

Reviews

The Thai Economy in Transition

Peter G. Warr, ed.

Cambridge: Cambridge University Press, 1993. Co-published in Thailand with D.K. Book House. xx+468 pp. Bt 990.

In the preface to this welcome volume, editor Peter Warr, the John Crawford Professor of Agricultural Economics at the Australian National University, rightly describes Thailand as the "flavour of the decade" in the Western world. As the Thai economy posted increasingly impressive growth rates in the late 1980s, Thailand became the talk of the town in academic and research communities around the globe. In part, attention focused on Thailand itself and how the country had managed to achieve such remarkable economic growth with import and export volumes, as well as the level of foreign investment, reaching unprecedented levels.

Attention also focused on the Thai phenomenon as being more or less representative of the East Asian experience. The established "tigers" of the region—Hong Kong, Singapore, South Korea, and Taiwan—pursued similar paths of export-led, stable economic growth with a political system widely considered authoritarian to varying degrees. Grouped with Indonesia and Malaysia as one of Asia's new little dragons, Thailand appeared to be well advanced towards joining that exclusive, albeit imaginary, club of Newly Industrializing Countries (NICs).

Unfortunately, the English language literature on contemporary Thailand, especially on the Thai economy, did not keep pace. One looked in vain in recent years for an in-depth, comprehensive account of the modern Thai economy. In this context, the book under review is a welcome addition as it fills an important gap in our knowledge of Thailand. Accomplishing to a very large degree what it sets out to do, *The Thai Economy in Transition* bridges the gulf between Thai and non-Thai audiences and offers an authoritative yet accessible overview of the economy of Thailand.

Peter Warr opens the volume with a long essay which provides a perceptive and understandable introduction to the Thai economy. He includes a brief social and political profile and a short history of Thailand from the Bangkok period (1782) to the present. The discussion here is especially helpful to the generalist as it provides the historical background necessary to understand Thailand's remarkable post-war economic growth. Warr then turns his attention to the structure of the contemporary Thai economy in terms of product, labor, financial, and capital markets as well as the role of the public sector and Thailand's recent economic performance. Understandably, his analysis here concentrates on the rapid economic growth experienced in recent times. Over

the four years to 1990, the Thai economy was the fastest growing economy in the world!

A central theme of this introductory essay, as well as subsequent chapters, is the extent to which the structure of the Thai economy, and its trade with the rest of the world, is rapidly changing. Thailand has evolved in a relatively short period of time from being largely an exporter of agricultural products to an economically progressive state with exports dominated by manufactured goods and services. An economy in transition, rapid economic growth in Thailand has led to structural transformation. In the Thai case, agriculture's share of both national income and total employment declined in recent decades. Recognition of this imbalance provides a good starting point for understanding the persistence of rural poverty in Thailand in spite of rapid economic growth.

Warr's overview of the Thai economy is followed by eleven chapters which bring together the work of some of Thailand's leading economic researchers. Each was asked to focus on an aspect of the Thai economy in which he or she is an expert. The result is a series of essays which complement and supplement the background provided by the editor. In addition, each essay stands on its own as a meaningful discussion of diverse but related topics ranging from monetary and fiscal policy to commercial banking, public enterprises, labour markets, poverty and income distribution.

At the end of his opening chapter, Warr points out that Thailand's agricultural growth since World War II has been achieved mainly through expansion of the cultivated area, primarily by deforestation, as opposed to improvements in crop yields. In the following chapter, Ammar Siamwalla, President of the Thailand Development Research Institute, Suthad Setboonsarng, Associate Professor of Economics at the Asian Institute of Technology, and Direk Patamasiriwat, Associate Professor of Economics at Naresuan University, provide an excellent description of this process. Two factors combine to explain the rapid rate at which land clearance occurred. First, the substitution of tractors for draught animals facilitated the process of land clearance and increased the amount of land that could be profitably cultivated by a single family. Second, this technical change exacerbated the effects of the inadequate system of land titling in effect in Thailand, an issue discussed in detail by Ammar, Suthad, and Direk. Where some analysts blame deforestation on "development" or "capitalism," the authors argue that the real problem is a combination of capitalist development and an inadequate system of property rights.

Agriculture was the leading sector in the Thai economy during the crucial decades of growth in the 1960s and 1970s, but manufacturing took over this role in the 1980s. Somsak Tambunlertchai, Associate Professor of Economics at

Thammasat University, describes the structure of the manufacturing sector and the Thai government's policy of industrialization. After reviewing the various factors which have contributed to past growth and will contribute to future expansion, he concludes that the prospects are good for additional growth of the manufacturing sector in the 1990s. The long-term prospects for the Thai economy, including its manufacturing sector, are not so reassuring. With clear limits for domestic expansion, Somsak argues that further growth in the manufacturing sector will have to rely on export expansion. But Thailand may face increased trade protection from major importing countries and will certainly encounter growing competition from other developing countries, like Burma, China, and Vietnam, eager to promote their own manufactured products.

Dwarfing the contributions of agriculture and industry, the service sector in Thailand has accounted since the early 1970s for over half the total Gross Domestic Product. Service has also been a major factor in labor absorption, and it has been a major contributor to foreign exchange earnings. Nevertheless, the service sector rarely attracts the same attention and analysis as either agriculture or industry. Pasuk Phongpaichit and Samart Chiasakul, Associate Professors of Economics at Chulalongkorn University, improve upon this situation with a perceptive analysis of the growth of the service sector and the role government policy played in stimulating that growth. They conclude, given the consolidation taking place in agriculture and the trend towards capital-intensive and skill-intensive industries, that services will continue to offer the only viable alternative employment opportunity in Thailand for some time to come.

In his introduction, the editor strongly emphasizes the central role of education policy in Thailand. To sustain economic growth, the education system must generate the increasingly educated workforce necessary to upgrade constantly the composition of output towards more skill intensive activities. In a subsequent chapter, Sirilaksana Khoman, Associate Professor of Economics at Thammasat University, outlines the challenges facing educational reform. Problems of inequity, doubtful relevance, and demonstrated inefficiency pervade the educational system, producing a threefold, interrelated dilemma. First, the relevance of the curriculum must be improved to avoid waste of resources. Second, the need for both quality improvements and quantitative expansion must be reconciled. Finally, the appropriate role in education of the government and the private sector must be determined. In the process, a balance must be found between the need to inform and protect the public without subjecting it to undue restriction.

Regarding energy policy, Thailand remains an energy importer and thus the instability or potential instability of international oil prices continues to present

difficult economic problems. But as Praipol Koomsup, Associate Economics Professor at Thammasat University, demonstrates, its dependence on imported oil declined over the last decade. Through the 1980s, Thai production of crude oil, natural gas, and lignite, particularly natural gas, reduced its dependence on imported energy to about half its total energy requirements. While additional steps could have been taken to improve energy policies, Praipol concludes that the changes implemented were certainly in the right direction.

The remaining contributions comprising this edited volume, focused on other aspects of public policy as well as commercial banking and the labour market, are equally rewarding to those discussed above. Warr also includes extensive Thai language and English language bibliographies at the end of the volume. These will be of immense help to anyone, generalist and specialist alike, who wishes to study the Thai economy in greater detail. In addition, figures and tables are scattered throughout the volume to illustrate central arguments and key points.

This is an important book which should be read by anyone interested in understanding the organization and operation of the contemporary Thai economy. At the same time, the utility of this work goes well beyond readers interested only in Thailand. Peter Warr has produced a provocative book of comparative value from which developing states in and out of Asia have much to learn. In particular, *The Thai Economy in Transition* should be required reading for policy makers in neighboring states like Burma, Cambodia, Laos, and Vietnam.

Ronald Bruce St John

Jinakālamālī Index

An Annotated Index to the Thailand Part of Ratanapañña's Chronicle Jinakālamālī

Hans Penth

Oxford: The Pali Text Society

Chiang Mai: Silkworm Books, 1994. xvii, 358 pp. 2 fold maps.

The *Jinakālamālī* (JKM) is the best known of the great histories of what is now the northern portion of Thailand, but was once the kingdom of Lan Na. It was written, probably in two (or more) stages between 1516 and 1527 by the Buddhist monk Ratanapañña (born *circa* 1493), who personally experienced some of the events about which he wrote. Curiously, the only known surviving manuscripts of this important work are from central Thailand, Cambodia and Sri Lanka; and because all are identically defective in their lacunæ (the gap from 1455–1476, for example), they are thought all to derive from a single defective manuscript. The text was considered an important source of Buddhist and Lan Na history in the early Bangkok period, but became especially known to Thai scholars after the Wachirayan National Library published Pāli and Thai editions of the work in 1908, and to *farang* scholars when George Cœdès published the Pāli text and French translation of the Thailand portions in 1925. Interests in the text revived in Sri Lanka in the 1950s, and then in the 1960s the Pāli text was re-edited and published in roman script, followed by Jayawickrama's English translation (1968). All who have used it have agreed that it is of major importance for the serious study of the history of Buddhism in Thailand, and for the history of Lan Na and its neighbors. It has, however, not always been easy to use because so much of the text requires explanation. It is here that Dr. Hans Penth, of the Archive of Lan Na Inscriptions at Chiang Mai University, has come to the rescue with an admirable annotated index to the Thailand portions of the JKM.

The *Jinakālamālī Index* is simply organized into the "Primary Index" and six parts of the "Secondary Index" comprising indices of, in order, Persons (personal names); Mountains; Rivers and Lakes; Plants and Trees; Animals; and, Books and Writings. The book also includes five short appendices (List of Kings with chronological explanations; Months and Years; Weights and Measures; *Jinakālamālī* Manuscripts; Text Editions and Translations; and a synopsis of the "Chronicle of the Sāvattthī Sandalwood Buddha Image"), as well as a bibliography.

The primary index is by far the longest part of the volume, running for 270 of the book's 326 pages of text. It is called an index of "Settlements, Monasteries, and Related or General Objects." Some of its entries are quite long, like that on

“Chiang Mai,” which runs for 20 pages and includes all the text’s references to the city, arranged chronologically, with extensive treatment of such subjects as the history of the walls of the city based not only on a thorough knowledge of the subject itself but also of a great deal that has been written (published or not) about it. Individual entries, like that for Wiang Kum Kām, begin with a series of cross-references (“see also” entries for...), and continue on with *JKM* mentions of the subject, with references to pages in the three most common editions of the *JKM*, (Coëdès 1925 French edition, Jayawickrama’s 1968 English edition, and Sæng Monwithun’s 1958 Thai edition) and summaries of what the text says. Each summary might be followed by one or more paragraphs of comment, so a clear distinction is made between what the text says and what Penth interprets it to mean, if any comment is needed.

Penth’s comments on the entries in the “Primary Index” are not only accurate; they are also original and insightful. He knows the literature of his subject better than any previous scholar, as is suggested by his 32–page bibliography. He knows the local Lan Na language well enough to be able to elucidate place names that the *JKM* has rendered in Pāli, and seems to have actually trodden the ground of every site about which he writes. His entry on “Sachanālai,” for example (pp. 161–165), includes a paragraph that begins, “When I examined sections of the road in 1968–69....” The same entry also includes a dazzling display of the author’s familiarity with the literature of the subject, on which he has an original contribution to make, here as elsewhere. The entire book has only one intimation that Dr. Penth’s native language might not be English: he habitually uses the verb “ignore” to mean “to not know.” There are some things which Dr. Penth does not know, which he modestly admits—but not many!

This handsomely-produced volume belongs on the shelves of all who have tried to use the *JKM*; but it is also a rare and welcome contribution to the slim literature on northern Thai history, which far too often has been ignored.

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Thailand Economy and Politics

Pasuk Phongpaichit and Chris Baker

Kuala Lumpur: Oxford University Press, 1995. 449 pp.

As the authors claim in the Preface, this is supposed to be a “general” book on modern Thailand. The focus is on the second half of the 20th century from the Second World War to the economic boom of the 1990s and set in the historical context of Siam in the Bangkok era. ‘Frontier’ is the “major motif of the book.” Thailand today is “very much a creation of two major pioneering movements of the last century and a half: the expansion of present agriculture across large tracts of swamp and forest; the migration of settlers, labours and merchants from the ports of south-east China. Thailand’s modern history is a story of pioneers.”

Unfortunately, the readers will also, in fact, encounter such old-fashioned characters as kings, nobles, merchant lords, monks and villagers as they go along. Instead of sticking to the frontier motif, the book covers much more than the pioneering spirit and its bearers. It attempts at giving a coherent account of what happened in this country in the last 150 years—indeed a chaotic story. To add to their woes, the authors seem to be absolutely committed to the “political economy” approach in the study of history, but they treat the subjects separately. The result is two books in one. In Part I (Village) and Part II (City) we have the “economy” and Part III (Politics) the “political.” As it turned out, many parts of the story are told twice from different angles, but repetitions cannot be avoided.

In Part I, the authors discuss the “Rice Frontier” and the “Uplands Frontier.” The former accounts for the growth of Bangkok and the central plains, while the latter is the story of forest depletion and cash crop economy. The role of the free-spirit volunteers in both cases was important but they sooner or later brought under control by the rapacious state and/or urban capital. The authors nevertheless contend that the “frontier century had created a society of independent peasants, and a rural culture which valued the separateness and independence of the village.” (p. 86) The Thai governments always tried to ‘control’ this free society with their schools, wats, roads and village headmen, causing conflicts of such magnitude as the insurgency wars.

The City in Part II was also a frontier story. Here urban growth was not described in physical terms, but as the rise of an urban capital and Chinese entrepreneurship—all under royal patronage. The post-1932 military rulers and elected politicians continued the patronage system with varying degrees of

success. The other player, the urban labour, did not always play by the script and upset everyone with its organized protests.

Had the book ended here, it would have become an interesting modest 207 page tome of 'frontier history' that, for the first time, focused on the "common people." One criticism would have been its failure to mention the presence of Thai labourers overseas and the female labour force in the urban service industry, both of whom contributed to the maintenance and survival of both the frontier and non-frontier communities inside Thailand.

As it is, the book marches on into "Politics" of Part III, the final part. Here we are treated to story of the "Absolute State" of the Chulalongkorn era, the Revolution, the Military and Democracy, etc., in short the usual Thai political history one could find in David K. Wyatt's *Thailand: A Short History* and John L.S. Girling's *Thailand: Society and Politics*, but with the "political economy" flavour. The authors described the actions and policies rather than the structure of politics, or in particular, the different state ideologies that were behind the political passions that one sees so often in Thai politics today, which would have been interesting reading. To describe conflicts merely as between the oppressed and the oppressors, or revolution and dictatorship, indicates that the writers are caught up in the rhetoric of their subject. Events rolled along mechanically; clashes among different groups came and went like natural phenomena without really satisfactory explanations, except perhaps being caused by human and institutional greed and the fight for survival. To explain that the military under Class Five staged a coup d'état in 1991 in order to "protect their patrimony" is to admit that one is not particularly concerned about the juncture of circumstances present at that particular time.

The authors' deep interest in things political and economic makes this book far from being a general one or easy reading. Although the chronological approach is used in Part III, there is no reason why this approach could not have been used throughout the book. One can hardly find topics related to the arts, literature or religion, except when they are related to the "struggles" and "oppression" as results of a bad case of political economy, which seems to be the main constant theme in modern Thai history as portrayed in this book. Another theme is the conflicts. As the authors concluded that, in the May 1992 episode, it was "big business against generals, *jao sua* against *jao phor*, periphery against centre, the urban underclass against authority, and *ban* against *muang*." (p. 412) If such was always the case, to divide the book into "economics" and "politics" does not seem to be necessary, as they intertwine so much and are the roots of countless, *samsara* conflicts.

Nonetheless, the book is the most up-to-date comprehensive work on contemporary Thai history in any language. The authors must be commended for their efforts in using all major articles, theses and books on modern Thailand in their research, although the use of Thai archival sources would have provided better descriptions of the plights of the peasants than a *sepha*. The factual information is solid. The book provides an alternative view of Thai history in the English language that many Thai scholars are familiar with already but never have the time nor the thought to lay it out in 400 pages. The quiet anger of the "political economy" school is present throughout. What is missing is the personal compassion and empathy, as well as recommended solutions to the problem that one could find in the critical works of another important "political economist." J.S. Furnivall.

As it touches on all the areas of concern to the modern Thai intelligentsia, the book looks more like the *phongsawadon* of a generation of Thai intellectuals who participated in the democratic struggles of the last twenty years and tries to keep up the hopes for a better Thailand. The book ends with the emergence of a new social force. "a salariat" of "professionals, technicians, administrators, managers and other skilled white-collar workers" who "took on the individualist ideas, ideologies, and politics buried in the capitalist ethic." They believed in "self-improvement, rewards for merit, the importance of education, and the capacity of the individual." They are the forces of the future. But judging from the dismal historical dialectics we see in this book, they need all the prayers they can get.

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