The Transformation of Thailand from an Agrarian into an Industrial Society

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Abstract

The topic of this article is the transformation of Thailand from an agrarian into an industrial society. This kind of transformation – or development - is far more difficult to realise than is generally assumed, and for quite other reasons than often thought.

The main theory – based on ideas of the British anthropologist Ernest Gellner – is that there is a fundamental gap, in the political, social, economic, cognitive and cultural sphere, between agrarian and industrial societies. There is no continuity, let alone some kind of necessary historical development culminating in industrial society. Agrarian society can exist forever and has no internal drive to change into another kind of society. In fact, everything in it militates against the sheer possibility of a fundamental change. Therefore, it is more likely that the transformation of an agrarian society into an industrial one – or in other words the process of ‘development’- will fail, than that it will succeed.

The transformation of Thailand is a good case to apply and test this theory…

Introduction

This article is a summary of my recent dissertation – written in Dutch - on the transformation of Thailand from an agrarian into an industrial society (Knippenberg, 2003).

The thesis raised and defended in that dissertation is that becoming an industrial country - a developed country – is a far more difficult task than is generally assumed, and for quite other reasons than often thought. In fact, if one looks more closely at the characteristics of a successfully industrial country and compares these with the characteristics of an agrarian society, it is more likely that this kind of transformation will fail, than succeed.

This finding – which is easy sustainable, for instance, from an array of statistics over the last decades by the World Bank, the IMF or the OECD – inspired me to look for a country which had successfully witnessed such a transformation. The choice fell on Thailand. The transformation of that country has a long history, more than 150 years, and followed a capricious path. About one hundred years ago, Thailand was seen as ‘a nearly modern society’. About fifty years ago, it was seen as a retarded or underdeveloped agrarian society and, about ten years ago, the country was seen as ‘a good example of successful industrialisation’, as a new member of the ‘Club of Newly Industrialising Countries’.

The aim of the dissertation therefore was to describe and analyse the long-term transformation of Thailand. The time span covered is roughly the period from 1850 to 1985, although it was necessary to start somewhat earlier in order to explain later developments.
I. Theory

As a point of departure for my investigation I have used a theory developed by Gellner (1988) about this transformation process. Gellner’s starting point is that there is a fundamental gap, in the political, social, cognitive and cultural sphere, between agrarian and industrial societies. In his view, there is no continuity, let alone some kind of a necessary historical development culminating in industrial society. The agrarian society is not a pre-phase of industrial society. It is a society which can exist for ever and which has no internal drive to change into another kind of society. In fact, everything in an agrarian society militates against the sheer possibility of a fundamental change.

Industrialisation leads not only to a complete transformation of the society, but it also offers countries which have gone through this process unmistakable economic, military and political advantages over countries in which this process has not occurred. This was already visible immediately after the Industrial Revolution had taken place in Great Britain.

Industrialisation is not an automatically emerging and developing process. Whether or not, how and in which context and constellation, industrialisation and, certainly, successful economic development takes place is thus, according to Gellner, strongly historically and locally conditioned.

The developing countries, labelled by Gellner as transitional states, consequently find themselves in a particularly tricky situation. On the one hand, industrialisation is the imperative imposed on all modern governments, while on the other hand, it fundamentally demolishes the old social formations in the developing countries. This forces these societies to create a totally new social order, precisely at a time where it is becoming clear for the first time in history that social creation is impossible. These countries therefore face an impossible task. Industrialisation, and certainly successful industrialisation, is therefore the exception, rather than the rule.

The strength of Gellner’s theory is not only that Gellner begins his analysis where others end, but also that he explicitly describes the political, social, economic, cognitive and cultural transformations through which agrarian societies have to pass in order to change into industrial societies. These are historically traceable and verifiable transformations.

Agrarian society

According to Gellner, there is no place in an agrarian society for purely rational economic behaviour, aimed only at maximising profit. Such behaviour would deny in a disastrous manner all other mutual considerations and relations which also form part of every agreement. Agrarian societies are characterised by scarcity. There is only a relatively small, storable and easy appropriate surplus. The relatively small surplus can only support a small non-productive group. The majority of the population lives a life of submission, totally dedicated to production. A threefold division into producers, soldiers and clerks is characteristic of most agrarian societies.

The dependence on a relatively small surplus makes conflicts about the division of that surplus endemic. And these conflicts have an inbuilt tendency to escalate. As a result, these societies are characterised both by an inbuilt tendency to instability and a need for political and ideological stability. They are marked not by change but by exactly the opposite. The outcome of this paradox is that most agrarian societies are dominated by a small group or upper stratum, which tries to completely monopolise power and lives by creaming off the surplus. But this group is continuously threatened by internal fragmentation, because it has only limited means to organise its power effectively. The paradoxical situation that stability is an absolute necessity, but is at the same time very labile and continuously undermined by centrifugal forces, makes the role of legitimacy as the cement of society very large and, with it, also the role of those who claim legitimacy. And it leads to a legitimacy which not only

3 Acknowledgement of power based on preferably written rules.
stresses stability and status quo, but even sanctifies them: in a world in which conflicts are immanent and endemic, the norms and values to check them have to be stable and transcendent.

In such a world, the stimuli for economic accumulation are very scanty. Not only because the power holders are inclined to appropriate all the surplus and leave the producers only just enough to keep on functioning, but also because, in a society where political power dominates production, producers and traders are inclined to convert their resources as quickly as possible into political power. The producers and traders are forced to spend their gains as quickly as possible. And the only 'productive' ways to do this, are 'buying themselves into' the ruling circles or converting their wealth into religious goods, in order to gain the support of those who claim legitimacy.

In these circumstances, the clerical-military elite always benefits, in one way or another. It does not matter whether or not new members enter or old members disappear, nor does it even matter whether the whole composition of the elite changes periodically. The whole political and ideological organisation of an agrarian society blocks the use of the surplus for the enlargement of production. Everything in an agrarian society blocks the pursuit of economic growth.

Industrial society

An industrial society, on the contrary, is totally based and directed at continuous economic and cognitive growth.

In an agrarian society, a productive strategy, dominated by a purely economic principle, is an impossibility and even an absurdity, except for some politically and morally stigmatised and isolated, and consequently easily manipulated and therefore useful groups, who have no other opportunities. Economic motives are indissolubly bound up with and subjected to other considerations.

In an industrial society, the maximisation of economic profit is the overruling principle. And that principle can be pursued without being restrained by other considerations. Characteristic of an industrial society is the dominance of instrumental economic rationality (the pursuit of one or more separable goals). An instrumental rational economic mentality requires an instrumentally rational attitude towards nature. The two go together and reinforce each other. The maximisation of economic surplus requires the presence of a big and growing surplus, in other words, a total and endless expansion of the market, to the extent that whole societies and even the international social system are dominated by it, requiring a continuous cognitive and technological expansion. Such a cognitive expansion not only requires a vision that nature can be understood and manipulated, but also a society in which the old political and ideological forces do not block such a cognitive expansion. In other words, it requires the old ideological and political powers who formed the cement of the agrarian society and are opposed to change out of self-interest or conviction to lose their preponderance.

The industrial world is characterised by a total – and not a gradually - different division of labour. In the agrarian world, the essential division was that between specialists in power, specialists in ideology and producers. By contrast, in the industrial world, such divisions are denied or concealed. There is no formalised division between the rulers and the ruled. Those who rule the state have to claim to be representatives of the people, in one way or another. They have to do that, because they can derive their mandate to rule from nothing else. The difference between them and the population is gradual and not fundamental. An industrial society is democratic in the sense that the notion of a separate political-military class is considered to be improper. Producers are no longer politically castrated. The binding element in an industrial society is culture. This culture has to allow

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4 Cultures can loosely be defined as systems of concepts or ideas which guide thought and conduct. Cultures are socially transmitted. A culture is a distinct way of doing things which characterises a given community and which is not dictated by the genetic make-up of its members (Gellner, 1988, p. 14).
everyone to communicate with everyone else. And this requires cultural homogeneity. There is no room for fundamental cultural heterogeneity and layering, which are so typical and useful in an agrarian society.

Cultural homogeneity needs a culture which can be universalised, standardised and homogenised. The cultures most suited for this purpose are the so-called 'high cultures', cultures based on centralised, literate religions. Cultural homogeneity also requires the presence of a universal, homogenous education system, based on writing, which obligatory for all the members of the society. This culture has to be protected and the transfer of this culture has to be effected by a centre devoted to this culture.

As a consequence, the presence of a state in an industrial society is more than just a condition, it is a necessary condition. This state usually has the form of a nation state. A nation is a group of people who claim to share the same identity (culture) and who live within or strive at a political entity which contains all - and only those - who share the same identity. Culture is the only, 'natural' condition for political legitimacy. Fusion of will, culture and politics is the norm.

Gellner points out that the confrontation of agrarian societies with industrial ones has great consequences for the first category. But Gellner also points to a complication: everything in an agrarian society blocks the emergence of actors and rules which contribute positively to transformation into an industrial society. It is precisely in the difference between the political, economic, social and ideological conditions of an agrarian and an industrial society that the core has to be sought of an explanation of why some countries realise successful economic development and others do not.

Transformation: opportunities and bottlenecks

According to Gellner, successful transformation requires the appropriation of surplus to be subordinated to the enlargement of that surplus, politics to be subordinated to economics, and political legitimacy to become not only secular, but even to be based on a concept such as sovereignty of the people. This reversal requires a strategy which is in blatant contradiction to the strategy needed in an agrarian society. And this reversal leads to a strengthening of precisely those actors who have a subordinated position in an agrarian society: the producers and traders, since the latter have the benefit of already possessing a productive strategy, dominated by a purely economic principle, especially those actors who previously had no other means to survive, because they were politically and otherwise excluded and stigmatised.

But the industrial world not only offers unprecedented possibilities for economic growth, but also unprecedented possibilities for the employment of effective political power and control. As a consequence, actors who are dominant in an agrarian society are inclined to develop strategies aimed at taking over the useful elements, but forestalling fundamental changes. And that is what happens in many developing countries. Such a strategy is devastating for a real process of industrialisation and modernisation.

However, at the same time, the position of these dominant actors is undermined, above all, by the fact that they are confronted with an insurmountable problem of legitimacy. They stand with one leg in the 'old' world and with the other in the 'new'. This deprives them of the possibility of changing their power into authority. Its is no longer possible to refer in a credible way to the old 'sacral' legitimacy, while what they strive at and do is also irreconcilable - at least in the long term - with what is considered to be legitimate in the modern world: the claim to further the prosperity and wellbeing of the people, the nation or the country.

Continuous economic growth is possible only if the pursuit of economic growth for its own sake has become the basic principle of a society, at which all political acts and strategies of the dominant groups are primarily aimed. If there is to be successful industrialisation, then, as Barrington Moore has accurately expressed it: 'The commercial and industrial leaders must be on their way to become the dominant element in society' (Barrington Moore, 1974, p. 424).

It is clearly a road with many traps. If this modernisation process has not been halted at an early stage,
there usually emerge coalitions between influential politically dominant groups and/or persons and important commercial groups and/or persons, if and when traders and industrialists have gained a certain amount of power. This is a decisive phase. When the emerging industrialists and traders are too weak and too dependent to obtain real decisive political power and, instead, throw themselves politically into the arms of dominant political groups or the bureaucracy, it is likely that the process of industrialisation will be hampered or smothered.

In order to achieve successful and lasting industrialisation, certain conditions have to be met:

- rationalisation of the political order. A strong central state has to be established, with a strictly defined territory, a uniform administrative system and a sufficiently strong army and police force. A characteristic trait of most agrarian states is the lack of a central authority which can really enforce its power in the whole of the nominally subjected territory: the real power of central ruler, bureaucracy and army are limited, power has to be based on personal bonds;

- the creation of new bonds of loyalty, which involve the whole population: loyalty in the first place with an abstraction, the state, not with a person. Gellner calls this the creation of cultural homogeneity. According to him, this cultural homogeneity is essential: societies which do not succeed in creating the necessary cultural homogeneity will fall apart and form new societies and countries in which this cultural homogeneity can be created or appears to be creatable.  

- the leadership has to be able to resist pressures and opposition from the top, from groups within the elite and the bureaucracy, by paralysing or co-opting these groups. And it has to be able to resist pressure from below. The government has to be autonomous to a great degree.

The key problem of each transitional society lies in the fact that the social structure has to be fundamentally changed, without it being clear how this is to be done. And the key problem of each government is that it can perhaps control the counter-forces from above and below but, at the same time, is strongly inclined to preserve the old social structures, because its power is built on them.

II. The transformation of Thailand: application and main conclusions

Application

Help theories and indicators

Help theories

In order to apply this theory to Thailand some theoretical and methodical additions had to be made. It would be going too far to elaborate too much on them in this summary. Suffice it to say that the theory of Gellner had to be both expanded and restricted. It was expanded by adding the structuration theory of Giddens (1984). This was done in order to obtain a greater grip on such notions as actor and structure, power and authority, and the interrelation between rules and resources (material and immaterial).

It was restricted - more fine tuned to the concrete historical context of Thailand – by using so-called help theories to describe and analyse specific historical periods and conditions.

For the examination of the period before 1855, the period when Thailand could be considered to be an agrarian society, Tambiah’s model of the Galactic state (1973) was used. This model seemed to be a good tool for looking at the specific (agrarian) conditions of Thailand, as opposed, for instance, to the conditions of a medieval European agrarian society.

5 This cultural homogeneity cannot be created out of nothing, it has to be built on real or presumed historical fundamentals, which are, however, totally changed in the course of this process.
In order to study the role of external factors and actors up to the 1930s, a theory developed by Paauw and Fei (1973) was used. They developed a theory to explain the depth and magnitude of the influence of the colonial economy up to World War II in Southeast Asia, including Thailand, although that country was formally never colonised.

In order to describe and analyse the role of external factors and actors between the 1930s and 1985, several theories were used. These theories go into the causes of the internationalisation of commerce, industry and finance in the 20th century. The theories or models used were developed by Vernon (1966, 1971), Dunning (1988, 1992), Strange (1988) and Schwartz (1994).

To examine the internal political transformation in Thailand between the 1930s and 1985, some theories specific to Thailand were used: those of Skinner (1958, 1959), Riggs (1966), and Jacobs (1971). Skinner analysed the political and economic role of the ethnic Chinese in Thailand, from the 19th century onward. Riggs developed a theory to explain why the transformation of Thailand appeared blocked in the 1950s. Jacobs offered extra elements to support the theory of Riggs, by going more deeply into the patrimonial and personal character of social and political relations in Thailand.

To study the economic transformation of Thailand between the 1930s and 1985 the Evans’ theory (1995) about embedded autonomy was used. It explains the different possibilities, boundaries and consequences of state intervention in the economy.

**Indicators**

On the basis of the meta-theory of Giddens, the overall substantial theory of Gellner and the different help theories, a list of indicators was developed to measure whether Thailand was once an agrarian society, whether and how it changed – under what conditions and in which direction, what were the push and pull factors – and whether, and if so, when and to what extent, Thailand has become an industrial country. I developed both a main, all-encompassing list and a more specific list derived from it and specified for each chapter. In the conclusion at the end of each chapter, I checked whether the main finding did or did not correspond with the indicators and what were the implications of the outcome discussed. At the end of the study, the same approach was adopted for the main indicators.

**Method**

The research method used was a historical one. The sources used were written sources of all kinds, although almost none in Thai, interviews with all kinds of people in Thailand, from advisers of the prime minister to bankers, businessmen, the military, politicians, academics, journalist, members of NGO’s, activists, company employees, construction workers, farmers and slum-dwellers, sometimes with the help of a translator. However, the interviews as such are not mentioned as sources; they were used as a check on the written information.

The method used to describe and analyse the material, to connect theory, indicators and the concrete context in Thailand, over time, was that of narration. As a large part of the introduction was dedicated to explaining in depth why this method is the best one to use, this means that any effort to do this in a few sentences is bound to fail. However, I shall try to do so.

Every social scientific method which tries to combine a description and analysis of a long term macro-process and theoretical notions is confronted with the paradox that putting the accent on theoretical relevancy and methodological accuracy will lead to less relevance and accuracy as far as the concrete context is concerned, and vice versa. It is not possible totally to overcome this problem, other than by avoiding the study of long-term processes altogether - and not even then. However, if we do not study long-term macro- processes, this does not mean that they do not occur. In fact, using narration seems the best - if not the only - way to describe and analyse long-term processes in time and space.
This is also true because language, which is still the main research instrument in the social sciences, is always polyvalent. It is impossible to strictly define any concept without reference to a concrete context outside language. Narration is the only method which combines theory and a concrete context without disturbing the broader contextual framework, neglecting the role of the unique events and coincidence, or blasting the theory itself. Story-telling is the best way to transmit who we are, what we are striving at and what we do.

Main conclusions

The first question to answer was whether the Thai society around 1850 was an agrarian society conform, and, if so, what the main characteristics of this society were.

The main conclusion was that Thai society could indeed be considered to be an agrarian society, although a very sophisticated one, with some unique characteristics. The most important of these features was the existence of very complex and adaptive bureaucratic system, based on both personal bonds and sacral authority with, at its apex, a king attributed with absolute authority. It was clearly a system suited to cope with changes, including disturbing external influences.

Another important conclusion was that, at the time, Thai society was not going through a fundamental transformation in the direction of an industrial society, in the sense meant by Gellner. However, this does not mean the society did not experience other fundamental changes, including economic ones.

The next issue to examine was the role of external influences working upon Thai society, from around 1830 up to the 1930s, with the emphasis on the role of the ‘new style’ European colonialism.

The main conclusion was that Thai society was well equipped to cope with Europe’s aggressive ‘new style’ colonialism of the 19th century, and had the luck to first be confronted by the British, who were mainly looking for trading opportunities – this in contrast to the French, who were looking for territory.

The Thai elite proved to be very adaptive, partly because they already had a long experience with outside traders, partly because they had seen what had happened with the Burmese when they tried to resist the new awful force of European – British colonialism, and partly because the conditions stipulated by the British did not seem too bad to comply with, at least for the leading figures high up in the hierarchy.

The Thai government quickly signed a series of treaties, first with the British and later with the main other western countries. In exchange for granting a lot of rights to foreign entrepreneurs, and bankers – who became virtual immune for Thai regulations and laws - and opening up its market to western products, Thailand kept its political independence – and even got some protection of the British against French advances, at the end of the 19th century.

Even so, the new conditions triggered a process of transformation that, in the end, gave birth to a new kind of economic rationality and organisation, and undermined the possibility of the Thai government effectively controlling a large part of its economy. However, this transformation did not go so far as to change Thai society from an agrarian into an industrial one. In fact, Thailand became more or less a semi-colony in the economic sense, although it remained politically independent.

From an internal perspective the period between the 1850s and 1930s was one of drastic political changes. Legitimacy gradually shifted from an absolute sacral one, via a more patriarchal sacral one, towards a worldly, but absolute, one. But, in first decades of the 20th century, the foundation of this absolute, but ‘enlightened’, legitimacy also slowly decayed. In 1932, it was ended by peaceful revolution, which led to the drafting of a constitution, in which legitimacy was based on the concept of the sovereignty of the people, but the monarchy was not abolished.
As far as the political power was concerned, the changes perhaps were even more drastic. The whole political power structure was thoroughly modified. The best word to describe the nature of these changes is rationalisation, in the Weberian sense. Even more remarkable than the extent of the changes, was the fact that they could be carried out so quickly, smoothly and peacefully.

This was possible because some the main characteristics needed for this transformation already were – paradoxically enough - present in Thai society. This conclusion fits in with the theory of Gellner, who states that successful transformation, in fact, requires agrarian societies already to have the capacity to change. Thailand, for instance, already had a central government and state apparatus, complete with a bureaucracy and military, although differently oriented, organised, staffed and paid. The Thai government also had much experience with profound reorganisations of the bureaucracy - and the cultural and sacral legitimacy and even duty to do this. This is perhaps the central point, and as such the main reason why Thailand succeeded as one of the few countries in the region, in transforming away from an agrarian society, without becoming a colony, disintegrating or imploding.

However, even in the 1930s, the main conditions for a real transformation were lacking. The social order was still an agrarian one, with a threefold distinction in a small upper layer of bureaucrats and military men, a small and dependent layer of businessmen – socially excluded from the society as a whole – and a large group of producers, mostly farmers, with, at best, local loyalties and no political power. In the physical sense, Thailand was put on the map, but the making of the Thai –nation state still had to be undertaken.

But, just as important was the fact that the actors who had taken over political power in the 1930s onward lacked indisputable legitimacy. The concepts of sovereignty of the people and constitution were new, western ‘imports’. In fact, the whole revolution of the 1930s was the work of a few hundred men, partly educated in Europe, and only some of them joined the revolution because of a deep understanding of, and longing for, what those concepts expressed.

It would also be going too far to state that the striving for economic maximisation or even economic development – on behalf of the people – had been the main political motive up to the 1930s. On the contrary, political rationales almost permanently had the upper hand over economic ones and economic resources were constantly used for political and even factional purposes.

But, at the same time, Thai society underwent – slowly but constantly - huge changes in depth. The importance of purely economic motives and actors became increasingly visible and more difficult to deny. At the same time, the social stratification became more multifaceted and fluid.

The period after 1930 was internationally very dynamic, both politically and economically, even if viewed from a strictly Thailand-oriented perspective. To mention some ‘events’: the Great Depression, Second World War, decolonisation, Cold War, Vietnam war, oil crises, revival of the world market and internationalisation of production and finance. It is hardly an overstatement to say that the world as a whole went through a whole chain of far-reaching political and economic metamorphoses. They did not leave Thailand unaffected, to say the least.

With respect to Thailand the main conclusion is that it survived all these ‘shock-events’ remarkably well, better than most non-western countries and ex-colonies. The explanation for this has – in the end - to be sought in two circumstances. The fact that Thailand has never been a colony – because of already mentioned circumstances - and the fact that the Thai government, in order to avoid being colonised, had followed a very prudent macro-economic financial or, better, monetary – policy since the 1850s.

The depression of the 1930s did hit Thailand hard, but it did not wholly destroy the economy, because of
a prudent economic policy of not spending what you
do not have, a policy which in the beginning was
forced upon the Thai by the British, but later on had
become the main Thai bureaucratic reflex to avoid
foreign debts, which all too easily resulted in a alibi for
foreign intervention and colonisation.

The Japanese did not crush Thailand in World War II,
because it had its own, non-European, government
which could negotiate and decide, and did so
brilliantly. The same was true at the end of the war,
when the Thai government negotiated its way out of
its previous collaboration with the Japanese, by
talking mostly to the new world power in force, the
Americans. An extra advantage of this new coalition
with the Americans was that these were – at the time
– strongly anti-colonial: they supported, even
required - world-wide de-colonisation. In Thailand de-
colonisation meant mainly that the European
entrepreneurs and bankers were blocked from
coming back after the war and were replaced by local
ones – although these were ethnic Chinese in origin.

For Thailand the Cold War meant siding with the
Americans, although that war threatened to become
too hot for Thailand to handle with the outbreak of the
Vietnam War. The Americans pulled the Thai through
the dangerous sixties and early seventies by giving a
lot of help, from military through financial and
economic to educational. When they left the region in
the mid-1970s, frustrated and defeated, they left
Thailand behind as the one domino that did not fell,
although there were Communists everywhere,
including inside Thailand.

The seventies also in Thailand ended as a period of
economic crisis, because of the oil crises. But, after a
period of economic adventurism -such as closing
itself partly off for the world market, large scale
lending abroad and investing this money in huge and
in the economic sense risky or even unproductive
industrial projects -the old prudent way of doing
things regained favour: do not buy too much with
borrowed money and do not turn your back on the
world market.

In the 1980s when large parts of the ‘old’ industrial-
ised world struggled to avoid economic recession, an

old ‘ally’ came to the rescue of Thailand: the
Japanese. The Japanese economy had become so
competitive that the value of Japanese currency rose
constantly compared to the American and Europese
currencies. In order to stay competitive the Japanese
industry had to internationalise. Thailand became
their favourite regional production and export
platform, because of its political and economic
stability, and for the Japanese recognisable and
workable structure.

The choice of the Japanese was not a step in the
unknown. In the period under review, 1930-1985,
Thailand underwent a truly fundamental political and
social transformation, activated and stimulated by
major external developments and pressures, and by
internal forces, which had already set in motion
earlier, sometimes long before, and rested upon
foundations almost as old as Thai society itself. In
fact in 1985 Thailand had become an industrial
country, in the political sense, according to the
indicators developed on the basis of Gellner.

Thailand had become a nation state, still with a king,
but also with a modernised (rationalised) government
and bureaucracy. The legitimacy of king and
government - and their activities - was based on the
principle of sovereignty of the people and the
promotion of national economic prosperity. The
fusion of will, culture and politics – the condition of an
industrial society, according to Gellner - had become
a fact, as had the predominance of economic
rationality. Large segments of the people had
become involved political actors, especially in the
cities, where a middle class was quickly evolving.
Economic entrepreneurs were politically protected
and even stimulated – most of the entrepreneurs
were ethnic Chinese, as they were in Malaysia and
The Philippines, Indonesia, but in Thailand they had
become recognised as Thai citizens. They had even
‘appropriated’ a lot of political power – perhaps too
much. The army, which had ruled the country for
most of the time since the 1950s– in close co-
operation with segments of the bureaucracy - was
lessening its grip on politics and policy. In theory,
because it wanted this, in practice, because it had outlived its use as a political factor: it had lost its overview and control.

In fact, one could say, looking back, that the transformation into an industrial society took place rather smoothly, from the 1930s on, notwithstanding some serious drawbacks, caused partly by external factors. The only periods which can be considered as showing real signs of regression, or worse, were the 1950s and the second half of the 1970s.

The fact that Thailand had successfully transformed in the political sense, does not automatically mean that this was true in the economic sense. The main remaining question is whether, and to what extent, the state apparatus had acquired the capacity to put economic growth first, to facilitate and guide that growth and to broaden conditions for sustained growth, by including ever larger parts of the population. Moreover, this had to be done in strongly changing external and internal political and economic circumstances, which constantly demanded additional and more sophisticated administrative ability.

The main conclusion is that the Thai government apparatus performed rather well from the 1930s onward, with the noteworthy exception of the 1950s and parts of the 1970s. The main reasons were a long-standing – more than a century - tradition of maintaining macro-economic stability, and a lot of American economic and financial help, advice, training and education. Many of the higher officials and military and even businessmen had been trained from the 1950s on by the Americans or educated in the United States. Whenever the bureaucracy had to adapt, they possessed or quickly acquired the capacity to do this. They were helped by the fact that the international economic environment they had to adapt to was strongly dominated by American rules, values and regulations, after the Second World War.

However, this does not imply that the Thai government strictly controlled the Thai economy. Rather the contrary, one is inclined to say. Whenever it tried to do this, the situation went out of control and the economy was more hindered than helped. The real strength of the Thai government apparatus had to be sought elsewhere. The Thai government was at its best when it restricted itself to facilitating private economic initiative. The real economic ‘heroes’ in Thailand were the farmers and the city-based entrepreneurs and bankers. They created the new prosperity of Thailand.

The Thai government was not a strong one. In fact, one could even say that the Thai government was sometimes so weak that it became the instrument of one or more pressure groups. In the 1950s, factions from the military appropriated the ‘profits’ of newly established state firms (often nationalised private firms) and seemingly profitable private ones. At the end of 1970s, big Bangkok-based private entrepreneurs and bankers appropriated, directly or indirectly, enough political power to uphold and even strengthen restrictions against industrial imports, whereas all the economic signs pointed at doing exactly the opposite, i.e. opening up to the world market.

Nevertheless, one can conclude that the Thai state apparatus most of the time proved to be able to keep a balance between autonomy and embeddedness. It was increasingly oriented towards the promotion of economic growth, became more and more rooted in society as a whole, and became slowly less receptive to excessively particularistic pressures.

The economic figures also showed that, at the end of the 1980s, Thailand had undergone a transformation into an industrial or, in this case, industrialised country. How successful this economic transformation was is shown by the events in 1990s: Thailand had become so integrated into the world economy and so attractive to foreign investments and foreign capital that its economy became more than overheated and gave birth to a financial and economic crisis which at the end also affected other parts of the world, especially in Asia. Quite an achievement: not something a so-called underdeveloped or agrarian country could do. Although, for completeness’ sake, one should add to this remark...
that Thailand probably only ‘reassembled’ and transmitted an already older crisis ‘exported’ by Japan to Thailand and other neighbouring countries in around 1995.

The transformation-process of Thailand also has implications beyond the specific Thai context and underlines the usefulness of the theory of Gellner. The main implications are:

- Complex or highly developed agrarian societies have an advantage over more ‘simply’ organised ones when it comes to the capacity to set in motion and sustain a transformation towards an industrial society, although they probably will initially often lag behind in doing so, because the ruling elites have access to a lot of well organised resources for blocking further change by using the advances which the transformation offers them.

- Open societies – in the sense of open to and oriented towards external trade – are as a rule the most adaptive ones.

- The political, institutional and cultural effects and after-effects of colonialism are as important as the economic ones, and even have surprisingly far-reaching effects.

- For a society to be able to realise a successful transformation from an agrarian into an industrial society, the potential to do this must already be present in that society.

- Political transformation is a sine –qua non, if not a pre-condition for a complete – and economic – transformation.

- Legitimacy is the key to political transformation.

- The transformation of an agrarian society into an industrial one comes down to a fundamental rupture with the past: politically, socially, economically and culturally.

- The quintessence of this rupture is the transformation of a legitimacy based on religious notions and personal bonds into a legitimacy based on abstract, worldly and utilitarian (rational instrumental) notions.

- External factors are decisive for setting in motion the process of transformation and its continuation.

- Notwithstanding the influence of external factors, internal factors determine whether a transformation process will really take off and succeed.

- The transformation is set in motion by members of the local elite, out of political motives. They need to have the will, capacity, position and legitimacy to do this.

- The specific way in which the process is set in motion has great implications for the shape, direction and continuity of the transformation.

- Every transformation process can stagnate and is even likely to do so.

- In the end, transformation into an industrial society means strengthening and emancipating economic rationality and behaviour to such an extent that economic activities and actors will prevail over other activities and actors. In an industrial society, politics serve the economy. The main political task is to facilitate economic maximisation, rationalisation and accumulation.

- In an industrial society, economic maximisation, rationalisation and accumulation have become the main fundament and target of political legitimacy.

- In an industrial society, economic maximisation, rationalisation and accumulation are best served by private initiative, based on the notion and protection of private property.

- To understand the transformation process of societies, one has to begin with investigating this process in depth in the individual societies before starting to compare those societies.

- All transformation processes are historical, in a threefold sense. The study of long-term developments is essential. The process is never teleological. Coincidence, singular and unpredictable events always have a great impact.
Concluding remarks

As far as the overall reflection on the main theory is concerned, one could conclude that Gellner's theory has proved remarkably useful for examining and interpreting the process of change in Thailand.

There was nevertheless perhaps an even more important finding. A lot of the conclusions suggest that the theory would probably be even more useful if it was applied to the study of the transformation process in societies or countries which have been less ‘successful’ - perhaps not so much to further their ‘development’, as to deliver arguments on how and where their capacities, energy and focus could be better put.
Literature cited


