INTERGENERATIONAL TRANSFERS OF ECONOMIC CAPITAL
IN NORTHEAST RURAL HOUSEHOLDS, THAILAND.*

Wanichcha Narongchai
Ph.D. Candidate of Sociology, Faculty of Humanities and Social Sciences,
Khon Kaen University, Thailand.
Treebor_berserk@hotmail.com, treeborofsplendour@gmail.com

Dusadee Ayuwat
Assistant Professor, Department of Sociology and Anthropology,
Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand.
dusayu@yahoo.com

ABSTRACT

This research aimed to study patterns of intergenerational transfers of economic capital in rural households of Northeast Thailand. The study was conducted with a qualitative approach using in-depth interviewing and observation of 10 key informants from 20 rural village households in Northeast Thailand. Each of the participating households had three generations of inhabitants and had transferred inheritance over those generations. The units of analysis were the community level and the household level. The descriptive analytical method was employed for data analysis.

The study area was mainly agricultural in character, with rice and vegetable farming and was connected to the outside by middlemen. Results of this study show that community structures and economic and social contexts of the community had been changed by the new economy. The impact of these changes has been to put into effect new patterns of intergenerational transfers of economic capital, including transforming matrilineal patterns into bilateral patterns (which are both partrilineal and matrilineal).

Keywords : Intergenerational Transfers, Economic Capital, Bilateral, Rural Household
Three Generational Household.

INTRODUCTION

The institution of family is an essential and fundamental social unit, as members of the unit are related. There are many determinants of the family connection, such as marriage (husband and wife), blood lines, and living in the same place. (Onkvisit and Shaw, 1994) Family also establishes the living conditions of different family members, as members tend to live in one area, the “household.” Households can consist of many family lines related in a system of relatives, such as grandparents, grandmothers, cousins, sons-in-law, daughters-in-law, etc. (Podhisita C., 2011; Scott and Marshell, 2005; White and Klein, 2008). The household is another social unit that has existed longer than other social units; there is age variation among members, from youth to elders, which affects member status in the household from birth until death (White and Klein, 2008; McFalls Jr., 2003). Beyond this, the institution of family also provides structure to social functions, such as by determining reproductive roles, emotional

* This article is a part of the study entitled, “Social Mobility of Rural Households after the Intergenerational Transfers of Capitals, Thailand.” was supported by Research Scholarship Year 2011 (Grant for Graduate Lecturer) from Graduate School, Khon Kaen University, the faculty of Humanities and Social Sciences, Khon Kaen University and the Research and Training Center for Enhancing Quality of Life of Working-Age People (REQW) of the faculty of Nursing, Khon Kaen University, Thailand.

** Corresponding Author.
security, and socialization. Examples of the household acting as an economic unit include its role in determining biological needs and economic and social status (Allan, 1999; Nock, 1999; 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, businesspeople, or business owners. A household makes decisions in using capital or other factors of production in order to create optimal benefit for its unit. Households exchange capital with aspects of other economic units. For example, a household may spend economic capital or use profits from selling factors of production to consume products and services; or, a household may spend economic capital to extend cultural capital, such as by expanding opportunity for education and increasing household members’ level of education or by supporting a member’s work in a government section in order to make a relationship with the government structure. This may include using abstract capital, such as knowledge and skills, to receive recognition from others. 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 come into other types of capital (Kaewthep K. and Hinviman S., 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.

As Thailand develops its economy, the household structure is changing from families with father, mother, their children, and cousins to families with father, mother, grandfather, grandmother, and children. This is due to an increasing number of elders in society. Apart from being involved in agriculture, households tend to collect capital in the form of commercial products and valuable possessions. 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. When considering households’ economic capital and their place in the economic and social structure at different periods of time, it is interesting to ask, “What is the pattern of intergenerational transfers of economic capital in households of Northeast Thailand?” This research hypothesizes that each generation of rural households demonstrates different patterns of economic capital transfer. Different periods of time and generational trends within rural households also affect differences in beliefs regarding capital transfer and values.

**OBJECTIVE OF THE STUDY**

This research aimed to study the patterns of intergenerational transfers of economic capital in Northeast rural households, Thailand.

**SCOPE OF STUDY**

The main concept of capital specific to the study of economics was influenced by Adam Smith in the early age of capital analysis (1776). He suggested that basic factors of wealth are division of labor, freedom, and capital. Smith defined capital as factors of production the human creates and uses with other factors in order to produce products and services. Sometimes these factors can be called capital goods. Capital goods are divided into two types; construction material and agricultural instruments. Animals are also classified as capital goods. In Thailand, educators accept that capital includes human resources, land capital, and material capital. (The Royal Institute, 2006; Boonma S., 2007)

In sociology, the analysis of capital has been influenced by Karl Marx (1818 – 1883). Marx defined capital as 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 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 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 (Figure 1) (Kaewthep K. and Hinvinman S., 2008; Chantavanich S., 2008; Uiamwara M., 2006). As a result, capitalism needs to be reproduced in order to pass itself on, or 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.

![Diagram of the four aspects of activities of political economy production](image)

Figure 1: The four aspects of activities of political economy production

Source: Kanchana kaewthep and Somsuk Hinvinman (2008)

Apart from Marx’s view on the concept of capital, there are newer generations of critical theory idealists, such as Pierre Bourdieu (1986). He classifies capital into new terms, as he believes that capital is a function of social relations of power. He thus expands capital into four dimensions, which are Social Capital, Cultural Capital, Symbolic Capital, and Economic Capital. Economic Capital is possessions, such as income, assets, wealth, and valuables such as land, buildings, shelter, diamonds, cars, or share. It also includes other factors of production, such as capital goods and equipments (Kaewthep K. and Hinvinman S., 2008).

This type of capital can be found in economic procedures, can be applied to other processes and is obvious, touchable, calculable, and specific. According to Marx and Bourdieu’s view, capital is very important in the production process. Bourdieu also supports Marx’s conclusion about Economic Reproduction; “The nature of economic capital is that if the reproduction process is stopped, the economic capital will run out, not including investment.” This research will consider only economic capital because it assumes that rural households have economic reproduction.

There are intergenerational economic transfers in rural households which reproduce capital and are part of the households’ role in terms of remaining a family institution. Nevertheless, in today’s society, capitalism is trying to control people through consumption. According to Pierre Bourdieu’s view, economic capital can be transferred from one generation to another. He defines capital as a function of social relations of power, inheritance, or household factors of production, which represent the household as an economy and social unit. This is in response to the biological needs and establishment of economic and social status. It also reflects social relations and economic capital, such as shelter, land, assets, and valuable possessions akin to electric appliances, vehicles and other factors of production, including capital goods and instruments. This type of capital can be found in economic practice and can be transferred. This research,
then, hypothesizes that there is an intergenerational transfer of economic capital in rural, Northeast Thailand households.

RESEARCH METHODOLOGY

This study was conducted using a qualitative approach. In-depth interviewing and observation were used as tools. The research was conducted with rural, Northeast Thailand households in Khon Kaen Province. Purposive sampling was used to select the study area, targeting an area with a high proportion of households with three generations. The main occupations of household members were in agriculture as participants believed that agricultural land is an important form of economic capital. The community is situated outside the administrative district, which is a reflection of the community’s rural character.

The units of analysis used for this study were at the community level. Data collection was obtained using semi-structured interviewing. Semi-structured interviewing was also used with knowledgeable people in the community, such as formal and informal leaders of the community, including the sub-district headman, village headman, organization leaders, community philosophers, and elders in the community. Thirteen others were also interviewed, including a local government administrative district officer, policemen, and officers of Peoples’ Rights Protection and Legal Aid.

In-depth interviewing and nonparticipant observation were used to collect data from household units. The samplings for non participant observation were households with members from three generations and with members who had already received inheritance from parents. The evidence of capital transfer was clearly observed and reported. The household samplings were selected according to the suggestion of the community’s leader and on the basis of primary inquiry by the researcher. In-depth interviewing was also used to collect data from the family of the children’s generation, who received capital transfer from their parents and left capital to their grandchildren’s family. (Figure 2).

Figure 2 household respondents

In order to verify the information concerning capital transfer and the results of capital received, parents in the 15 households (26 people) were also interviewed. The study was analyzed by using data clustering and a Descriptive Analytical Tool.

RESULTS AND DISCUSSION

The findings of the study of intergenerational transfers of economic capital in rural, Northeast Thailand households can be interpreted under two sections: (1) Rural household economic capital and (2) Intergenerational transfer of economic capital. The following are details of the results.

1. Rural household economic capital
Non Daeng Sub-District is a large sub-district which consists of 7 villages. Non Daeng Sub-District is located 14.5 Kilometers from Non Sila Sub-District and 57 Kilometers from Khon Kaen’s city center. Highway number 2, Mittrapap Road was the primary road used for transportation (Mung Phon-Banphai). Buses that run past the sub-district are those that run between Khon Kaen and Mung Phon and between Bangkok, Udon Thani and Nong Khai.

Every household in this sub-district has a water supply and electricity. There are 692 households in Non Daeng Sub-District. The total population is 2,558; 1,274 male and 1,284 female. 1,314 people are working age (15-50 years old) and are head of the household. 807 people, or 31.5%, are part of the aging population (over 50 years old) (office of Community Development, Non Sila sub district, 2012). There were 4-5 members in each household, which were of the extended family structure and included three generations: parental (parents’ family or elders), filial (filial family or working age members), and generations of posterity (teenagers or young children). It was also found that each household structure was constructed according to the family group who had moved out after marriage.

The majority of occupations of the sub-district’s population were in agriculture, growing vegetables, and husbandry, followed by general employment. The sub-district covers a large area of about 16,322 Rai, with 15,633 Rai (92%) agricultural in nature. The high proportion of agricultural land is owed to the community’s position on low land and that it gets average rainfall. In addition, six water courses and brooks and more than six swamps provide enough water to do agriculture throughout the year. As a result, the rate of migration of working age community members is very low. Nevertheless, convenient transportation also helps people keep contact with the outside world easily, including by selling vegetables. A middleman comes to buy products from the community. All of these factors contribute to an economic system in good circulation.

The intergeneration of economic capital production consists of the parental generation (parents’ family or elders), the filial generation (filial family or working age members), and the generation of posterity (teenagers or young children), who each work in agriculture, each collecting and considering economic capital of different types. For instance:

- **Housing** was an important factor in the parental generation. Houses were mainly two storey homes made of wood with a high basement. Houses in the filial generation were built using concrete flooring and adding more rooms in the basement. Windows and doors were made of aluminum. Some households had changed their structure into a single storey home and had demolished the wooden second floor. The changes in housing were also considered accumulation of economic capital, because styles in housing have represented the economic status of rural households.

- **Land** was given importance as economic capital in the parental generation, as it provided a source of labor. The parental generation believed that land was an important source of food. The more members in the family, the more land parents needed to have in order to share their land amongst their children equally, so each child could live by themselves when they moved out of the family. According to this study, parental generations had collected as much as 50 rai of land as economic capital; some households holding up to 200 rai. After the transferring of economic capital from the parental generation, land was divided into small pieces to pass on to the filial generation. Hence, currently, families of the filial generation hold around 20-50 rai of land. Members of this generation are not interested in collecting more as the price of land is increasing. Also, while the amount of land owned by members of the filial generation is still enough to provide for members of the household, there is a lack of labor for accumulating more land (labor is only provided by the filial generation, as the generation of posterity has not been contributing its labor). Accumulating more land would be difficult to balance with the available labor and it would be difficult to manage.
- **Valuable possessions** included household appliances and other amenities, such as other factors of production akin to capital goods, vehicles for transportation, and equipment. Unsurprisingly, rural households have collected this form of economic capital in every generation, though the importance of value was perceived differently. In the parental generation, the majority of economic capital was household appliances and agricultural instruments. The filial generation, on the other hand, tends to collect capital in the form of facilities and commercial products, such as electric appliances akin to televisions, refrigerators, water heaters, and stereos, and vehicles for transportation akin to motorcycles, cars, and tractors. According to the filial generation, in a society of consumerism, people can live conveniently, have permanent housing, have electric appliances, have transportation, and also be praised as wealthy people in society. Also, valuable assets can be obtained from the market without spending money. They are, therefore, interested in collecting economic capital in the form of valuable assets because they are more valuable than land.

- **Income and assets** is an important primary economic capital that every household tends to collect for investment in production or investment in other economic capital as described above. The methods of production for economic capital collection and the importance given different forms of economic capital varied. As previously mentioned, land was an important economic capital in the parental generation. Therefore, people of this generation tended to collect land more than other valuable possessions. On the other hand, in the filial generation, people need to be accepted in society, so members of this generation tend to collect valuable possessions rather than land. Moreover, it was also observed that the filial generation spends its money or income to expand other forms of economic capital, such as cultural capital. Members of this generation want their children to achieve higher education in order to have a secure career. Though this entails a change in career from the filial generation, it doesn’t decrease capital production, and it increases economic capital in terms of social status. This generation also supports its children to do other jobs, both in and outside the community, which take them away from working on their own agricultural farm or may even cause seasonal migration. The reason for allowing their children to do other work is to increase the family’s economic capital.

### 2. Intergeneration economic capital transfers in rural households

Intergenerational transfers of economic capital are another activity that represents rural households’ role as an economic unit, both responding to biological members’ needs and the establishment of economic and social status. It is believed that the main goal of a household is its own members’ satisfaction (Reference). Interviews with households with three generations showed that the timing of rural household economic capital transfer is determined according to two conditions.

First, economic capital transfers may occur when the youngest daughter of the family gets married or all of the children have moved out. Elders said that marriage normally begins with the oldest child and the youngest marries last. The daughters are still expected to look after their parents because most of them are living with their parents, so this is an appropriate time for transfers of economic capital. Next, when parents feel that they are getting older and they are considering their children’s conduct and role in society, parents may consider their children’s occupation, marital status, leadership, and thoughtfulness and use this as decisive factors in making capital transfers. The process of agricultural production, however, which uses household economic capital, may lead to a delay of consideration. Delay has led to many problems, such as a death of parents before the transfer of economic capital.

The economic capital transfers among the 3 generations of each household were connected and followed a lineal system, which coheres with the majority of other studies of economic capital transfers. Most studies have found that capital transfers differ according to their
own lineal system, patrilineal, matrilineal, or both patrilineal and matrilineal. (Phumsinsit W., 2010; Wofe, 1966)

It was also found that the intergenerational transfers of capital were related to the management of housing after marriage. After marriage, households with three generations often allow their sons to live with their wife, or husbands are required to move into the wife’s household. Parents suggested that this arrangement was temporary; it could be different for each household in the long-term. Normally, a son will move out when his sister gets married so that her husband can move in. It should be noted that these rural households included family spanning over three generations, but consisted of two families living together, the parental family and the daughter and son-in-law family. Sometimes, a household consisted of two daughter and son-in-law families, but only for a short time because the arrangement could raise conflict in the household. Regardless, if the children moved out, parents had to transfer capital to them.

There were differences in intergenerational transfers of economic capital and patterns of economic capital transfer according to the different types of capital. The details are as follows:

- **Housing:** Economic capital transfer of housing has not changed from the past, because housing transfers have always been especially matrilineal and related to management of housing after marriage. Therefore, the daughter who remains in the house receives the transfer.

- **Land:** In the past, it was found that economic capital transfers in the form of land were especially matrilineal through marriage of people in the community, and transfers were connected to the respect of ancestors. The marriage of a daughter would only happen according to the influences of the mother in choosing a partner. In terms of choosing a partner, the decision had to be approved by the elders and according to the likeness of the ancestors. This was for the sake of keeping the land. These accounts cohere with other studies of rural Northeast Thailand communities and reports from foreign researchers, which have found that the pattern of economic capital transfers in rural communities are especially matrilineal or that the daughter will receive land as economic capital. A daughter who lives with her parents will receive shelter and land as economic capital (Keyes, 1982; Kemp, 1989). However, sons do not receive land, as parents believe that they can earn their own economic capital.

Regarding current economic capital transfers in the form of land, it was found that children’s family (children who are of working age and have already transferred capital) were not interested in lineal transfers, but instead focused on bilateral transfers. The concept of bilateral transfer is that the transfers should be equally divided to members of the generation of posterity. If the family owns a large piece of land (more than 50 Rai), the land will be equally divided into one more section than the number of members in the generation of posterity. For example, if there are 3 people in the generation of posterity, the land will be divided into 4 sections. The extra section will be passed on to the members of the generation of posterity who look after the elders in the family. Poor households will keep their land as an economic buffer. Selling their land will serve to solve various problems, for example, if there are no job opportunities or members of the filial generation cannot work or look after the generation of posterity. Most households with three generations agreed with and supported land management for security reasons for the elders and working age family members. If they wanted to sell their land, they would sell it to the generation of posterity to keep it within the family.

- **Valuable possessions:** Regarding economic capital of rural households, it was found that the parental generation collected economic capital in the form of household appliances, equipments, and animals involved in agricultural production (cow and buffalo). Since economic capital transfers in the form of assets from parents are related to the management of housing after marriage, matrilineal transfers were emphasized. Hence, daughters are the receivers
in economic capital transfers. Sons, on the other hand, are skillful and knowledgeable, so they can work and look after their own family when moving out. The son does not receive some forms of capital, such as equipments and animals. The economic capital that the son receives is all related to factors of production so that he can earn his own economic capital. Currently, it is found that all assets are transferred bilateral. The transfer of household appliances and other facilities, including factors of production such as capital goods, vehicles of transportation, and instruments that the household has collected are normally transferred to the generation of posterity according to who bought the valuable assets. For example, if the oldest grandchild buys a car, he or she will belong to that car.

- *Income and Assets*: Economic capital transfers in the form of assets have not changed since the past, because transfer of assets were especially equal (bilateral) in the past. In reality, importance was not paid to daughter and son differently according to their gender. Both the parent’s family and the children’s family agreed that transfers of this type of capital depend on the situation in each household and the individual behavior of household members, including considerations such as occupation, marital status, leadership, and thoughtfulness paid to their spouses. Households pointed out that economic capital in the form of income and assets are transferred before other types of economic capital. Capital of this form will be transferred when a family member gets married and assets are given in the form of a dowry or marriage property. In terms of economic capital transfers in the form of income and assets, households invest and transform economic capital transfer creating, for example, cultural capital by supporting their children to achieve a higher education or social capital by supporting household members to be part of an organization.

In conclusion, timing of intergenerational transfers of economic capital varies, as do patterns of economic capital transfer, depending on the situation and logic of each household. Changes in the economic and social context affect beliefs regarding intergenerational transfers of economic capital in rural households, especially affecting matrilineal patterns. However, patterns of intergenerational transfers of economic capital in rural households of today’s consumerist society showed that households with three generations paid most attention to economic capital transfers which emphasize bilateral benefits and also with different conditions for economic capital transfer.

**CONCLUSION AND RECOMMENDATIONS**

As economic and social structure has changed, each generation’s beliefs regarding economic capital transfers have also changed within rural households. Moreover, the changing economic and social structure has affected patterns of intergenerational transfer of economic capital. It was found that in the past, because of differences of practice in economic capital transfers, according to the blood lineage systems in rural, Northeast Thailand households, attention was paid to the mother’s side of blood lineage more than the father’s side, or the importance was given to daughters who would inherit from the mother/daughter’s side more than the father/son’s. However, it can be seen that patterns of intergenerational transfers of economic capital now show equal consideration to both the mother and father’s sides.

For practical reasons, intergenerational transfers of economic capital in rural households have been related to and have paid most consideration to the daughter, especially the youngest daughter in the family. However, the timing of transfers of economic capital or patterns of economic capital is not given, as it depends on the situation and logic of each household. Though there are principles of intergenerational transfers of economic capital in the form of land, there have been none shown in writing.

Regarding principles of economic capital transfers, it can be concluded that: (1) Parents can endow their possessions to anyone. (2) Children have the right to receive an equally distributed inheritance. (3) The children who look after their parents until their parents’ death
have rights to receive a larger proportion of inheritance. (4) After receiving inheritance from parents, one’s family has rights to protect its assets in order to pass them to their own children. (5) Parents can allow their children to spend their inheritance before giving it to them. The inheritance may be completely gone by the time parents have passed away. (6) A son who is married will receive his inheritance as movable properties instead of land. Land will be given to the female spouse. (7) Marriage property of parents will be distributed to their children as they are married. And, (8) Spouses have rights to buy their parents’ land. Some of these traditions are accepted by law, some are not. However, the last three principles aim to maintain the family’s size of land. These principals have been accepted by the community, and the distribution of inheritance should be accepted by children. If inheritance is distributed unequally, it could raise conflict within the household. (Santisombat Y., 2001; Ganjanapan A, 2001; Podhisita C., 2011)

In addition, economic capital such as land is another tool used in controlling the relationships of family members in each system of relatives. Land played a role as a medium for passing on the ideology, beliefs, culture, and traditions of the community. Rural, Northeast Thailand households are facing a lack or a shortage of agricultural land. Small portions of land are not enough for family members and, therefore, they have to find a different form of capital to make an income. This situation normally happens with households whose land was repeatedly divided during the capital transfer process until the agricultural land could not produce enough food for the household members. Nevertheless, even though the land was divided into small pieces, the overall amount of land increased as other households bought more land or rented land from people outside the family to produce food.

There are not many households who can collect their economic capital as much as they did in other word household who have good economic capital are still wealthy and own a big piece of land. At the same time, poor households are getting poorer and a lack of economic capital causes stress in the family. The trends of household members moving out is increasing, causing a reduction in the size of the household. It is found that in the long-term, household members are finding a solution for their family. People are looking out for their own benefit and striving to be free from large household relations. A separation of members of the household occurs and families lose relations among relatives.

Therefore, this study applies to both government and private sectors. Bodies such as the Office of Women’s Affairs and Family Development and the Ministry of Social Development and Human Security should develop patterns of economic capital transfer and reduce conflict in households. Moreover, the local administration and the Ministry of Interior should specify public policy concerning mechanisms to support and promote happiness in rural households, including by developing the quality of life of people and households in a democratic way.

REFERENCES


Phumsinsit, W. (2010). *Family: Conceptual and Basic knowledge of social and culture (2nd ed.)*. Chiang Mai: Department of Sociology Anthropology, Faculty of Social Sciences, Chiang Mai University.


