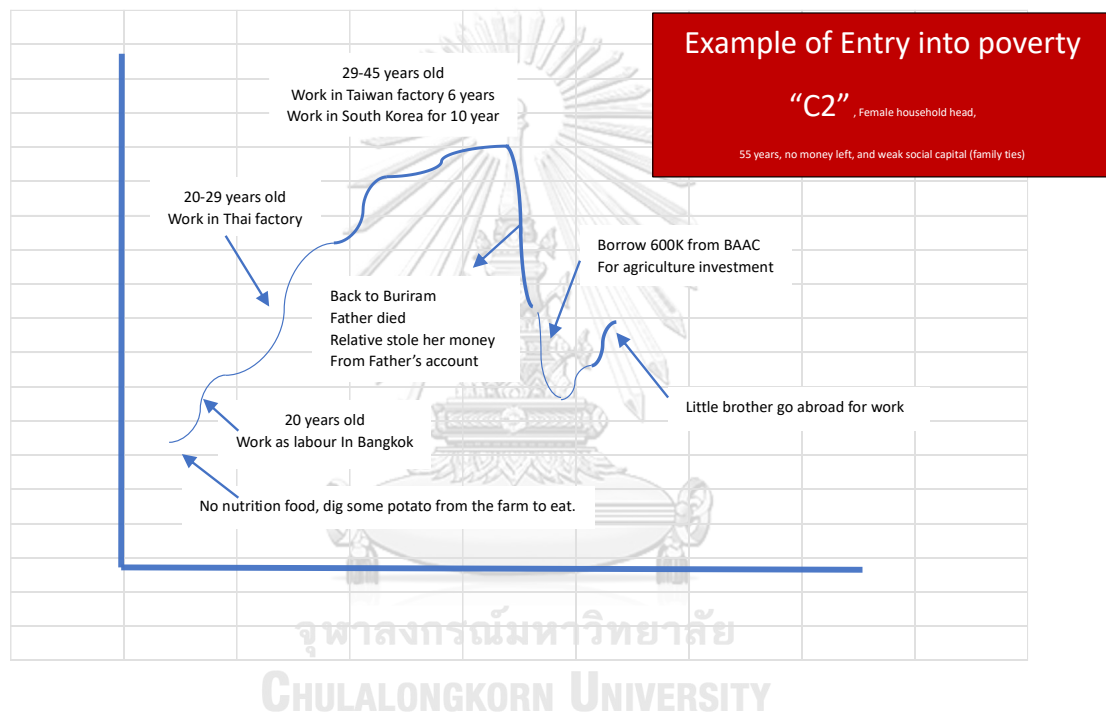
Another element that contributes to household poverty is a lack of social capital. It was discovered that many households relocated to work abroad despite having saved a significant amount of money. However, if you lack social capital and family ties, you may find yourself in poverty.



"I moved to Bangkok for a bit and began with construction work. When the opportunity arose, I went to Taiwan to work for 30,000 per month and then to South Korea. I haven't been able to go home for 28 years, since I was 20 years old, so I've always sent money. I gave my father the money to save. Because my father died, there is no money left for me. The siblings then spent all of the money that I had deposited in my father's account. It appears that there is nothing left in life."

(Household leader, 55 years old, Mae Hong Son)

Figure 5. 10 Example of entry into poverty households. (2)



#### 5.4.4 Never-poor households

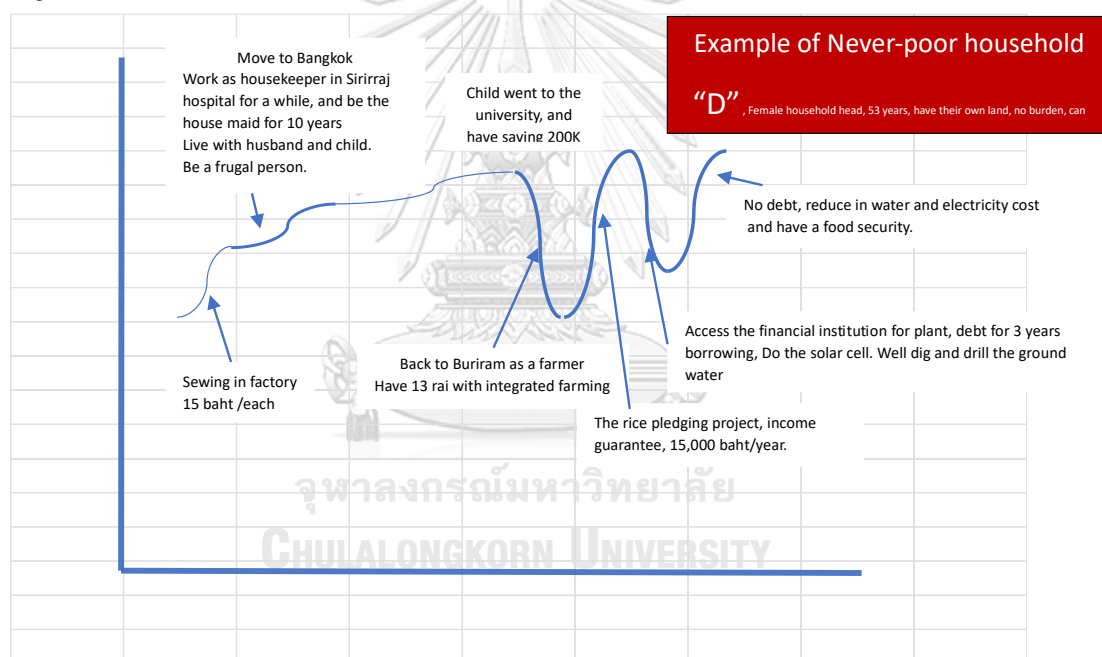
It was discovered that essential reasons for avoiding being poor from household life history are: having good internal elements from the beginning, such as owning your own land, saving behavior, frugality at the start of work, and supporting their children's access to school. Furthermore, when internal characteristics are combined with the ability to access funds for investment, the majority of them tend to succeed.

Working in agriculture does not always put you at risk of being poor. According to the interviews, many households share similar traits. As people get older, some household leaders migrate from non-agricultural to agricultural work. Even throughout the career transition phase, many households face significant financial difficulties.

However, if households have access to financial resources, receive assistance from appropriate government initiatives, such as the rice pledge project, or have access to cooperative lending sources, the above-mentioned difficulties are likely to be overcome.

However, in addition to having access to capital, another crucial factor that keeps many households from sliding into poverty is reducing unnecessary household spending to minimize the financial burden. Many households in the Buri Ram district dug wells and drilled groundwater for farm use. Solar cells are used by some households to minimize electricity expenditures. Some households prioritize integrated farming based on their abilities and no more borrowing than is necessary.

Figure 5. 11 Example of never-poor households.



Overall, it can be observed that external factors and social capital have an vital effect. Culture, customs, and familial relationships are examples of social capital components that can command and regulate the status of poverty. Family ties can have an impact in the poverty dynamic in both positive and negative ways.

In terms of remittance, for example, familial ties will support the household by offering remittance to alleviate financial constraints on the primary household. However, family ties also generated a substantial load for the household; some

household member were forced to leave the labor force to care for their parents. Many interviews have corroborated the lost and rising likelihood of falling into poverty.

**Table 5. 4 Determining factors of poverty dynamic: by life-history approach.**

<i>Factors</i>	
<i>Escape from poverty</i>	<i>Entry into poverty</i>
<i>Internal factors</i>	<i>Internal factors</i>
<ul style="list-style-type: none"> <li>- Completed the education.</li> <li>- Working abroad, getting permanent job</li> <li>- The child has completed his/her education.</li> <li>- Increase the arable land</li> <li>- Sedulity and saving habit.</li> </ul>	<ul style="list-style-type: none"> <li>- Drop out of schooling.</li> <li>- Get babies</li> <li>- Sickness, disable and chronic disease.</li> <li>- Be unemployed.</li> <li>- Land loss</li> <li>- Alcohol or drug addict</li> <li>- Change occupation from non-agriculture to agriculture.</li> </ul>
<i>External factors: Shock</i>	<i>External factors: Shock</i>
<ul style="list-style-type: none"> <li>- Get job promotion.</li> <li>- The effect of public policy: Rice pledging project, SME project.</li> <li>- Increase in agriculture price</li> <li>- Get the heritage from parents, in terms of land or money.</li> </ul>	<ul style="list-style-type: none"> <li>- No access to citizen rights.</li> <li>- Teenage pregnancy, unexpected pregnancy</li> <li>- Accident or death of household members.</li> <li>- Flood, drought and natural disaster</li> <li>- Decrease in agricultural price index</li> <li>- The company went bankrupt.</li> <li>- The pandemic, (COVID-19)</li> <li>- The economic crisis, Communist period</li> <li>- Household member in jail.</li> <li>- No active member, husband/wife are alcoholic</li> </ul>
<i>Social capital</i>	<i>Social capital</i>
<ul style="list-style-type: none"> <li>- Get the borrowing from village fund.</li> <li>- Access the microfinance from company.</li> <li>- Get borrowing from cooperation.</li> <li>- Get the remittance from husband/wife or offspring who work abroad.</li> <li>- Get the job in village, Community shop</li> <li>- Get free meal from the village</li> </ul>	<ul style="list-style-type: none"> <li>- Social cost (Wedding and funeral ceremony)</li> <li>- Drug and alcohol near by his/her accommodation</li> <li>- Be the skipped generation all of a sudden</li> <li>- Decided to be caregiver for elderly parents, or their brother and sisters.</li> <li>-</li> </ul>

Source: N= 90 households.

## 5.5 Government's poverty reduction policy

The analysis will be divided into two portions in this section. The first is the government policies that existed from 2007 to the present, and the second is the public policy households need for poverty reduction.

### 5.5.1 Public policies for poverty alleviation and state welfare

It was discovered that households in Mae Hong Son, Pattani, and Buri Ram, despite being categorized as poor, were unaware of more than 16 government policy projects implemented since 2007. These government programs constitute an average of 9.7 projects out of the total 16 investigated, accounting for 61.1 percent. This section presents information on different government projects implemented in specific regions of Thailand and their impact on households, particularly emphasizing the level of awareness and benefits received by these households.

**Unfamiliarity with Government Projects:** There's a lack of awareness among poor households in Mae Hong Son, Pattani, and Buri Ram about numerous government projects initiated since 2007. Basic welfare programs like elderly allowances, disabled allowances, child allowances, free education for 15 years, and the government welfare card project are remembered by most households. However, long-running projects such as the One Tambon One Product Project (OTOP), GSB microfinance project, National Cheque Project, First Housing, and First Car Project are entirely unrecognized among the sampled households.

**Most Well-Known Projects:** Among the government projects, the Universal Health Coverage Project (UC Card), the Poor Card (State Welfare Card Project), and the Elderly Allowance Project are the most recognized among households. The UC system and the poverty card are known to 100% of households, while the elderly allowance project is familiar to 93% of households.

**Benefits of Key Projects:** The Universal Health Coverage Project (UC Card) has been highly beneficial to households, significantly reducing the financial burden of medical care expenses. The provision of free major treatments and surgeries by the government has substantially lessened the debt load from illnesses. Nearly all households aware of the UC system (98.8%) receive benefits from this initiative.

**State Welfare Card Project:** Also known as the welfare Card Project, it provides registered poor citizens with allowances, enabling them to purchase consumer goods from specific outlets. The aim is to stimulate the grassroots economy and reduce monthly household expenditures for the poor.

These insights indicate both successes and challenges in the implementation and awareness of government projects aimed at supporting and assisting disadvantaged households in Thailand. Awareness gaps exist despite the significant impact some projects have had on reducing financial burdens related to healthcare and providing allowances for daily needs.

**Figure 5. 12 Percentage of people who are aware of 16 government policies**

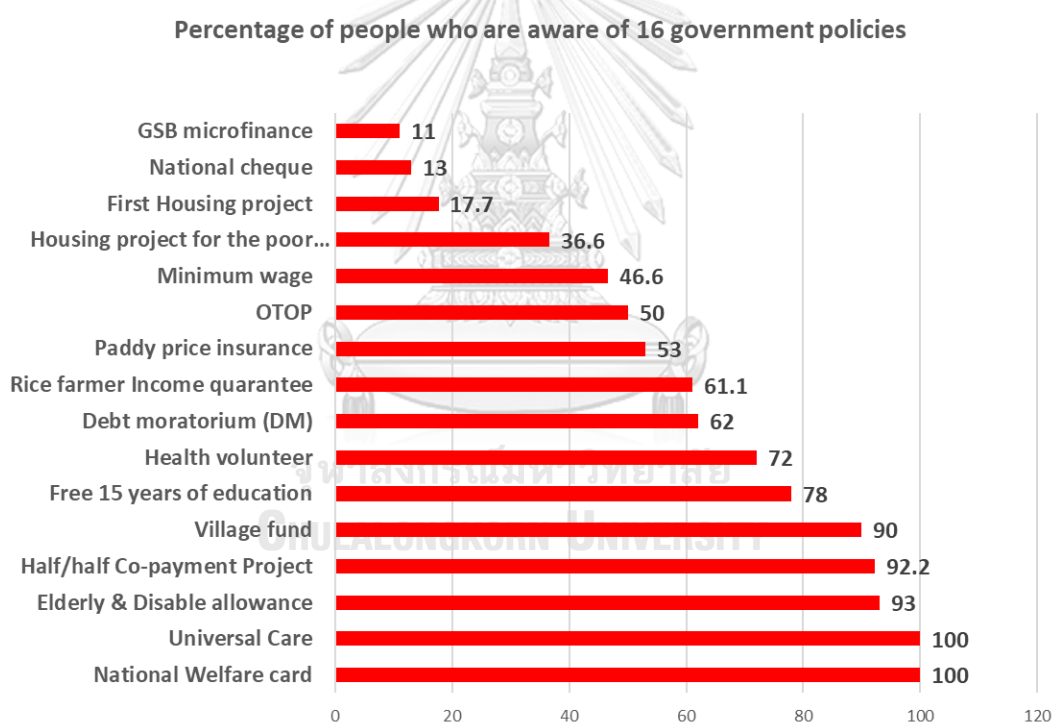
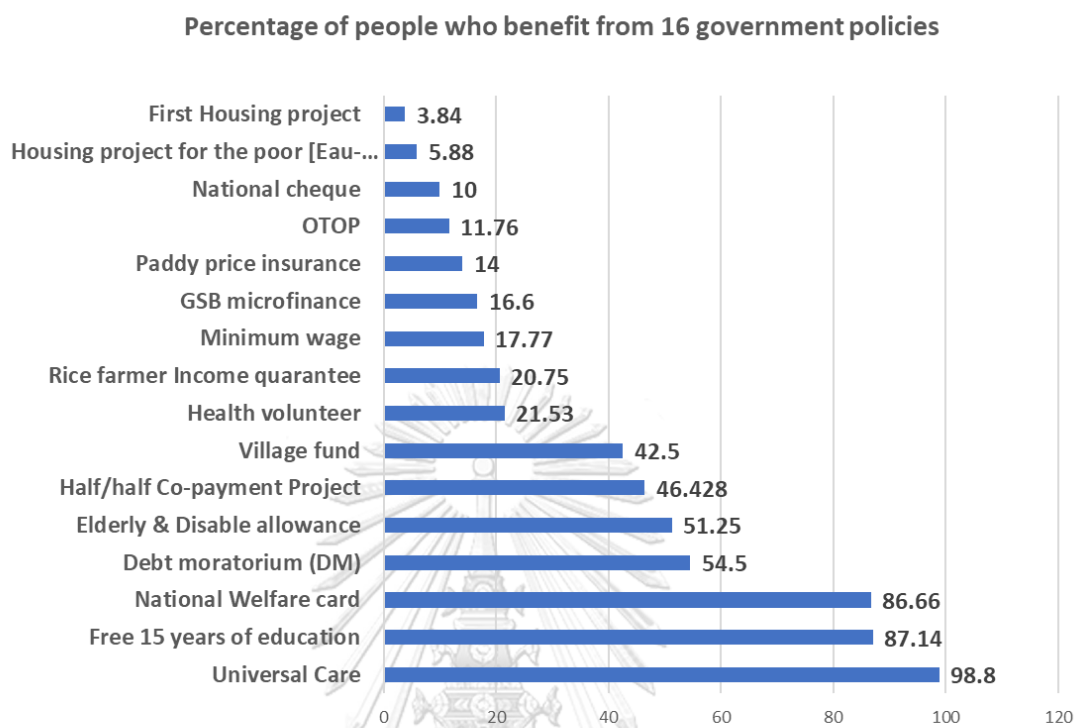


Figure 5. 13 Percentage of people who benefit from 16 government policies.



The receiving household member will get a monthly credit limit of 200–300 baht to spend on necessities at retailers. According to the survey, the majority of households agreed that this welfare card is superior to the half-and-half project that used a similar principle. The main reason is that the welfare card provides a predetermined credit allocation each month. When the half-and-half project does not have a fixed credit line and is difficult to budget for, this pattern makes it easier for the household to control the flow of revenue and spending. In the number of households that are aware of the Poor Card, 86.66% receive benefits from this project.

*"My household received three cards, totaling 900 baht per month; this may not be as much as the half-and-half project, but we received this amount every month, as opposed to the half-and-half project, which is single use and has a deadline. So I believe the Poor card is superior."*

*(Head of household, Mae Hong Son Province)*

*“Seriously, the government gives 300 baht per person, but right now just vegetable oil is not enough. For example, in a month the house uses 4 bottles of vegetable oil. Especially in mountain Thai food, oil is used as the main ingredient. Oil is now 70 baht per bottle. Getting 300 baht means you can only buy vegetable oil. Other necessary items are not included, but this is still better than nothing.”*

*(Head of household, 33 years old, Mae Hong Son Province)*

Another project well-known among households, particularly those with elderly individuals, is the elderly allowance. This project was recognized by 93% of the households in the sample. The allowance for the elderly begins at 600 baht for those over the age of 60 and gradually increases with age. The maximum monthly allowance for individuals over 90 years old is 1,000 baht. In 2021, the government announced a 100-baht top-up for the elderly who applied for the National Welfare Card. Among households aware of the elderly allowance, only 51.25% receive benefits from this project.

Similar to the 15-year free education initiative, of which 78% of households were aware, it was found that households with children supported this project as it significantly reduced household spending burdens. Despite the relatively small subsidy, it notably alleviates financial strain. According to the survey, most households still have to pay an additional 500-1,000 baht per term per child, or around 1,500 per child when transitioning from primary to secondary school due to expenses like grade promotion and the need for a new uniform. More than 87.14% of households aware of the program benefit from it.

However, these 16 government projects represent top-down policies. The subsequent section will address public policies desired by households for poverty reduction.

### 5.5.2 Public policies needs for poverty reduction.

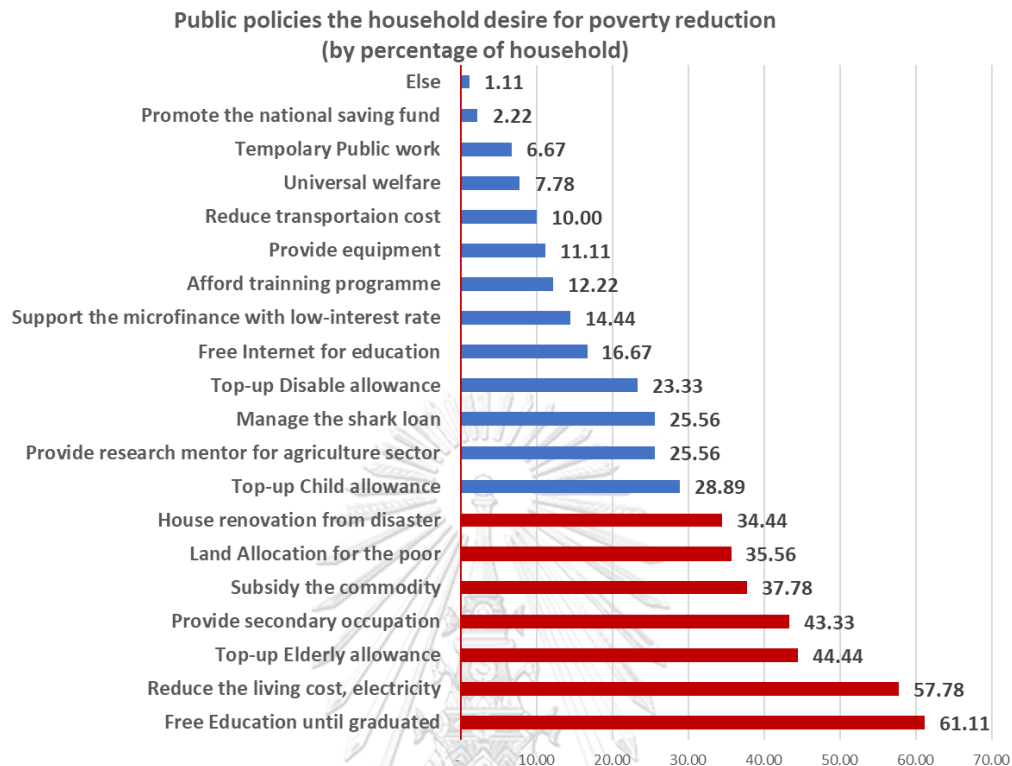
According to the result from quantitative method, the impact of education, having second source of household income, receiving remittance and others was used in this section. Moreover with the other public policies the government used to survey by NSO. As a result, this part includes a series of public programmes that allowed households to completely express their thought and demands. The study divided programs as follows:

- **The welfare policies:** such as support to access the basic welfare, increase the elderly allowance, increase the disabled allowance, increase the child allowance, increase opportunities to access the National Savings Fund
- **The living subsidy policies:** such as reduce water and electricity costs, reduce consumer costs, reduce the transportation cost for the poor.
- **The human capital policies:** such as expand free education for the undergraduate, provide the training programs to enhance skills for workers in their hometowns, provide free internet for education, provide research mentors and leverage technology to produce products with enhanced value.
- **The gainful employment policies:** such as provide part-time job or supplementary jobs for workers in their hometowns, provide the temporary employment, or the workfare program by government
- **The extended opportunity policies:** such as provides legal accommodation and land, provide the equipment for farming, provide the low-cost microfinance for the household, or renovate the accommodation and equipment.

The households were asked to rank the most attractive policies from the preceding lists, policies that they believe are required to reduce poverty. Some policies are supported by grants, while others are supported through opportunities.



Figure 5. 14 Public policies need for poverty reduction.



Source: the survey, 90 households

- Investment in human capital as the first priority.

It is important to note that the first priority program that households want is to invest in human capital by extending free undergraduate education. *'Free education until graduate from university'* This program was chosen by 61.11% of the 90 households. This could imply that education is significant in Thai households.

*"I have prioritized 'Studying for free at university' as my top choice because I aspire for my children to pursue their education at a university without financial constraints. ."*

*(Head of household, 33 years old, Mae Hong Son Province)*

This issue underscores the significance that households attribute to education as a pathway out of poverty. It aligns consistently with the preceding discourse on the correlation between education and poverty. Moreover, numerous low-income families encounter financial limitations in affording opportunities for their children. Additionally,

this discovery aligns with the results of quantitative analyses conducted through multinomial logit and sequential logit models, highlighting the significance of the average years of schooling as a factor influencing the escape from poverty.

- **Subsidy in living expense for the poor households**

The findings in this section also highlighted a difficulty with living expenses, particularly electricity and water. 57.78% of 90 households require a '*reduction in the cost of electricity and water,*' This result is consisted with the '*subsidy the commodity price*' (37.78%), which most of household usually thinking about the welfare card that provided 200-300 baht per head/month. Moreover, household also choose the project that provide the assistance in terms of money, followed by a '*increase the elderly allowance* (44.44%),'

- **Need the opportunity of enhance their capability.**

This choice "*the second occupation or the supplement employment for workers.*" (43.33%). This implies that households desire to be self-sufficient in the long run rather than rely on government assistance. Moreover, in Na Pu Pom, most of household focused on '*Land allocation for the poor*' (35.56%) because land is their household asset.

- **Relief the uncertainty and provide the safety in living for household.**

The household's most recent preferred public policy is housing renovation, which constitutes 34.44% of the preference. In Pattani, the recurring financial burden caused by storms has been a prevalent issue almost every year. Opting for this policy signifies the household's necessity to reside in safer living conditions.

In conclusion, the household's decision underscores the necessity for policies that support long-term development. These policies should encompass investments in human capital, initiatives aimed at enhancing individual capabilities, subsidies for living expenses, and ultimately, the provision of safer living condition.

## 5.6 Key findings from the life-history approach

The study reveals differences in geography, cultural beliefs, and household education levels among three provinces, Mae Hong Son, Pattani, and Buri Ram. Challenges include political and cultural violence in Mai Kaen Subdistrict, geographical obstacles in Na Pu Pom Subdistrict, and income lack in Mueang Yang Subdistrict. Nearly 65.56 percent of the 90 households fell below the poverty line in 2021, highlighting the need for a comprehensive assessment of poverty.

The quantitative method used in previous chapters primarily assessed poverty through an income-based component, lacking an in-depth understanding of poverty perceptions by poor households. The study revealed that most households view poverty not solely as an absence of income but also as lacking leverage, rights, opportunities, and assets. This aligns with Amartya Sen's Capability Approach, which defines poverty as more than just a lack of income but also the ability to access resources desired by households. The perception of poverty in Mae Hong Son is primarily based on land ownership rights, as no household in the Na Pu Pom Subdistrict owns its own land title deed.

The study highlights the importance of community networks in enhancing the strength and dependability of households, which in turn aids in poverty alleviation. Narayan (1999) highlights the role of social capital in policy making and the effectiveness of public policies on poverty reduction. The Na Pu Pom Subdistrict houses serve as an example of close community connections and financial aid.

The study reveals that poor households in Mae Hong Son, Pattani, and Buri Ram can be categorized into four groups: chronically poor, entry into poverty, exit from poverty, and never-poor households. Most surveys are chronically poor and transiently poor, with external factors and social capital playing a crucial role. Culture, customs, and familial relationships can regulate poverty status. Family ties can both positively and negatively impact the poverty dynamic, such as providing remittance to alleviate financial constraints or forcing members to leave the labor force to care for their parents.

The majority of Thai households prioritize investing in human capital through free undergraduate education, with 61.11% choosing this program. This highlights the importance of education as a pathway out of poverty, as many low-income families face financial limitations in affording opportunities for their children. Subsidies for living

expenses, such as electricity and water, are also sought by 57.78% of households. To enhance their capabilities, 43.33% choose "the second occupation or supplement employment for workers," while 35.56% focus on land allocation for the poor. Housing renovation is the most preferred public policy, as it signifies the need for safer living conditions. These decisions highlight the need for long-term development policies that support human capital, individual capabilities, living expenses subsidies, and safer living conditions.



## Chapter VI

### Conclusions and recommendations

In this final chapter, the conclusions drawn from both quantitative and qualitative methods will be discussed and compared. The poverty reduction policies and recommendations resulting from the study will also be presented in the following section.

#### 6.1 Conclusions

This study attempted to address the existing research gap by providing a comprehensive overview of poverty in Thailand from both monetary and non-monetary perspectives. It investigated the determinants of poverty incidence and dynamics through quantitative and qualitative methods using the SES panel dataset from 2007, 2012, and 2017, which consisted of 3,567 households. Additionally, in-depth interviews were conducted with 90 households in the three poorest provinces — Mae Hong Son, Buri Ram, and Pattani — utilizing the life-history approach. The findings from both quantitative and qualitative analyses revealed that various factors significantly influenced the dynamics of poverty.

##### 6.1.1 Receiving remittances

This study underscored the significance of remittances for Thai households, aligning with previous research in various countries such as Rabibhadana et al. (1995), Poapongsakorn et al. (2011), Archarya and Leon-Gonzalez (2012), Maleab and Bresciani (2017) and Arpi-Gjini and colleagues (2019). Receiving remittances was found to reduce the likelihood of household impoverishment, decrease the risk of falling into poverty, increase the chances of escaping poverty, and lower the risk of chronic poverty. The findings were supported by empirical evidence that vulnerable households, often characterized by a higher proportion of remittances in their income, faced financial insecurity and depended on remittances from family members working abroad or in cities.

The study also emphasized the critical role of remittances for specific household types, such as rural and skipped-generation households. In areas like Buri Ram, elderly individuals living with their grandchildren rely solely on remittances and government

allowances. In contrast, limitations on migration in areas like Mae Hong Son, such as the risk of losing government-approved land rights, restrict households from seeking employment beyond agriculture. Consequently, some households in these areas choose not to send their children for higher education, recognizing the limited opportunities beyond farming in their hometowns.

#### **6.1.2 Having a secondary source of household income**

Results from regression analysis confirmed that obtaining a secondary source of household income significantly reduces the probability of a household falling into poverty, decreases the likelihood of entering poverty, and increases the probability of exiting poverty, thereby becoming consistently non-poor households. This is because households relying on a single income source are more susceptible to risks and unpredictability. Natural disasters and unforeseen events, such as the COVID-19 pandemic, have left many of these households without income, struggling to maintain their consumption levels.

However, the likelihood of securing another occupation is closely linked to the initial human capital of the household. It was found that the probability of attaining a secondary source of household income differs based on the highest educational attainment of the household head. Vulnerable households headed by university graduates tend to have a secondary source of household income more frequently than those led by individuals who completed only primary school, suggesting that the lack of access to education among the poor may be a key factor contributing to their entry into poverty.

#### **6.1.3 Average years of schooling**

Access to education is a crucial factor, as confirmed by both quantitative and qualitative analyses. Results align with international and local literature, highlighting the importance of increasing average years of schooling as the primary factor in reducing the likelihood of falling into poverty. This study discovered that higher average years of schooling reduce the probability of household impoverishment, chronic impoverishment, and entering poverty, while increasing the chance of remaining non-poor. These findings align with Sakondhawatt's (2013) and Pawasuthipaisit's (2017) studies.

However, the impact of educational attainment may impose costs on households. An increase in the average number of years of schooling was associated with a negative effect on the probability of escaping exiting poverty, reflecting the financial burden of education-related debt. It was revealed that education-related borrowing constitutes a significant financial challenge, with at least 1% of households exiting poverty reporting that over 50% of their borrowing was for household members' education—the highest among other household poverty statuses.

#### **6.1.4 Source of household income**

The study highlights the pivotal role of agriculture as the primary household income source, aligning with Yang et al.'s (2020) World Bank report identifying agricultural households as highly susceptible to poverty. Relying on agriculture increases the likelihood of falling into poverty, diminishing the prospects of staying above the poverty line. This is further underscored by the correlation between the proportion of active members engaged in agriculture and the household's trajectory towards poverty.

Contributing factors include cultural land allocation practices, where most parents allocate land based on the number of their children. Households with less land face economic challenges, leading to increased expenditure per unit of land (Rabibhadana et al., 1995). In-depth interviews in Buri Ram revealed households with insufficient land shifting from farming to laboring for others or adopting internal arrangements to maintain their land. Noting that some households employ internal arrangements, such as allocating more land to members responsible for elderly parents, Likewise, siblings working in urban areas may transfer their farming rights to their brothers, receiving lower rent and rice in return. These examples illustrate collaborative decision-making within households to preserve their land as a unified plot.

Furthermore, households heavily reliant on non-wage income, primarily from government allowances, are more vulnerable to poverty. This appears to contrast with the earlier finding that receiving remittances increases the likelihood of escaping poverty. The discrepancy may arise because households relying on non-wage sources lack self-reliance, depending solely on external support, such as government assistance and aid from members outside the household. This group is sensitive to

unexpected changes, such as changes in government policies, interruptions in government allowances, or the death of an household member, unlike . This finding differs from households receiving remittances, which who may be more resilient due owing to additional income sources, such as employment

#### **6.1.5 Non-monetary aspect of poverty**

The results from the qualitative analysis show that definitions of poverty are closely linked to specific deprivations in various areas. In Mae Hong Son, the primary concern is the scarcity of land ownership, coupled with the lack of citizenship cards and limited transportation options. In Buri Ram, residents associate poverty with food inadequacy and the absence of microfinance options. Conversely, in Pattani, poverty signifies connectivity deficits, restricted access to government activities, and a lack of allowances or donations.

These findings emphasize the multidimensional aspects of poverty, shaped by household experiences and perceptions, intertwined with broader societal contexts such as community and environment. Recognizing local government or authorities as pivotal stakeholders becomes imperative in combating poverty in these regions

#### **6.1.6 Social capital play as important role for poverty reduction**

The role of social capital in poverty reduction was further affirmed through in-depth interviews with households in three provinces. Key findings include the role of groups and networks, information sharing, and social cohesion. In Mae Hong Son, geographical limitations restrict households to valleys, fostering closed relationships and encouraging borrowing money from neighbors. In Pattani, formal groups and networks like the village fund are limited to specific members, indicating a degree of partisanship. In Buri Ram, groups and networks actively support government projects like community shop, increasing household income and stimulating money circulation within the village.



## **6.2 Policy recommendations**

The key findings drawn from both quantitative and qualitative analyses lead to the following policy recommendations.

### **6.2.1 Promote family ties through the implementation of policies supporting remittances**

Given that households constitute the smallest yet most important social unit in providing a safety net for their members, it is imperative to establish policies that encourage remittances. This may involve measures such as increasing the ceiling of parental care allowances, reducing taxes for caregivers, and lowering fees for migrant workers who engaged in remittance transfers to their households.

### **6.2.2 Provide the long-term investment in human capital.**

Prioritizing human capital investment serves as the foundation for developmental policies. The government should consider extending free education to cover undergraduate degrees, which include both bachelor's degrees and high vocational certificates. This measure can alleviate household education expenses while fostering a higher percentage of skilled labor in Thailand.

Moreover, the government should actively promote training programs focused on emerging innovations and technology for the working class. Such initiatives will indirectly augment human capital and raise the probability of attaining a secondary source of household income.

### **6.2.3 Implement insurance programs for poor households**

Developing insurance programs for households relying on agricultural income is crucial to mitigating risks and uncertainties as these earnings are often exposed to climate and weather conditions. Unforeseen events such as droughts and floods can significantly impact market prices and farmers' revenue. The government should explore the establishment of crop insurance programs to address these challenges. Furthermore, recognizing the susceptibility of Thai households, especially in disaster-prone areas like Pattani, the government should offer policies to safeguard their living conditions such as weather insurance programs.

#### 6.2.4 Address the role of local authorities

Poverty encompasses various dimensions, both monetary and non-monetary. While considerable attention has been directed towards the monetary aspects, it is crucial to integrate non-monetary considerations into policy frameworks for effective poverty reduction, especially given the variations in deprivation across different areas. Local authorities should be acknowledged as pivotal stakeholders in the fight against poverty. To achieve this, decentralizing the budget from the national government and empowering local authorities to implement tailored poverty action plans at the grassroots level becomes imperative.



## Appendix

### Appendix A

#### Random sampling methods for the field survey

The field survey started during December 2022-February 2023 (3 months) for 90 households in Mae Hong Son, Pattani and Buri Ram, respectively. The field survey need the cooperation from the village leader and the village health volunteer (VHV) who worked and have a close relationship with targeted households.

The field survey prepared 1-2 weeks before the period of the surveys for encourage and make the appointment with the village leader. Some village need more the official letter from the faculty to confirm the objective of the survey. The letter from the ethic committee and the faculty are very useful.

**Step i: Grouping the household into 5 group by the judgement of Village expertise under the research criteria.**

The survey used the purposive sampling methods so the transitional matrix analysis of the study will use the poverty judgement from the view of the village expertise under the research condition. The village expertise in this study is the village leader or the village health volunteer (VHV) who understand and recognize some important event of their village household family background.

The researcher communicated with the village expertise about the criteria of the household poverty status (the chronic, the transient and the never poor). and explain them directly to make a clearly understand (As table A)

Table A. Criteria of the household poverty status

Criteria of the household poverty status			
Criteria	The Chronic poor household	The Transient Poor household	The Non-poor household
<b>Housing</b>	Live in very unstable or dilapidated houses that often need to be rebuilt every two or three years, often made with local materials or unstable materials	Have a stable house that usually does not need to renovating for 10 years	Have a solid and very stable house that usually renovate every 15 years
<b>House and its surrounding</b>	poor or have no hygienic condition	have a hygienic condition	have a well hygienic condition
<b>Vehicles</b>	no vehicles/ or used to have vehicles	Have vehicles, not a luxury vehicle.	Have their own vehicles/ either a motorbike or cars, some of them is a luxury vehicles
<b>Clothes</b>	Has a very old cloth, some of them is ragged.	usually used normal clothes, neither old or new.	usually used new clothes, some of them is a new fashion clothes
<b>Electricity</b>	Cannot access electricity or sometimes they used lamp, candle or flashlight instead	Can access an electricity, may used to suspend the use of electricity because they're in arrears.	Can access an electricity
<b>Fresh Water</b>	Cannot access fresh water or usually used rain or ground water as drinking water	Can access fresh water or usually used a pipe water as drinking water	Can access fresh water or usually used a pipe water and have a water purifier, or have bottled water as drinking water
<b>Cooking fuel</b>	Usually use charcoal or wood	Usually use charcoal, gas as a cooking fuel	Usually use gas or electricity as a cooking fuel
<b>Modern facilities</b>	no modern facilities	Have some modern facilities (air conditioning, internet,	Have many modern facilities (air conditioning, internet,

Criteria of the household poverty status			
Criteria	The Chronic poor household	The Transient Poor household	The Non-poor household
		microwave, washing machine, laptop) < 5 items	microwave, washing machine, laptop) >= 5 items
<b>Children and Education</b>	May have children who cannot go to school, or who must leave school prematurely because of their financial problems	Can send their children to school, normally a public school or the municipal school	Can send their children to school, normally a public school, private schools or the bilingual school.
<b>Food and starvation</b>	Their children or member might have a malnutrition or underweight. Sometimes they ask some food from the almshouse or temple.	Have enough or sufficient food for household member properly.	Plenty of food and snacks for their household members
<b>Saving and Debt</b>	Are not able to save money, Have household debt	Can or cannot save money, sometimes, they are in the impoverishment	Can save money in terms of the saving account, precious things or some real properties

Remark: Develop from Household Wealth Indicator in Deepa Narayan (2000).

\* If now, they confront with negative incidences (Job lost/Death/accident) and have a negative impact on their financial, They will be called T1 tier (Entry-into poverty)

\*\*if now, they get some positive incidences (Getting new job, graduated) and have a positive impact on their financial, they will be called T2 tier (Exit from poverty)

\*\*\* If they used to leave from the poverty but now they confront with debt/negative incidences, they will be called T3 tier (Re-entry into poverty)

### Step II: Random the representative households for each group

Researcher planned and requested the village map which presented the position of each households. After the village expertise grouped their households (by their household number) into 5 groups, researcher asked the village leader for the public announcement about the research project in the village and made the appointment

with the household leaders. The place for interview might be the centre of village, the village leader's house or the general co-working space of the village.

**Step III: In case of the representative reject/cancel or postpone the appointment.**

In some case, the representatives or some village would like to postpone the appointment, the researcher decided to change or switch the village for an interview. For example, researcher spared one- day for the household who would like to postpone the interview. In case that the representative household is not willing to give the research information or rejected the in-depth interview. The village leader called a new household as the replacement.

During the research study, the researcher cooperated and asked the Village Health Volunteer (VHN) to stay during the interview in order to make the representative household feel at ease and avoid the researcher from the misinterpretation in case the representative communicates with their local dialect or local languages.

The validity of the interviewing form is very important. The key-questions of the interviewing form passed a criterion of the Item-objective Congruency index (IOC) which operated by the research expertise. The research expertise considered and evaluated the overall key-questions. The content of the question is complete and suitable with the objective of the study. Some questions have the IOC score below 0.5, so the researcher decided to reconsider and adjust the question by using the recommendation from the research expertise. (As appendix X)

Even though the personal information and the household history in-depth interview form did not have the content analysis and the triangulation, but the researcher concerned about this issue. Researcher decided to assess the quality of the data by cross-check the information with their physical household evidence or the VHN or village leader's opinions.

## Appendix B

### Poverty scorecard of Thailand

The sample of poverty scorecard in Thailand is the simple poverty scorecard of (Diamond et al., 2016)

Thailand's Questionnaires	
1.	How many household members are there ? (A=>6, B=5,C=4, D=3,E=2,F=1)
2.	In the past 12 months, how many household members in their primary occupation were skilled agricultural or fishery workers or worked in elementary occupation? (2-3/2/1/0)
3.	What is the highest level of education attainment of the female head/spouse?
4.	How many rooms does the household occupy in its residence? (1/2/3/4 or more)
5.	What type of toilet arrangement does the household use?
6.	What is the main type of cooking fuel used by the household?
7.	Does the household own any washing machines?
8.	Does the household own any electric pots?
9.	Does the household have any motorcycles, automobiles, or pick-up/mini-trucks for its private use?
10.	How many landline telephone (Including PCT) and mobile telephone does the household own?

Source : Diamond (2016)



## Appendix C.

## Certificate of research approval from Ethic Committee



Office of the Research Ethics Review Committee for Research Involving Human Subjects:  
The Second Allied Academic Group in Social Sciences, Humanities and Fine and Applied  
Arts

Chamchuri 1 Building, Room 114, Phayathai Rd., Wang Mai, Pathumwan, Bangkok

Telephone: 02-218-3210 Email: curec2.ch1@chula.ac.th

COA No. 284/65

## Certificate of Research Approval

Research Project Number 650111 THE DYNAMICS OF THAI HOUSEHOLD POVERTY AND ITS IMPLICATIONS

Principal Researcher Ms. Nattabhom Leamcharaskul

Office Faculty of Economics, Chulalongkorn University

The Research Ethics Review Committee for Research Involving Human Subjects: The Second Allied Academic Group in Social Sciences, Humanities and Fine and Applied Arts at Chulalongkorn University, based on Declaration of Helsinki, the Belmont report, CIOMS guidelines and the Principle of the international conference on harmonization – Good clinical practice (ICH-GCP) has approved the execution of the aforementioned research project.

Signature

(Associate Prof. Dr. Nualnoi Treerat)

Chair

Signature

(Lecturer Dr. Sayamol Charoenratana)

Secretary

Research Project Review Categories: Expedited

Date of approval: 14 November 2022

Expiry date: 13 November 2023

## Documents approved by the Committee

1. Information Sheet for the Research Participants
2. Consent to Take Part in Research
3. The researcher's CV and experience to show his/her ability to conduct this research
4. Research tools

Conditions

1. The researcher has acknowledged that it is unethical if he/she collects information for the research before the application for an ethics review has been approved by the Research Ethics Review Committee.
2. If the certificate of the research project expires, the research execution must come to a halt. If the researcher wishes to reapply for approval, he/she has to submit an application for a new certificate at least one month in advance, together with a research progress report.
3. The researcher must conduct the research strictly in accordance with what is specified in the research project.
4. The researcher must only use documents that provide information for the research sampling population/participants, their letters of consent and the letters inviting them to take part in the research (if any) that have been endorsed with the seal of the Committee.
5. If any seriously untoward incident happens to the place where the research information, which has requested the approval of the Committee, is kept, the researcher must report this to the Committee within five working days.
6. If there is any change in the research procedure, the researcher must submit the change for review by the Committee before he/she can continue with his/her research.
7. For a research project of less than one year the researcher must submit a report of research termination (AF 03-13) and an abstract of the research outcome within thirty days of the research being completed. For a research project which is a thesis, the researcher must submit an abstract of the research outcome within thirty days of the research being completed. This is to be used as evidence of the termination of the project.
8. A research project which has passed the Exemption Review, must observe only the conditions in 1, 6 and 7



Digital Certificate

Project Number 650111

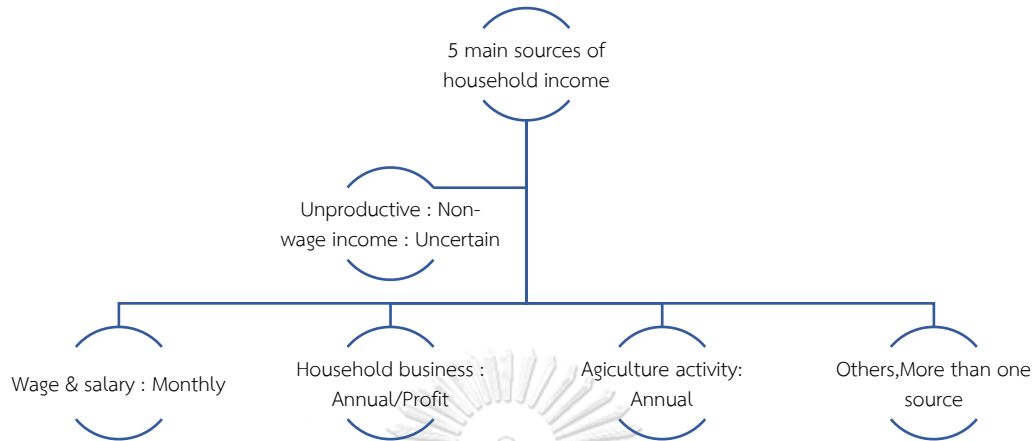
Date of approval 14 Nov 2022

Expire date 13 Nov 2023



## Appendix D.

### Main sources of household income



Source: SES Panel data with 3,567 households

This study divided household income into five groups based on the primary sources of household income: agricultural income, non-wage income, household business income, wage and salary, and others.

The definition of a major source of income is the primary source of revenue for a household. The study merged household and personal data from each household code in SES panel data and classified them based on the amount of each source of income.

- **Wage income**<sup>26</sup>: sum of household wage, OT, bonus, etc.
- **Household business income**<sup>27</sup>: sum of household business income
- **Non-wage income**<sup>28</sup>: the sum of income not from household productivities but mostly from transfers from outer households such as their offspring, government, NGOs, and others.

<sup>26</sup> Wage income is the sum of wage, OT, bonus, others, and all company welfare under the code G1:G11 in SES panel data.

<sup>27</sup> Household business income is calculated from G12, revenue from production, minus G13, expenditure from production, and G14, the value of the product the company used in their household, or the net earned income from business per month.

<sup>28</sup> Non-wage income is estimated by summing G15:G21 in SES panel data, which includes pension, compensation, transfer, government/NGO subsidy, rent, interest, bond, stock, windfall, and others.

- **Agriculture income<sup>29</sup>** : the sum of the value of agricultural products and rents

One household will only have one primary source of income. For example, if household A earns more than 50% of total revenue from wages and salaries, the household will be classified as the "primary source of income from wages and salaries." If, on the other hand, household B received more than 50% of total revenue from remittances, this household B will become the "primary source of income from non-wage," and if household C received equal amounts of total income from wage and non-wage, this household C will become "Others," indicating that they have more than one main source of income in the same amount.



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<sup>29</sup> Agricultural income is the net of the value of agricultural products (C23) and agricultural rents, such as animals (C24), rotary tillers (C25), agricultural equipment (C26), and services (C27), minus the agricultural expenditure (C28), and averaged into monthly revenue.

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**PUBLICATION**

1. Leamcharaskul,N. (2010). "The Economics of Happiness', in A Critical Siamese Intellectual, A Festschrift for Professor Pasuk Phongpaichit, ed. by Thanee Chaiwat , Bangkok: The Political Economy Centre, Faculty of Economics, Chulalongkorn University.
2. Leamcharaskul,N. (2010). "When Bangkokian Parents thinking about Happiness", in Happiness: New Frontier of Knowledge in Economic Theory, ed.by Associate Professor Narong Petchprasert, Bangkok: The Political Economy Centre, Faculty of Economics, Chulalongkorn University.
3. Phuapongsakorn, Niphon and et al. (2013). Thais Life: Two decades of Development (1991-2011), ed. By Mingsarn Khao-sa-ard and Nattabhorn Leamcharaskul. Chiang Mai: Thai Universities for Healthy Public Policy.

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1. Orrell,David ; Van Loon Borin. (2011). Introducing Economics: A Graphic Guide. Translated by Nattabhorn Leamcharaskul. Bangkok: Foundation for Children.

**AWARD RECEIVED**

- UFJ Foundation Scholarship for Academic Performance, 2005
- Sumitomo Corporation Scholarship, 2001
- Chulalongkorn University Scholarship, 1999-2001