

Transformation of Thai elite class after the political change in 1932

The process to reform the centralized administrative system during the reign of King Rama V not only resulted in the monarch's strict control over the political power, but also increased his economic strength as well. Since the king appointed the government officials to collect the tax all over the country in place of the monopolized tax's system by the concessionaires. As a result, the central state gained more revenue. The change in monarch's political and economic power had a strong impact on the elite class. That is, while the king wished to let his relatives who were close to him through his origin help him to manage important governmental administrations, he also paid these government officials by means of granting various assets in the form of annual payment and salaries. For this reason, throughout the reign of the absolute monarchy, the fact that the elite class surrounded the governmental office (high position) was the indication that the elite class was the second to seize the political power in the country next below the king, and that they had the ability to earn income from the royal financial grant system. Moreover, the principles of the resource management in the feudal system allowed the king to provide a large amount of land in accordance with the title of his royal family members. Therefore, most of them held these amounts of land in the form of private property, and in general, if they wanted to use the land for economic gain, they would hire or let landless farmers cultivate their land rather than do it themselves. These are the reasons it can be said that the basic income of the elite class before 1932 was bound to two key principles: the royal financial grant system and the land rental fee system under the agricultural production structure.

Until the People's Party transformed the political regime to the constitution in 1932, the process of intercepting the country's administration mechanism under the absolute monarchy was since then continuously driven. The People's Party could limit the political rights of the royal court through the enforcement of various laws, in many levels of law and measures such as the removal of the elite government officials from their position prior to the change of regime, the law regulating the king to be above politics, the prohibition of the elites with a title of or superior to the king's grandson and granddaughter from political positions. On the surface, such an approach might seem to limit

only the political power of the royal court under the new regime. But in fact, the economic dimension was, no less, one of the problems that the royal court had been subjected to as well because, deprived of the political power, it was not in position to control state's finance machinery. Certainly, this abolished the method of sharing annual government budget's in the form of annual payment and salaries as before.

However, it would not be totally correct to say that the royal court had completely lost its political power. Since there was the remaining feudal power from the royal court itself, the royalist noble officials tried to cooperate to oppose to the government of the People's Party until they were able to intervene in political activities to some extent. Even though the dynamic of the fluctuation of Thai political system more than two decades after the regime change did not cause the Thai state to return to the old bondage of government, it disabled the state from totally dissolving the accumulated royal court's power to possess the resources despite the fact that it had been declared by the People's Party that it was a mission to eradicate this power when the regime had been changed. Moreover, when the People's Party lost its power, or on the verge of 1957 decade, whichever was the government, it barely tried to maintain the ideology of the People's Party. Along with the reform of the economic structure into the liberal capitalism, both the reconciliation between the government and the royal court and the strict adherence to the private section's ownership system ensured the reproduction process of the elites' assets possession that had been accumulated since the feudal era to resume.

However, merely the mechanism of this reproduction process of the elites' assets possession might not give a complete advantage to immediately conclude that the elite class could continue to play the role of the economic elites in free capitalist economic system despite their loss of ability to monopolize political power. Because, on one hand, the main income from "land rental from farmers" might continue to work because it was an income that depended directly on personal property, but that was not the entire revenue base that the elites had ever received. It must be emphasized that the royal financial grant system was another important source of income. Furthermore, the income from "land rental from farmers" might not always be secured due to the uncertainty in the rice production

that was fluctuating because of world market prices and natural factors. In order to overcome the economic decline compared to that in the absolute monarchy era, some of the elites realized that they would adapt to fit the modern economy by moving away from a rope that tied them to lifestyles of serving the crown and by converting into the independent bourgeoisie like Chinese merchants.

Releasing oneself from the feudal bond was also easier for the elites because this was the time when it became easier to refuse the culture of recruiting officials by condition of origin. But the more difficult factor was to shift the status to become an independent capitalist under the condition of being able to seek a commercial advantage and invest in a competitive free market system, because the elites' accumulated experiences had always been in the field of bureaucracy works, not in trade and investment like Chinese bourgeois.

Thus, the meaning of "Independent bourgeoisie class" is not the social status in which elites can choose to be under the power of the abstract need, but the status has to be embedded in empirical concrete. As far as the researcher has studied, it is seen that one group of the elites has formed the investment alliance with other private merchants, meaning that they relied on the investment ability of the economic specialists to improve their ability to find the benefit for themselves. This practice is the same as feudal capital during the absolute monarchy era. However, to study the differences in-depth, it might be found that in the last, the tendency of the investment between feudal capital and merchant capital revealed in absolute monarchy era is on the question of how much the upper class's capital is, or if most proportions of the upper class's capital appear in the form of king's capital, playing a role through privy purse's investment. On the other hand, not many of the investment affair's proportions, in the upper class's capital, compared with the elites which are the official of the king in the palace and outside the inner quarter, were often given for privy purse to manage in order to get a return. It means that the economic relationship between elites and merchants does not directly coordinate.

Besides the fact that the process of establishing economic relations with traders was closer, the conditions for exchanging benefits between elites and traders seem to be different. In other

words, in the past, elites often adhered to “the rent” as the goal of exchanging economic benefits, which can be seen that they rented their assets out for merchants to do the business. The explicit example is that even though most elites own rice mills, they gave Chinese a lease. Unlike in the past investment, in the modern investment that the researcher has studied, the tendency of the joint investment between the elite’s capital and private merchant’s capital in various businesses is the cooperation for ‘profit’.

The implication of investing for profit can be interpreted that it is the elites’ propose to participate in the business field in order to gain more power. The reason is that it is barely necessary to be in the business process because they agreed to charge the merchants for the returns in the process of exchanging assets to money and give it a lease. The burden of the production process fell to the renter, the merchants. (this case does not differ from landowner giving the farmer the lands, meaning that people who are farming is the farmer, not the landowner.) However, the intention of aiming mainly for profit directly affects the efficiency of the production and even the competence of selling products and services, which elites who invested can be affected too. When it happened, the elites cannot deny trying to know how to administrate in the business system if they want to aim mainly for the profit. There are several methods to accumulate the entrepreneurship skill that the researcher offered such as the method of investing in educational services. Moreover, the evidence of elites trying to play the role of entrepreneurs is obvious, from doing independent business or finding other capital groups to form alliances (or the share proportion are mainly elites’). For instance, in the case of the real estate investment of the noble family of Rangsit, Sakdidatch, and Phanuphan. If it has not adhered to the achievement, the case of Air Siam company is one of the examples for elites’ desire to be the business owner.

It is not that “the rent, especially the land rental” stopped being the economic activity for elites. On the other hand, “the land rental” is still continuously considered as a way to earn money, but it is changed from the past that the land rental can be earned under the agricultural production to the present that the land rental can be earned under the production activity in industrial and commercial sectors, which is the production base that urges land rental rate to be higher following

the dynamics of the growth of the domestic industrial structure. It is thought that elites use the benefit of the change of the land market price to gather the power of their stability more or less.

In a brief conclusion on economic adjustment of the elite class after the 1932 revolution of this research is that the collapse of the Siamese absolute monarchy in 1932 along with the impact of unfolding Thai economy into new era following the economic course of the liberal capitalism for more than two decades after the collapse were the important conditions pushing the feudal landlord class to play an economic role which began to resemble that of the bourgeoisie in Thai society. (This was the case in England since the 16th century). Yet, its bourgeoisie life patterns which was mixed with the elites and the people in the royal houses' lifestyles didn't change drastically after the end of the absolute monarchy. Yet, it was a gradual transition due to the influence of many factors, whether the one within the elite class itself, which was tied to the feudal politico-economic structure entirely, both in the economic, political and core values dimensions until they couldn't get rid of it at the same time of absolute monarchy's dissolution. Plus, environmental factor or during the time when the People's Party took over the state's power process was not the time when "wealth" would be a desire to seek much while there were still the lack of "stability" both in assets and political way of life. Until the age of the People's Party passed by, when the elites began to feel more stable, wealth was becoming their lifestyle. At the same time, "the absolute monarchy" and "the royal court" began to regain power under the political structure since the 1947 coup and were more evident after 1957 until nowadays. Consequently, a group of elites and royal family members began to seek more trade and investment opportunities than before the regime change, by benefiting from the state power mechanism's major contribution. But that didn't include all of the elites and people from royal houses because many still clung to the profession of serving the country's government and the crown. Or some of them could not step into the role of a capitalist due to the lack of funds.