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The changing of intergenerational transfers of economic capital in rural households in Northeastern, Thailand

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ARTICLE INFO

Article history:

Received 19 June 2014

Received in revised form

13 November 2014

Accepted 24 November 2014

Available online 14 February 2016

Keywords:

Beneficiary,
Distribution of inheritance,
Economic capital,
Intergenerational transfers,
Three generational household

ABSTRACT

This research studied the changes in intergenerational transfers of economic capital within rural households in Northeastern Thailand. The study was conducted using a qualitative approach in a rural community having the highest proportion of elderly population in the province. The units of analysis were at the community level and also the household level. Data were collected from in-depth interviews and observations using 35 key informants, with knowledge from the community and households which contained three generations of inhabitants who had transferred their economic capital (inheritance) between those generations. The content analytical method was employed for data analysis.

The study area was mainly agricultural in character, with residents growing rice and other crops. The results of this study showed that the structures and social-economic contexts of the community had been changed by the influence of economic development. The practice of transfer between the generations within the household had changed and included economic capital, such as housing, land, valuable possessions and income/assets. The transfer patterns of such things as housing and income/assets had not changed, with housing being transferred along matrilineal lines. The income/assets that remained were transferred along bilateral lines (becoming both patrilineal and matrilineal). Land and assets that were transferred via matrilineal lines had changed to bilateral lines.

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Peer review under responsibility of Kasetsart University.

<http://dx.doi.org/10.1016/j.kjss.2016.01.005>

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Introduction

The household is a social unit that has existed longer than many other social units; there is an age variation between members that ranges from youth to elders, affecting the member status within the household from birth until death (McFalls Jr., 2003; White & Klein, 2008). Beyond this, the institution of the family also provides structure to social functions, such as by determining reproductive roles, emotional security, and socialization. Examples of the household acting as an economic unit include its role in determining biological needs and economic and social status (Cheal, 2002). The above roles of the household are important factors that favor its persistence as an institutional unit (Wolf, 1966). Households can be the owners of factors of production or can be laborers or business owners. A household makes decisions on the use of capital or other factors of production in order to create optimal benefit for its unit. Households exchange capital with aspects of other economic units. As a result, social capital is expanded, and connection to outside structures can provide benefits to the whole household unit (Becker, 2008; Berk, 2008).

However, according to Marx's view, the economic capital of the household may be phased out if the household stops the economic reproduction process. It can be observed that it is important that households continue the economic reproduction process in order to acquire other types of capital (Kaewthep & Hinwiman, 2008). Therefore, households that consist of members of various ages should have an economic reproduction process that passes on from one generation to another, a so-called intergenerational transfer of capital.

Within the context of rural society in the Northeast region based on traditional agriculture lifestyle, beliefs, culture, tradition, and conservation, the line along which the community's power and kinship system made capital transfers within rural households, before the era of the national economic and social development plan, still related to practices regarding ancestral spirit and the pattern of marriage. The research of Kalaonsri and Srisantisuk (1987) showed that communities in the Northeast region had a transfer pattern based on matrilineal lines. The groom would be chosen by a group of relatives of the woman's household that had the same ancestral spirit and beliefs about taboo, in order to protect their own household capital, especially the estate properties. In this way, it prevented their household properties falling into the hands of poor households. The groom would join the lineage of the bride's family ancestral spirit after marriage, so their son would receive transfer capital in the form of chattels yet, in some cases, would not get any capital. A daughter would receive a proportion of the land capital. Daughters who took care of and lived with their parents would receive land capital in their hometown as a transfer of capital inheriting both traditional beliefs in ancestral spirits and family property at the same time (Kemp, 1989; Keyes, 1982; Theerasawat, 1993).

However, as Thailand achieved successful economic development, the country's financial stability brought about the distribution of commerce, industry, and tourism expansion at the regional level. This had the effect of raising land

prices within the Northeast's rural community. Rural households changed their production systems to cultivate crops that satisfy industry and changed their capital investment method to accumulate valuable assets (Office of the National Economics and Social Development Board, 2012). Rural households have embraced "accumulated capital" that gives a chance to households with property deeds to borrow money on credit and use that capital to continue to invest in their business. This caused households, which had small amounts of land, to be at high risk of losing their land, consistent with the annual report of the Bank of Thailand concerning high levels of debt among the Northeast region's families (The Bank of Thailand, 2014). When considering the purposes of loans in the poorest households, we have found that the first reason was for agricultural investment and the next was for household consumption. Furthermore, some of the debt was used for trading and investment purposes or to support dependent children, with regard to education fees, the costs of studying abroad, or to support migration to a big city or abroad in order to work within the industry and service sectors (Office of the National Economics and Social Development Board, 2012). These are the risks that have affected the household's capital accumulation that relate to intergenerational transfers of capital as the basis of the social mobility of households.

As Thailand develops its economy, the household structure is changing to extended families. This is due to an increasing number of elders in society (Podhisita, 2009). However, rural households are still trying to balance their roles of responding to the needs of biological members and establishing their economic and social status. The current research hypothesizes that each generation of rural households demonstrates different periods of time, and generational trends within rural households also affect differences in practices regarding capital transfer and values. It is interesting to ask, "How have the intergenerational transfers of economic capital in households of Northeast Thailand been changed?". So this article studied the change in intergenerational transfers of economic capital in rural households in Northeast Thailand.

Literature Review

In sociology, the analysis of capital has been influenced by Marx (1975). Marx defined capital as being more than assets; assets will change mode during the production process, such as through investment and employment, which results in the forming of profits. The assets will then change the mode into capital. Marx said that capital is a means of production that can be used as a tool to cheat laborers. Hence, capital is not only about the properties or possessions; it can be transformed from other things. Moreover, Marx suggests that the production and reproduction process is a relationship between humans which consists of four different activities, namely producing, sharing, exchanging, and consumption (Chantavanich, 2008; Kaewthep & Hinwiman, 2008). As a result, capitalism needs to be reproduced in order to pass itself on, or to persist, at all times. It can be said that the above concept supports economic capital transfers within rural households as a means of inheriting the production of capitalism that rural society is facing.

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