



LUND UNIVERSITY  
School of Economics and Management

**Master programme in Economic History**

# **The impacts of the British imperialism on the Siamese state formation and long-term economic development**

**Supanutt Sasiwuttiwat**  
**mas09ss8@student.lu.se**

*Abstract:* Among late-industrializing countries, the roles of states in economic development and their impacts are different. Some states are developmental while others are predatory. The purpose of this thesis is to address the puzzle how a state emerges as it is and has impacts on the long-term economic development. Colonialism or imperialism is one of the promising explanatory factors of different types of state in different countries. While most literature focus on formation of developmental and predatory state cases among fully colonized countries, this thesis studies the formation of the Thai or Siamese state under the British informal imperialism in mid-19<sup>th</sup> century, which was then an intermediate state lying in the middle between colonized-independent extremes. Due to the lack of existing framework for studying the middle case, new frameworks are reconstructed in order to empirically analyze and understand the roles of state in the formation of Siam. The study illustrates the Siamese state formation was driven by two forces: the British imperialism and the resistance of local elites. One of the historical consequences of the formation was an absolute monarchy state whose main characteristics still persisted and influenced the economic development until 1997. In the other words, there is the colonial legacy on the Thai state.

*Key words:* Intermediate state, Siamese state formation, British informal imperialism, Colonial legacy

**EKHR13**

Combined Master thesis (30 credits ECTS)

June 2011

Supervisor: Tobias Axelsson

Examiner: Mats Olsson



**LUND UNIVERSITY**  
School of Economics and Management

## Table of Contents

Acknowledgements.....	v
List of tables.....	vi
List of figures.....	vi
List of Abbreviations .....	vii
Chapter 1: Introduction .....	1
1.1 Background and objective of the Study .....	1
1.2 The research questions .....	3
1.3 Scope and Limitations.....	3
1.4 Research Design.....	5
1.4.1 Research Type.....	5
1.4.2 Research Method.....	6
1.4.3 Data .....	6
1.5 Structure of the Study .....	7
Chapter 2: Literature review and theoretical framework .....	8
2.1 Literature Review and the framework of the study.....	8
2.1.1 Colonial impact debates .....	8
2.1.2 The resistance of the local elite or systemic vulnerability .....	13
2.1.3 The framework for the state formation under the informal colonialism: the Siamese case .	15
2.1.4 Colonial legacy or Decolonization.....	18
2.1.5 The classification of the state type .....	20
2.2 The empirical study review.....	23
2.2.1 The Siamese state formation .....	23
2.2.2 The continuity or discontinuities in the Siamese state during 1910-1997 .....	26
Chapter 3: Empirical Analysis .....	322
3.1 Initial situation .....	32
3.2 The impact of imperialism .....	35
3.2.1 The Bowring Treaty .....	35
3.2.2 The forces of metropolitan preferences.....	37
3.2.2.1 The decline of the institution of manpower control .....	37
3.2.2.2 Demand for teak forest and tin and territorial centralization .....	42
3.2.3 The local institutional resistance.....	43
3.2.3.1 External threats .....	44

3.2.3.1.1 The threat of the direct imperialism and “Buffer state” .....	44
3.2.3.1.2 Extra-territorial right .....	45
3.2.3.2 The resource abundance under the limited fiscal autonomy .....	49
3.2.3.3 The internal politics .....	52
3.3 Result .....	53
3.3.1 Underinvestment in Irrigation and Agriculture.....	53
3.3.2 The Small-Peasant Order .....	57
3.3.3 The Siamese state transformation: the rise of an absolute monarchy and the powerful bureaucracy .....	60
3.3.4 The limited modernization of bureaucracy .....	66
3.3.3 Conclusion and colonial legacy .....	69
Chapter 4: The survival of colonial legacy .....	71
4.1 The Death of Bureaucratic Polity = The Death of Politics of Bureaucracy? .....	71
Chapter 5: Conclusion.....	77
5.1 The main findings .....	77
References .....	82

## Acknowledgements

In order to complete this thesis, I am substantially indebted to many individuals. First and foremost, I would like to give special thank to my supervisor, Dr. Tobias Axelsson for his patience and helpful advices for correcting my thesis. I would also like to pay respect to all of my teachers at Economic History Department for all worthwhile knowledge and new different perspectives which I had never learned before, especially Professor Jonas Ljungberg and Professor Chirster Gunnarsson and Professor Lennart Schon. I also would like to thank Magnus Andersson, a teacher at Center for East and South-East Asian Study for lending and suggesting me important books for this thesis.

I can not come and study in Lund without other two important persons in my academic life. Those are, Professor Rangsan Thanapornpun who gave me valuable basic knowledge of Thai economic history, opportunity to work in an academic field, and wrote the recommendation for my application to Lund and Associated Professor Somboon Siriprachai, who led and supported me to apply for Economic History Department.

During two years in Lund, I am also grateful to all my friends who helped me for both academic and non-academic life; Payoon, Somkid Puttasri, Hu Zhang, Shunning Sun, Reena Tadee and Darunchai Chaidarun.

Last but not least important, I am indebted to my family who financially support and cheer up me in the difficult time.

## List of Table

Table 2.2.2 Number of businessmen in Thai cabinet, 1963 – 1986.....	29
Table 3.2.2.1a Index of Real Wages and Real Land Prices .....	38
Table 3.2.2.1b The price of land and rent, 1864-1915.....	39
Table 3.2.3.2 Estimated Western Investment in Southeast Asia in 1930 .....	51
Table 3.3.1 Raily and Irrigation Investment 1892/93-1941 .....	55
Table 3.3.2a Average Holding Size and Extent of Tenancy, 1930s (hectares) .....	58
Table 3.3.2b Planted Area of Rubber (Hevea), 1910-1940: British Malaya .....	
Java Outer Islands of Indonesia, and Thailand, 1910-1940 (Thousand hectares) .....	58
Table 3.3.2c Owned and Cultivated Land in Thailand by Region, 1930-1931 .....	59
Table 3.3.2d Growth of Population, Rice Area, and Rice Exports:.....	
Thailand and Burma, 1880-1930s.....	59
Table 3.3.3a Government Expenditures: Selected Ministries, 1892-1931 .....	
(Selected Years).....	64
Table 3.3.3b The distribution of government expenditures of Taiwan and Korea,.....	
1910-1938 .....	64
Table 3.3.3c Government Employees and Annual Payroll, 1918-1938 .....	65
Table 4.1a Expansion of the Thai Bureaucracy 1933-1979.....	73
Table 4.1b Bureaucratization in Thailand: Civil Servants, 1920-1996 .....	74

## List of Figure

Figure 2.1.1 The Framework of forces of metropolitan preferences .....	12
Figure 2.1.2 The Framework of resistance of local elites.....	14
Figure 2.1.3 The combined framework.....	16
Figure 3.3.1 Rice output per a unit of land (kg/ha), 1915-1950 .....	54
Figure 4.1 The real value of salaries of highest-rank bureaucrats from 1908-1989 .....	74

## List of Abbreviations

BT	Bowring Treaty
BOB	Bureau of Budget
BOI	Board of Investment
BOT	Bank of Thailand
EOI	Export oriented industrialization
ISI	Import substitution industrialization
NESDB	National Economic and Social Development Board
NEA	North East Asia
MOC	Ministry of Commerce
MOF	Ministry of Finance
MOI	Ministry of Industry
SEA	South East Asia

# Chapter 1: Introduction

## 1.1 Background and objective of the Study

As the rise of the East-Asian Miracle, the role of a state on the economic development has been increasingly studied and debated. There are two main competing views of explanation of the Miracle. The first is the free-market and the minimalist state. In this perspective, the private firms and market force are the main agents of structural change and economic success while a state is the regulator for the macro-economic stability, rule of law, and market institutions such as property rights. This view always assumes the failure of state intervention or predatory characteristics of a state. Despite a lot of evidence of state interventions in the East Asian development, the view applies to the Miracle as those interventions cancel one another out, resulting in an unintended minimalist state (Grabowski 1994, Rock 1995 and World Bank 1993).

The second view is the developmental state. This view argues the state intervention is, if not the only, one of the most important factors of the Miracle and, therefore, a state is not always predatory but can be developmental. States can efficiently guide mobilization of resources and the direction of investment into productive sectors; and they did in the East Asian countries. In other words, a state can be a main active agent of structural change and industrialization (Grabowski 1994, Rock 1995, and Wade 1990).

The developmental state view seems to apply better to the Miracle (Grabowski 1994). Nonetheless, the scope of debate between two competing views is not only restricted to the East-Asia context but also other developing countries or the late-late industrialized. Beyond the East-Asia context the market view seems to be more applicable. The state intervention fails, is full of corruption and rent-seeking activities and is the cause of economic stagnation in many developing countries, such as most of African countries or some of South-East Asian countries (for example, the Philippines). However, there are also many other states, for example Brazil, in the mixed area, which are not captured by neither the developmental state nor market views (Evans 1989,1995 and Doner 2009).



In the light of discussion above, many research questions are raised, for example, whether the developmental state is unique to the East-Asian countries or can be copied by others (Mkandawire 2001). Many attempts have been made to create taxonomy of state type according to its roles in economic development in order to capture a variety of roles of states in the different countries (Evans 1989 and 1995). But more challenging and curious questions are where the developmental state comes from, why some states are developmental, others not? More generally, why and how a state emerges as it is?

“Colonial legacy” is one of the candidate explanatory factors. For example, Kohli (1994) argued that the South-Korean developmental state is the Japanese colonial legacy. AJR (2001) also argued different colonial legacies are also causes of different institutional types between market institution in North America and rent-extracting institution in South America, which in turn resulted in different trajectories of long-term economic growth. These different institutions imply different state types.

While most of studies of institutional formation or state formation and economic development focus on the successful case and failed case to illustrate importance of studied institution or factor (Doner 2009), it is very interesting and challenging to explore and apply the argument to the intermediate case. One aim of this thesis is to apply and test the argument of impact of colonialism on the state formation and economic development to the Thai state case, which many scholars classified as the intermediate case (Apichart 2008, Rock 1995, and Doner 2009).

Since 1960s, the Thai state has active role on industrialization, using policies of import-substitution-industrialization (ISI) and policies of export-oriented-industrialization (EOI) after 1980. It is responsible for successes of high economic growth and export growth, especially since 1980s and persisting failures, for example, industrial upgrading (Doner 2009), high inequality, and weak industrial labour absorptive capacity. (Somboon 2009 and Rasiah 2003). Thus, on the other hand, another aim of this thesis is to test the impact of colonialism as the deeper explanation of the Thai economic development.

Furthermore, under colonial perspective, the Thai state is also an intermediate case. The Siam (which was the previous name of “Thailand” before 1939 and henceforth in this thesis called Siam in the pre-1939 period) state was never directly or politically colonized. However, the

Siamese state was threatened by the British and French imperialism and “forced” to sign “the unequal treaties”, “the Bowring Treaty” in 1855. Since then, the structure of the Siamese economy had become the colonial economic structure, producing and exporting the primary products to the British South-East Asian colonial area and the Britain metropolitan and importing manufactured commodity from Britain (Dixon 1999). Additionally, according to the extra-territorial right, one of the stipulations of the Bowring Treaty, the Siamese state was compelled to surrender its authority and law over the British subjects in Siam, which were under authority and laws of the British consular instead. Therefore, implicitly, the Siamese state was also “forced” to reform or modernize the state administration and its laws according to Western-European standard. Thus, the Siamese state was the case between colonized states and independent state (Lysa 2004 and Tarling 1997).

Most studies of the Siamese state formation are in the hand of the political science and the descriptive political history which are often lack of clear theoretical framework to identify channels the imperialism influenced on the state formation through. Not least are in royalist-nationalist frame assuming, rather than explaining, that King Chulalongkorn (King Rama V) was “the Great King” and had a long vision responding the imperialist threat by modernizing the country (Anderson 1978).

Therefore, another aim and contribution of this thesis is to construct the new framework for studying the intermediate case in the literature colonialism and state formation on the one hand, and studying the Siamese state formation in more theoretical and in historically economic perspective.

## **1.2 The research questions**

Thus, the main research question is: 1.) How the British imperialism did impact on the Siamese state formation? And, in order to connect the state formation to the long-term economic development, two additional questions are raised: 2.) What are the main characteristics of the new Siamese state? and 3.) Have some characteristics of the new state still persisted and influenced the modern economic development until 1997?

### 1.3 Scope and Limitations

The period the study emphasizes the impact of imperialism and the Siamese state formation is during 1855-1910, or from the reign of King Mongkut (King Rama IV) (1851-1868) to King Chulalongkorn (1868-1910).

The year 1855 when the Bowring Treaty between the British imperialism and the Siamese government was signed is chosen as the starting point of this study and of the colonial impact on the state formation although the situation before 1855 will also be shortly described. In fact, the Bowring Treaty is not the first treaty or contact between them. Nonetheless, the fundamental aim of the British imperialism, that is the free trade, was more achieved under the Treaty than the previous one. It also opened the Siamese gate for other political and economic influences, such as the extra-territorial rights. Furthermore, the external threat from the Anglo-Franco imperialist competition in South East Asia was increasing after the presence and expansion of the French imperialism in Indochina region since 1860s (Webster, 1984). Actually, it is almost the consensus among historians of the Thai politics and economy that the Bowring Treaty in 1855 was the beginning of the impact of colonialism on, or the turning point of, the Siam politics and economy.

The year 1910 is chosen as the endpoint of the period which the study focuses on the state formation because the new Siamese state was already well-established at the end of the reign of King Rama V. Meanwhile, the British and French imperial threat against the Siamese state was, despite not decreasing, more stable due to the Anglo-Franco agreement in 1896 and, thereby, did not change the direction of the state formation. Indeed the threat of imperialism was declining since 1920s because their concerns were away from the imperial expansion to the economic and political stability in their directly colonial areas and their own countries due to the world economic depression and political resistance in the colonial areas.

There are additional two scopes of the study. First, although the Siamese government signed the treaties and contacted other imperialisms after the Bowring Treaty, the study emphasizes mainly the impact of the British imperialism and modestly the French imperialism because 1) the Bowring Treaty was a model of the subsequent treaties<sup>1</sup>, 2) the British imperialist

---

<sup>1</sup>The subsequent treaties included the United States and France (1856), Denmark (1858), Portugal

expanded to the areas next to the northern and southern area under authority of the Siamese state earlier than other imperialisms with higher influence in South-East Asia (SEA) than others except the French imperialism on the Indochina region next to the eastern area of the Siamese state, 3) the British imperialism was of higher influence in the Siamese central government and area where the powerful elites resided because the local elites chose the British as an alliance (Tarling 1997), and 4) most of the Western businesses were British (Suheiro 1996). Second, although mentioning about economic change during 1855-1910, the focus is its impacts on the institution and the state.

The significant changes on the state after 1910 will be checked to answer question 3) whether there is any feature of the new state persistence and influence on the economic development until 1997. Due to limited space and time, the study cannot offer the assertive answer by exploring development of state since 1910 in details but will negatively answer the question by reviewing the literature studying significant shifts in the Thai state and economy and countering against them by some evidences of persisting characteristics of the Thai state. Additionally, because the thesis focuses on continuous or discontinuous characteristics of state, the content of economic development is a little mentioned and assumed by previous literature. The year 1997 is chosen as the end year of the whole period of this thesis since the worst crisis in 1997 might be severe enough to change the main characteristics of the Thai state.

Finally, because there are many theoretical frameworks of the state formation and colonialism in different fields but the focus of this thesis is the role of state on the economic development, the review of frameworks is limited to the fields of economic history and economic institution.

## **1.4 Research Design**

### **1.4.1 Research Type**

---

(1859), the Netherlands (1860), Prussia (1862), Italy, Belgium, Sweden and Norway (1868), Austria-Hungary (1869), Spain (1870), Japan (1898) and Russia (1899) (Ingram, 1979).

The research type of this thesis is *explanatory* in terms of 1) testing and applying the argument of colonial legacy to the Thai case and 2) identification of casual mechanism between the colonial impacts as the cause and the Siamese state formation as the consequence. But it is also *exploratory* research in terms of 1) constructing the new framework for studying the impact of colonialism on the state formation in the intermediate case and 2) reinterpreting the previous data of the Thai economic and political history in the new framework and creating the new argument.

#### **1.4.2 Research Method**

The qualitative case study is chosen as the method of this thesis because the main research question is “how” and there is no extent of control over the events (Yin 1994). Additionally, the study is single-case because 1) the impact of the imperialism on the Siamese state is a rare case among colonized countries and should be analyzed in its specific context and in detail 2) this thesis tries to identify complex mechanisms the imperialism influenced the Siamese state formation, and 3) the study is longitudinal (Yin 1994).

Due to lack of the previous framework suitable for the case, the framework used in this thesis is constructed. Then the data were searched. Almost all was done by literature review. Finally, descriptive analysis was done.

The process above was also applied to the second and third questions: reviewing the literature to identify the type of new Siamese state and to offer the counter-evidence against the previous argument of significant changes in characteristics of the Siamese state after 1910.

#### **1.4.3 Data**

In this thesis, the data consist of quantitative and qualitative type. The most of quantitative data are the statistical materials illustrating the economic development of the Siamese economy during the period of the state formation. But some also indicate the description of the political development and characteristics of the state.

Due to the historical study, the qualitative data are the archives and the written materials of the Siamese or Thai history, which describe the Bowring Treaty, the state administrative reform, new law enactment, political opinions towards the imperialism, etc.

The sources of all the data are secondary from the well-known academic literature, including online journals and books.

The validity and reliability of the data are hard to be confirmed, especially the historical and qualitative data. Even the data from primary historical sources have to be interpreted and might be biased. Nonetheless, one way to check the data validity is to cross-check among the literature, which also assesses the used data. Actually, almost all data used here are rather agreed by almost all previous literature. The quantitative data of economic development and state budgetary and number of bureaucrats from different sources are similar and illustrates the same trend despite some differences.

It should also be said that the aim of the thesis is not to construct the new data but to pool the existing data in different perspectives together to reinterpret them and give the new explanation.

## **1.5 Structure of the Study**

Chapter 2 reviews the previous frameworks of the state formation in different perspectives and constructs the suitable framework for the Siamese state formation under the British imperialism. The classification of state type in economic perspective is also discussed. Then, the previous empirical researches on the Siamese state formation and significant changes in state after 1910 are discussed against the constructed framework to see their weak points. Using the constructed framework, Chapter 3 gives empirical analysis of the Siamese state formation since the Bowring Treaty in 1855 and classifies the type of the new state. Chapter 4 gives some evidences of the persisting characteristics of the new Siamese state until 1997. Chapter 5 is the conclusion of the thesis.

## Chapter 2: Literature Review and Theoretical Framework

As mentioned in Chapter 1, one aim of the thesis is to develop the comprehensive framework suitable for studying and identifying how imperialism influenced the Siamese state formation as an intermediate case. Therefore, the literature about how colonialism influences the state formation and non-state institutions but related to state are discussed below against the literature of state formation in the independent state case. After the review, the framework is constructed by combining the different perspectives together.

Then, the debates between colonial legacy and decolonization and the classification of the state type are discussed to address two additional questions: the persistence of colonial legacy and the characteristics of state in economic perspective.

Finally, the previous empirical researches of the Siamese state formation during the British imperialism are reviewed against the framework to reveal their weakness. Furthermore, the significant changes in the Siamese state after 1910 are reviewed as checkpoints of the persistence of the new Siamese state which will be discussed in Chapter 4.

### 2.1 Literature review and the framework of the study

#### 2.1.1 Colonial impact debates

Even though accepting that the colonial legacy might not be the sufficient factor and might be dissolved by decolonization movement, Kohli (2004) argued the explanation of variation of state types among developing countries still need taking into account the different colonial legacies. Despite different institutions concerned, Kohli's argument agrees with "the metropolitan institution determinants" (North et al, 2000), which emphasizes *different characteristics of institutions of different colonizers*.

Like differences between the British market institutions and the Crown Spanish corporatist institutions, there are differences between "state types" the British and Japanese imperialism imposed on their colonies. Based on its domestic experience and due to its expansionist ambition to compete with other European imperialisms, the Japanese imperialism used the

state-led industrialization in the colonial Korea, which required the deep reform of the pre-colonial local state. The colonial Korean bureaucratic administration was reformed and constructed not only for taxation but also for collaboration with the Japanese capitalists to achieve the industrialization and suppressing other groups obstructing the aims of the state. On the other hand, with the laissez-faire model, the British colonialism required some or few reforms of the local state to maintain the political order and facilitate the free trade for the British capitalist.

On the other side of the debate, “*local condition determinants*” AJR (2001) and Engerman and Sokoloff (1997, 2000 and 2005) argue that *which types of institution and production organization the metropolitan powers utilized in the colonial area is dependent on or constrained by the local conditions*: geography, climate, disease, and factor endowments (land, labour, and natural resources). For example, in the area where it is suitable for cultivation of the export cash crops, the metropolitan power will establish the plantation system because of inherent economies of scale, which in turn are the base of inequality in land and the extractive institutions.

Even though denying applicability of AJR’s framework to North East Asia (NEA) due to few Japanese settlers despite the low mortality rates in the Japanese colonial NEA, Grabowski’s argument (2010) also emphasizes different local conditions between NEA and SEA. The extractive Japanese imperialism turned to be developmental in the colonial Korea and Taiwan because of their *local* resources scarcity and fiscal difficulties. In order to extract more surpluses from these colonies, the Japanese colonialism had to not only develop the administrative structure into their countryside but also transfer its agricultural technologies and its form of farmer association as well as provide the public goods for productivity improvement to them. Certainly, the majority of surpluses during the colonial period were extracted by the Japanese imperialist. However, the tenants and small cultivators were also benefited to some extent as the incentive for them to apply the transferred technologies and empowered against the landlord class obstructing the productivity policies. The land reform policies in favour of pro-poor growth or relatively equal distribution of land were initiated since the late Japanese colonialism, which was the base of successful land reform in the two countries after the Second World War. On the other hand, since SEA countries’ local conditions were easily extracted, the colonial state was only extractive, which resulted in the unequal distribution of land.



Observably, literature reviewed is concerned not only with state institutions themselves but also non-state institutions, such as the landlord class or inequality, which indirectly could influence the type of a state, discussed further below.

However, *to take either extreme side would be wrong* because of many evidences of variation of types of colonial institutional arrangement within the same metropolitan powers and within similar local conditions (Frankema 2010). Therefore, there have been attempts to find other variables or construct new framework by combination of two perspectives together in order to explain these variations.

Hayami (2001) argued that just *few* export cash crops necessarily require economies of scale of the cultivation and the establishment of plantation. But the plantation is implemented because of its effectiveness in extraction of the benefit in the sparsely populated area which is in the process of vent-for-surplus development, such as in the SEA during the colonial period. But to establish the plantation also required the allowance of government for the large-scale land preemption and/or the absentee landlord property right. The fundamental variation of land polices within the SEA countries is the different value systems among the colonial rulers. Therefore, an emergence of landlord class was dependent on both the local conditions and the preference of the colonial ruler.

While Hayami combined the local condition determinants and the metropolitan institution determinants together to explain colonial institutional variation, Lange (2006 and 2009) argued that *the same metropolitan power, especially the British Empire used different strategies and different types of colonization across colonial area and over time because of different degree of difficulty to transform the local institutions and also the extent of British demand for political control and benefits and cost of transformation.*

Specifically, he classifies British colonialism into two broad types with different *level of colonization and degree of institution transfer*: direct and indirect rule. The direct rule is defined as “...construction of a complete system of colonial domination in which both local and central institutions are well integrated and governed by the same authority and organizational principles” (Lange, 2009:31). On the other hand, “...indirect rule is domination via collaborative relations between a dominant colonial center and several

regionally based indigenous institutions” (Lange 2009:31). Therefore, institutional transfer or state transformation is more intensive in the former than the latter; the former post-colonial development is also higher.

Therefore, it should be cautious to observe different types of colonialism over time. The colonialism in SEA was in the late period of colonialism or after the mid 18<sup>th</sup> century when British mostly used indirect rule, which is different from the previous period when the direct rule was mostly used in colonial America (Lange, 2006 and 2009). The reason is not only development of local institutions to be complex and difficultly transformed, as Lange emphasized but also changes in metropolitan power before and after the mid 18<sup>th</sup> century as an emergence of the First Industrial Revolution (FIR).

Because of FIR and the subsequently rising political power of industrialist class, the British preferred the free trade model rather than the protectionism. The aim of colonial expansion was to extend the market for their exports and find new resources and material inputs for industrial production. While the costs of direct colonialism were increasing, its expansion shifted to be “*informal*” in the sense that it did not directly control political but just forced the ruling elites to open their economies to be free trade, or so-called “imperialism of free trade” because the costs of this means were relatively lower (Robinson and Gallagher, 1953 and Findlay and O'Rourke, 2007).

Notably, the different division reflects different perspective: the direct-indirect rule division indicates degree of the political control and state and institutional transfer while the formal-informal division reflects political-oriented and economic-oriented control. In other words, the direct-indirect rule division was within the formal colonialism. And that’s why the former division did not count the Siam case as the colonized country.

According to Robinson and Gallagher (1953) and Webster (1998), the British imperialism in the SEA region initially was intended to be informal and imperialism of free trade but then turned to be formal. There were at least two main factors causing the British Empire turning back to direct political control: internal political instability and other imperialist competition, especially France in Indochina.

One of the causes of internal stability is also endogenous to the imperialism. Improvement in technological transportation as consequence of IR facilitated the flow of labour and commodities, influencing on price of commodities, relative prices of production factors, and resources reallocation. While some areas turned back to protectionism after effect of price changes, the others including SEA countries were forced to the open door by weapons. These economic changes could influence the political power distribution and perhaps political conflicts among domestic political groups (Findlay and O'Rourke, 2007). Therefore, the informal imperialism could also have indirect political impacts.

As mentioned before, because the Siamese state faced the British and French imperialism in the SEA since the mid-19<sup>th</sup> century, the framework for studying the case should be based on *the informal imperialism*. Nonetheless, as far as informal imperialism concerned, above all different literature are similar to one another emphasizing “*the forces of the metropolitan’s preferences*” and actions without local pre-colonial institutions and elites’ responds. Or, to generalize, the framework above is to identify the preferences of the metropolitan power in the colonial area by taking into account the local condition, its metropolitan institutions and their changes over space and time (see Figure 2.1.1). Even in the local condition determinant framework, the agent who considers and decides which type of the institution is implemented and suitable for the local conditions is the metropolitan power.

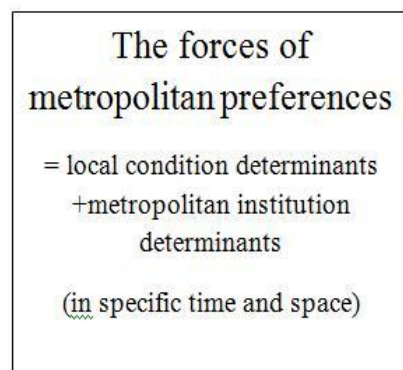


Figure 2.1.1 The Framework of forces of metropolitan preferences

Nevertheless, Frankema (2010) argued that *local pre-colonial institutions* previously ignored should be taken into account, especially in *the indirect* colonialism. The difference in the extent of resistance of local pre-colonial institutions or elites to metropolitan power could explain institutional variation among area with similar other local conditions. For example,

there was plantation economy and concentration of land ownership in Malaysia but not in Sierra Leone despite both sharing other local factors because of violent resistance of Sierra Leone elites.

Additionally, sometimes economic policies or institutions were used as the political strategy rather than for economic production. For example, in Zambia with unfavorable local conditions to plantation economy, the land redistribution policy which resulted in concentration of land ownership was used to protect external and internal military threat.

### **2.1.2 The resistance of the local elites or systemic vulnerability**

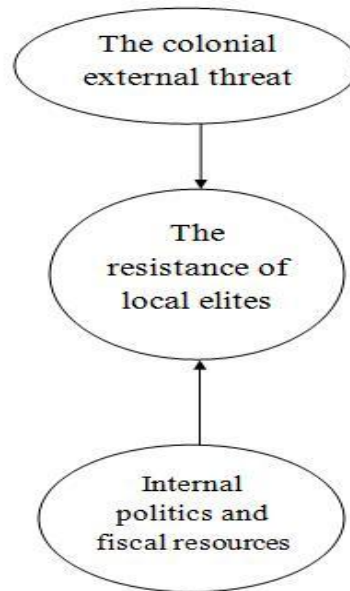
Under Frankeman's approach, there is room for the local elites' preference and resistance. Nonetheless, his approach is still less systematic to the question why the different local elites differently responded to the imperialist threat; why some used violent means but some used the diplomatic means or modernizing the economy and politics such as Japan. Additionally, his cases are still indirect colonialism not informal imperialism, which open broader room for the local resistance. Hence, to construct the more comprehensive framework of the state formation under informal colonialism, identification of the preference and the choice of resistance of the local elites against the external threat are required. This can be found in literature of state formation *in independent state cases*.

Doner (2009) and Doner et al (2005) propose framework of origin of the state formation is political. Without assumption that the political elites are benign but self-interest to preserve their power as the first priority, the real question is what situation gives them incentive to preserve their power through constructing the developmental state. Their framework, "*systemic vulnerability*", consists of three potential threats putting the pressures on the political elites:

1. External threats, including colonialism, against national security,
2. Mass unrest from economic deterioration or the intense political competition, and
3. Hard or easy fiscal resources constraints. (see Figure 2.1.2)

The three components are not new but borrowed from others. However, the approach is innovative in terms of systematic combination, going beyond weak point of “single-factor approach”, in order to achieve the necessary and sufficient conditions.

Figure 2.1.2 The Framework of resistance of local elites



The “external threats” give incentives to the political leaders to construct the developmental state in order to protect national security and their power (Woo-Cumings, 1998). However, many cases, especially in the Latin America, do not follow the external threat argument. The argument is dependent on how the state generates the revenue, which is determined by other two conditions.

There is also debate whether “narrow” or “broad” coalition among social groups is developmental. Some argue that broad coalition might give just the redistributive but unproductive populism and develops into patron-client relation (Kohli, 2004). But Doner argues that the narrow elite coalition is unnecessary to be developmental but tends to be predatory and extractive on the other groups while the political needs to broaden the coalition protect a state from being predatory. Furthermore, the side payment for broadening the coalition could be productive, as Campos and Root (1996) argued, if other two conditions were fulfilled.

The “resource curse” or “geography” argument which claims that the easy way to get fiscal resources leads to non-developmental state assumes the state preference as the revenue satisfiers (Somboon, 2009). However, there are economic performance variations within rich-resources or poor-resources countries. This indicates different state preferences, which are determined by two factors above.

Facing these three conditions together at the same time, the political leaders will construct the developmental state as happening in the NEA. Internal and external threats will shift the political leaders to be revenue maximizers. Under pressure to broaden the coalition and difficulty to extract more resources or raise tax, the revenue-maximizing leaders are forced to be developmental, upgrading their local productions and minimizing rent-seeking activities.

Under systematic vulnerability framework, the colonialism is seen as the external threat. Or the framework looks from the local elites’ perspective outwards against the external factors and sees how they respond to them. But as seen above, when a country is colonized, colonial force could be no longer just external threat but overwhelming over the other two forces factors. For example, metropolitan countries directly transformed and implanted the new preference into the colonial states while suppressing the internal threat and expanding resources by bring in technologies, capital and market.

However, the validity of framework is not denied, except in case of full abolishment of power of the local elites by colonizer, but has to be qualified in other cases, including the Siamese state formation under the British informal colonialism by taking into account the impact of “the forces of the metropolitan’s preferences” discussed above.

### **2.1.3 The framework for the state formation under the informal colonialism: the Siamese case**

The above literature review suggests, to construct the comprehensive framework for studying the state formation under the informal colonialism as the Siamese case under the British imperialism since the mid 18<sup>th</sup> century, one should combine two different forces: “the forces of metropolitan preferences” and “the resistance of the local elites” (see Figure 2.1.3).

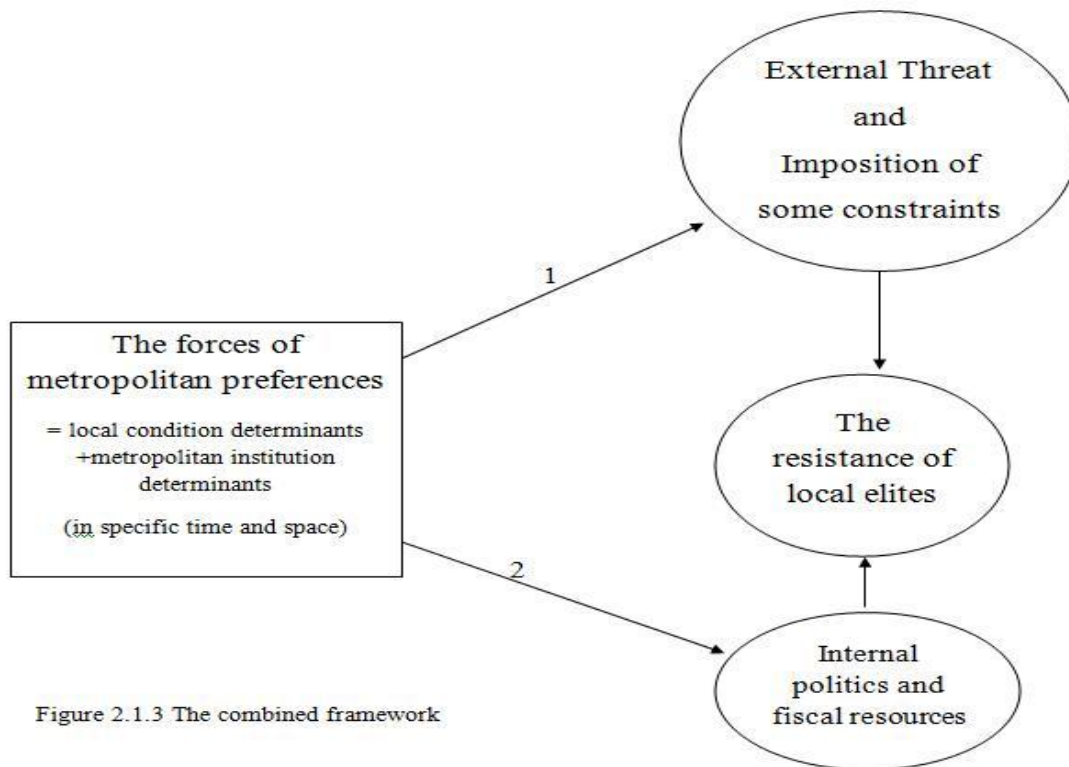


Figure 2.1.3 The combined framework

Initially, pre-colonial local conditions should be identified: factor endowments, local economic and political institutions, characteristics of a state, and internal politics: intra-elites and inter elites-mass relation.

To identify “the forces of metropolitan preferences” one has to take into account both the local conditions and its metropolitan institutions in the specific context, space and time. As already discussed, the fundamental objective of the British informal colonialism is free trade; but also the right to extract resources to be inputs in industrial production if the local conditions are resources-abundant.

Meanwhile, the imperial political control is the least, just demanding for the secure protection of the British subjects’ life and their business. In this perspective, the British informal imperialism *tends to be co-operative with the existing local institutions and some elite groups* rather than require the whole state reform and threaten all local elite groups.

Therefore, the main channel through which the British imperialism had impacts is economic; the changes in factor endowments and in their relative prices, reallocation of resources and, changes in new production organization. *These changes could influence the existing pre-*

*colonial local institutions through economic redistribution, which in turn might change power redistribution and internal political competition. These also could make local fiscal resources constraint easier or harder (Arrow 2 in Figure 2.1.3).*

However, this is just in the framework. In empirical analysis, there might be other additional economic and political demands of the British imperialism to be identified.

Meanwhile, in perspective of the local elites, the informal colonialism is still viewed as the external threat despite the least political control and demand for state reform in the metropolitan power perspective. As discussed above, there is the threat of informal imperialism turning to formal as the result of either the internal political instability or the imperialist competition.

In the systematic vulnerability framework, the local elites will respond to the threat to keep their power. There are many responding alternatives: war, negotiation by using economic institutions, building up state institutions to extract resources, or modernization of a state and economy. Therefore, the local elites might reform and modernize a state even with the indirect rule. Which strategies are used is dependent on the other two factors: the resources and internal politics.

However, *when considering the resources and internal politics, it should take into account internal economic and political changes caused by the forces of metropolitan preferences (Arrow 2). Furthermore, the least imperial political control and economic demands might be not only the threats but some constraints on the available means of local resistance (Arrow 1 in the figure).* On the other hand, the forces of metropolitan preferences in the case of informal colonialism also are not always the threat but co-operative with some local elite groups as mentioned above. They are both the threat and alliance to the local elites at the same time.



### 2.1.4 Colonial legacy or Decolonization

All literature in the colonialism debate argues that generally the post-colonial economic development is influenced by some colonial legacies or the persisting characteristics of some institutions or a state which was formed during the colonial period. Nevertheless, Booth (2005 and 2007a) and Doner et al (2005) rejected the colonial legacy argument, especially in the SEA and NEA context.

Their arguments have two main points. First, they denied the separation between the developmental Japanese colonial legacies of NEA and the extractive European colonial legacies of SEA<sup>2</sup>. However, this is inconsistent with only the metropolitan institution determinants framework but still consistent with others.

Secondly, during political independence era, there were many political and economic changes across NEA and SEA countries, many of which eliminated characteristics of previous colonial economy. Furthermore, different colonial experiences of economic growth, structural change, and state's role among NEA and SEA countries *hardly predicted* the post-1960 economic performance divergence of Taiwan and Korea from others. The Philippines seemed to be more prosperous than others. *The post-1960 divergence is a result of difference of economic policies, especially land reform policies, different political leadership, and different decolonization process.*

Booth's historical and empirical studies is similar to Kim (2009)'s framework, which is the extended version of AJR's. The post-colonial development is not only dependent on institutional types (extractive or developmental) of the metropolitan power transferred but also dependent on whether there is decolonization process or not. The NEA countries and some SEA countries on which the extractive colonial institutions had been imposed were able to decolonize such institutions and to be developmental.

---

<sup>2</sup> For example, by comparing economic growth and structural change, economic policies, and colonial states' economic intervention during 1900-1940 across different metropolitan powers, Booth (2007a) argued there were too few significant differences between Japanese and European colonies and too many varieties within Japanese and European colonies to generalize that the Japanese colonial legacies were more developmental than European colonial ones. Each colonial state had different policies responding to changes in world economy and in both the metropolitan and local economic situations.

Nevertheless, as Booth observed but pro-colonial-legacy scholars emphasized, the decolonization movement and the new political leadership were not always, if not hardly, able to follow the favoured economic policies because of the existing power structures, especially state authority. On the other hand, the emergence of the new classes, for example indigenous capitalist tended to be dependent on the state.

Actually, the main problem of decolonization argument of Booth, Doner et al., and Kim is in lack of framework linking economic changes to political changes or institutional changes and theory of institutional persistence to check their argument.

This problem can be clearly seen from Booth's doubt on whether successful improvements in technologies and physical infrastructures in agriculture during the Japanese colonial period are "really enough to establish the foundations for the transformation of both Taiwan and the Republic of Korea after 1950? My view is that the case is far from proven. Those who argue that it was the post-colonial policies...would still seem to be on stronger ground."(Booth, 2005:22).

However, as argued above, the colonial economic impacts could influence the political power and economic redistribution among the political groups and state formation. Despite the aim to extract more revenues for the Japanese expansion, the colonial agricultural modernization in Taiwan and South Korea benefited and empowered the poor peasants while weakening the landlords even during the late colonial period. Subsequently, the post-colonial policies of agricultural modernization and land reform policies were achieved in NEA after the colonial period but modest in SEA (Grabowski 2010). Therefore, during the colonial period, the state might be not developmental in any sense but there were some institutional changes or power and economic redistribution, which gradually impacted other institutions and forced the state to be developmental in some senses after the colonial period. This is against Kim's argument that post-colonial divergence of economic growth among NEA and SEA countries needs to be explained by the decolonization movement.

*It should be emphasized here that economic performances during the colonial period are interested not in themselves but for their impacts on state and non-state institutions and power economic distribution. Hence, the definition of colonial legacy does not mean the persisting colonial economic structures or growth but some persisting institutions which still influence even the changing economic structures.*

According to AJR (2004), the existence and persistence of “economic” institutions does not follow logic of efficiency but logic of power distribution among social groups. Different social groups have different preferences for different institutions. Therefore, *political and economic institutions in the next period are often determined by distribution of power among groups deriving power from the existing political institution (power de jure) and distribution of economic resources (power de facto)*. In turn, *distribution of economic resources (power de facto) in the new period* is determined by economic institutions.

*This is not arguing that there is no decolonizing force for the Siamese case but it should be very careful to check whether decolonizing forces are powerful to dissolve the colonial legacy under AJR’s framework.*

### **2.1.5 The classification of the state type**

Despite some differences in classification of state types, the literature above commonly refers to Evans’ classification. Therefore, this thesis will mainly follow Evans’ classification but qualify it to some extent. As seen from above, some non-state institutions, including property rights, landlord class or unequal distribution of wealth and power, are also mentioned. These institutions are related to different state types, especially in economic perspective.

Evans (1989 and 1995) classified a state into three types, according to how a state is able to affect long-term economic development: developmental, predatory, and intermediate state. The different degree of capacity of a state is dependent on different *degree of coherence within bureaucracy and characteristics of state-society relation*.

The developmental state is not only the Weberian rational-administrative and internal coherent state insulated or autonomous from the rent-seeking activities but also the Gerschenkron and the Hirschman state, which is able to mobilize resources, especially capital, into the productive and transformative investment and to take investment risks as an entrepreneur. With these capacities, the state can effectively use industrial policies and discipline the capitalists. But the state also requires being embedded in a society or the state-society linkage for information of industries and business in order to have effective policies. In other words, the main characteristic of the developmental state is “embedded autonomy”. These two features are not conflicting but complementary. *To clarify the concept, an*

*administrative bureaucracy of a state and an economic goal the political elites commit to should be separated.* The precondition of the effective private-public cooperation is an autonomous bureaucracy and the internal coherence among the organizations of a state. If the organizations are fragmented and their agents use the public resources to private aim, the cooperation will fail. Therefore, the effective embeddedness requires an autonomous administrative bureaucracy.

On the other hand, an autonomous administrative bureaucracy unnecessarily leads to the embedded autonomy. It could be just the Weberian state or the regulatory *state*, which is *vital* to protect secure property rights and other collective goods, such as economic management but structural change is private-led.

To be the developmental state, there are at least two conditions to be fulfilled. First, the economic aim of the government is committed to economic development for *a whole* society and is autonomous from the redistributive groups. Second, the economic conditions such as an absence of the well-functioned capital market require a state to function for capital mobilization and force the firms to obey and cooperate with a state. Under these two conditions, the linkages and information exchange between state and society are created.

Meanwhile, the embedded bureaucracy without coherence and autonomy is the main characteristic of the predatory state. It is full of the rent-seeking activities. The officials use the public status for private interests while the social groups seek the benefit from the public resources. With these, it is hardly expected that the government will have any social commitment. If it has, it is not possible to be effectively implemented. Thus, the predatory state is a state extracting the economy but giving few public goods.

According to Evans, type of state is not clear-cut in kind in reality but is able to be viewed in spectrum from the predatory state to the developmental state. The developmental state is not free of the rent-seeking activities but with relatively fewer than others while having relatively higher capacities. He identified *the intermediate state as a state consisting of "some developmental organizations" but some predatory ones, which resulted in the limited coherence and capacity of a state bureaucracy.* Nonetheless, he did not clearly identify the characteristics of economic development and an aim of the government in the intermediate case. Perhaps, he assumed its aim the same as the developmental state; but the intermediate

state has relatively lower capacity. These two points should be qualified to give the clearer picture of the intermediate case, specifically, the Thai state.

First, as Doner (2009) argued, *an intermediate state is a state overcoming structural diversification or industrialization without industrial upgrading while the developmental state overcoming both challenges*. The task of industrial upgrading has harder collective action problems and requires higher institutional capacities to solve them than structural diversification. Industrial upgrading requires not only the macro-mobilization of resources, macro-economic stabilization, and management of risk in physical capital investment but also technological absorption, improvement of production from lower to higher value-added process of production chain and risk in human capital investment.

For example, the technological absorption is not the passive process; but the firms have to learn to use the new and unfamiliar technologies and adapt them to the local context. The process might take a long time and there are many high uncertainties for the absorptive failure. Therefore, *different ministries and different bureaucracies have to be very coherent to support and give incentives for the firm coping with the hard challenges*. If the policies shift quite often or the policies of different state organizations are contradicting, the firms will have low incentives to take challenges.

Second, Kohli (2004) proposes another classification of state type according to an arrangement of the state authority and power of the political elites. The public authority of the neo-patrimonial states is fragmented. Similar to Evans' predatory states, the elites and officials used the public authority for their aim. The other two state types are with the well-established Weberian state. But, they are different according to the degree of cohesion to fragmentation of the powerful social groups. The developmental state is a cohesive-capitalist state, where the elites are cohesive and form alliance with the capitalist. In this situation, the elites are powerfully suppressive on other groups and mobilize their resources to the capitalist group. The intermediate state is a fragmented-multi-class state, where the elites are fragmented and competitive and form alliance with many social groups to justify their power. In this case, the elites tend to compromise with many different groups by redistributive policies.

Kohli's classification has some problems. For example, he assumed that the capitalist group in itself is productive and innovative while there are many evidences that *some capitalist groups could be conservative and redistributive under state's protection. Nevertheless, it illustrates that, despite an embedded autonomous bureaucracy, a state could be intermediate due to the concerns of government to redistribute resources to different social groups; but a state could not put the rule on such groups to productively use the resources*<sup>3</sup>. Another case is the block of some powerful political elites to some productive policies, which might weaken their economic base. Historically, these elites are often "landlord class", which is related to unequal distribution of wealth and power in the society (Frankema, 2010 and Engerman and Sokoloff, 1997).

It should be emphasized here, above is taxonomy of state types and is to specify conditions of different state types. It is not explanation. To explain how a state exists as any type needs to be historically answered, which is what this thesis and the constructed framework above try to do.

## 2.2 The empirical study review

The empirical studies reviewed could be divided into two groups: the Siamese state formation during the British imperialism and the shift in the Siamese state since 1910.

### 2.2.1 The Siamese state formation

According to the author's survey, there were few systematic studies focusing on the impact of imperialism on the Siamese state formation in economic perspective. Generally, the state formation during the colonial periods is studied in the political framework by the political scientists in the theme of limited modernization (Riggs, 1966; Jacobs, 1971; and Stifel, 1976). And, the state formation is not connected to the impact of the British imperialism, except many comparative studies between the Meji reform in Japan and the reform of King

---

<sup>3</sup>The redistribution of resources to different groups in concern of economic equality and equality of opportunity does not always contradict to but could contribute to and is complementary to the productivity such as the redistribution of resources for education for different social groups, which increases supply of human capital in the society, as Doner et al (2005) and Gunnarsson and Anderson (2003). Therefore, the point is not redistribution of resources in itself but whether a state can put the rule on the way social group use the resources redistributed or rents.

Rama V in the theme of responding to the imperialist threat by modernizing the country (Dhiravegin, 1981 and Ayal, 1963). However, the latter studies are in lack of theoretical framework and of answer why the Siamese reform was relatively more limited than the Meiji reform. Most of the studies are royalist assuming, rather explaining, King Rama V was great and had a long vision, so he did modernization, as Anderson (1978), Lysa (1984), and Winichakul (2000) criticized.

Meanwhile, the economist focused only on economic changes as a result of the Bowring Treaty but did not connect such changes to institutional changes (Ingram, 1979 and Manarungsan, 1989).

Certainly, there are some Marxist studies, which focus on interaction between economy and politics. However, with their class-based framework, the studies tend to focus on the emergence of the capitalist class and assume, rather than explain, the nature of state as the exploitative instrument of the capitalist as Lysa (1981) criticized. In books about the long history of the Thai political economy (Pasuk and Baker, 1995 and Dixon, 1999), the impacts of imperialism on both the economy and politics were mentioned. Nonetheless, the economic and political impacts are still not systematically related and analyzed.

Actually, there are just three articles directly related to this thesis, dealing with the impacts of imperialism on the Siamese state formation in economic perspective.

First, in new institutional view, Feeney (1979, 1982 and 1989) studied the institutional change from the manpower control to secure land property as a result of the increase in relative price of land from integration of the Siamese economy to the world economy under the Bowring Treaty. Because the initial main institution of the Siam state was the manpower control, its decline forced the Siamese state to transform itself. However, Feeney did not explore the transforming process further. Additionally, half of his main argument is wrong because secure land property right was underdeveloped. These two points will be addressed in the next chapters.

Second, using the Marxist perspective but non-instrument state view, Rajchagoon (1994) explained the decline of manpower control institution, like Feeney, but went further studying an emergence of the powerful centralized state bureaucracy under the King or the rise of an

absolute monarchy, which was influenced by the force of imperialism. However, why the state bureaucracy was powerful over other social groups is not explained and, like Feeney, he was wrong about an emergence of the secure land property right and cannot explain why the landlord class did not emerge.

Third, using the systematic vulnerabilities, Doner et al (2005) argued the Siamese elites faced less systemic vulnerabilities, compared to other NEA countries. As the buffer state between British and French power, the Siamese state was more secured to use the diplomatic way to deal with the imperialist threat and preserve national sovereignty. The export growth of rice, teak, tin and sugar gave easy fiscal resources. Without landlord class and large land frontiers, intra-elite competition to expand coalition and the potential of mass unrest were little.

These resulted in an intermediate state and limited economic development. Due to fiscal resources derived from taxation from agricultural export, the Siamese state developed “a centralized civilian bureaucracy” to keep macroeconomic stability for foreign trade and collect taxes. Because of land abundance and easy exports, land property rights and irrigation were ignored. Therefore, the agricultural growth was extensive with no or few increases in productivity.

As mentioned above, the systematic vulnerabilities framework tends to neglect the impacts of imperialism. But Doner also misinterpreted the empirical fact.

First, the buffer area status of the Siam state was the Anglo-France treaty without the Siamese negotiation. The main content of the treaty was the compromise and division of the Siamese area into Anglo-influenced and France-influenced area rather than stopping the imperialist expansion. Thus, the status did not guarantee the security of the Siamese state authority over its territory. After the treaty, the Siamese state lost some area to the two imperialisms.

Second, despite rising export of rice, teak and tin, it is very hard to argue the Siamese state had easy fiscal resources due to the constraints of the Bowring Treaty. The treaty fixed the import and export duties and land tax at very low rates.

Third, it is the case that there is no powerful landlord class. However, it does not mean the intra-elites political competition was not intense or there is no potential for the mass



rebellion. As will be argued in the next chapter, the absence of the landlord class and absence of the mass rebellion is related. It can be interpreted that there was redistributive policy to the mass at the expense of the emergence of the landlord class.

If following the author's empirical arguments, the result would be that the new Siamese state was the developmental state. However, it is not the case. This illustrates that weakness of not taking into account the constraint on the Siamese state imperialist forces imposed, as will be illustrated in the next Chapter.

On the other side, if following the framework without local elites' resistances, such as Lange, there would have been no changes in the Siamese state due to the least degree of transferring the British institution. As discussed in the next Chapter, it is not the case. This illustrated weakness of not taking into account local elites' resistances.

### **2.2.2 The continuity or discontinuity in the Siamese state during 1910-1997**

Despite something new after 1910, much, if not all, literature points out that such changes in the Siamese politics and state before 1932 were deeper but continuous development and expansion of an absolute monarchy and the new powerful bureaucracy. Additionally, the revolution in 1932, which overthrew an absolute monarchy, was done by the group of lower-class bureaucrats, so-called the People's Party rather than democratizing forces or peasant rebellion which was one part of anti-colonization movement in other colonial SEA countries. The underlying cause of the revolution was the conflict within the bureaucracy. Despite bringing in the Constitutional Parliament and limiting the power of the King, the revolution still contained the centralization of power within the bureaucracy (Anderson, 1979 and Tejapira, 2006). There was not any powerful non-bureaucratic group. The parliament and the heads of ministries were full of bureaucrats. This situation is named bureaucratic polity (Riggs, 1966).

Two significant changes from the revolution were the decline of monopolization of ministries and high positions by the royal and noble bureaucrats and the fragmentation of power which was previously centralized under the King. The leaders of the People's Party had conflicts, split into three groups, and competed with one another (Pasuk and Baker, 1995).

Following AJR (2004), their competition for power was involved with creation of economic power base. They used the two famous rent-seeking activities. The first way was to establish new state enterprises and become their board members to extract rents. This way was accompanied by the Thai nationalism campaign against the Chinese business. The anti-Chinese sentiment led to the second way of rent-extraction. In order to be secure, the Chinese firms found the bureaucratic elites as their patron and appointed them as the board members of their firms. The bureaucratic elites gave the privileges to their firms and client Chinese firms in exchange for financial resources. This situation was called bureaucratic capitalism (Evers, 1987b, Hewison, 1989 and Suehiro, 1996). *Therefore, under competition, the government policies were conflicting and economic industrialization failed. Thai bureaucracy was full of patron-client relation. The public offices were still used for the private aim. There was no social commitment. Or, it seems to be the predatory state.*

*As will be seen in the next chapter, this historiography supports the thesis of persisting colonial legacy: powerful bureaucracy and patron-client relationship within bureaucracy and between the bureaucrats and the Chinese businesses were the outcome of the new Siamese state formation under the impact of imperialism.*

However, since the late 1950s, the Thai political economy shifted into new stage. The power was re-centralized under the authoritarian-military regime of Field Marshal Sarit Thanarat. The government was committed to economic growth and private-led industrialization. The security of property right was asserted. Most of state enterprises were privatized. Additionally, the new important economic organizations, for example, NESDB (National Economic and Social Development Board) and the Board of Investment (BOI) were established to provide national economic plan and coordinate development plan and industrial policies. During the 1960s-early 1970s, ISI were chosen as the main strategy in order to build up the domestic industries. The main policies included imposition of hard protective tariff on the imported consumer products and intermediate inputs, tax concession and exemption for qualified firms, low-interest-rate loan, suppression for low wages, and others. The state became active in economic development and at mobilization of resources to industry substituting for absence of well-established capital market. Despite some limitation, industrialization during this period was more successful than previously (Rasiah, 2003 and Somboon, 2009).

According to state type classification above, there was a shift from the *predatory state towards an intermediate state*. Despite reforming state administration and attempt to coordinate the economic policies, it was too limited to developmental state. In spite of guiding macro-planning, the NESDB has no capacity in implementation of coordination of industrial policies, which are in authority of different ministries. The Ministry of Industry (MOI) supervises expansion of capacity and factories and business behavior. The Ministry of Commerce (MOC) is able to ban the import and export of goods. The Ministry of Finance (MOF) has tariff means. The BOI has fiscal means privileges such as tax exemption or tax holiday. The Bank of Thailand (BOT) manages interest rate and loans. There are too many agents in the industrial policies to be coordinated. In many cases, there are many conflicting agents in one policy or in one permit. For example, MOI controlled and banned overcapacity in textile industries, which was stimulated by the privileges by the BOI, the high tariffs by the Ministry of Finance, and easy allowance of textile equipment imports by the Ministry of Commerce. However, when realizing that the control was impossible, MOI legalized the excess and did not punish the firms. The privileged promotion of BOI is criticized as ad hoc rather than long-term industrial development plan and failing to punish the inefficient firms (Christensen and Siamwalla, 1993; Rock, 1995; Doner, 2009 and Somboon, 2009).

The shift of government commitment to economic growth and industrialization was exogenously driven by the U.S. campaign against communism. Meanwhile, the privatization of state enterprises was also a result of increasing losses. To compete out other two opponents, Sarit required support from the U.S.; therefore, he committed the goal to U.S. rather than internal agents. Thus, despite being more economic growth-oriented, the policies were captured by *urban and Bangkok businesses against rural ones and industry-biased against agriculture like the previous period* (Rangson, 1990). For example, the rice premium policy, suppressing the price of rice, reduced 25 per cent of all rural income during the 1960s and transferred such surpluses to the industrial sector while there were few public investments in the agricultural sector (Dixon, 1999). This is one reason of limited success of industrialization if following the model that successful industrialization required large domestic market as a result of the agricultural modernization and relatively equal distribution of wealth and land (Gunnarsson and Anderson, 2003). *Additionally, his commitment and reform were done under bureaucratic polity condition which was lineage of colonialism; no block from other powerful elites, such as the landlord class.*

The year 1973 is marked as the significant turning point of the Thai state or the death of bureaucratic polity. The popular uprising led by the student group in terms of democratizing force weakened the military dictatorship. Despite the return of the military coup in 1976 and 1991, the military government by the coups rapidly fell down. The number of businessmen in cabinets were outstandingly increasing in spite of “semi-democracy” regime during 1979-1986, which the prime minister was not elected and not a member of the political party but supported by the military, the appointed Senates, and the high-ranking bureaucrats (see Table 2.2.2).

Table 2.2.2 Number of businessmen in Thai cabinet, 1963 – 1986

Premier	Beginning Date of Cabinet	Number of Businessmen	Total Number of Cabinet Members	Percentage of Businessmen
Sarit	February 1963	0	14	0.0
Thanom I	December 1963	1	18	5.6
Thanom II	October 1973	1	25	4.0
Thanom III	December 1972	3	28	10.7
Sanya I	October 1973	4	28	14.3
Sanya II	May 1974	3	31	9.1
Seni I	February 1975	8	30	26.7
Kukrit	March 1975	16	27	59.3
Seni II	April 1976	11	31	35.5
Thanin	October 1976	1	17	5.9
Kriangsak I	November 1977	2	33	6.1
Kriangsak II	May 1979	9	43	20.9
Kriangsak III	February 1980	5	38	13.2
Prem I	March 1980	17	37	45.9
Prem II	January 1981	12	40	30.0
Prem III	December 1981	17	41	41.5
Prem IV	May 1983	21	44	47.7
Prem V	August 1986	21	44	47.7

Source: Anek (1992) cited in Painmanakul (2010)

Another new rising social group was the politicians, especially the provincial and the local ones. The rising of their power was accompanied by the rising acceptance of the election as the political way to form the government since they have the widespread patron-client or personal relationship with the local rural people who are the majority of the country. Thus, after the semi-democracy, the group dominated in the cabinet. The role of non-bureaucratic actors, political party and business association, in the policy-making process was increasing. In other words, it is argued that since 1973 the new rising forces have been solving the colonial legacy; the bureaucratic polity.

However, it should be asked whether there was any significant shift in terms of state type from the rise of new forces. Certainly, even though the economic goal the non-bureaucratic-dominated government committed was the same as the bureaucratic government, it cannot be argued that it is the colonial legacy *if the economic policies are in the hand of the non-bureaucratic-dominated government and new rising forces.*

But in Chapter 4, *it will offer some evidences that the economic policies were still in the hands of bureaucratic actors* until 1997 despite participation of business groups and political parties. The attempt to reform the state administration to be more coherent failed and was counter-attacked. The patron-client relation and the coherence within the bureaucracy were still widespread. All of these follow the framework of institutional persistence. The high-class bureaucrats still have the power *de jure* and *de facto* to create the economic institution to empower themselves. Therefore, the Thai state was still the intermediate state.

There were also hints from the literature about the Thai economic development since the late 1970s. The development strategy shifted from ISI to EOS. Under EOS, industrial policies were not absent but applied to promote export-oriented industries and FDI to invest, for example tariff reduction on input and capital used in the export industries and tax reduction exemptions on firms exporting less than 100%, free international transfer of profits, and an allowance for 100% foreign ownership for firms exporting all their products. Driven by the export growth and export-oriented firms, industrialization was more rapid and successful. Nonetheless, *the failure of local industrial upgrading still persists partly due to incoherent policies of different ministries and state organizations.* The majority of the Thai firms are the low-value-added assemblers of international companies, especially, Japanese (Rasiah, 2003; Doner, 2009 and Somboon 2009).

Due to policies still in the hand of the bureaucrats against the provincial political party, the development plan and the policies were still Bangkok-biased while the rural industries were not supported (Patmasiriwat 1995) Despite some increases in public investment and abolishment of heavy taxes, the agricultural sector was still neglected, for example, there was no improvement in land property rights<sup>4</sup>. The majority of landholding cannot be used as

---

<sup>4</sup> According to the land laws, there are three types of the land title: full title (NS-4), utilization (NS-3), and occupancy (NS-2). Only NS-4 and NS-3 are secure enough to be able to use lands as collaterals. By 1985, less than half of the cultivated land had NS-4 and NS-3. Worse still, many of cultivators had only SK-1, the receipt

collateral for loan or the capital for investment (Jansen, 2001). The inter-personal and inter-regional inequality was rising (Dixon, 1999 and UNDP, 2009).

*In sum, Chapter 3 will argue that, under the impact of imperialism, the Siamese state was transformed having characteristics of powerful but incoherent bureaucracy and Bangkok-biased center while being ignorant of the rural development. Chapter 4 will illustrate that the power of bureaucrats still persisted despite the decline of bureaucratic polity.*

---

of tax payment, or had not any land document since they cultivated on the illegally occupied land (Pasuk and Baker, 1995:63)

## Chapter 3: Empirical Analysis

As discussed in Chapter 2, to answer the main research question how British imperialism had impacts on the Siamese state transformation needs to be analyzed through two main mechanisms: the forces of metropolitan preferences and resisting forces of local elites. It will be seen below that lack of either force cannot capture the whole picture of the transformation. Then, the main characteristics of the new Siamese state are classified and shown being the ancestor of bureaucratic polity as discussed in Chapter 2. These are discussed in Sections 3.2 and 3.3.

However, before analysis of the impacts, the main politico-economic institutions of the Siamese state and its state type before the Bowring Treaty in 1855 are briefly reviewed in Section 3.1

### 3.1 Initial situation

Initially, the Siamese state was a land-abundant and labor-scarce state. Therefore, the main institution and social structure, so-called “Sakdina” or “Thai feudalism”, had been developed to control the man resources. Even though a social rank of a person was expressed according to the number of land, *his/her position in society was hierarchically related to other persons*. The main social division was between the commoner class (“phrai”) and slavery (“that”) as the ruled and the official class (“nai”) as the ruler. There was also hierarchical division within the official class. The low-class officials had the high-class officials or the noble class as their patron. *De jure*, the King was at the apex of the social hierarchy and the patron of everyone (Lysa, 1984).

The main relationship between an official and a commoner was an “exchange” relation: a commoner gave labour service in return for security and protection from an official. Or, a commoner was able to pay some commodities or money instead for his labour service. But it was a “forced” exchange since, *without an official as his patron*, a person had no political-economic status and right (including right in his/her product) (Lysa, 1984).

The commoner class also had corvee labour obligation to the state/the King for a certain time in one year<sup>5</sup>. The 'nai' class had a duty to mobilize the manpower according to the obligation and when the King needed. If everything followed this, the King would have been the most powerful. However, *de facto* there was political competition among the nobles and the King for the manpower. The nobles helped commoners to avoid hard labour exploitation of the state in return for becoming their clients. On the other hand, because of scarcity of manpower, commoners were able to resist when feeling exploited by evasion from predatory officials to be more benevolent ones (Lysa, 1989).

Under the Sakdina structure, the Siamese economy was agricultural. Nevertheless, the foreign trade was also the vital part of the economy and state revenues. Actually, the reconstruction of the Siamese state after the destruction of the previous Ayudhya Kingdom by Burma in 1767 was dependent on the Sino-Siamese trade (Ever, 1987a). However, by the early 1800s, there was a shift in fiscal base from the trade revenues to the tax-farming revenues due to expansion of domestic production as a result of the export growth (Lysa, 1984). *Thus, the economic bases elite groups sought to accumulate were not only the manpower but also money resources from trade and tax-farming.*

The Chinese immigrants were also the main participants of the state reconstruction. They were not only wage-labour and cultivators but also the merchants, which assisted the royal and nobles' trade enterprise and then became the tax-farmers (Skinner, 1957 and Ever, 1978a). They were important to stabilize the social structure. In order to have a right to do economic activities, they needed to find the officials to be their patrons and thereby were subordinate to the existing social structure. If they had been absent, some commoners would have been promoted as the tax-farmers, of which the rank equaled the lower official. In other words, there would have been social upward mobility within the social structure.

On the other hand, their inflow as wage-labor and commercialization of economy weakened the elites based on the manpower since the labour was less scarce and could be bought in the market (Hewison, 1989). Additionally, commoners increasingly compensated the labour obligation with money.

---

<sup>5</sup>The period was four months per year in the First reign (1782-1809) and was reduced to three months per year in the Second reign (1809-1824) (Feeny, 1989).



There were other two main characteristics of the Siamese state, which illustrate the limited power of the central government or the King. The state administration was fragmented over areas. The ministries were not functionally divided over the whole territory but territorial divided. *One ministry had both self-sufficient finance, military, and judicial authority over the controlled area.* Importantly, the finance of the Central Treasury was weak since the collected tax sent to the center was the remaining after expenditure of each ministry. *Therefore, there was leakage of the state revenues to the elite groups, like the manpower* (Rajchagool, 1994).

Coming to the fourth reign, the power of King Mongkut and his alliance was very weak. The most powerful noble group was the Bunnag family or “the Conservative Siam group” controlling most of tax-farming revenues while the other noble groups or “the Old Siam group” was able to control the flow of manpower. This situation continued until King Chulalongkorn (1868-1910) acceded to the throne and formed “the Young Siam group” to reform the state administration, which will be discussed below (Mead, 2004).

Additionally, the Siamese state was not a modern state in terms of territorial state. The power of the central government in Bangkok was decreasing according to increasing distance from the center. *The relationship between Bangkok and other periphery regions (of the present Thai state) was between the superior state and inferior or tributary states rather than between the central government and provincial government in the United States.* Despite sending tributes or gifts to Bangkok, the tributary states had an authority over their area and resources and had autonomy in fiscal and judicial administration which was not necessarily the same as the Bangkok-state (Rajchagool, 1994).

*In sum, the Siamese state was patrimonial with the patron-client relation as the main social relation. The state authority was territorially fragmented and there was no public-private division. The public resources and positions were flown to and used by the nobles to empower themselves and for their private aims. The King had no power de facto.*

## 3.2 The impacts of imperialism

As mentioned in Chapter 1, the starting point of the study is the year 1855 when the Bowring Treaty was signed between the Siam government and the British imperialism. Certainly, this is not the first treaty between them. But the fundamental aim of the British imperialism, that is the free trade, was more achieved under the Treaty than the previous one; and it also opened the Siamese gate for the other imperialist political and economic influences.

### 3.2.1 The Bowring Treaty

As the British imperialism expanded and penetrated into SEA, especially in Singapore and Malaysia since the early 19<sup>th</sup> century, there were gradually increasing British trading ships to Bangkok from 265 ships in 1825 to 331 ships in 1850 (Lysa, 1984). But they faced the difficulties of trade, for example, high and non-standard overlapping import and export taxes and the Chinese trading privileges against them. The British imperialism negotiated and attempted to solve them; the representatives were sent to negotiate and sign the Burney Treaty with the Siamese King in 1826. But the Treaty failed to change the situation. The British traders increasingly called for the British Indian Government, which also became interested in expanding the opium market to the Chinese community in Siam, to solve the problems (Pasuk and Baker, 1995). These were the fundamental aims of the Bowring Treaty (henceforth “BT”) in 1855.

The main components of the BT included (Ingram 1979):

1. an abolishment of economic privileges enjoyed by the Chinese merchants and royal monopoly, except opium<sup>6</sup>
2. an abolishment of measurement duties; and, fixing the import duty at 3 percent and taxing the export commodities was once (either inland, transit or export duty) average 5 percent
3. allowing the right of residence and extra-territoriality and right to internal trade for British subjects
4. the treaty following the principle of the most favoured nation (MFN).

---

<sup>6</sup> Import of opium was exempted from any tax and must be sold to Siamese government (Pasuk and Baher, 1995).

Indeed, there was no sudden economic change in Siam after 1855. The King Mongkut began reducing Chinese privileges and royal monopolies and easing restriction to British traders before the BT due to the declining trade with China as a result of Chinese political instability during the early 1850s and the pressure of the Bunnag nobles with interest related to expansion of trade. So some might argue its impacts were little (Pasuk and Baher, 1995). Additionally, this might be one of the factors why the BT was more successful than the previous treaty.

Nevertheless, the BT forcefully integrated the Siam kingdom into the world market or tied the hands of the government to the rule of free trade, especially Articles 1 and 2. The government hardly resisted the internal economic and political changes from the external changes. The enforcement of the treaty was done by the British military, which the Siamese government felt from the first and second Anglo-Burmese war during 1824-1826 and in 1853, respectively (Webster, 1998). Thus the fear was another factor of success of the BT.

As mentioned in Chapter 1, the BT became the model of the subsequent treaties between other imperialists and the Siamese government. Nonetheless, the British and French imperialist influence was greater than others.

Following the framework, the free trade conditions of the BT represent the forces of metropolitan preferences. The main mechanism through which they influenced the state transformation was the economic change. In addition, demand for teak and tin resources in the Siamese state was also another force of preferences of the British imperialism. However, as seen below this force required the political changes but in favour of the elites in the Bangkok government. These will be discussed in Section 3.2.2.

On the other hand, as also mentioned in Chapter 1, the British imperialism did not want to directly control the government and the political sphere in SEA due to increasing cost of expanding imperialism. Article 3 in the BT required “the extra-territoriality right” or the concession of the Siamese government for the British subjects in the Siamese area under the laws and authority of the British consular. In imperial perspective, this was the least-cost way to protect its businesses and its subjects and the least political demand for the local state reform. *In principle*, the extra-territoriality right *modestly* disturbs the local elites. However, if the number of protected subjects were huge, the extra-territoriality right was seen as the

external threat in the local elites' perspective. This historically happened in the Siamese state. Additionally, the external threat that the British imperialism became direct rule was increasing due to the internal political instability disturbing the British businesses and Anglo-Franco imperial competition. How the local elites responded to these threats will be discussed in Section 3.2.3.

### **3.2.2 The forces of metropolitan preferences**

#### **3.2.2.1 The decline of the institution of manpower control**

As observed above, the foreign trade had been internal to the Siamese economy and production. However, in contrast to the previous economic diversification, the free trade of the BT reallocated resources, land and labour, *to specialize at rice production and export*. On the other hand, inflows of relatively cheaper manufacturing imports destroyed the local manufacturers, especially sugar refining, shipbuilding and textile. Actually, the BT was not the only factor of changes. The completion of the Suez Canal in 1869, technological improvement in ships, and the increasing number of wage labour, especially the Chinese immigrants in the colonial plantation in SEA, stimulated the demands for rice production and increased its price in the Siamese economy (Manarungsan, 1987).

During the 1870s-1930s the Siamese economy became an importer of manufactured products and an exporter of primary products, especially rice consisting of 65-70 percent of the total value of export (Ingram, 1979). By 1929, the share of labour in the agricultural sector was 84 percent while the manufacturing sector was 2 percent which was the least in the colonial SEA (Booth 2008). The specialization was accompanied by the changes in the relative price of the products and of the factors of production, which in turn induced the institutional changes.

When integrated into the world economy, according to the vent-for-surplus theory of Myint and the Heckscher-Ohlin factor mobility theorem (Findlay and O'Rourke, 2007), the unused and abundant resources of developing countries will be put into the primary production and export for the imperialist demands. The price of an abundant and previously unused factor and such-a-factor-intensive commodity will increase while the price of a scarce factor and such-a-factor-intensive commodity will decrease.

It was also the case for the Siamese economy with initial abundant and unused lands and scarce labour. The cultivated land rapidly increased from 0.93 in 1850 to 1.53 million ha in the early 1900s and 3.35 million ha in 1930 (Ingram, 1979). The rents and prices of land rose while the real wages declined (see Table 3.2.2.1a). The data of land prices before 1915 was sparse and scattered. However, there was an increasing trend in the available data (see Table 3.2.2.1b). The decline of the relative wages was reinforced by the increasing inflow of Chinese immigrants (Hewison, 1989).

**Table 3.2.2.1 a Index of real wages and real land prices**

Year	Real Wages	Real Land Prices
1850	176.4	
1864	100	
1889	121	
1890	110.6	
1896	51.4	
1898	45.4	
1901	72.7	
1905	40	
1912	60.5	
1915	73.5	100
1920	73.7	82.5
1925	62.6	96.9
1930	75.9	137.4
1935	100.8	153.3
1938	97.3	140.5

Source: Adopted from Feeny (1982)

**Table 3.2.2.1b The prices of land and rent, 1864-1915**

Year	Real Land Price in Tons of Rice per <i>Rai</i>	Index of Real Land Price (1915 = 100)	Real Land Rent in Tons of Rice per <i>Rai</i> per Year	Location and Comments
1864-74			0.0018- 0.00367 <sup>a</sup>	Central Plain
1889	0.107	50.7		Bangkok Area
1890	0.024	11.4		Bangchan, Central Plain
1891	0.020	9.5		Bangkok Area
1894	0.038	18.0		Prathumthani
1897	0.076-0.152	36.0- 72.0		Rangsit
1900	0.225-0.562	106.6-266.4		Rangsit
1901	0.150	71.1		Ayuthia land sale
1903	0.262	124.2	0.042	Nakorn Chaisi, good land
	0.157	74.4		Nakorn Chaisi, medium land
	0.105	49.8	0.016	Nakorn Chaisi, poor land
	0.839	397.6	0.094-0.015	Rangsit, lowland
	0.210-0.525	99.5-248.8		Rangsit, average land
	0.105-0.210	49.8- 99.5		Rangsit, highland
1904	0.265	125.6		Rangsit
1905	0.423	200.5		Ayuthia
	0.211	100.0		Rangsit, low quality
			0.042	Ratburi
			0.021	Bangkhuad, Bangkok area
	0.357	169.2		Central Plain, good land
1906	0.213-0.320	100.9-151.7	0.043	Rangsit
	0.085	40.3		Central Plain
1907	0.374-0.428	177.3-202.8		Ratburi
1908	0.846	400.9		Sen Saeb canal, Central Plain
1911			0.128 <sup>b</sup>	r.6. k.s. 1/12, good land
			0.064 <sup>b</sup>	r.6. k.s. 1/12, poor land
1915	0.211	100.0		from Table A1-8
	0.136	64.5		Ayuthia
	0.123	58.3		Saraburi
	0.117	55.5		Thanyaburi
	0.207-0.415	98.1-196.7		Pasak Area

Due to these relative price changes, the Siamese economic and political institutions tended to change. The control of manpower tended to decline whereas the ruling elites accumulated lands and property rights of land tended to be more secure. Additionally, some elite groups whose interests were embedded in the trade and taxation benefited from the increase in rice production and export due to the rise in labour supply released from the corvee obligations to cultivate and expand rice production.

Nevertheless, these are just trends; the actual changes were also dependent on the internal political competition. As mentioned above, the manpower-control institution and its elites were weakened before the BT. Their weakness allowed relatively easy institutional change responding to the world economy's demand for rice.

However, the forces of the trade expansion and resource reallocation *itself* shifted the balance of power in favour of elite groups with land, trade, and taxation on trade as their economic base and at the expense of the group with manpower control. The latter elite group also had incentives shifting their economic base to land and trade. Additionally, the British imperialism supported this reform which stimulated production and trade. But without previous weakness of the latter, its resistance and political competition might have been more intense and harder.

According to Feeny (1989), the process of reform was during the 1870s-1910. For phrai luang (royal commoners directly under King's command), the reform began with easy allowance for the commutation payment (payment for the absence of the service obligation), then reduction of the payment and finally substitution of head tax and conscription for corvee system. For phrai som (the commoners under noble class), the king forced the nobles to choose between the commutation payment for their phrai or giving up the control; the nobles chose the latter (Pasuk and Baker, 1995).

Meanwhile the decree in 1874 declared children of a "that" (slave) born after 1868 were automatically free at age 21. The price of a "that" was reduced and they could not sell themselves again. Then, similar decrees were extensively geographically implemented; finally, "that" status was abolished in 1905 (Feeny, 1989).

As values of land increased, the elites and nobles accumulated large lands and then sold, rented and speculated the land. Despite land abundance, initially land was not suitable for cultivation. The construction of canal was required to make the land accessible and cultivated. Because of the fiscal resources scarcity as a result of fixed import and export tax of the BT, the Canal Construction Act in 1877 was issued in order to introduce the incentive for people's labour and private capital to dig the canal and expand cultivated area in exchange for ownership of surrounding lands (Kitahara, 2000).

The Siam Land, Canals, and Irrigation Company (henceforth called Siam Company) was established in 1888 by the royal family, the King, high-class nobles and a few European investors. The company was granted a monopoly right to dig canals along the eastern side of Bangkok, so-called the Rangsit scheme. Few big absentee landlords, tenants and the agricultural wage labour emerged (Suherio, 1996).

As increasing disputes of land ownership between the nobles and cultivators in the Rangsit scheme, the 1901 land law<sup>7</sup> was introduced to issue land title and establish land record office for cadastral survey. *The deed was used as the certificate of ownership substituting for traditional means, which the right to hold a land followed the real use of land and tax receipt as the certificate.* This allowed an emergence of absentee ownership and asserted right of nobles who had deeds over land in Rangsit against the cultivators. With the new laws, all transfers and transactions had to be recorded; and, land can be used as collateral. The subsequent laws in 1908-1909, 1916 and 1919 were made for minor adjustments of administration and fees (Feeny, 1982 and Kitahara, 2000).

However, the application of secure property right and elaborate cadastral survey were limited to the Central Plains, especially the Rangsit scheme until 1909. After then, the cadastral survey was less active, which left many of the cultivated lands without deeds and made land property insecure and hardly to be used as collateral (Feeny, 1982). Until around the 1950s, there were just 12 percent of all land with the secure title (Ingram 1979).

Indeed, the large land accumulation of the Rangsit scheme was *the exceptional case* for the Thai economic history, which the land-owned small peasants had major roles (Kitahara, 2000). Thus, significant questions should be asked: as prices of land rose, why is land accumulation not the general phenomenon in Thai history? Or, why did other nobles not accumulate land and form a large landlord class? The answers are related to internal politics and external threats discussed below.

In conclusion, the integration of the Siamese economy into the world economy as a rice producer undermined the political control of manpower and opened opportunities for other powerful groups whose interest was embedded in trade and taxation and landlords. The most important implication is the decline of the previous Siamese state based on the control of manpower and nai-phrai political and economic relationship. Therefore, the Siamese state was transformed by the substitution of taxation on trade and economic activities for the manpower as its material base. Additionally, the political, social and judicial control of nai needed to be substituted by other means, that is the bureaucracy discussed below.

---

<sup>7</sup>Feeny (1982) wrongly argued that the first modern land law was in 1892 law; however, it was just a draft. The 1901 law was the first enacted law Larsson, 2008).



### 3.2.2.2 Demand for teak forest and tin and territorial centralization

There is another economic demand of the British imperialist and business, that is, demand for teak and tin extraction, which also influenced the state transformation. Because of the decline in home supplies of oak and insufficient supplies of teak from India and Burma to match the increasing demand, the British imperialism and business became interested in and came to teak resources on the northern border of Siam next to the British Burma (Barton and Bennett, 2010).

As already mentioned, initially Chiangmai and other northern states were tributary states of Bangkok and had relatively autonomous power and legislation over their subjects and resources, including teak. Additionally, the extra-territorial right and other privileges for British and other European subjects in the BT were initially applied to just the Bangkok-directly-dominated area or the Central Plains area, *not* tributary states including the northern vassal states. Therefore, the British businesses called the British Consul in Bangkok and the British Indian government for the rights to extract the forest teak and life security. The British Indian government responded to their demands by changing relations Bangkok-Northern states (Iijima, 2008).

During 1873-74, King Chulalongkorn negotiated and concluded the treaty with the representative of the British Indian government to extend the extraterritorial jurisdiction to the Northern states, *without any participation or consent of the latter states*. With the treaty, Bangkok took responsibility of enforcement of extraterritorial right. The royal commissioner was sent from Bangkok to Chiangmai. In other words, *backed up by the imperial power*, Bangkok started to centralize power over the Northern states (Barton and Bennett, 2010).

However, the Northern elites resisted the treaty and power centralization. Then, Chiangmai Treaty 1883 was agreed for an establishment of a Vice-Consular office to strengthen the power of Bangkok and the British there. This was accompanied by centralization of taxation or other revenues. In 1895, Bangkok elites and the British cooperated to establish the Royal Forest Department (RFD), which officially claimed the forests of northern chiefs as property of the Siamese government in Bangkok (Barton and Bennett, 2010).

The establishment of the RFD economically benefited the British domination of forest teak while politically benefiting power centralization of Bangkok over area and resources: “the average annual export value of the teak industry from 1920-1924 ...the Thai government obtained annually 3.3 million baht as state revenue in the forms of royalties and various kinds of duties from the whole forest industry. Meanwhile, the six major European trading houses ...earn profits totaling over 3 million baht alone in and around 1920...”(Suehiro, 1989:41). Observably, the benefits were shared as the partners rather than taxation of state on economic activities.

The similar story took place in the Southern region, where the British were interested in tin resources. Despite initial domination of Chinese immigrants, the Malaysian British capitalists began to penetrate since the 1890s and displaced the Chinese during the 1920s-1930s. The success was dependent on their higher advanced technology and the support from the political centralization of Bangkok. The Department of Mines was also established in 1891 by cooperation with the British in order to claim the tin resources and royal commissioner was sent to centralize power there (Rajchagool, 1994).

Like the teak case, the British business and the Bangkok *shared the benefits*: “... annual export value averaged 17.0 million baht from 1916-1918, while 5.0 million was forwarded to the Thai government as state revenue... nine British firms ... paid a total amount of 4.1 million baht in dividends per annum...” (Suehiro, 1989: 41)

*In conclusion, there was the imperial demand and support, derived from demands for tin and teak, for the Siamese government to territorially centralize the tributary states. And the relationship between the Bangkok elites and the provincial elites was changed at the expense of the latter.*

### **3.2.3 The local institutional resistance**

Two metropolitan economic preferences above did not threaten the Siamese elites but favoured some elite groups over others. In contrast, the imperialist influences discussed below did threaten all local elites as a whole. According to the framework, the important point is to see how the local elites responded to the external threats; whether by the economic and political modernization or extraction.

As Doner et al (2005) argued, if the external threats are very perilous, the financial constraints are very hard, and the internal politics is inclusive to expand coalition, the local elites will respond by modernization. But because all the three conditions were not met in the Siamese case, the modernization was limited. Against his argument, the discussion below argues all the three conditions were met. Nonetheless, the political and economic modernization of the Siamese local elites was limited.

### 3.2.3.1 External threats

#### 3.2.3.1.1 The threat of the direct imperialism and “Buffer state”

It is much misunderstood that the Siam did not face the threat of being directly colonized. According to Webster (1998), there were two main reasons for shift from the informal to the formal imperialism: the internal disorder and the imperialist competition. While the Siamese elites could control the former factor, the latter was uncontrollable.

As the presence of French power in the Indo-china region since the mid-19<sup>th</sup> century, there was the Anglo-France expansionist competition. While France gradually annexed Annam (at present called “Vietnam”) since 1859 and completely controlled it during 1884-85 and controlled Cambodia since 1867, the British completely annexed Burma in 1886. Then the French imperialism began spreading its influence to Lao and the Mekong River which the Siam and Annam had competed to control over (Webster, 1998).

The Siamese elites responded by centralization of the power over the region. Like the Southern and the Northern regions, the royal commissioners were sent from Bangkok to consolidate its authority over there. The centralization was successful. But there were some confrontations and some French soldiers were killed, which in turn stimulated the French to use military response. In 1893, the French gunboats were sent stationing at Paknam, the mouth of the Chao Phya River, which was near the palace. Finally, the Siamese government ceded Laos and the western side of the Mekong River to the French imperialism (Rajchagool, 1994).

Initially, the British imperialism agents saw the Siam-French confrontation as the border disputes and had no reaction against France. But, when the French gunboats were sent, the

British felt the French imperialist threat against them and sent their gunboats stationing in Bangkok in order to protect their benefits in Siam (Webster, 1998).

After the end of the concession of Laos and the Mekong River, in order to minimize their costs of the confrontation of the Anglo-French expansionist competition in SEA, the British and the French negotiated and made an agreement in the Anglo-French treaty in 1896. The significant content was “the heartland territories of the Siamese state...would not be invaded by either power...without the express permission of the other side” (Webster, 1998:234). Therefore, the Siamese state was the “Buffer state” *without its agreement*. Thus, the argument that the Siamese elites used the diplomatic way to secure its independence is not the case.

Moreover, “the heartland territories” the treaty referred to included just the Central Plains or the Bangkok-center area, not the periphery regions. Actually, the implicit content of the agreement was that the eastern side outside the buffer zone was the sphere of the French influence while the southern and northern side was of the British. The Siamese state ceded some Southern states and North-Eastern states to the British in 1909 and the French in 1907, respectively, in exchange for independence of other areas and an abolishment of the extra-territorial rights discussed below (Webster, 1998 and Rajchagool, 1994).

Therefore, it is hardly to argue that the Siamese state faced less hazardous external threats than Japan because of the buffer state status. Despite never being directly colonized, the Siamese state faced the threats when the imperialisms were strong in SEA and, thereby, *was pressured to boost up the state’s revenues to expend the defense and centralization of the authority of the state over the periphery regions against the imperialism*.

#### 3.2.3.1.2 Extra-territorial rights

Indeed, there is another silent but continuous threat for the King and the Siamese government, that is, the extraterritorial rights. According to the BT, subjects of the British imperialism and other imperialist powers, which had the treaty with Siam, were not under authority and laws of the Siamese state but under the British and others’ consular authority. Therefore, the British imperialism did not directly demand the whole and the rapid revolution of the Siamese state.

In one respect, this rule is expected to put pressure on the state to reform itself following the European model: to abolish the extraterritorial rights, the state was needed to be modernized. *To some extent, the Siamese state modernization was the response to such pressure* (Horowitz, 2004). Therefore, in contrast to Lange's framework, despite being informally colonized, the Siamese state administration and laws were modernized, even though on a limited scale.

However, in the imperial perspective, the Siamese state could never reach the European standard regardless of degree of actual modernization because the fundamental aim of the right was to give the advantages of the imperial subjects over the local ones (Lysa, 2004 and Winichakul, 2000). To abolish the right in reality required not only the modernization but also other conditions to be exchanged.

Initially, the Siamese government was tolerant to the situation and felt the modest threat since the number of British subjects was modest and was far from the British consul, which means protection was still in principle rather than in practice. However, the right was not limited to the British or French subjects born in the home town but was extended to "Asiatic" subjects in their colonial countries. As the British and French imperialisms expanded in SEA, the number of their Asiatic subjects increased and they immigrated to Siam especially during the late 1890s. Moreover, as imperialist competition, the British and French consuls tried to expand their influence by registering the Chinese immigrants as their protégés (Larsson, 2007). And the protection became more effective in practice due to the spread of the foreign consular and international courts into other regions (Iijima, 2008).

Hence, towards the end of the 19<sup>th</sup> century the number of people excluded from the Siamese jurisdiction tended to increase and threatened the Siamese government, which then attempted to abolish the extra-territorial rights. Despite no figure of the total number of the imperial Asiatic subjects, in 1901 the Minister of Foreign Affairs complained to the Dutch consul: "The consular corps in Bangkok would soon have more subjects than the king himself." (Bootsma, 2005 cited in Larsson 2008:10). This might be exaggerated; however, regardless of the exact number, this caused the trouble to the Siamese ruling elites. *Responding to this threat, the Siamese government used the land property right as the political means to negotiate with the imperialisms* (Larsson, 2008). This is similar to the Zambia case where the economic institution was used as the political means (Frankema, 2010).

Even though giving the British subjects rights to reside and buy a land, the BT restricted the foreign residence to Bangkok area and 24-hour zone; “anywhere within a distance of twenty-four hours’ journey from the city of Bangkok, to be computed by the rate at which boats of the country can travel” (Borwing, 2003 cited in Larsson, 2008:9). Furthermore, to buy a land in the 24-hour area had to be officially allowed by the Siamese government. This reflects King’s fear of following threats of too much penetration and expansion of foreign investment in Siam, which also means expansion of the extra-territorial rights and loss of the authority of the Siamese government and possible tensions and disputes between the foreign and the Siamese subjects, which might result in military confrontation.

Nevertheless, outside 24-hour area, the British and French Asiatic subjects migrated to clear and informally hold a land without the official process. Therefore, the Siamese government tried to disturb them by making informal land right insecure (Larsson, 2008). Besides rising value of land and the benefits of some elites in the Central Plains discussed above, *this was the fundamental motive of modernization of land property rights and land administration.*

With the new modern land laws and cadastral survey during the 1900s mentioned above, the British and French Asiatic subjects without the official document were evicted from the lands without any compensation. There were some resistances against the Siamese state such as the Shan rebellion in 1902; but they were suppressed (Larsson, 2007).

This also disturbed the imperialisms. Due to justification of resistance by modernization of land laws, the negotiation was set. The Franco-Siamese Treaty of 1907 and the Anglo-Siamese Treaty of 1909 were agreed. The extraterritorial rights were abolished in exchange for rights to buy and hold the land outside the 24-hour area and concession of the periphery Southern and North-Eastern states as mentioned above (Larsson, 2008). Also, it should be emphasized here again that some level of the legal and administrative modernization had to be achieved as the sufficient condition for the abolishment of the extra-territorial rights and concession of the imperial subjects under the Siamese state’s authority.

This interpretation that the fundamental aim of modernization of land property rights was to protect the state’s authority was affirmed by the less active process of the cadastral surveys after the end of the extra-territorial rights *in 1909*. As the fear of the external imperialist threat still continued and even increased after the French gunboat crisis, the Siamese

government was still unwilling to issue the title deeds and *protect the foreign land accumulation*. In other words, the Siamese state modernized the land property right during the 1900s but later then stopped such modernization for the same reason: protection of the state's authority.

As the British legation observed, "There can be no real security of tenure, and, moreover, transactions in the sale and purchase of land are hampered in consequence, since the production of a title of ownership is usually demanded by the intending purchaser before a sale can be affected" (Peel 1931 cited in Larsson 2008:16).

Above all is the concern about the outside-24-hour area. Meanwhile, within 24-hour area where the land property right was secure because of the King and the nobles' interest in the Rangsit scheme, the justified and formal means, which disturbed the foreign right of landholding, was not available. According to Larsson (2008), the King established the informal norm among the large-land-holding nobles not to sell the land to the foreigner because of fear of loss of government authority. For example, in 1900 the King warned a royal prince to stop a plan to sell land in Rangsit area to a foreigner: "The farang have extraterritorial jurisdiction, which creates great difficulties for our administration. If they become owners of large plots of land like this, bandits can hide there and it will be difficult for us to capture them" (Nutsatham, 1977 cited in Larsson, 2008:11).<sup>8</sup>

Nonetheless, it should be doubted whether the informal norm would still have been effective to protect the sale of large land to foreigners if large-scale accumulation and canal projects had been allowed further. If allowed, the foreign capital would have been required due to scarcity of domestic capital. The powerful landlord class emerged, which could have done a business for themselves rather than following the King's norms. And, it would have been harder and costly to control and monitor members' behaviors when the number of members increased.

*Thus, the more effective way is to stop expansion of the canal construction or the large land accumulation.* Therefore, the fear of the external threat is one answer to the question raised above: why the landlord class did not emerge and expand in the Thai history. Additionally, this also related to the famous problem of underinvestment in irrigation discussed below.

---

<sup>8</sup> The "farang" in Thai means the Western people.

### 3.2.3.2 The resource abundance under the limited fiscal autonomy

While the rice, teak and tin export might have given the Siamese government easier fiscal budget, the metropolitan demands in the BT put the hard constraint on the government. According to the BT, without the British imperialist consent, the Siamese state could not change import and export tax rate which was fixed at the very low rate or introduce new taxation while the revival of state trading was eliminated. Actually, "... 3% import duty proved to be the lowest throughout all of Asia" (Suehiro, 1989:21). Additionally, the real value of the revenues from the internal tax or the export tax declined as the prices of commodities rose. For example, while the rice price increased, the export tax on rice was fixed at 4 baht a coyan lower than 6 baht 9 satang a coyan in Rangoon and Saigon (Lysa, 1984).

Moreover, the Siamese state was not permitted to change land tax for the British subjects, including the Asiatic subjects. While the Siamese government was able to increase land tax for its own subjects, it did not do that. One reason could be the King did not want to impose heavier tax on his subjects than foreign subjects, which might have disappointed his subjects and led to the resistance (Ingram, 1971).

As discussed above, even though the Siamese state benefited from the centralization over tin and teak, which was supported by the British imperialism, the benefits were not plenty because they were shared as the partners rather than as taxation of a state on the economic activities. *In sum, the imperialism put the hard financial constraints on the Siamese state, rather than gave the easy budgets.*

Hence, the argument that a state is extractive and un-developmental due to easy fiscal resources derived from land and resource abundance cannot be applied to the situation of the Siamese state. *The problem is the argument always assumes a state has extractive capacity.* A state with land and resource abundance will be extractive only if it has capacity to extract its resources. On the other hand, a state with resource scarcity or hard budget will invest in productive projects only if it has capacity to reap returns. Without the latter, a state has no incentive to invest. The Siamese state had abundant resources but limited power to extract resources. *Thus, the Siamese government had hard fiscal constraints but low incentive for the productive investment.*



Moreover, while the foreign loans were available, *the government carried on the conservative fiscal and monetary policy*: balanced budgets and large currency reserves, in order to be confident with solvency. If failing at repayment or having financial weakness, the authority of the state could be threatened. Until 1905, the Thai state had no loan. Then, the foreign capitals were borrowed due to increasing fear of the threat after the French gunboat and increasing need of capitals for railway construction to different regions which was important to the national security rather than productive projects in agriculture (Ingram, 1979)<sup>9</sup>. This is also because of limited capacity to extract yields from the latter projects.

Actually, the Siamese government had no policy instrument to stimulate the economy, to protect and bring up the infant industry, and to give incentive for producers to diversify the production. For example, there was an attempt to stimulate the economy and the export of other commodities beyond rice by elimination of internal transit taxes which made transactional costs higher and discouraged the expansion of production. But it was denied by the British imperialist (Ingram 1979).

However, it should be considered in the other perspective. *The very low taxation and low extractive capacity also means good climate of private investment incentive*. Not only the Siamese subjects but also the British businesses and Asiatic subjects had incentive to invest and buy the land. Perhaps, under the fixed low tax rates and the fear of loans above, the only way for the state to increase its revenues is an administrative reform of taxation and the *expansion of the private economic activities as the taxable base*.

Nonetheless, as the fear of the extra-territorial rights above, policies against large land accumulation and underdeveloped land property rights were used *to discourage the foreign investment* as discussed above while the Siamese private capital was limited. The foreign investment in the Siamese economy was the least in the colonial SEA in the 1930s (see Table 3.2.3.2) despite triple increases from 1914 (Lindblad, 1997).

---

<sup>9</sup>Although there were unintended economic benefits of railway construction, they were yeided after the World War. Before that time, the main benefit of railway was protection agiasnt imperial. Additionally, its main economic effect is to establish Bangkok as the economic center of Thailand (Ingram, 1979 and Ichiro, 2005), which is consistent with Bangkok-centralized bureaucratic structure and Bangkok-biased policies, which are discussed below.

		<b>Portfolio</b>	<b>Direct</b>	<b>Total</b>		
	Burma	10	210	220		
	Indo-China	25	255	280		
	Malaya	113	447	560		
	Netherlands East Indies	397	1600	1997		
	Phillipines	85	300	385		
	Thailand	57	75	132		
	Total	687	2887	3574		
Source: Adopted from Dixon (1999)						

Moreover, since the land tax is a tax per a land unit, improvement in productivity per a land unit benefits the private actors not revenues of the state. And the revenues from the export tax were dependent on the total production rather than the productivity. *In order to raise revenues, the state had to expand cultivated land as much as possible.* During 1850-1905, the new cultivated land was also exempted from taxation as the incentive for the expansion of the cultivated land (Ingram, 1979).

This means was consistent with the traditional landholding right, which required real use of land, but did not need improvement in an absentee land property right. While the latter right could rapidly expand cultivated land by encouraging the large-scale land accumulation and the canal construction, it also encourages land speculation, making profits from uncultivated land. Despite no quantitative data of the number of uncultivated land in the Rangsit scheme, the landlords who held uncultivated land were criticized as the main reason of stagnancy in the rice production during the mid and late 1900s (Kitahara, 2000).

In 1905, land taxation was raised with the British consent. But it was stipulated that the rates could not be raised more than those in the Lower Burma. Thus they were still low. But the important point here is introduction of taxation of uncultivated land in order to discourage speculative activities and large land accumulation (Ingram, 1971).

In conclusion, to maximize the revenues from land tax under fixed tax structure and the fear of the threat, *the state supported the private-led expansion of small-holding cultivated land.* This was also the reason of non-emergence of landlord class.

### 3.2.3.3 The internal politics

Actually, the King's concern of the internal political balance of power and stability was a no less important reason for non-emergence of large landlords than the fear of the imperialist threat.

The canal construction to get the land was introduced by the Canal Construction Act in 1877, of which the fundamental purpose was redistribution of the unused land, which previously in principle of Sakdina belonged to the King and the noble class, to small peasants who really used the land. The Act prevented the large land accumulation and speculation: if the land was left idle for 5 years, it would be allocated to the government (Pasuk and Baker, 1995).

In other words, the canal construction should be interpreted as the King's effort to abort an emergence of the landlord class or an attempt of the noble class to reconstruct its power as its manpower control declined. On the other hand, the *King might want to guarantee the freed phrai or commoner not worse the economic well-being than before, when they had been under the noble patronage.*

Therefore, before the Rangsit scheme, the canal construction projects were small-scale and were done by small-landholding peasants. Indeed, the small canal construction projects were still allowed even after the Rangsit scheme whereas only large projects were denied (Baker and Pasuk, 1995).

On the other hand, the Siam Company was established in order to build up the economic base of the King, the royal family and his close client nobles. Initially the shares of the company were exclusive to the King and his clients. But as other higher-ranking nobles opposed, they were allowed to take some shares as a political compromise (Baker and Pasuk, 1995). Moreover, there were other some cases where the King granted the nobles large lands for a political compromise and compensation for the disadvantage from his political reformation (Ingram, 1979).

Nonetheless, when the Rangsit scheme initially yielded high profits, there were many proposed canal projects (Kitahara 2000). If the King had allowed further, the powerful landlord class might have emerged against the King himself.

Furthermore, in the Rangsit scheme, there were increasing landlord-tenant disputes about the land ownership when the international rice export was stagnant. Certainly the state and the new land laws were thus on the absentee landlords' side and many tenants became indebted. The latter were disappointed and some formed as bandit groups and made small-scale revolts against the public order (Rajchagool, 1994). Therefore, the King might probably have feared possible larger revolts from the disputes as a result of an expansion of large land accumulation.

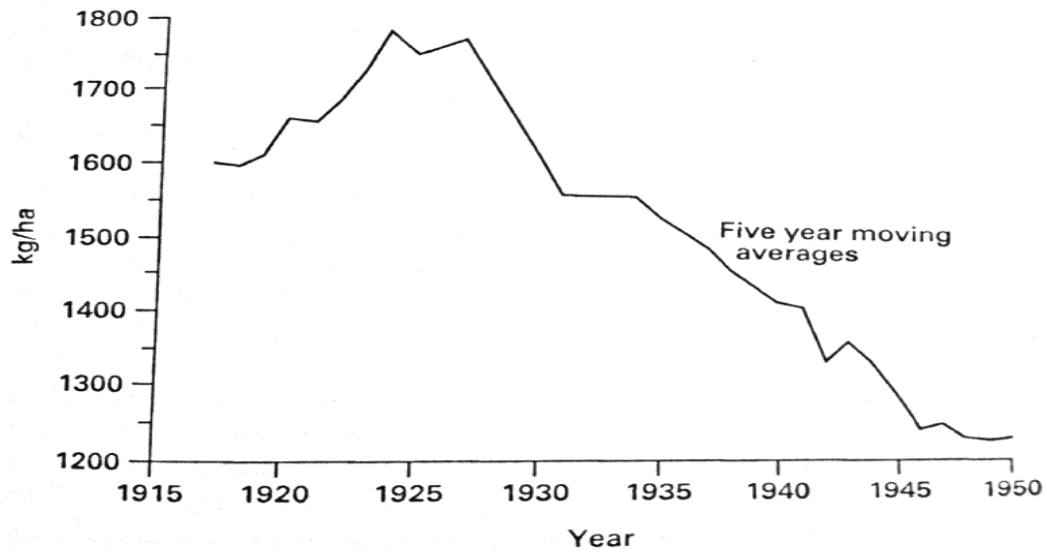
There was another intra-elites competition between the King and the elites group with interest embedded in the trade and taxation. It will be discussed below since it involved the creation of the state bureaucracy.

### **3.3 Result**

#### **3.3.1 Underinvestment in Irrigation and Agriculture**

Above all illustration, facing the hazardous external threats and the hard financial constraints and expanding the political coalition, the Siamese elites underdeveloped, rather than modernized, the land property right. Besides, underinvestment in the irrigation, which was the main cause of agricultural underdevelopment in terms of low productivity (Ingram, 1979 and Feeny, 1982) (see Figure 3.3.1), also resulted from three conditions or a consequence of the decline of large-scale canal construction and land accumulation discussed above.

Figure 3.3.1 rice output per unit of land (kg/ha), 1915-1950



Source: Dixon (1999)

The traditional canals constructed in Siam were of low technology. They could just distribute water and increase access to land but could not control and increase water for cultivation. Or they were able to increase extensive growth of agricultural production but not intensive growth. With the problem of inadequate supply of water in the Rangsit scheme, J. Homan van der Heide, the Dutch irrigation expert, was hired as an advisor in 1902 in order to design a systematic irrigation. No matter how brilliant and able to increase productivity per unit of land, his original mega-plan and then subsequent small plans were rejected until his resignation in 1909 (Feeny, 1982).

The issue of irrigation came back again in 1911 and 1912 when droughts took place. Finally, the irrigation system was first constructed in the Pasak project in 1915 which contributed to Rangsit area despite the new advisor suggesting building in the Suphanburi project, which contributed to the western side of the Central Plains. After that, there were some irrigation constructions in other areas; however, the budgets were still much lower against the railway construction (Feeny, 1979) (see Table 3.3.1).

Table 3.3.1 Railway and Irrigation Investment, 1892/93-1941				
period	Railway Investment (million bath)	Irrigation Investment (million bath)	Investment as a percentage of Railway Investment	
1892-1910	66.99	6.29	9	
1911-1920	75.96	4.62	6	
1921-1930	50.92	11.3	22	
1931/32-1941	22.61	12.2	54	
total	216.49	34.5	16	
Source: Adopted from Feeny (1982)				

According to the famous explanation of Feeny (1979), *under imperialist threat and inadequate fiscal revenues*, investment in railway was chosen as being more important in terms of strategy, public administration and centralization. Or there was divergence between national security and economic returns. Moreover, the investment following Van der Heide's whole plan would have benefited the whole area of the Central Plains but reduced the relative value of the Rangsit land of the Siam Company.

However, the first reason could be doubted why other countries, such as Japan, under such two conditions, invested in economic modernization to boost up the state's revenues for defense of national security. The difference was that the Siamese state had limited power to tax the returns of investment under the BT while the Japanese state had its full power.

The second reason still leaves another problem related to an accumulation of large land again: why the company did not accumulate the land of the western area of Bangkok and others to cover the area of Van der Heide's project.

Indeed, the company did attempt, even in cooperation with Van der Heide but failed: "The director of the canal department, Van der Heide, had an idea to irrigate the whole delta since his appointment in 1903, and tried to compromise with the company by expanding the company's scheme to the west side. The government finally rejected his plan along with that of the company..." (Kitahara, 2003: 6). Other nobles, even a half-brother of the King, also attempted to offer the plan to the government but were denied (Pasuk and Baker, 1995).

Hence, the explanation of the decline of the large-scale canal construction and land accumulation above is also an explanation of underinvestment in the public irrigation.

Meanwhile, according to Johnson (1981), the decline of the large-scale canal construction, irrigation, and agricultural modernization was caused by an exhaustion of indigenous labour and capital after the Rangsit scheme. The success of the Rangsit scheme was dependent on an availability of underutilized labour and individual capital. “In fact, the east bank canal excavation and land development projects would not have succeeded had not individual farmers and tenants been willing to borrow substantial sums of capital in order to purchase, clear, and plant the new lands”(Johnston, 1981:116). The majority of tenants were immigrants from the North-Eastern region and borrowed money from their relatives to rent and buy lands. After that, their capital was exhausted because of the rice production recession during 1905-1912. The second project of the Rangsit scheme also failed because the cultivators had no capital to rent the land.

No matter how reasonable the argument is, the large-scale projects were denied in 1903 before the recession. In counterfactual terms, even if capital had been available, the large-scale canal projects still would not have been done due to external threat, limited fiscal autonomy and internal politics.

Furthermore, according to the H-O theorem, the globalization should have brought large capitals inflows to the Siam, which was a country with capital scarcity, and price of capital should have been cheaper. But it did not happen because of the fear of imperialist threat as discussed above.

Actually, there were six banks, consisting of three European and non-European banks established during 1850-1935 (Suehiro 1996). However, their role were limited to trade and industrial business, not for the small agricultural cultivators most of whom had no any deed as the collectoral. The loan sources of small-landholding cultivators were their family and the Chinese money-lender who always charged the high interest rates partly since they were able

to mobilize small capital and the level of trust in the society was low<sup>10</sup>. Despite no series of interest rates, the figures of interest rates were estimated at 30% up before the BT and 36% and sometimes 60-120% after the BT despite 15% being the legal maximum (Ingram, 1979)<sup>11</sup>.

*The scarcity of capital also led to the lack of agricultural modernization and low rice productivity.* There were two means of rice cultivation among the common peasants: broadcasting and transplanting. The latter is more capital-intensive and yields higher productivity per unit of land than the former. During the 1870s-1880s periods, the transplanting was spread to the farmers investing and digging new canals. However, during the Rangsit scheme and after the recession, their capital was exhausted (Johnson 1981). A large inflow of foreign capital was unavailable and under unsecure property rights land could not be used as the collateral. Thus it was reasonable for them to use the former means. Since then, their production was extensive rather than intensive.

According to Graboski (2010) who, as mentioned in Chapter 2, argued that Korean and Taiwanese peasants benefited and were empowered from the increase in agricultural productivity from support of Japanese imperialism, whereas *the Siamese peasants were much less powerful*.

### 3.3.2 The Small-Peasant Order

Due to the policies favouring the traditional property rights against the absentee landlords and large land preemption, the Siamese agrarian structure was different from that of other SEA colonies. Until the 1930s, the area under tenancy arrangement in Siam was still low, just almost 16 percent of the total cultivated land, much less than almost 60 per cent in Burma, another rice economy (Table 3.3.2a). There was no estate area even in the planted area of

---

<sup>10</sup>When the borrowers were not able to pay back, they evaded into the forest and other regions, which was hard to follow them (Pasuk and Baker 1995).

<sup>11</sup>The remittance of the Chinese immigrants to their family could be also another cause of capital scarcity and lack of capital formation in the Siamese economy. Its value was estimated by the hired foreign Financial Advisor to be 26 and 30 million baht per year in 1912 and 1915 and 30-40 million baht per year during the 1930s. So, "...if the remittances averaged 25 million baht from 180-1914, the total would have been about 1,250 million baht, compared to an aggregate investment in railways and irrigation through 1941 of about 250 million baht. ...the total amount of government capital expenditure from 1892-1941...was only about 380 million baht" (Ingram 1979:204). Compared to the other colonies, the Chinese remittance could be seen as the colonial drains (Evers, 1987a).



rubber (Table 3.3.2b), which some argue that its production necessarily required scale of economy. Therefore, this asserts Hayami (2001) mentioned in Chapter 2. Nevertheless, the underlying reasons could be not only the cultural value which could be changed but also impacts of colonialism and local resistance discussed above. The percentage of landlessness was also low, except in the Central and the Northern areas (Table 3.3.2c). Actually, the landlessness was concentrated in the Rangsit area, where tenancy was relatively well-established (Pasuk and Baker, 1995).

<b>Table 3.3.2a Average Holding Size and Extent of Tenancy, 1930s (hectares)</b>			
<b>Colony/ Country</b>	<b>Average Holding Size</b>	<b>Percentage of Holdings Tenanted</b>	<b>Percentage of Land Under</b>
Taiwan (1932)	1.9	15.5	53.5
Korea (1938)	1.5	52.6 (15.5) ( a )	n.a.
Thailand (1937)	n.a.	n.a.	15.7
Burma (1938)	n.a.	n.a.	58
Philippines (1939)	2.4 (4.1) ( b )	35.1 (15.6) ( c )	32.5 (15.0) ( d )
Source: Adopted from Booth 2007a: 41			
(a) Figures in parentheses refer to holdings "chiefly tenanted".			
(b) Figure in parentheses refers to total land rather than cultivated land.			
(c) Percent of holding cultivated by part owners.			
(d) Percent of cultivated land farmed by part owners.			

<b>Table 3.3.2b Planted Area of Rubber (Hevea), 1910-1940: British Malaya, Java Outer Islands of Indonesia, and Thailand, 1910-1940 (Thousand hectares)</b>								
<b>Year</b>	<b>British Malaya</b>		<b>Java</b>		<b>Ouer Islands</b>		<b>Thailand</b>	
	<b>E</b>	<b>S</b>	<b>E</b>	<b>S</b>	<b>E</b>	<b>S</b>	<b>S</b>	
1910	172	53	64	n.a.	40	n.a.	0.4	
1921	522	369	165	n.a.	204	n.a.	11.2	
1930	754	476	229	n.a.	344	n.a.	60	
1940	848	541	241	16	385	715	273	
Source: Adopted from Booth 2007a								

Additionally, the pace of cultivation and degree of penetration of market were relatively lower. This was also a result of the limited foreign capital inflows and loans among the peasants. While the cultivated area in Siam and Burma were on the similar level more than 1,000 thousand ha in the early 1880s, the area rose to 4,000 thousand ha in Burma in 1914,

much higher than 1,700 thousand in Siam in 1910 (Table 3.3.2d). The rice export growth was much lower in Siam and the commercialization was limited to some areas. According to one survey in the 1930s, while more than 60 and 40 per cent of rice production in the Central area and the Northern area were exported, less than 20 per cent each in the North-Eastern and Southern areas was exported (Rajchagool, 1994). The latter areas were still, in fact, self-sufficient.

Region	Average Holding Size		Percentage Owning No Land	Parcels per Holding
	Owned or Squatted	Cultivated		
	(ha.)	(ha.)		
Central	4.5	3.9	36.0	1.64
Northern	1.5	1.6	27.4	1.32
Southern	1.2	1.0	14.5	2.08
Northeast	0.9	1.1	18.0	1.30
Source: Zimmerman 1999: 25-36 cited in Booth 2007a: 42				

	Population	Cultivated Areas (thousand hectares)	Rice Exports (thousand tons)
<b>Thailand</b>			
1881-1885	6.2 (1980)	1,046 (1885)	220
1906-1910	8.3 (1910)	1,755 (1910)	929
1936-1940	15 (1938)	3,481 (1936-1940)	1,475
<b>Burma*</b>			
1880	3.7 (1881)	1,255	807
1910-1914	6.2 (1911)	4,116	2,383
1935-1939	8.9 (1941)	4,965	2,909
Source: Adopted from Booth 2007a: 44			
* Population data refer to Lower Burma only.			

Thus, the land frontier was rapidly being closed in Burma: the year 1907 was marked as the turning point (Johnston, 1981) and during 1914-1930 the Burma expansion was very little compared to the previous period. With commercialization and land frontiers, it encouraged competition for land, alienation of land from the peasants and spread of tenancy. During the

economic depression in the 1920s, revenues were hard affected while land taxes and interest rates were fixed under the colonial state. Their well-being declined and they were disappointed. This led to the peasant rebellion which was the material foundation of anti-colonial movement (Adas, 1981 and Johnson, 1981).

On the other hand, the Siamese frontier expansion was slower but easily went on after the 1910s. The cultivators were low dependent on the market and more protected from the price uncertainty. During the recession, they were still able to find available free lands and turn to be self-sufficient. Additionally, low land taxes under the BT also eased their difficulty. *Thus, the depression and decline of rice export did not lead to large rebellion of the farmers against the state. This is the main reason why the 1932 Revolution was not related to the cultivators who were the majority.*

### **3.3.3 The Siamese state transformation: the rise of an absolute monarchy and the powerful bureaucracy**

The discussion above still leaves the important question: what is the new structure of the Siamese state substituting for the decline of the nai-phrai patronage structure. How did the King compete out the Bunnag group? How did he boost up the fiscal resources with limited fiscal autonomy and imperial threat? All of these related to each other and related to all discussed above. Therefore, the discussion below will tie everything together in order to see the whole picture of transformation.

As mentioned above, King Chulalongkorn (the Young Siam) acceded to the throne with inferior position and power against the Bunnag family (the Conservative Siam) whose fundamental material power was based on trade and taxation and other nobles (the Old Siam) whose material power was based on manpower control.

The power of the Conservative Siam and the Old Siam was also based on the existing administrative and ministerial organizations which were territorially and non-functionally divided. The state was patrimonial. The state authority was fragmented and there was no public-private division. The public resources and positions were flowed to and used by the nobles to empower themselves and for their private aims.

*Therefore, that the King competed for the manpower and financial resources involved not only centralization of power under him but also modernization of the state's administration and foundation of public-private division.*

Already discussed, as the trade expanded under the BT, the value of manpower declined while rice production expanded. The main material base for the state shifted from the manpower to the financial resources from taxation on rice production of small peasants. The power of the Old Siam and patron-client institution of controlling manpower were weakened and finally abolished. On the other hand, the Conservative Siam initially was benefited and supported by some agents of the British imperialism. Nonetheless, it was still reluctant to follow the British demands and reform the traditional administration and governance (Barton, and Bennett, 2010) not least because of its power being embedded in them.

The King took an advantage of its reluctance and made an alliance with other agents of the British imperialism by having commitment to advance the reform and follow the British economic demands. He began modernization of the states administration by centralizing tax-farming, which redistributed the economic resources in favour of the King and the Young Siam (Mead, 2004).

The Finance Office was established in 1873-74 as the only one centralized office where the tax revenues and tax-farm bid were sent, replacing fragmented offices under different ministries. The method of auction and payment of tax-farming were rationalized trying to minimize the leakages of public resources by the tax-farmers and their patronages, the high nobles (Rajchagool, 1994). For example, the officials dealing with the tax-farmers were salaried in order to reduce private involvement of the tax-farmers. Additionally, an Auditor's office was established to monitor the accounts (Lysa, 1984). Hence, public and private division became clearer. Some nobles, including the members of the Bunnag family, were accused of personal use of the public resources. And the revenues from extraction of expansion of economic activities went to the King instead of the Bunnag family and other nobles (Mead, 2004).

Furthermore, in 1874 the Privy Council and the Council of State were created to enforce the centralization of taxation, the former consisting of state administrators running routine state

function, especially with Chinese tax-farmers, and the latter consisting of legislators (Rajchagool, 1994).

With increasing state revenues<sup>12</sup>, the King was able to expand his power base, especially building up his own military and providing education abroad for the princes and the close nobles, who became the office leaders and ministers replacing the retired and dead members of the Conservative Siam. Certainly there were some resistances from the Conservative Siam, of which the final one almost led to internal disorder and an opportunity for the British imperialism to intervene by direct rule. However, with alliance with and support from some British imperial agents, the King was able to solve the crisis and keep the internal order. Since the mid 1880s or after the death of Chaung Bunnag (the leader of the Bunnag family) in 1883, the King and his princes dominated the political power *de jure* and *de facto* (Mead, 2004).

Then the King reformed the state administration further to be functionally unified and centralized across the territorial area of Bangkok and the Central Plains. During 1892-1911, the reform was completed and the cabinet, consisting of functional ministries appointed by the King, was formed (Rajchagool, 1994). The power of the King rose at the expense of the nobles.

The year 1892 marked the final stage of new state building, which substituted the specialized functionally bureaucratic departments for the officials (“nai”) and the Chinese tax farmers which previously had multi-functional and intermediate roles connecting the state and the local people, especially mobilization of resources, revenue collection, social control and judiciary (Rajchagool, 1994).

Additionally, since 1892 the central administration was expanded to other regions, of which the status previously had relatively autonomous authority, jurisdiction, and administration over their own area but which were politically subordinate to Bangkok. Indeed, as discussed above, the Bangkok expansionism began since the 1870s and 1880s. The royal commissioners were sent to major townships in different regions in order to keep Bangkok’s

---

<sup>12</sup>There is no fiscal revenue record before 1892. Most of the previous estimates are unreliable such as Pallegoix’s estimates at 27 million baht in 1850 while only 15 million baht was recorded in 1892 (Ingram 1979). Nonetheless, as most literature argued, despite no exact figures, the King’s fiscal resources should be improved due to the centralized reform. That’s why he was able to build up his political base.

authority over the regions and mobilize the resources to Bangkok for the modernization and centralization projects against the imperialist threats. On the one hand, the centralization in the Northern and Southern regions was supported and shared the benefit of teak and tin with the British imperialist; on the other hand, in the North-Eastern region was more militarily defending the threat of the French imperialist expansion. Nonetheless, at this stage, despite the power Bangkok was increasing in the regions, there were very few administrative reforms (London, 1979).

The “system of provincial administration” (“thesaphiban system”) was created during 1892-1899 and the Local Administration Act of 1914 was issued in order to territorially and administratively integrate the administration of the regions, provinces and the local areas within them into that of Bangkok (Rajchagool, 1994). *The territorially centralized state now was formed; and there was no longer relatively autonomous state of the Siam Kingdom.* This reform was also stimulated from the fear of external threats: confrontation with the France in 1893, the Anglo-France treaty of the buffer state in 1896, and subsequent loss of authority over some territories to the British and French.

In the process, the local ruling elites gradually lost political authority and economic resources to the central commissioners. As the political compromise and due to the lack of supply of manpower, they were appointed as the high regional officials under the central bureaucracy. There were no longer hereditary ruling elites. Over time the local elites were replaced by the central appointees. Certainly, there were some resistances, especially in the Northern region; however, they were debilitated *due to centralization of economic resources* and effectively suppressed by the modern military (Vickery, 1970). *On the other hand, there was almost no public goods from Bangkok. Noted, for these regions the central military was not as public goods for defending them but for suppression of Bangkok. In this perspective, this process is sometimes called “internal colonization” by Bangkok (London, 1979).* This was supported by some evidences. The King studied and travelled to the colonial system of provincial control in India, Singapore and Java before the creation of the royal commissioners (London, 1979). The expenditure for the Ministry of Defense and Ministry of Interior (established in 1892) took 40-50 percent of the total government expenditure during 1911-1931 while that of the Ministry of Education and Agriculture took lower than 10 percent (Table 3.3.3a).

Although the territorially centralizing process took a very long period even after 1932 (Vandergeest and Peluso, 1995), the prior aims, internal order and *boosting up the fiscal resources under constraints*, were fulfilled. There was no uncontrollable internal instability. The collected revenues were significantly increasing, for example from 15.38 in 1892 to 50.46 million baht in 1905, because the Ministry of Interior, which was assigned the duty of taxation, effectively reached the common people by the records of the new house registration (Lysa, 1984).

Year	Ministry					Royal Account
	Percentage of Total					
	Defence	Interior	Education	Agriculture		
1892	26	1	2	0.3	29	
1911	22	24	2	4	17	
1916	25	22	3	4	13	
1921	27	23	2	3	10	
1926	22	15	3	4	7	
1931	21	22	4	5	7	

Source: Adopted from Samudhavanija (1987)

Table 3.3.3b The distribution of government expenditures of Taiwan and Korea, 1910-1938

Year	Agriculture	Education	Transport	Public Order	Administration/ Salaries
<b>Taiwan</b>					
1900	7.7	4.3	35.1	13.4	19.1
1910	30.7	10.4	20.9	18.3	11.0
1920	29.9	4.1	29.3	5.6	24.1
1925	37.4	5.9	24.5	8.7	20.3
1930	28.2	8.2	28.4	10.9	20.0
1935	24.7	6.9	26.7	12.9	23.4
1938	21.6	6.2	26.4	22.3	17.1
<b>Korea</b>					
1910	9.6 <sup>a</sup>	23.8	5.7	30.3	30.6
1920	5.0	10.1	23.3	35.4	20.8
1925	4.3	6.0	31.4	25.2	21.6
1930	4.8	5.9	29.5	26.2	18.2
1935	6.5	5.6	30.1	29.4	13.3
1938	4.0	4.2	40.0	28.8	9.6

Source: Adopted from Booth (2007a)

Table 3.3.3c Government Employees and Annual Payroll, 1918-1938		
Year	Payroll as Percentage of Total Expenditure	
1918	46	
1926	29	
1931	52	
1932	45	
1936	39	
1938	78	

Source: Adopted from Samudhavanija (1987)

Compared to Taiwan and Korea, while it was very clear that Taiwan government expenditure were higher developmental, there seemed to be no significant differences between Korea and Siam; low shares of expenditure on agriculture and education (see Tables 3.3.3a and 3.3.3b). However, while the data of Korea were the actual expenditure on the projects, the data of Siam were reallocation of fiscal resources to different ministries. In each ministry, the resources had to be paid as salaries to bureaucrats, which were 40-50 percent of the whole budget (Table 3.3.3c). Therefore, despite no exact figures, the actual expenditure on the projects of agriculture and education was fewer less than that of Korea. While Japanese colonial state in these two countries “...extend the State’s administrative structure into the rural areas to extract revenues, in return for which they must provide public services and make public investments...” (Grabowski, 2010:18), the role of the Siamese bureaucracy was just extractive.

*Thus, the Siamese state became an absolute monarchy, of which the ruling power was centralized into the modern bureaucracy in Bangkok and under the King’s control.*



### 3.3.4 The limited modernization of bureaucracy

The centralization of power under the King and bureaucratic modernization was, nevertheless, not consistent over time. When they were contrasting, the King chose the former, which was consistent with the old patron-client relationship.

Initially, the bureaucratic modernization was against the existing decentralized power of the nobles. However, as mentioned above, one significantly political strategy of the King was to place his princes and his close nobles in the ministries and high positions of the administration. Additionally, he also tried to preserve the hierarchical social structure and allow minimum upward social mobility, especially from the commoner class. Because the modern bureaucracy was built through education which required literacy as the minimum skill and the recruitment was through examination and capacity rather than family, to achieve the King's aims, the reform of education was both to supply human-capital resources for the demand for the new bureaucrats and to preserve the social structure rather than creation of the knowledge society as shown in low proportion of education expenditure in Table 3.3.3b (Mead, 2004)

The sons of the royal family and of high-class noble families were sent to study abroad or to the palace school and the school-like Royal Pages Bodyguard Regiment, which taught basic civil and military services. The lower nobles were expected to study in a few Western primary and secondary schools. On the other hand, the mass primary education for the common people was temple-based focusing on literacy and Buddhism, which was much less qualified (Pasuk and Baker, 1995).

However, the attempt to restrict the entrance of the palace schools to the ruling class failed, especially in the early period. There were many commoners and Chinese in these schools, even being the majority in some years. This was because of expansion of the demand for the new bureaucrats as the King's reformation succeeded and higher eagerness of the commoners to learn than the nobles. The modern bureaucracy and education themselves were seen as rapid upward social mobility for the commoners or the Chinese. The situation also happened in professional and vocational schools, which taught practical and special skills in addition to literacy, for example, Training School of Civil Service, Law School, the Military Officers' Academy. Nonetheless, as the number of non-elite bureaucrats increased and the education

became realized by nobles as necessary for preservation of their position, the restriction of access to highly qualified schools, especially family background, was both explicitly and implicitly introduced and implemented (Mead, 2004).

As the King planned, his princes who graduated from abroad became ministers, departmental heads, upper part of the power structure of the civil bureaucracy and military, and provincial government. All important ministries belonged to the king's brothers and half-brothers (Pasuk and Baker, 1995). However, the lower rank of the bureaucracy included not only the former lower-class nobles but also the commoners and Chinese (Evers, 1966) because of the latter groups' achieving the required education and the rapid expansion of bureaucracy: during 1890-1919 salaried offices rose from 12 to 80 thousand (Pasuk and Baker, 1995). Nonetheless, there was still an attempt to control the number of the inflow of the commoners. Given other things equal, the birth was still a significant factor of promotion to upper positions. The persistence of birth criterion instead of merits gave way to the new patron-client relationship within the bureaucracy because the lower-rank officers without the noble background tried to be promoted by finding the seniors as their patrons. On the other hand, the seniors became more powerful from expansion of their clients (Pasuk and Baker, 1995).

Additionally, there was structural tension between the modern new bureaucracy and the absolute monarchy. Under absolute monarchy, bureaucrats were seen as servants of the King while bureaucrats followed the principle which often contradicted to the King's demands. The bureaucrats, especially from the commoners, were upward through education and merit and gave respects to their departmental heads rather than being the king's clients. Thus, during his late period, the King was back to use traditional ceremonies and give the privileges to his favourite persons to emphasize himself as the great patron of all bureaucrats (Mead, 2004).

Furthermore, the salary system was incomplete until 1928 and very unequal. The salaries of senior officers rose to 500 times than the former ones. Even after 1928, the junior's still earned low salaries (Warr and Nidhiprabha, 1996). Under this situation, the king and the ruling elites allowed the traditional "kin muang" or the official self-remuneration, which the officials transferred some of the public resources and positions benefiting themselves as part of salary (Pasuk and Baker, 1995). The traditional kin muang helped to keep the very unequal

salary structure and to save the Siamese government's salary expenditure under the hard financial constraint imposed by the BT.

*Above all bred and spread the new patron-client relationship within the new bureaucracy, which resulted in bureaucratic fragmentation and inefficiency.*

Finally, despite few shares of the total values and labour, industrial structure should be mentioned in terms of power distribution among social groups and relation to the newly formed state. According to Suehiro (1996), "the tripod capitalist structure" emerged in the Siamese economy consisting of the Western European businesses, the Privy Purse Bureau (PPB) (the royal and high-bureaucrat business), and the Chinese businesses. While industries related to tin and teak were dominated by the Western capital, the rice industry was dominated by the Privy Purse Bureau and Chinese capital.

Certainly, the European businesses were related to the Siamese state through power relation between imperialism and the Siamese state discussed above. The PPB was also clearly related to the power of the newly formed state. How about other indigenous and the Chinese businesses?

The absence of indigenous capital except the royal family and bureaucratic elites was not an accident or specialization of ethnic division of labour<sup>13</sup>: the Siamese subjects as small cultivators and the Chinese as the merchants. But it was a result of control over the rise of indigenous economic and political power, which kept down "upward social mobility" of the indigenous group constituting of the commoner. The dominant Chinese group investing in rice industry was the former tax-farmers, who had accumulated capital (Suehiro, 1996). As previously mentioned, one of the reasons why the elites chose the Chinese immigrants as the tax-farmers was that they were subject to the existing political structure while upward social mobility could have disrupted the political order. When the state was transformed and power was centralized into bureaucracy, they sought to find the powerful bureaucrats as their new patrons substituting for the declining previous patrons to protect their businesses. The situation was encouraged after the fifth reign when the King Rama VI and the bureaucrats felt

---

<sup>13</sup> The reason of the majority of Chinese capital being mercantile not industrialist was also not ethnic specialization. But without the state's capacity to protect and support domestic industries there was no incentive for large-scale investment and for competition against the Western companies with higher technology and capital.

the threat from the expansion of the Chinese community and its power. For example, in 1910 there was a three-day strike by the Chinese labourers against the rise in capitation tax. The anti-Chinese and Thai nationalism ideology and anti-Chinese laws were used to politically control them (Skinner, 1957). Therefore, to be economically secure and get some privileges, the Chinese firms had to invest in the patron-client relation with the high-class bureaucrats.

### 3.3.3 Conclusion and colonial legacy

In sum, the transformation of the Siamese state to be an absolute monarchy state was driven by two forces of impact of the British imperialism: forces of the metropolitan preferences and the resistance of local elites. In other words, *an absolute monarchy state was the historical consequence of the imperialism.*

In terms of state type in Chapter 2, the Siamese absolute monarchy state was the predatory state. The King's government and bureaucracy were domestically the most powerful and *had no any social commitment* except the security of state authority, including conservative economic policies and demands of the imperialism. In other words, they had external commitments to the imperialism. The state was *Bangkok-centralized and predatory to provinces and local areas*, extracting their resources and giving few public goods. The state capacity was limited due to *the patron-client relationship* within bureaucracy and bureaucrats-Chinese businesses. The public office was used for the private aims. Additionally, the fiscal means was limited due to imposition of imperialism.

Nonetheless, the Siamese state had moved away from a patrimonial and fragmented state to be functionally territorial ministries. The modern laws and other institutions were established at least to some extent. It had clearer public-private division and higher capacity to mobilize the resources. The previous fragmented state was internally less powerful than the traditional noble class and was captured by their interest. *Thus, the Siamese absolute monarchy state was relatively developmental.*

As mentioned in Chapter 2, the absolute monarchy did not last but was overthrown by some bureaucrat groups which were not satisfied with the King's favour of the noble bureaucrats and exclusion of them from the high positions as mentioned above. The Depression and deep fall in salaries of bureaucrats broke up the tension. The imperialism in SEA also did not last

but was resisted by the local anti-colonial movements. The BT was also abolished in 1927. The state was able to use fiscal means to boost up fiscal resources and to protect the domestic industry. Since then, the colonial economic structure was gradually dissolved.

However, as this thesis argues, some of the main characteristics of the absolute monarchy still persisted and influenced on the economic development, which can be called the colonial legacy. The main characteristics of predatory (1932-1960s) and intermediate (1960s-1973) state under bureaucratic polity was the same as the absolute monarchy: *no other powerful domestic non-bureaucratic elite and social groups, patron-client politics within bureaucracy and outside to the Chinese businesses, Bangkok-centralized bureaucracy predatory towards the provincial and local areas, capacity of resources mobilization, and conservative fiscal and monetary policies*. While the Thai state moved towards intermediate state with social commitment to economic growth and industrialization and established planning economic organization, *the commitment was also externally committed to the U.S., similar to the previous commitment to the British imperialism*.

However, the bureaucratic polity declined in 1973. The power of non-bureaucratic social forces which is not related to the British imperialism has been rising against it. Did the colonial legacy survive after 1973?

## Chapter 4: The survival of colonial legacy

In order to justify the whole argument of the long-term impact of colonialism on the Thai state and economy until 1997, the persistence of some characteristics of the absolute monarchy state, after the revolution in 1932, needs to be proven against the anti-colonial legacy argument. As mentioned in Chapter 2, the year 1973 is marked as the decline of the bureaucratic polity, which was the colonial legacy as discussed in Chapter 3. But doubt on the argument is raised in the framework of institutional persistence that the old powers usually have capacity to keep power distribution in favour of them. Some countering evidences will be shown below that the bureaucrats were still powerful until 1997 despite some declines.

### 4.1 The Death of Bureaucratic Polity = The Death of Politics of Bureaucracy?

As Ockey (2004) criticized, the death of bureaucratic polity is not equal to the decline of all powers of the bureaucrats. To correctly understand this issue, the bureaucracy of the state and the regime of polity should be separately analyzes according to the classification of state type in Chapter 2. The bureaucracy is the instrument of the state and its agents are the permanent officials. On the other hand, the regime is an arrangement of the political power of control over the cabinet government, which *in principle* has a right to order the state apparatus according to their policies. While the main agents of the bureaucracy are the permanent officials and the same over time, of the cabinet government are different according to different regimes during different periods.

As shown in Chapter 2, under bureaucratic polity, the civilian and military bureaucrats dominated the cabinet. Its death means the decline of their dominance over the cabinet and their capacity in determining the direction of economic policies. *Nonetheless, they were still powerful at controlling the instruments of the state even after the death. The degree of success and implementation of policies was still significantly dependent on them: “...without the active support of the bureaucrats, politicians could find their plans stymied indefinitely”* (Ockey, 2004:147) since the approval authority, resources and personnel were in *the departments under the ministries, which were the power base of the permanent officials.*

Therefore, in order to get the policy effectively done, *the politicians had to develop the personal ties with some bureaucrat groups*. When a politician got the ministerial position, he would promote his favoured bureaucrat factions to high positions in the ministry and relegate the other factions allied with rival parties (Bidhya, 2001). The mid-level and lower-level bureaucrats also sought to make an alliance with the potential politicians and were cooperative with them in the rent-seeking activities and benefit each other. For example, “A number of mid-level bureaucrats in the office had been accepting kickbacks ranging from 15 to 22% on construction projects and equipment repairs undertaken by ARLO. Over a three period, they had taken in 73.2 million baht (about US\$ 1.8 million). The money initially went into the account of a C6 official, who in turn transferred it to a C7 official in the same office. After taking a 5% share for himself, the C7 official transferred the rest of the money up to a C8 official and a C10 official. After taking their shares, most of the money was transferred to the politician who was then Minister of Agriculture, at least in part in return for promotion. More specifically..., three officials had each paid 3 million baht... for promotion to the level of department chief.” (Ockey, 2004:148)

Therefore, *rather than reforming and controlling a state administration, the politicians were grafted in and involved in the politics within bureaucracy*. To some extent, there had been one significant change but still within patron-client relation after 1973: the relation between the bureaucrats as patrons and businessmen and politicians as clients reversed to the other way around. *Nonetheless, in terms of state type, the existence of patron-client relation, regardless of who was the patron, indicated characteristics towards characteristics of the predatory state. More importantly, bureaucracy as a whole structure was relatively strong and difficult to be reformed by any non-bureaucratic agents*. Indeed, there had been many attempts of an administrative reform which consisted of two main elements: shifts of power of control, promotion, and transfer of bureaucrats in favor of the politicians and modernization by erosion of patron-client relationship (Bidhya, 2010). However, there were strong resistances and strikes back against the reform.

For example, after the coup in 1991, the administrative reform was done to solidify the power of the bureaucrats at the expense of the cabinet ministries. While, according to the Civil Servant Act of 1975, a minister had his power to appoint the three highest-ranking (C11, 10, and 9) officials, the new Act provided him with the right to appoint just the C11, which in turn was empowered to appoint the C10 and C9. Thus even after the fall of the coup government, the new electoral government faced the obstacle of implementation of policies

because they could not transfer and promote their favoured bureaucrats, especially in the MOI (Bidhya, 1994).

Table 4.1a Expansion of the Thai Bureaucracy 1933-1979						
year	Number of Ministries (1)	Number of Departments (2)	Number of Divisions (3)	(2)/(1)*	(4)/(1)*	
1933	7	45	143	6.4	20.4	
1941	10	49	317	4.9	31.7	
1957	12	90	550	7.5	45.8	
1969	12	113	827	9.4	68.9	
1979	13	131	1,264	10.1	97.2	
Source: Adopted from Samudhavanija (1987)						
* is my own calculation						

Additionally, *as bureaucrats, their power de jure and de facto was dependent on the position rank*. Lower-rank bureaucrats tried to find a patron for their promotion while the high-rank bureaucrats were empowered if they had their network of clients in the higher position. Although the evaluation of performance for promotion was introduced to prevent the patron-client promotion, it was controlled by the high-rank bureaucrats and was distorted by the patron-client way (Bidhya, 2010). *The express way to achieve such goals was to create the new high rank and to set up new departments within each ministry and new divisions within each department and then, to appoint their clients into the head positions of departments and divisions*. The average number of departments per ministry and the average number of divisions per ministry increased from 1933-1979 (Table 4.1a). Therefore, after the year 1973 the politics of bureaucracy still persisted. However, the figure after 1979 cannot be found. It might be too easy to conclude that during the 1980s it was still powerful. But within only 14 months after the 1991 coup, 10 new departments had been set up. It is also too ready to conclude the death of politics of the bureaucrats. The number of the bureaucrats is another indicator: if the number of departments and divisions increased, the number of the bureaucrats should also rise. During 1940-1980, the number of the bureaucrats increased over time at a rate which kept its ratio per thousand population between 6-8; but it rose to 46.5 in 1996 (see Table 4.1b) against the previous downsizing reform (Bidhya, 1994). It seemed that the politics of bureaucracy still survived strongly after 1980.



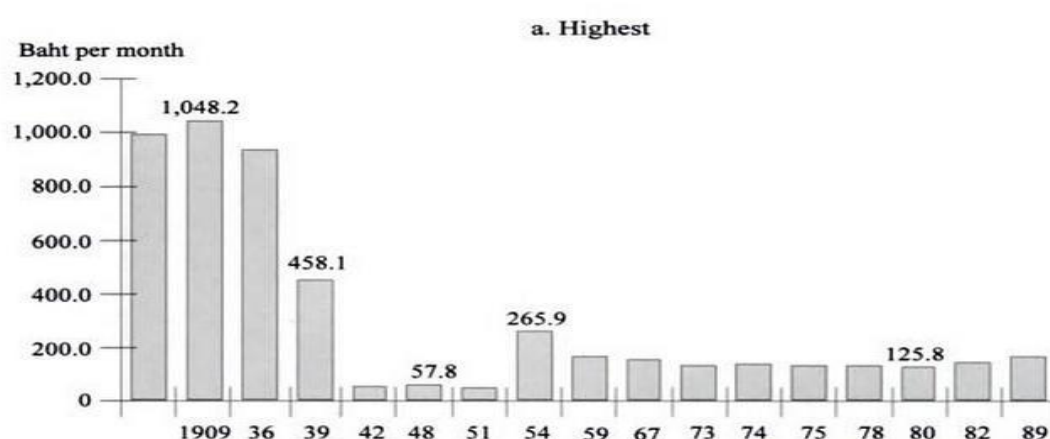
Table 4.1b Bureaucratization in Thailand: Civil Servants, 1920-1996

year	Civil servants Number (in thousands)	Number per 1,000 population
1920	83.3	8.8
1930	78.3	6.6
1940	113.5	6.9
1950	163.6	7.9
1960	221.4	8.4
1970	235	6.8
1980	354.6	7.6
1996	2700 (a)	46.5 (a)

Source: Adopted from Evers (1987b)

(a): adopted and calculated from Burns and Bidhya (2001)

Figure 4.1 The real value of salaries of highest-rank bureaucrats from 1908-1989



Source: Adopted from Warr and Nidhiprabha (1996)

It should be noted that high-position salaries might not be the main target of the bureaucrats due to its low level. The highest monthly salary adjusted by cost of livings was just 168 baht or 1920 baht per year in 1989 while the real GDP per capita at constant price in 1972 was 6,000 in 1980 and 12,000 in 1990 (see Figure 4.1). This is a puzzle why even in the era of bureaucratic polity the bureaucrats raised up their salaries relatively few compared to the level of salary before 1932 but chose other ways to get benefits: to extract rents from state enterprises and the Chinese firms. But after the bureaucratic polity these two ways declined and thereby, perhaps, the only way to keep their standard of living was to use their power de jure in bureaucracy negotiating with politicians and doing corruption rather than following the public aim.

The fragmentation within each ministry and department also means fragmentation of power within ministries and departments, respectively. *It resulted in incoherence of bureaucracy.* The situation was not only widespread among ministries but also in centralized economic organizations which were reputed for their capacity such as NESDB and the Bureau of the Budget (BOB). However, these organizations were still more coherent or “pockets of efficiency” (Evans, 1995), which made the Thai state an intermediate state.

On the other side, the Thai politicians and political parties were weak. All elected governments were coalition governments, consisting of many parties. And even within a party, there were many factions. During 1983-1996, the coalition government was formed by about 5.3 parties from 12 parties (Hicken, 2006). The formation of government involved the negotiation of allocation of ministries and deputy positions to different parties. The allocation of positions was the issue of benefit sharing rather than capacity and policies of the appointed ministers. Often, one ministry was two-party dominated and they were conflicting (Bidhya, 2001). Because of conflicts within the government and parties, the age of the elected government was relatively short, averaging at 26 months or 2 years while, according to the Constitution, the tenure of one government was four years (Somboon, 2009). Therefore, the coalition government could not have a long-term and coherent economic plan among ministries.

As Pausk and Baker (1995) and Thanapornpun (1990) argued, the Thai politicians did business of politics. They invested by buying votes from the poor and got returns from corruption on a few projects when they were the government. They had not any clear and long-term policies. *The policies of many ministries were often held by the permanent bureaucrats.* Despite being representatives of the provinces, *they were not able to reform and decentralize Bangkok-centered bureaucracy and policy-making.* One indicator was the distribution of allowed projects in BOI which was still concentrated in the Bangkok area even during the 1980s, around 60-70% (Dixon, 1999). The rural and agricultural sector was still ignored at least until 1997 as mentioned in Chapter 2.

The Constitution, which in the Thai historical context represented power distribution among political groups, was another indicator showing that the enactment of policies and laws was still in the hands of the bureaucrats. During 1932-1997, only three constitutions in 1946, 1951 and 1974 of the 15 constitutions, stipulated that the majority of members in the legislature be

elected. Under the other constitutions, the appointed members (by the King), whose background were, in reality, bureaucrats, were majority (Thanapornpun, 1990).

However, it should be accepted that the economic aim of the Thai state was less autonomous and was captured by private interest of the big domestic firms which had grown since the 1960s. But these firms were the product of Bangkok-and industrial-biased policies; hence there might be no or few conflicting aims between the big firms and the Bangkok-centralized state. Therefore, there were few productive-redistributive policies addressing the rising income inequality, which would make the industrialization more successful. For example, there was no effective policy solving the low level of attainment of secondary education in the areas outside Bangkok. This was also the fundamental cause of the low level of technological absorption and low industrial labour-absorption problem and “imbalanced industrialization” (Somboon, 2009 and Doner, 2009).

In sum, the above mentioned illustrates that the politics of bureaucracy as the colonial legacy and incoherence within bureaucracy still persisted and also kept the Bangkok-centralized bureaucratic structure until 1997. To a great extent, the economic policies were still in their hands despite increasing participation of other agents. Because of them, the Thai state was still at best an intermediate state but could not achieve the condition of the developmental state type and could not solve the problem of collective action of industrial upgrading as mentioned in Chapter 2.

## Chapter 5: Conclusion

Generally, this thesis is focused on the historical origin of state formation in the economic perspective: why a state emerges as it is and has its roles on the long-term economic development, especially among late-industrializing countries. Why are some developmental states and others are predatory states? Historically, the colonialism is one of powerful factors determining the trajectory of characteristics of a state in different countries.

While most of the literature studied the developmental and predatory state cases and fully colonized and independent cases, this thesis investigates an intermediate case; the Siamese or the Thai state. On the one hand, the Thai state was between a predatory state and a developmental state; on the other hand, the Siamese state transformation under the British formal imperialism is studied as an intermediate case between a colonized country and an independent country. Therefore, the main research question is raised: how did the British imperialism have its impact on the Siamese state formation? And two additional questions are: what were the main characteristics of the new Siamese state? and did some characteristics of the state still persist and influence the modern economic development until 1997?

### 5.1 The main findings

The one-sided framework in most literature, either forces of metropolitan preferences or the resistance of the local elites, cannot be applied to understand the whole picture of the Siamese state transformation under the British imperialism in the 19th century as an intermediate case. The comprehensive framework is required to take into account the two sides and their interaction. However, validity of the previous frameworks in themselves is not denied but is implicitly asserted since the framework in this thesis is derived from reconstruction and readjustment of them to be suitable for the historical context of the case.

The main agents of the Siamese state transformation and the political and economic choices were chosen by the local elites, especially King Chulalongkorn. Nevertheless, the choices were done under domestically political and economic changes caused by the forces of preferences of the British imperialism. Actually, the economic and political impacts of the British imperialism were the pre-conditions of the rising power of the King. The Siamese

state was forced to sign the Bowring Treaty in 1855. The free trade weakened the main institution of manpower control, a power base of the traditional class. The British demands for teak and tin resources supported the centralizing power of the King against the provincial noble class. Supported by the British imperialism, the modernization and centralization reform, especially an establishment of functional ministries over a whole territory and the centralization of taxation to the Ministry of Finance, eroded the power of the noble class based on decentralized taxation system and governance.

On the other hand, the threat of Anglo-Franco imperialist competition in SEA and extraterritorial rights against the state sovereignty still haunted the local elites at the same time. The choices of local resistances were also constrained by the limited fiscal autonomy under the fixed low taxation of the Treaty. Due to limited capacity of extraction, the local elites had no incentive for investment in economic development. The territorial centralization or “Bangkok internal colonization”, over and extraction of, the provincial resources were the main way to boost up the central fiscal resources, to keep the internal stability and to prevent the imperial threats. The aims were achieved by the establishment and expansion of the functionally divided and Bangkok-centralized bureaucracy, especially, the Ministry of Defense and the Ministry of Interior.

In order to maximize the state revenues under the fear of external threats from foreign capital inflows, the traditional land property right which supported the expansion of cultivated land and real cultivation was also favoured against the absentee property right and big landlord class. The long-term underdevelopment in modern land property right, except the Rangsit scheme, and short-term shift to formalization of the right were political strategies to prevent inflows of imperialist capital and influence and to preserve the state authority over internal affairs from the increasing number of subjects protected by extra territorial rights, respectively.

The strategies above not only served national security against the external threats but also had impacts on the power redistribution. As mentioned above, the old powerful traditional class and provincial elites declined. Despite the rising value of land, the powerful landlord class did not emerge because of underdevelopment of the absentee land property right. The small-holding peasants were not empowered by any public goods and were kept in order. There was no large peasant movement against the state even during the Depression because of the

traditional land property right and low competition for land that allowed land frontier to be expanded further and the peasants to have their own land. Meanwhile, after the decline of tax-farming and the old patron-client institution, the previous Chinese tax-farmers established rice businesses and sought to found high-rank bureaucrats as their patrons protecting them and giving them economic privileges.

All powers were centralized into the bureaucracy under the King, of which the main duties were to reach deeper into provincial and local areas, extract and mobilize small-holding peasants' resources to Bangkok and keep internal order. In other words, the Siamese absolute monarchy state was the historical colonial consequence.

However, within bureaucracy, the patron-client relationship and fragmentation was bred due to the highly unequal salary system, persisting birth criterion for promotion, and the King's hesitancy towards more modernized reform. These dissatisfied some low-rank bureaucrat groups which were excluded from the royal favoritism. The Depression and subsequent fall of bureaucrat salaries broke up such tension. The absolute monarchy was overthrown in 1932. The imperialisms in SEA were also weakened by the economic depression and the World War and were resisted by the local anti-colonial movement.

In terms of state type, the absolute state was predatory. It was highly autonomous from any social commitment except national security, including conservative economic policies and external commitment to economic demands for the British imperialism. It extracted and mobilized the resources from the local and provincial areas to Bangkok but gave few public goods to such areas. There was patron-client relationship and fragmentation within the bureaucracy and outside to the Chinese businesses. Nonetheless, compared to the previous patrimonial and fragmented state, it was relatively developmental. The state was much stronger, not captured by any private interest of the elite classes. The public-private division became clearer to some extent. Its bureaucracy had higher capacity to mobilize the resources.

Despite the fall of absolute monarchy and the imperialism in SEA, and industrialization against colonial economic structure, the main characteristics of the absolute state still persisted and influenced the economic development at least until 1997. The characteristics were the historical conditions of bureaucratic polity. Without any significant change, the Thai state was still predatory during 1932-1960.

Due to the external commitment to the demand of the U.S. for economic development and industrialization against communist expansion, the Thai state shifted towards an intermediate state since 1960 with no block of any powerful elites. The economic planning organizations such as NESDB and BOI were established to direct the resources to such goals. Nonetheless, the capacity of mobilization was based on the colonial legacy. The bureaucracy and policies were still Bangkok-centralized and -biased. There was no effective reform to erode the patron-client relationship. Incoherence within bureaucracy and ministries still persisted, reflecting the conflicting policies of different ministries.

The bureaucratic polity declined since 1973. The power and participation of non-bureaucratic and non-Bangkok actors, especially provincial politicians, in government rose. The patron-client relation was reversed that the bureaucrats became clients of the political parties to some extent. Nonetheless, the political parties were too weak and fragmented to reform the state administration and to produce the long-term economic plan. Rather they were grafted in the patron-client politics within bureaucracy. Their policies will be efficient only if they have the personal relation. The politics of bureaucracy still went on and counter-attacked the reform as the rising number of departments, divisions, and bureaucrats indicated. Therefore, bureaucracy and ministries were still fragmented and incoherent.

And the economic policies were still Bangkok-biased because the economic aim of the Thai state was less autonomous and was captured by the big Bangkok-based firms which were a product of the previous Bangkok-biased policies but also the Constitutions still favoured the bureaucrats' power in the enactment of policies against the provincial politicians. Hence, there were few productive-redistributive policies, which would make industrialization more dynamic.

Therefore, the Thai state was still at best intermediate state. While successful at macro-mobilization of resources from the rural and agricultural sector to Bangkok and industrial sectors, low industrial upgrading, high inequality, imbalanced industrialization were the persisting economic failures of the Thai economic development during both ISI and EOS periods. Some also argued that low industrial upgrading and low international competitiveness were the fundamental causes of the 1997 crisis (Doner, 2009).

Finally, the argument of this thesis should be qualified in three points. First, it does not intend to make a strong argument that the colonial legacy on the state is necessary and sufficient to explain the whole economic development. Nevertheless, the legacy is vital to the comprehensive explanation of the Thai economic successes and failures until 1997 and related to other explanatory factors, such as the underdevelopment in human capital or response of the state to globalizing forces after the mid-1980s.

Second, the post-1973 period part of this thesis is weak and should be studied further. Nonetheless, the weakness is a result of neglect of scholars to study the development of the Thai state and its interaction to other actors after the 1970s. Therefore, this thesis provides the light to the neglected aspect.

Third, the argument is not historical determinism. The legacy on the state could be dissolved by the non-colonial forces. However, the thesis warns, to conclude dissolution has to be careful and check whether the dissolving forces are powerful enough. It seems that until 1997 they were not powerful enough, but whether the characteristics of the state have been reformed after the 1997 crisis should be studied further.

Moreover, the future research of impacts of colonialism on the Thai economic development is to explore whether different economic performances among regions more developmental in the Northern and Southern regions, then in the North-Eastern region, are a consequence of different influences of imperialisms: the British and French imperialisms, respectively.



## References

Acemoglu, Daron, Simon Johnson, and James A. Robinson (AJR) (2001) “The Colonial Origins of Comparative Development: An Empirical Investigation”, *American Economic Review*, 91(5):1369–1401.

Acemoglu, Daron, Simon Johnson, and James A. Robinson (AJR) (2005) "Institutions as a Fundamental Cause of Long-run Growth." in Aghion, P. and Steven N. Durlauf (eds.), *Handbook of Economic Growth*. Amsterdam: North Holland.

Adas, Michael (1981) “From Avoidance to Confrontation: Peasant Protest in Precolonial and Colonial Southeast Asia”, *Comparative Studies in Society and History*, 23(2):217-247.

Allen R.C. (2009) *The British Industrial Revolution in Global Perspective*. Cambridge: Cambridge University Press.

Anderson, Benedict R. O'G. (1978) “Studies of the Thai state: the state of Thai studies” in Eliezer B. Ayal (eds.), *The Study of Thailand: analyses of knowledge, approaches and prospects in anthropology, art history, economics, history, and political science*. Athens: Ohio University Center for International Studies Southeast Asia Program.

Anek Laothamatas (1988) “Business and politics in Thailand: New patterns of influence”, *Asian Survey*, 28(4):451-470.

Apichat Satitniramai (2008) “Political Economy of Thai Economic Reforms: A Comparative Studies, 1950-1963 and 1997-2007” (in thai), The Thai Research Fund. Project Code: MRG4680099.

Ayal, Eliezer B. (1963) “Value System and Economic Development in Japan and Thailand”, *Journal of Social Issue*, 19(1):35-51

Barton Gregory A. and Brett M. Bennett (2010) “Forestry as Foreign Policy Anglo-Siamese Relations and the Origins of Britain’s Informal Empire in the Teak Forests of Northern Siam, 1883-1925”, *Itinerario*, 34(2):65-86.

Bidhya, Bowornwathana (1994) “Administrative reform and regime shifts: Reflections on the Thai polity”, *Asian Journal of Public Administration*, 16(2):152–164.

Bidhya, Bowornwathana (2001) “Thailand: Bureaucracy under coalition governments” in Burns, J.P. and Bidhya Bowornwathana (eds), *Asian civil service systems*. Cheltenham: Edward Elgar.

Bidhya, Bowornwathana (2010) “Bureaucrats, politicians, and the transfer of administrative reform into Thailand” in J.Pierre and P.Ingraham (eds.), *Comparative administrative change and reform: Lessons learned*. Montreal: McGill-Queen’s University Press.

Booth, Anne (1999) “Initial Conditions and Miraculous Growth: Why is Southeast Asia Different from East Asia”, *World Development*, 27(2): 310-321.

Booth, Anne (2002) “Rethinking the Role of Agriculture in the “East Asian” Model, Why Is Southeast Asia Different from Northeast Asia?” *ASEAN Economic Bulletin*, 19(1):40-51.

Booth, Anne (2007a) *Colonial Legacies: Economic and Social Development in East and Southeast Asia*. Honolulu, Hawaii: University of Hawaii Press.

Booth, Anne (2007b) “Night Watchman, Extractive or Developmental State? Some Evidence from Late Colonial South East Asia”, *Economic History Review*, 60(1):241-266.

Booth, Anne (2008) “The Economic Development of Southeast Asia in the Colonial Era: c.1870–1942”, *History Compass*, 6(1):25–53.

Booth, Anne (2005) *Did It Really Help to Be a Japanese Colony? East Asian Economic Performance in Historical Perspective*. Working Paper Series, no. 43. Singapore: Asia Research Institute, National University of Singapore.  
(<http://www.ari.nus.edu.sg/docs/wps/>).

Brimble Peter and Richard F. Doner (2007) “University–Industry Linkages and Economic Development: The Case of Thailand”, *World Development*, 35(6):1021-1036.

Burns, J.P. and Bidhya Bowornwathana (2001) “Asian civil service systems in Comparative Perspective” in Burns, J.P. and Bidhya Bowornwathana (eds), *Asian civil service systems*. Cheltenham: Edward Elgar.

Campos, Jose Edgardo, and Hilton L. Root (1996) *The Key to the Asian Miracle: Making Shared Growth Credible*. Washington, D.C: Brookings Institution.

Christensen, Scott and Ammar Siamwalla (1993) “Beyond Patronage: Tasks for the Thai State” *The 1993 Year-End Conference Who Gets What and How?: Challenges for the Future*, Pattaya, Thailand.

Dhiravegin, Likhit (1981) “The Meji Restoration (1868-1912) and the Chakkri Reformation (1868-1910): A Case for a Comparative Study” in Hongladarom, Chira and Medhi Krongkaew (eds.), *Comparative Development: Japan and Thailand*. Bangkok: Thammasat University Press.

Dixon, Chris. (1999) *The Thai Economy*. London: Routledge.

Doner, Richard F., Bryan K Ritchie, and Dan Slater (2005) “Systemic vulnerability and the origins of developmental states: Northeast and Southeast Asia in comparative perspective”, *International Organization*, 59(2):327-361.

Doner, Richard F. (2009) *The Politics of Uneven Development*. New York: Cambridge University Press.

Engerman, Stanley L. and Kenneth L. Sokoloff (1997) “Factor Endowments, Institutions, and Differential Paths of Growth Among New World Economies: A View from Economic Historians of the United States” in Haber, S. (eds.) *How Latin America Fell Behind*. Stanford: Stanford University Press.

Engerman, Stanley L. and Kenneth L. Sokoloff (2000) “History Lessons Institutions, Factor Endowments, and Paths of Development in the New World”, *Journal of Economic Perspectives*, 14(3):217–232.

Engerman, Stanley L. and Kenneth L. Sokoloff (2005) "Colonialism, Inequality, and Long-Run Paths of Development" National Bureau of Economic Research. Working Paper No. 11057.

Evans, Peter (1989) "Predatory, Developmental and Other Apparatus: A Comparative Political Economy Perspective on the Third World State", *Sociological Forum*, 4(4):561-587.

Evans, Peter (1995) *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press.

Evers, Hans-Dieter (1966) "The Formation of a Social Class Structure: Urbanization, Bureaucratization, and Social Mobility in Thailand", *American Sociology Review*, 31(4):480-488.

Evers, Hans-Dieter (1987a) "Trade and State Formation in the Early Bangkok Period" *Modern Asian Studies*, 21(4):751-771.

Evers, Hans-Dieter (1987b) "The Bureaucratization of Southeast Asia", *Comparative Studies in Society and History*, 29(4):666-685.

Feeny, David (1979) "Competing hypotheses of underdevelopment: a Thai case study", *The Journal of Economic History*, 39 (1):113-127.

Feeny, David (1989) "The Decline of Property Rights in Man in Thailand, 1800-1913", *The Journal of Economic History*, 49(2):285-296.

Feeny, David (1982) *The Political Economy of Productivity: Thai Agricultural Development, 1880-1975*. Vancouver: University of British Columbia Press.

Findlay, R. and K.H. O'Rourke (2007) *Power and Plenty Trade, War, and the World Economy in the Second Millennium*, Princeton and Oxford: Princeton University Press.

Frankema, Ewout (2010) "The colonial roots of land inequality: geography, factor endowments, or institutions?", *Economic History Review*, 63(2):418-451.

Gallagher, John and Ronald Robinson (1953) "The Imperialism of Free Trade", *The Economic History Review*, 6(1):1-15.

Grabowski, Richard (1994) "The Successful Developmental State: Where Does it Come From?", *World Development*, 22(3):413-422.

Grabowski, Richard (2010) "State Effectiveness and Structural Traps: Some Colonial Experiences", *Asia-Pacific Development Journal*, 17(1):1-25.

Gunnarsson, C. and J. Ljungberg (2008) "China in the Global Economy: Failure and Success", *Thammasat Economic Journal*, 26(4): 1-32.

Gunnarsson and Anderson (2003) "Beyond policy explanations – Towards an alternative analysis of economic development in the Asia-Pacific region" in Gunnarsson and Anderson (eds.), *Development and Structural Change in Asia-Pacific Globalising miracles or end of a model?*. London: Routledge Curzon.

Hayami, Yujiro. (2001) "Ecology, History, and Development: A Perspective from Rural Southeast Asia", *The World Bank Research Observer*, 16(2): 169-197.

Hewison, K. (1989). *Bankers and Bureaucrats: Capital and the Role of the State in Thailand*. New Haven: Yale Centre for International and Area Studies, Yale University Southeast Asian Monographs, No. 34.

Hewison, Kevin. (2001) "Thailand's Capitalism: Development Through Boom and Bust" in Rodan Garry, Hewison Kevin and Robinson Richard (eds.), *The Political Economy of South-East Asia: Conflicts, Crises, and Change*. Oxford: Oxford University Press.

Hewison, Kevin (2005) "Neo-liberalism and Domestic Capital: the political outcomes of the Economic Crisis in Thailand", *Journal of Development Studies*, 41(2):310–30.

Hicken, Allen (2006) "Party Fabrication: Constitutional Reform and the Rise of Thai Rak Thai", *Journal of East Asian Studies*, 6(3):381–407.

Horowitz, Richard S. (2004) "International Law and State Transformation in China, Siam, and the Ottoman Empire During the Nineteenth Century Journal of World History", *Journal of World History*, 15(4):445-486.

Iijima, Akiko (2008) "The "International Court" System in the Colonial History of Siam", *Taiwan Journal of Southeast Asian Studies*, 5(1):31-64.

Ingram, James C. (1971) *Economic Change in Thailand, 1850 –1970*. Kuala Lumpur: Oxford University Press.

Jacobs (1971) *Modernization without Development: Thailand As An Asian Case Study*. New York: Praeger Publisher.

Jansen (2001) "Thailand: The Making of a Miracle?", *Development and Change*, 32(2): 343-370.

Johnston, David B. (1981) "Rice Cultivation in Thailand: The Development of an Export Economy by Indigenous Capital and Labor", *Modern Asian Studies*, 15(1):108-118.

Khoman, Sirilaksana. (1995) "Thailand Industrialization: Implications for Health, Education, and Science and Technology" in Krongkeaw Medhi (ed.), *Thailand's Industrialization and its Consequences*. London: Macmillan Press.

Kim, Wonik (2009) "Rethinking Colonialism and the Origins of the Developmental State in East Asia", *Journal of Contemporary Asia*, 39(3):382-399.

Kitahara, Atsushi (2000) "The two critical stages of land policy in modern Thailand"  
Paper presented at the conference The Chao Phraya delta: historical development dynamics and challenges of Thailand's rice bowl.12-15 December. Bangkok.

Kohli, Atul (1994) “Where Do High Growth Political Economies Come From? The Japanese Lineage of Korea’s “Developmental State”, *World Development* 22(9): 1269-1293.

Kohli, Atul (2004) *State-Directed Development: Political Power and Industrialization in the Global Periphery*. Cambridge: Cambridge University Press

Larsson, Tomas (2008) “Western Imperialism and Defensive Underdevelopment of Property Rights Institutions in Siam”, *Journal of East Asian Studies*, 8(1):1–28.

Larsson, Tomas (2007) “Inter-textual relations: The geopolitics of land rights in Thailand”, *Political Geography*, 26(7):775-803.

London, Bruce (1979) “Internal Colonialism in Thailand: Primate City Parasitism Reconsidered”, *Urban Affairs Quarterly*, 14(4): 485-514

Lysa, Hong (1984) *Thailand in the Nineteenth Century: Evolution of The Economy and Society*. Pasir Panjang: Richard Clay.

Lysa, Hong (2004) “Stranger within the Gates!: Knowing Semi-Colonial Siam as Extraterritorials”, *Modern Asian Studies*, 38(2):327-354.

Lange, Matthew (2004) “British Colonial Legacies and Political Development”, *World Development*, 32(6): 905–22.

Lange, Matthew (2009) *Lineages of Despotism and Development: British Colonialism and State Power*. London: The University of Chicago Press.

Lange, Matthew, James Mahoney, and Matthias Vom Hau (2006) “Colonialism and Development: A Comparative Analysis of Spanish and British Colonies”, *American Journal of Sociology*, 111(5): 1412–62.

Lindblad, Thomas J. (1997) “Foreign Investment in Southeast Asia in Historical Perspective”, *Asian Economic Journal*, 11 (1):61-80.

Manarungsan, Sompop. (1989) *Economic Development of Thailand 1850-1950: Response to the Challenge of the World Economy*. Bangkok: Pimsuay.

Mead, Kullada K. (2004) *The Rise and Decline of Thai Absolutism*. New York: Routledge Curzon.

Mkandawire, Thandika (2001) "Thinking about developmental states in Africa", *Cambridge Journal of Economics*, 25(3):289-313.

North, Douglass C., William Summerhill, and Barry R. Weingast (2000) "Order, disorder and economic change: Latin America versus North America" in Mesquita, Buenode B. and Hilton Root (eds.), *Governing for prosperity*. New Haven: Yale University Press.

Ockey, James (2004) "State, bureaucracy and polity in modern Thai politics", *Journal of Contemporary Asia*, 34(2):143-162

Painmanakul, Arissara (2010) *The Politics of Macroeconomic Policy Making in Thailand*. Thesis (Doctor of Philosophy (PhD)). University of Bath.

Patmasiriwat, Nipon. (1995) "Rural Industrialization: Rural and Respects" in Krongkeaw Medhi (ed.), *Thailand's Industrialization and its Consequences*. London: Macmillan Press.

Pasuk, Phongpaichit and Baker, Chris. (2002) *Thailand: Economy and Politics*. Oxford: Oxford University Press (second edition).

Rasiah (2003) "Manufacturing export growth in Indonesia, Malaysia and Thailand" in Jomo K.S. (eds.), *Southeast Asian Paper Tigers? From miracle to debacle and beyond*. London: RoutledgeCurzon.

Rajchagool, Chaiyan. (1994) *The Rise and Fall of The Thai Absolute Monarchy*. Bangkok: White Lotus.



Riggs, Fred W. (1966) *Thailand: The Modernization of a Bureaucratic Polity*. Honolulu: East–West Center press.

Rock, Michael T. (1995) “Thai Industrial Policy: How Irrelevant Was It To Export Success?”, *Journal of International Development*, 7(5):745-757.

Samudhavanija, Chai-Anan (1987) “Political History”, in Somsakdi Xuto (eds.), *Government and Politics of Thailand*, Singapore: Institute of Southeast Asian Studies.

Siriprachai, Somboon (1996) "Population Growth, Fertility Decline, Poverty and Deforestation in Thailand, 1850-1990" in Hoadley Mason C. and Gunnarsson, Christer (eds), *The Village: Concept in the Transformation of Rural Southeast Asia*. Surrey: Curzon Press.

Siriprachai Somboon (2009) “The Thai Economy: Structural Changes and Challenges Ahead”, *Thammasat Economic Journal*, 27(1): 148-229.

Skinner, William G. (1957) *Chinese Society in Thailand: An Analytical History*. Ithaca: Cornell University Press.

Stifel, Laurence D. (1976) “Technocrats and Modernization in Thailand”, *Asian Survey*, 16(12): 1184-1196.

Suehiro, Akira (1996) *Capital accumulation in Thailand, 1855-1985*. ChiangMai: Silkworm Books.

Tarling, Nicholas (1997) *The Cambridge History of Southeast Asia. Vol. 2: The Nineteenth and Twentieth Centuries*. Cambridge: Cambridge University Press.

Tejapira, Kasian (2006) “Toppling Thaksin”, *New Left Review*, 39:5-37.

Thanapornpun, Rungsan (1990) *The Process of Economic Policy Making in Thailand: Historical Analysis of political Economy, 1932-1987* (in Thai). Bangkok: Social Science Association.

Vanderveest, Peter and Nancy Lee Peluso (1995) "Territorialization and State Power in Thailand", *Theory and Society*, 24(3):385-426.

Vickery, Michael (1970) "Thai regional elites and the reforms of King Chulalongkorn", *Journal of Asian Studies*, 29(4): 863-881.

Wade, Robert (1990) *Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization*. Princeton NJ: Princeton University Press.

Warr, Peter and B. Nidhiprabha (1996) *Thailand's Macroeconomic Miracle*. Washington D.C.: The World Bank.

Webster, Anthony (1998) *Gentlemen Capitalists: British Imperialism in South East Asia*. New York: Tauris Academic Studies.

Winichakul, Thongchai (2008) "Toppling Democracy", *Journal of Contemporary Asia*, 38(1):11-37.

Winichakul Thongchai (2000) "The Quest for 'Siwilai': A geographical discourse of Civilizational Thinking in the Late 19th and early 20th Century Siam", *The Journal of Asian Studies*, 59(3):528-549.

Woo-Cumings, Meredith J. (1998) "National Security and the Rise of the Developmental State in South Korea and Taiwan" in Henry Rowen (eds.), *Behind East Asian Growth*. New York: Routledge.

World Bank (1993) *The East Asian Miracle: Economic Growth and Public Policy*. New York: Oxford University Press.

UNDP (2009) *Thailand Human Development Report. Human Security, Today and Tomorrow*. Thailand: United Nations Development Thailand.

Yin, Robert K. (2003) *Case Study Research: Design and Methods*. California: Sage.