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From agricultural modernisation to agri-food globalisation: the waning of national development in Thailand

JASPER GOSS & DAVID BURCH

ABSTRACT *Agriculture has been central to accounts of Thailand's modernisation and the rise of the national development project between the 1940s and the 1970s. However, the role of agriculture in the waning of national development is rarely explored critically in the Thai context. This paper focuses on agriculture and the role of the state in the shift from national development to globalisation. The first part of the paper examines the beginnings of Thailand's modern agricultural sector, before turning to the state-sponsored diversification of agriculture in the 1950s. The paper locates shifting state responses to agriculture in the late 1950s and 1960s in the context of specific political and historical social forces, before exploring the emergence of agri-food exports in the 1970s and the rise of agribusiness in the 1980s and 1990s. The paper concludes by commenting on the significance of the Thai state's role in the national development project and the globalisation project.*

From the middle of the 1980s through to 1997 a great deal of international commentary on Thailand focused on the country's rapid economic growth and industrialisation, recognised by the World Bank as the fastest growing economy in the world between 1985 and 1994.¹ With the financial meltdown in 1997, analysts quickly shifted their focus to the causes of Thailand's economic crisis and possible solutions.² What was characteristic of much of this analysis, whether during the miracle or the meltdown, was the repeated observation that the key trend of the second half of the twentieth century was Thailand's rapid social and economic transformation from an agriculture-based economy to one based on industry and services. This transformation is clearly central to Thailand's current political economy and in a general sense the rapidity of this should not be underestimated.³ Yet, at a deeper level, such distinctions paper over newly emergent sectors of the Thai economy that embrace both agriculture and industry. It is the emergence of such new sectors, in the form of agribusiness in particular, which are indicative of fundamental changes in state policy towards development, of changes in the relationship between farmers, agrarian workers, bureaucrats and capital, and of a major reorientation in the dominant development ideology in Thailand.

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Understanding the historic roots of these newly emergent forces and their relationship to previous social structures and state-guided development activity is the focus of this paper. Mirroring trends world-wide, two state-guided projects have been central to Thailand's political economy in the twentieth century: the national development project and the globalisation project. Starting in the 1930s and reaching a peak in the 1950s and 1960s, the national development project in Thailand centred on efforts to build up state-supported and protected domestic industries and to encourage the expansion of the internal market for the consumption of industrial goods. Beginning in the 1970s, and reaching a peak in the 1990s, the globalisation project is marked by the promotion of exports of manufactured goods, the expansion of banking, property and tourism and rapid urbanisation. However, there is a shortage of research on Thailand examining the role of agriculture in the globalisation project.⁴ Agriculture has been central to accounts of Thailand's modernisation and state-guided national development,⁵ yet the interrelationship between agriculture and industry (and services in some cases) in Thailand is rarely explored critically.⁶

This paper traces these interrelationships, with a focus on agriculture and the role of the state in the shift from national development to globalisation. The first part of the paper examines the origins and rise of agricultural modernisation in Thailand, before turning to a discussion of the state-sponsored diversification of agriculture in the 1950s. The paper locates shifting state responses to agriculture in the late 1950s and 1960s in the context of specific political and historical social forces, before exploring the emergence of agri-food exports in the 1970s and the rise of agribusiness in the 1980s and 1990s.⁷ The paper concludes by commenting on the significance of the role of the state in the national development project and the globalisation project.

The origins and rise of agricultural modernisation 1932–58

In 1932, the year Thailand's absolute monarchy was overthrown, the dominant form of productive activity was an exported-orientated agricultural system of rice monoculture. This monocultural production system, which was well developed by the 1900s, encompassed peasant producers, Chinese merchants, Chinese proto-industrial capital involved in rice-milling and a landlord class of nobles, and was well connected to international traders and the world economy. This laid the groundwork for the dominant social forces that would emerge in a later period to encourage industrialisation in Thailand.⁸ Nevertheless, this nascent capitalist formation did not develop into diversified commercial and industrial sectors until the 1960s. In fact, agriculture remained the primary economic activity until the middle of the 1960s. This was primarily the result of the Thai economy's openness to the world market, resulting from treaty obligations and the interests of local elites, which meant that only select industrial enterprises could succeed through state protection. For example, the Siam Commercial Bank and Siam Cement both prospered thanks to local subsidy, whereas the Siamese Steamship Company failed, as it enjoyed no government protection against foreign competition.⁹ As Mitchell Bernard notes:

a combination of world order pressures in the form of unequal treaties combined with the domestic class structure to create several long-term structural features of Thai political economy: external [trade] dependency; a merchant bourgeoisie caught between both the state and foreign capital and a proclivity of the Thai state toward fiscal conservatism.¹⁰

Within the agricultural sector five family groups (Wanglee, Bulasuk, Bulakun, Iamsuri, Lamsam) of Chinese descent came to dominate the rice trade in the 1930s. These groups differed from the earlier class of Chinese merchants that had prospered at the end of the 19th century during the absolute monarchy. They had entered the rice-milling industry independently and were not tied to the fortunes of the Thai nobility (whose star fell dramatically with the end of the absolute monarchy and the onset of the Great Depression). These new families were generally second and third generation Siam-born Chinese who had accumulated wealth through international trade and local trading activities (mainly in timber, alcohol, agricultural inputs and silk). By 1938–39, after the shake-up caused by the world depression, these family groups came to hold a 44% share of rice milled in Thailand. These families subsequently extended their interests into other related sectors, including banking, insurance and shipping, as well as the direct export of milled rice through overseas outposts in China, Singapore, Indonesia and Europe.¹¹

Two events during this time further strengthened the role of Chinese–Thai business groups in the economy: the Japanese occupation of Thailand during World War Two and the success of Chinese revolutionary forces in 1949. Although the Japanese suppressed and arrested members of the Chinese community during the occupation, European interests in Thailand were expelled, and when ‘the Europeans returned to Thailand [after the War], they found that major industries, especially in the commercial and financial sectors, that they had previously controlled were now dominated by either the Chinese or the Indians.’¹² The impact of the Chinese revolution ended remittances by Chinese Thais and encouraged the reinvestment of funds previously earmarked to leave the country.

These trends dovetailed with the general framework of Keynesian state management which encouraged the development of home-based industries. In the wake of the end of the absolute monarchy, economic policies tended to emphasise the nation, as against royal interests, as the primary focus for development. In the 1930s notions of national self-sufficiency became part of Thai elite discourse on trade policy as state-sponsored industrial expansion began, often in areas related to the agricultural sector. During the Second World War nationalist sentiments and enterprises (which at times paralleled Japanese imperial needs) were actively promoted. In the rural sector increased spending on canals and railways facilitated an expansion of total area under production, although there was little impact on productivity. Tariff protection of the sugar industry allowed the area under crop to quadruple between 1948 and 1957 to 140 000 hectares. Finally, in the late 1940s the Thai government imposed a series of export taxes and premiums on rice, the proceeds of which were used to fund industrialisation programmes. Until the mid-1960s export taxes on rice accounted for between 10% and 15% of total state revenues.¹³ The outcome of all these processes was that throughout the 1950s the government promoted industrial expansion and, as

the rice export tax kept the cost of Thailand's basic food-stuff low, labour costs also remained low. As Andrew Turton notes:

by keeping the domestic price of rice low and favouring oligopolistic rice exporters, government policies assisted a massive transfer of wealth from the paddy producers: in 1951 rice producers are estimated to have received about half the paddy price they probably would have received in the free market.¹⁴

The world commodities boom resulting from the Korean War increased the importance of rubber within the export sector. And while the boom in the early 1950s drove a limited amount of agricultural diversification, rice and rubber still accounted for two-thirds of export earnings by the late 1950s.

However, the end of the Korean War saw commodity prices fall, producing poor returns for exports, further encouraging government policy to favour urban industrial expansion and the creation of a larger internal market.¹⁵ By 1951 the army had become firmly established as the leading political force in the country as a result of coups launched in 1947 and 1951. The army, which remained ethnically 'Tai', attempted to indigenise the business sector. But, rather than engage in direct expropriation, the army sought to participate in the Sino-Thai business groupings and create parallel public enterprises. As Akira Suehiro describes:

[this] was basically carried out in two ways, the incorporation of new firms sponsored by the state or the army and the reorganisation of the structure of ownership and directorship of existing Chinese-owned firms. In both cases military leaders and other officers were invited to become board members and share-holders ... Although several distinguished Chinese families formed giant business groups by the early 1950s, it was impossible for them to continue and develop their enterprises without the political patronage of the military command. In this sense, the dominant capitalists in the 1950s were comprised of the army, the politico-bureaucrats, and their Chinese business collaborators, and they were all consolidated into a system of capitalism.¹⁶

This provided the impetus for the sizeable expansion of the state sector in the form of public companies. Although there had been an initial surge in state-sponsored industrial activity in the 1930s, the policies embarked upon in the 1950s included a much larger number of new enterprises and tighter controls and restrictions upon Sino-Thai activities. By 1960, in line with the industrialisation policies of the military-led regime of Field Marshall Phibun Songkhram (1947–57) there were 100 state and public enterprises, 37 of which were established between 1953 and 1956. These state industrial enterprises were mainly grouped in areas associated with the agricultural sector or primary commodities; that is, liquor distilleries, paper mills, sugar refining mills, gunny bag factories and bamboo products factories. These industries were dominant principally because they utilised relatively simple production processes, took advantage of established internal markets and were able to source local raw materials. Those industries that required imported technology and were capital intensive (such as steel, glass, textiles and batteries) contributed only fractionally to the state sector, and marginally to the overall economy.¹⁷

Between 1951 and 1958 the share of GNP from agriculture fell from 50.1% to

40.7% and, while the agricultural sector grew at around 4% per annum between 1950 and 1958, for a similar period the economy as a whole grew at 5%.¹⁸ Thus, the agricultural sector, even with the stunted development occurring within the state sector, began to lag behind industrial development. This was reinforced by the prevailing consensus of international institutional development opinion, which took the view that small-scale agriculture was inefficient in a 'modern' economy. For example, in 1957 the World Bank urged the Thai government to encourage private and foreign interests that would be willing to develop 'large-scale agricultural enterprises ... with liberal inducements'.¹⁹ With little incentive to increase productivity in the rice sector, given that there continued to be lands open for expansion, agricultural areas were provided with little more than basic infrastructural investments.²⁰ Given these circumstances the overall political dynamics weighed heavily against the possibility of rural dwellers raising their concerns about social investment in the countryside, let alone demanding social justice. At the same time the role of the military, aided by US support, grew steadily in Thai society.²¹ It is quite likely that the state's relative neglect of the agricultural sector in favour of industry could have continued indefinitely but for two events that gained prominence in the late 1950s and early 1960s: the beginnings of the Vietnam War and the emergence of sporadic rural rebellion.

State policy and economic restructuring 1958-73

Field Marshall Sarit Thanarat ousted the previous Phibun regime in 1958. Sarit established an authoritarian regime and embarked on an almost immediate reorientation of Thai society, drawing on nationalist themes to legitimate his ascendancy, while abrogating the constitution, dissolving the national assembly and banning strikes, political parties and unions. The sponsorship of state-owned industries during the Phibun regime had inculcated massive corruption among the military and business groups, creating an environment viewed as unfavourable for long-term private and foreign investment. The Sarit regime set about a significant reappraisal of Thailand's industrial policies, preferring private (foreign and local) capital investment and long-term planning.²²

Sarit's regime sought to destroy the economic base of state-owned enterprises from which Phibun's supporters had prospered. To this end, 'the new government strictly regulated the expansion of existing state enterprises and prohibited state participation in commercial and industrial sectors where it might be expected to compete with private capital'.²³ The Phibun regime also lost favour with Thailand's bourgeoisie because of its poor economic management of inflation and the misuse of state enterprises, which constrained private investment activities. Furthermore, Sarit was much more amenable to US institutional aid and assistance.²⁴ While a number of US assistance programmes developed in the 1950s, it was during the Sarit period that Washington's font of resources would come to play a fundamental role in the economic transformation of the country. Writing of the 1960s, Benedict Anderson notes that:

never in its history had Siam been so deluged with external economic resources—the result not merely of American capital investment in military bases and strategic

infrastructural development, but also of direct American aid to the Thai regime, and substantial Japanese and American private investment in a low-wage, union-free society.²⁵

Between 1958 and 1967, US\$797 million in direct economic and military aid was channelled to Thailand. However, such figures only paint a partial image of the impact of aid, since Thailand had become the primary support-base for the US-led war in Vietnam. By 1968 the combination of funds pumped into Thailand as a result of aid, US soldiers on leave and exports to South Vietnam, *inter alia*, combined 'to be equivalent to about 45 percent of Thailand's exports and constituted upwards of 8.5 percent of GNP', with total spending between the mid-1950s and 1976 reaching \$3.5 billion.²⁶ While it is clear that not all of these funds were destined for productive or long-term investments, such an atmosphere of outside support did facilitate economic expansion. As Alasdair Bowie and Danny Unger state:

between 1966 and 1971 US military aid along with World Bank loans provided some one-third of public capital spending. Increasing US military spending in Thailand after 1965 helped boost the construction sector through the 1960s. Foreign loans allowed Thai officials to expand public investment without engaging in inflationary spending or external borrowing.²⁷

The presence of foreign private capital also increased. Japanese direct investment rose to \$130 million for the period 1967 to 1972, compared with just \$41 million between 1951 and 1966.²⁸

Before discussing Thailand's late-industrialisation generally, and changes in agriculture more specifically, it is worth making a comment on the role of the Cold War during this period. The argument presented here is that the Cold War was fundamental in driving the need for industrialisation of the countryside and subsequently for providing the means by which to do this. It is, however, important to distinguish between a fundamental role and a determining role. If the Cold War acted as a determining mechanism, then, irrespective of Thailand's internal conditions, the industrialisation of the countryside would have occurred and those patterns would have been replicated region-wide. That is *not* the argument being presented here. Quite clearly the ramifications of the Cold War had very diverse effects on the rural areas of Vietnam, the Philippines, Malaysia and Indonesia. What the Cold War did provide was a context through which local conditions and events had to be negotiated. In this sense the manifestations of communist-led rural insurgency during the 1960s and 1970s, the previous productive structures of agriculture (*viz* small-holders), the predominance of the rice economy, and the emerging bourgeoisie, associated with industrial, commercial and financial capital, all influenced the ways in which the Cold War was played out in Thailand. But the Cold War made it possible for particular classes to flourish and orientated the economy in particular directions. While agriculture remained marginal in the 1960s in terms of investment (whether foreign or local), it was initially Thai firms that were to take advantage of the newly emerging commercial possibilities. That they were soon able to take advantage of these possibilities is no doubt the result of the overall context of the Cold War in the 1960s, in which the banking, construction and industrial sectors expanded

dramatically. At the same time, there were relatively few commercially interested parties in the rural sector other than Thai capitalists.²⁹ In this sense, the conditions for investment in the rural sector became increasingly attractive by the 1970s, but there was nothing inevitable about this process.

The politico-economic conditions of the Cold War provided the necessary framework for the Sarit regime's modernising vision. The promotion of foreign investment led to changes in investment laws, most notably the Promotion of Investment Act (1960) which established the Board of Investment (BoI). This act ensured that nationalisation of private assets could not occur and guaranteed a series of tax-holidays and incentives for investment. In 1962 the Act was revised to allow greater privileges, including tariff-free capital and material imports, increased repatriation allowances and further independence for the BoI. Other important institutional changes included the creation of the Industrial Finance Corporation of Thailand and the National Economic and Development Board (later the National Economic and Social Development Board—NEDSB), which co-ordinated and set five-year plans, and the repeal of laws limiting levels of land ownership. Yet these changes, coupled with tariff protection and the promulgation of import substitution industrialisation policies, had their most significant impacts within the industrial sector.³⁰ Those industries which had previously remained limited in their scope because of shortages of technology and capital grew rapidly, in particular textiles, car-assembly, electrical appliances, secondary steel products and food processing. Employment growth in the manufacturing sector saw concentration in larger firms, with the proportion of employment in firms of 100 persons or more increasing from 47% in 1963 to 72% in 1970 of all manufacturing employment. Between 1960 and 1969 agriculture's share of GDP declined from 38.1% to 30.5%, while manufacturing increased from 13.1% to 16.4% and construction from 4.9% to 6.8%. Given such rates of investment, aid, capital inflow and redirected state policy, Thailand experienced average GDP growth rates of 7.3% for the period 1961–66 and 7.2% for 1967–71. By the 1960s a new class of entrepreneurs began to prosper who were different from the dominant class of the 1950s. While access to military patronage remained important, it was no longer of overriding concern, as foreign capital, advanced technology, capacity for capital mobilisation and efficiency in management became the major concerns of those running the newly emergent enterprises.³¹

The diversification of agriculture, meanwhile, had been a goal of international aid policy and was widely recommended by a number of advisers to the Thai government.³² This process of modernisation was a means to increase revenues to fund and create the conditions for continued urban industrialisation, as such policies were seen to increase food and labour supplies, offer an increased market for industrial output (tractors, fertiliser, etc) and increase domestic savings and foreign-exchange earnings.³³ In this regard the founding of the Bank of Agriculture and Agricultural Co-operatives (BAAC) in 1966 was indicative of attempts to supply credit and encourage diversification. Further, from the beginning of the 1960s limited diversification occurred through the expansion of maize, cassava, kenaf and sugar crops, although rice continued to prevail in production and export terms. However, these new crops were important since they represented the expansion of agricultural commodities for industrial inputs,

specifically in the form of animal feeds, sugar cane and food packaging and the role of the state in directing national development. The cases of sugar and jute illustrate these points.

During the Phibun regime's state industrialisation policies, the number of sugar refineries grew from 21 to 48 in the 11 years to 1959. Importantly, after a series of fluctuations in world prices during the 1950s, the Thai government banned the importation of sugar in 1961 in order to guarantee the domestic market for Thai producers, subsequently providing the protection necessary for industry expansion. In 1969 the Thai government terminated the Thailand Sugar Corporation's monopoly on exports, thus increasing domestic producers' access to the world market. For the period through to the mid-1970s sugar exports enjoyed major growth, finding markets in Japan, Singapore and the USA. The structure of the industry as it developed was an amalgam of elite interests (financial, industrial and agricultural capitals) and state investment, which operated in oligopolistic fashion, with two companies controlling half of all exports during the 1970s.³⁴

Jute, kenaf and other fibre crops were part of the subsistence economy for textile purposes and rope making before the 19th century. By the late 1950s kenaf production for commercial purposes had spread through the northeast for similar reasons to maize: the crop required less water and was well suited to local conditions. Significantly, kenaf was a major input for the rice industry, since it was the material used for the making of rice sacks. The industrialisation policies of the Phibun regime led to the construction of three state-owned gunny-sack factories between 1949 and 1953. This created a minor demand for kenaf as the crop became an important industrial input in the rice milling process. The Thai government placed a ban on the importation of kenaf, thus protecting the market for local producers. Further production was encouraged in the early 1960s when world prices climbed substantially, and by 1965 production reached 521 000 metric tonnes, up from just 10 000 metric tonnes in 1955, with almost two-thirds of the crop being exported.³⁵

The result of these types of activities was that between 1958 and 1971 the proportion of land planted to crops other than rice (mainly maize, cassava, sugar-cane and kenaf) increased from 17.6% to 31.8%. However, diversification was underpinned by favourable world prices in the 1960s, and the failure of rice yields to improve dramatically even with the 'help' of the green revolution indicated that moves away from the rice economy tended to be uneven, regionally concentrated and certainly incomplete.³⁶ In conjunction with these considerations the amount of land that could be brought under crop was declining. The 1950s and 1960s had witnessed declining rice yields and, as before, production was maintained by expanding the area under crop.³⁷

While the 1960s saw diversification within the agricultural sector, in many cases such changes were of limited positive impact in terms of the social position of those in the countryside. Although Thailand was able to maintain and extend the economic benefits of exporting a wider range of primary commodities, this was premised on favourable world prices and an environment of significant foreign stimulation to the industrial and commercial sectors of the economy. Adding to the incompleteness of diversification, the relations of production within non-rice crops tended to remain the same as in the rice sector; that is,

generally all these crops came from small-holder agriculture, where producers retained a relative degree of control over the aspects of production, notwithstanding their financial arrangements, such as debt. As Philip Hirsch notes, 'it is important not to exaggerate the level of independence that small-holders have under such arrangements, but nevertheless capital ... [did] not play an immediate or supervisory role'.³⁸ Yet this limited independence did not shield rural inhabitants from increasing inequality. Between 1962 and 1970 the income position of rural inhabitants declined relative to urban dwellers, with inequality decreasing rapidly in urban areas while becoming marginally worse in the countryside. The 1958 repeal of the 50 *rai* (eight hectare) limit on landholding allowed land ownership to concentrate. Thus, by the mid-1970s 48% of Thailand's 5.5 million agricultural households owned only 16% of cultivated land. The income gap between those in urban areas and those in the countryside steadily increased, with the northeast lagging behind the rest of the countryside. Finally, corruption within the rice sector became rampant as government officials appropriated funds earmarked to purchase rice for price-stabilisation. These conditions helped contribute to a situation where rural poverty was very high (roughly 75%) and animosity towards the central government and its representatives peaked. In this context the rural insurgency gained many supporters.³⁹

The initial elite response to the emergence of rural rebellion in mid-1965 was to view the phenomenon as an externally generated threat. The extent to which US hegemony shaped interpretations of an insurgent monolithic communism cannot be underestimated, nor can the impact of modernisation and its economic policies be divorced from this process.⁴⁰ This amounted to making the countryside more strategically accessible through the construction of roads and supporting the diversification of agricultural production in order to encourage commercialisation of the sector, with particular attention paid to the northeastern region of Thailand.⁴¹ However, the predominant tendency was to perceive rural insurgency as a 'security' problem rather than one that had its roots in genuine grievances.⁴²

Thus four factors shaped agricultural restructuring during this period: (1) the necessity to confront strategic problems in the countryside; (2) the presence of US aid and the dominating institutional influence of modernisation (which in practice was the policy of using agriculture to sponsor urban industrialisation); (3) the possibility of better prices for alternative crops because of the artificially low prices for rice; and (4) the near closing of the land frontier. These were all clearly driving increasing diversification by the late 1960s. One without the others would probably have delayed the adoption of policies to further encourage diversification by at least a decade.

Between 1958 and 1973 agriculture and the countryside represented, for Thailand's planners, a 'technical' and 'strategic' problem, rather than a social one. The 'solutions' to this problem were based within a framework of modernising agriculture via industrial expansion, which marginalised agriculture in regard to the national economy even more than during the 1950s. By 1974 the government was spending only 6% of total public expenditure on agriculture.⁴³ It would take the dramatic expansion of the rural rebellion in the mid- to late 1970s

to drive home the need for the intensification of agriculture and lead to the thorough commercialisation and diversification of the agricultural economy.

Pacification, agri-industrialisation and regional integration 1973–1980s

Benedict Anderson has compared 1973 in Thailand with 1789 in France, with 14 October signalling the beginnings of Thailand's bourgeois revolution. The extent to which this heralded a long-term democratic opening is certainly problematic, but what is clear is that the 1973 overthrow of the military dictatorship represented a breakthrough politically for Thailand's business classes, while the aftermath of the military counter-coup of 1976 was the prelude to a historic victory over the possibility of state-socialism in Thailand. Given the success of the revolutions in Indochina, the stakes were much higher for Thailand's elite and the sense of urgency greater, which perhaps explains—but fails to justify—the authoritarian cruelty and reactionary character of the Thanin Kraivichien regime (1976–77) with its sponsorship of the murder of peasants, trade unionists and students. However, the subsequent military-led regimes of General Kriangsak Chomanan (1977–80) and General Prem Tinsulanonda (1980–88) sought to moderate the behaviour of the armed forces and its proxies in conjunction with the use of agrarian development policies which acknowledged somewhat the grievances of the rural population.⁴⁴ For the first time rural areas were the subject of intense development planning, rather than security measures (such as assassination⁴⁵), as the resources of the NESDB and the Ministry of Agriculture and Co-operatives were oriented towards agri-industrialisation. Furthermore, the army played a significant role in regional policy in the northeast, where it sponsored the Green Isaan project during the 1980s, which was aimed, *inter alia*, at poverty reduction, community health, increased irrigation and attempts to halt logging.⁴⁶

Industrial growth drew populations into the cities (mainly Bangkok) with the proportion of rural dwellers to total population declining from 76% to 70% between 1975 and 1990. Overall, those in poverty declined from 42% of the population in 1968/69 to 21% in 1988. However, disparity and income inequality between urban and rural dwellers grew. In the mid-1980s it was estimated that a million farm households (out of a total of five million) did not have clear title to their land. Between 1977 and 1982 the per capita income of the non-agricultural population grew from being 5.6 times greater than that of the agricultural population, to being 7.4 times greater. During the 1980s levels of poverty increased in the rural northeast and central regions and remained the same in the rural south. Rural household income saw little growth during the 1970s and early 1980s and declined between 1981 and 1988.⁴⁷

The stagnation and persistent rural poverty of the 1980s led to a further focus by the Thai government on agricultural improvement. Given that there was to be no alternative to market-based economic systems, the adoption of technocratic growth-orientated approaches designed to raise rural incomes through exports and the increased commercialisation of agriculture were natural choices for Thai planners. Furthermore, rather than creating new state institutions or regulations, private sector development became state policy. Agribusiness was identified by the NESDB Fourth plan (1977–81) as having significant growth potential, but

government planners realised the sector would require adequate supplies of inputs, encouragement of high-value crop diversification and the decentralisation of agri-food processing facilities. These constraints aside, however, Thailand's planners were encouraged by the favourable possibilities: the commodities produced tended to be for export purposes; raw material inputs could be locally sourced; technology costs were comparatively low; agribusiness was generally labour-intensive and thus could take advantage of rural surplus labour; and farmers' incomes could be raised. To this end further policy changes by the BoI and the NESDB helped stimulate agribusiness. Changes in 1972 and 1977 to the Investment Act allowed the BoI to extend investment promotion to agribusiness and provided increasing incentives for companies located outside the Bangkok metropolis, by designating areas as Zones 1, 2 or 3 (Bangkok being in Zone 1), which would determine the level of benefits. Incentives included tax-free holidays, duty-free technology and raw material imports, exemptions from export, income and sales tax, and tax credits for exports and infrastructure promotion.⁴⁸ Meanwhile, in its Fifth plan (1982–86) the NESDB accorded agribusiness high priority, and by the mid-1980s, when Thailand was experiencing the consequences of severely low commodity prices, the Sixth plan (1987–91) was supporting a thoroughly intensive, commercial agribusiness-led sector. The Seventh plan (1992–96) made explicit mention of contract farming and sought its widespread promotion. These policies fitted with the thrust of international development opinion, which sought to promote export-orientated industrialisation.⁴⁹

Further, external factors played an important role in stimulating agribusiness growth. While the first OPEC oil shock had created a primary commodities boom, the late 1970s saw declining prices for Thailand's major agricultural exports such as sugar, cassava and rice, generating an interest in alternatives to primary commodities. In addition, the Japanese 'food import complex' began more thoroughly to influence the Thai agri-food sector. While 1975 marked a strategic withdrawal of US forces from Indochina, linked to this was a withdrawal of US capital, which was replaced by Japanese investment. By 1977 Japanese capital accounted for one-third of registered capital in Thailand, more than twice that of the next largest foreign investor, the USA. While Japanese investment was concentrated in the trade, manufacturing and construction sectors, investment in agri-food industries did occur. Starting as early as the 1960s, Japanese *sogoshosha* Mitsubishi and Mitsui took stakes in strategic food processing units. These initial forays into Thailand secured supplies for the growing demands of Japanese consumers.⁵⁰

The defining moment for the expansion of agribusiness was the beginning of poultry (chicken-meat) exports to Japan, originally begun by the Charoen Pokphand Group.⁵¹ This marked an important transformation of the agricultural sector in Thailand as it pointed to commodities with significantly greater profit potential. Moreover, it signalled a realignment of the more powerful players within the sector. Whereas the rice-milling and sugar refining groups such as Laemthong Sahakan, Kwang Soon Lee and Soon Hua Seng had dominated until the early 1970s, it was the emergence of vertically integrated and value-added agri-food production which produced agribusiness conglomerates embracing

retailing, trading, production, marketing and much more. The significance of these changes was not just that there was a move into more profitable commodities, but there was a concomitant move into activities previously regarded as distinct from agribusiness. In this regard the Charoen Pokphand (CP) Group (shrimp, poultry, feed milling, petrochemicals, telecommunications, property development), the Metro (Srigrungwattana) Group (supermarkets, fertiliser) and the Betagro (Hong Yiah Seng) Group (feed milling, poultry) stand out.⁵² There was in fact only one group, Mah Boon Krong, with silo storage, property development and food retailing operations, which made the transition from rice milling in the 1930s to join the new grouping of agribusiness conglomerates in the 1980s.

Agrarian transformation in the 1980s and 1990s

By the 1980s new forms of production relations that tied farmers and agribusiness together, without direct state intervention, began to predominate. Contract farming was an important example of this process and with the success export-orientated poultry production, attempts were launched to increase its scope radically. As early as 1977 an unspecified feed company (most likely the CP Group) began contract swine production in Chachoengsao province, with growers provided the 'complete array of inputs and services, including land and credit for initial investment and working capital'.⁵³ By the early 1990s contract production in Thailand encompassed animal feed, swine, shrimp, cashew, asparagus, tomato, eucalyptus, baby corn, bamboo shoots, pineapple and mushrooms. The promotion of high-value commodities received extra stimulation from the depression-like conditions that confronted much of the rural sector in the 1980s. While poultry was clearly 'successful', large sections of the rural economy remained marginalised. During the period 1981 to 1988 regional rural incomes declined by between 0.8% and 1.4% in real terms and agriculture's contribution to GDP growth remained well below manufacturing and services, not managing to rise above 2% in the years between 1978 and 1988. Furthermore, the proportion of farm households in debt rose from 27% in 1971 to 52% in 1996. At the level of the national economy, the impact of structural adjustment under International Monetary Fund and World Bank loans (which included reductions in tariffs and removal of price controls), the need to meet an increasing foreign debt and the devaluation of the baht by almost 15%, heralded an overall turn towards export orientation. During the period 1993 to 1997 the proportion of total credit extended to the rural sector held by the BAAC increased from 20% to 40%. Finally, the massive boom the Thai economy experienced in the late 1980s through to 1997 fundamentally transformed the position of agriculture within the economy.⁵⁴

In 1987 agricultural and agri-industrial exports and manufactures had accounted for roughly equal shares of total exports by value (44.7% as against 45.7%, respectively); by 1996 this situation was very different. Manufacturing's share of exports stood at 2.5 times that of agricultural and agri-industrial exports (64.7% versus 25.1%, respectively).⁵⁵ Interestingly, while the contribution of agricultural products (ie unprocessed commodities such as rice and rubber) to

export share continued to decline, agri-industrial products (ie processed commodities', such as frozen and canned foods') contribution to total export share grew between 1994 and 1997 from 8.3% to 9.4% of exports.⁵⁶ It was clear that the structure of the Thai export economy had radically altered. Rice accounted for only 3.7% of exports, dropping to about one-quarter of its proportional contribution in 1976.⁵⁷ Further evidence of the changes was provided by the increasing presence of value-added commodities other than chicken: frozen shrimp, canned seafood, canned pineapple and fresh fruit. Thus, the 1990s signalled three important changes to the agricultural sector: 1) the closing of the land frontier and the end of extensive agricultural expansion; 2) the rise of contract production, indicating higher returns being made in agriculture, but also signalling greater control over production by off-farm influences, and rises in the costs associated with farming; and 3) the increasing scope of large agribusiness firms moving into retailing and off-shore investment.

The political and economic conditions of the 1970s and 1980s played the greatest role in facilitating agribusiness domination over the dynamics of Thailand's agricultural sector. This was partly as a result of concerted government policy and the more general outcome of capitalist restructuring. However, the new status of agribusiness was not just a reflection of increased capital accumulation and market efficiency, but a symbolic political victory. Two factors help explain this: the politically weakened class of rural dwellers who could no longer fight for the redistribution of surplus via rural rebellion and the international decline in primary commodity prices in the 1980s, which further undermined rural producers' income strength. At another level, the relative decline in importance of the older segments of the agricultural economy (ie rice, sugar, kenaf, etc) to total exports over the last half of the twentieth century reflected an accompanying decline in the political significance of rural producers. Thus transformations to new commodities were not made under conditions of strength, but within a framework of outright necessity as farm incomes declined and inequality increased. Agribusiness, rather than the state, became the nexus point between the world market and the farm-gate through its introduction of new agri-foods. The relationships which subsequently formed between firm and farm reconfigured decision-making processes, giving agribusiness much greater influence.

These changes were further reinforced by the impact of the 1997 economic crisis. The traditional aspects of state modernisation came under renewed attack. Austerity measures linked to the IMF's \$37 billion bail-out saw the Thai government, under technocrat Prime Minister Chuan Leekpai, reduce by one-quarter (about \$772 million) the budget for the Ministry of Agriculture and Co-operatives. Irrigation and agricultural extension programmes suffered the largest cutbacks. After contracting by over 10% in 1998, Thai GDP slowly recovered and moved into positive growth for 1999. However, even with a return to minor export growth, the Commerce Ministry predicted that total farm earnings in 10 out of 12 major sectors would decline dramatically, with rice and cassava producers seeing declines of over 25%.⁵⁸ Potently symbolic of the Thai government's embrace of the globalisation project in regard to agriculture was the final completion of an Asian Development Bank (ADB) loan for agricultural sector

restructuring in late 1999. The \$300 million loan, equivalent to 10% of the Agriculture Ministry's budget, included measures designed explicitly to introduce market relations into previously state-subsidised activity, in particular the provision of water resources, and increased the role of agribusiness in the planning and management of the sector as a whole. These trends seem unlikely to abate, even with the election of the populist Thaksin Shinawatra in 2000. While offering a three-year interest payment moratorium to farmers, and proposing a series of stop-gap measures across other social sectors, the fundamental aspects of liberalisation and restructuring remain in force. The continuing emphasis on export promotion and large-scale, high-cost agriculture directed to the benefit of the largest players within the sector remains the prevailing tendency.

Conclusion: from agricultural modernisation to agri-food globalisation

Agricultural modernisation in Thailand up to and including the 1970s was often conducted under the auspices of international aid programmes and formed an important segment of the government's attempts at rural development and pacification. The development model in this circumstance was Keynesian and strongly influenced by state-mediated approaches to capitalist modernisation that prevailed in other parts of the world. The state acted as the prime agent in creating demand at the farm level, invested in and protected associated industries and often sought to guarantee price stability. In contrast agricultural development from the 1970s onwards was increasingly framed in a way that allowed the fluctuations of the world market to penetrate all productive relations in Thailand. The development of new commodities during this later period was noticeable for the absence of the state at the farm level, yet intimate connections between the state and capital often provided the overall framework for the rapid expansion of agribusiness in the late 1980s and early 1990s.

It is important to emphasise that the difference between the two politico-economic projects examined in this paper (*agricultural modernisation* and *agri-food globalisation*) is not the presence or absence of the state at various stages. It would be a mistake to view these processes as one that involved the state and one that did not. Rather the form of state activity in each sector was qualitatively different, since state goals, the political strength of rural dwellers and the role of capital were different. Nor should this be seen merely as a matter of degree. The emphasis here is intended to highlight differential state activity as dependent on a particular historical moment of development. In the 1950s and 1960s local market expansion, weak factions of agribusiness capital, foreign aid policies and rural pacification goals combined to stimulate agricultural modernisation. In the 1980s and 1990s regional trade relations, an empowered faction of local capital, state support for rural industrialisation and an international ideology of export promotion converged to propel agri-food globalisation. However, these models should not be seen as establishing fixed patterns for future restructuring. The economic crisis of 1997 further hastened the withdrawal of direct state support to the agricultural sector and the privatisation of state enterprises. Conversely, the environmental transformation wreaked by intensive agriculture has necessitated state intervention to manage resource degradation.

In conclusion it should also be emphasised that the period of state-mediated national development in the 1950s and 1960s was no 'golden era' for Thailand's rural population. During this period those within the agricultural sector were treated simply as inputs in the drive towards industrialisation. Moreover, rather than using the resources generated from the deliberate policy of depressing rice prices during the 1950s and 1960s, the Thai state invested this surplus in activities of no long-standing social benefit. At the same time, the period associated with the rise of the globalisation project (1970s–90s) has been marked by the greatest economic collapse since the 1930s. In post-1997 Thailand rural dwellers are now confronted with degraded environments, rampant inequality and the intensification of agricultural production. If there ever was a 'miracle', little was felt in the countryside. Fundamentally, the globalisation project, like the national development project before it, is grounded in specific political and institutional interests where the majority of the benefits accrue to a minority of the population.

Notes

The views expressed in this paper are those of the authors alone.

- ¹ For examples of analysis of the Thai economic 'miracle', see A Bowie & D Unger, *The Politics of Open Economies: Indonesia, Malaysia, the Philippines and Thailand*, Cambridge: Cambridge University Press, 1997; C Dixon, 'Origins, sustainability and lessons from Thailand's economic growth', *Contemporary Southeast Asia*, 17(1), 1995, pp 38–52; J Girling, *Interpreting Development: Capitalism, Democracy and the Middle Class in Thailand*, Ithaca NY: Cornell Southeast Asia Program Publications, 1996; K Hewison, 'Thailand: capitalist development and the state' in G Rodan, K Hewison & R Robinson (eds), *The Political Economy of South-East Asia*, Melbourne: Oxford University Press, 1997, pp 93–120; A Laothamatas, *Business Associations and the New Political Economy of Thailand*, Boulder CO: Westview Press, 1992; and R Muscat, *The Fifth Tiger: A Study of Thai Development Policy*, Tokyo: United Nations University Press, 1994.
- ² For examples of analysis of the Thai economic meltdown, see W Bello, S Cunningham & Li KP, *A Siamese Tragedy: Development and Disintegration in Modern Thailand*, San Francisco, CA: Food First Books, 1998; P Bungarten, 'The crisis in Thailand and the International Monetary Fund', *Internationale Politik und Gesellschaft*, 3, 1999, pp 253–262; C Dixon 'The developmental implications of the Pacific Asian crises: the Thai experience', *Third World Quarterly*, 20(2), 1999, pp 439–452; L Lauridsen, 'Thailand: causes, conduct, consequences', in KS Jomo (ed), *Tigers in Trouble: Financial Governance, Liberalisation and Crises in East Asia*, London: Zed, 1998, pp 137–161; A MacIntyre, 'Political institutions and the economic crisis in Thailand and Indonesia' in T J Pempel (ed), *The Politics of the Asian Economic Crisis*, Ithaca NY: Cornell University Press, 1999, pp 143–162; P Phongpaichit & C Baker, *Thailand's Crisis*, Chiang Mai: Silkworm Books, 2000; and J Ungpakorn, *Thailand: Class Struggle in an Era of Economic Crisis*, Bangkok: Workers' Democracy Book Club, 1999.
- ³ It is worth highlighting that as recently as 1978 a book containing the work of leading Japanese ethnographers and anthropologists could be entitled 'Thailand: A Rice Growing Society'. Y Ishii (ed), *Thailand: A Rice Growing Society*, Honolulu, HI: University Press of Hawaii, 1978.
- ⁴ The term 'globalisation project' draws on the work of sociologist Philip McMichael: 'rather than conceive of globalisation phenomenally, as a trend, it is more usefully conceived as a contradictory historical project—a mechanism of political and economic restructuring.' P McMichael, 'Rethinking globalisation: the agrarian question revisited', *Review of International Political Economy*, 4(4), 1997, p 645. See also McMichael, 'Globalization: myths and realities', *Rural Sociology*, 61(1), 1996, pp 25–55; McMichael, 'Sleepless since Seattle: what is the WTO about?', *Review of International Political Economy*, 7(3), 2000, pp 466–474; McMichael, *Development and Social Change: A Global Perspective*, Thousand Oaks, CA: Pine Forge Press, 2000; and McMichael, 'Globalisation: trend or project?', in R Palan (ed), *Contemporary Theories of Global Political Economy*, London: Routledge, 2000.

- ⁵ See, for example, M Krongkaew, 'Contributions of agriculture to industrialization' in Krongkaew (ed), *Thailand's Industrialization and Its Consequences*, London: St Martin's Press, 1995, pp 33–65.
- ⁶ For a partial exception, which examines contract farming in the tomato sector, see P Rosset, R Rice & M Watts, 'Thailand and the world tomato: globalization, new agricultural countries (NACS) and the agrarian question', *International Journal of Sociology of Agriculture and Food*, 8, 1999, pp 71–94.
- ⁷ 'Agri-food' has become a term increasingly employed by international bodies, such as the Food and Agriculture Organisation and the Organisation for Economic Cooperation and Development. In this sense 'agri-foods' is used to denote all food commodities. However, when initially introduced, agri-food tended to refer to commodities such as processed foods, which are of higher value than primary commodities such as rice or wheat, and which are produced and traded through the direction of corporations.
- ⁸ A Suehiro, 'Capitalist development in postwar Thailand: commercial bankers, industrial elite and agribusiness groups', in R McVey (ed), *Southeast Asian Capitalists*, Ithaca, NY: Cornell University Studies on Southeast Asia, 1992, pp 35–63.
- ⁹ I Brown, *The Elite and the Economy in Siam, c 1890–1920*, Oxford: Oxford University Press, 1988, pp 177–178.
- ¹⁰ M Bernard, 'States, social forces, regions and historical time in the industrialisation of East Asia', *Third World Quarterly*, 17(4), 1996, p 659.
- ¹¹ A Suehiro, *Capital Accumulation in Thailand 1855–1985*, Tokyo: Centre for East Asian Cultural Studies, 1989, pp 110–120.
- ¹² *Ibid.*, p 154.
- ¹³ I Brown, 'Economic thought in early twentieth century Siam', in M Chitakasem & A Turton (eds), *Thai Constructions of Knowledge*, London: School of Oriental and African Studies, 1991, pp 84–98; D Elliot, *Thailand: Origins of Military Rule*, London: Zed Press, 1978, p 103; K Hewison, *Bankers and Bureaucrats*, New Haven, CT: Yale University Southeast Asian Studies, 1989, pp 66–67, 71–72, 87.
- ¹⁴ A Turton, 'Thailand: agrarian bases of state power', in G Hart, A Turton & B White with B Fegan & Lim TG (eds), *Agrarian Transformations: Local Processes and the State in Southeast Asia*, Berkeley, CA: University of California Press, 1989, p 61.
- ¹⁵ Elliot, *Thailand*, p 104.
- ¹⁶ Suehiro, *Capital Accumulation*, pp 137–138.
- ¹⁷ Hewison, *Bankers and Bureaucrats*, pp 138–139; T Silcock, *The Economic Development of Thai Agriculture*, Canberra: Australian National University Press, 1970, p 95; and Suehiro, *Capital Accumulation*, pp 138–140.
- ¹⁸ Hewison, *Bankers and Bureaucrats*, pp 77–78.
- ¹⁹ World Bank, *A Public Development Program for Thailand*, Baltimore, MD: Johns Hopkins University Press, 1959, p 76.
- ²⁰ J Girling, 'Is small-holder cultivation viable? A question of political economy with reference to Thailand', *Pacific Affairs*, 59(2), 1986, pp 189–213.
- ²¹ Starting as early as 1946 direct US military and economic aid flowed to Thailand, with over US\$500 million received between 1949 and 1961 and over \$125 million from US-dominated international organisations such as the World Bank in the same period. See S Thompson, *Unequal Partners: Philippine and Thai Relations with the United States 1965–75*, Lexington, MA: Lexington Books, 1975, pp 16–17. The conservative historian David Wyatt acknowledges that such aid programmes helped strengthen the ability of Thailand's military governments 'to coerce the civilian population'. D Wyatt, *Thailand: A Short History*, Chiang Mai: Silkworm Books, 1984, p 272.
- ²² G Kolko, *Confronting the Third World: United States Foreign Policy 1945–1980*, New York: Pantheon, 1988, p 61; Suehiro, *Capital Accumulation*, pp 151–152; D Unger, *Building Social Capital in Thailand*, Melbourne: Cambridge University Press, 1998, p 62.
- ²³ Suehiro, 'Capitalist development', p 50.
- ²⁴ B Anderson, 'Withdrawal symptoms: social and cultural aspects of the October 6 coup', *Bulletin of Concerned Asian Scholars*, 9(3), 1977, pp 13–30; Hewison, *Bankers and Bureaucrats*, p 93.
- ²⁵ B Anderson, 'Murder and progress in modern Siam', *New Left Review*, 181, 1990, pp 38–39.
- ²⁶ R Stubbs, 'The political economy of the Asia-Pacific region', in R Stubbs & G Underhill (eds), *Political Economy and the Changing Global Order*, London: Macmillan, 1994, pp 368–369; Wyatt, *Thailand: A Short History*, p 284.
- ²⁷ Bowie & Unger, *The Politics of Open Economies*, p 135.
- ²⁸ Hewison, *Bankers and Bureaucrats*, p 107.
- ²⁹ Suehiro, *Capital Accumulation*, p 268. Between 1970 and 1980 only 1% of foreign investment went into the agricultural sector, see Hewison, *Bankers and Bureaucrats*, p 113.
- ³⁰ It should be emphasised that the import substitution industrialisation policies developed at this time differed from the state-industrialisation schemes promoted under Phibun, in that ownership was

located clearly within the private sector, with the state-ownership of public utilities (electricity, telecommunications) being the only major state industrial activity. See Suehiro, *Capital Accumulation*, p 190.

³¹ B Balassa, *Economic Policies in the Pacific Area Developing Countries*, London: Macmillan, 1991, p 183; Hewison, *Bankers and Bureaucrats*, pp 105–106, 129; Hewison, 'Thailand: capitalist development', p 102; G Marzouk, *Economic Development and Policies: Case Study of Thailand*, Rotterdam: Rotterdam University Press, 1972, p 88; Suehiro, *Capital Accumulation*, pp 182, 184–185, 191; and Unger, *Building Social Capital in Thailand*, p 63.

³² World Bank, *A Public Development Program for Thailand*; and R Muscat, *Development Strategy in Thailand: A Study of Economic Growth*, New York: Praeger, 1966.

³³ Krongkaew, 'Contributions of agriculture to industrialization', pp 43–50.

³⁴ Hewison, *Bankers and Bureaucrats*, pp 138–139; Hewison, *Power and Politics in Thailand: Essays in Political Economy*, Manila: Journal of Contemporary Asia Publishers, 1989, pp 92–93; Silcock, *Economic Development*, p 95.

³⁵ Elliot, *Thailand*, p 107; Silcock, *Economic Development*, pp 77–80.

³⁶ Between 1964 and 1969 rice production increased from 10.1 million tons to 12.3 million tons but, according to the US Department of Agriculture, 89% of the change in production was the result of increases in area, rather than yield. See K Janlekha, 'Profile of Southeast Asian agriculture', in Janlekha, *Southeast Asian Agribusiness*, Tokyo: Asian Productivity Organisation, 1975, p 19.

³⁷ Hewison, *Bankers and Bureaucrats*, p 131; P Hirsch, *Thai Agriculture: Restructuring in the 1980s and 1990s*, RIAP Occasional Paper No 12, Research Institute for Asia and the Pacific: University of Sydney, 1990; C Keyes, *Thailand: Buddhist Kingdom as Modern Nation-State*, Boulder CO: Westview Press, 1987, p 158; Silcock *Economic Development*; and Turton, 'Agrarian bases', pp 56–57.

³⁸ Hirsch, *Thai Agriculture*, p 6.

³⁹ D Feeny, 'The political economy of regional inequalities in developing economies: the northeast of Thailand', *Proceedings of the 4th International Conference on Thai Studies*, Institute of Southeast Asian Studies, Kunming, China, 11–13 May 1990, pp 81–114; Marzouk, pp 95–96; Girling, *Interpreting Development*, p 49; Y Prasert, 'Economic development and rural–urban disparities in Thailand', *Southeast Asian Studies*, 25(3), 1987, pp 42–62; and A Turton, 'The current situation in the Thai countryside', *Journal of Contemporary Asia*, 8(1), 1978, pp 111, 115.

⁴⁰ ME Latham, *Modernization As Ideology: American Social Science and 'Nation Building' in the Kennedy Era*, Chapel Hill, NC: University of North Carolina Press, 2000.

⁴¹ The First (1961–66) and Second (1966–71) Economic and Social Development Plans devoted 20% and 30%, respectively, of their budgets to road building. Elliott, *Thailand*, p 109.

⁴² K Wongtrangan, 'The revolutionary strategy of the Communist Party of Thailand', in Lim J-J with S Vani (eds), *Armed Communist Movements in Southeast Asia*, Aldershot: Gower, 1984, pp 137–138; and Turton, 'The current situation in the Thai countryside', p 132.

⁴³ Turton, 'The current situation in the Thai countryside', p 107.

⁴⁴ K Bowie, *Rituals of National Loyalty: An Anthropology of the State and the Village Scout Movement in Thailand*, New York: Columbia University Press, 1997, pp 270–274, 338–339.

⁴⁵ For an historical analysis of the role of assassination in Thailand, see Anderson, 'Murder and progress'.

⁴⁶ Supreme Command Headquarters, *Everything Begins in the Countryside*, Bangkok: Armed Forces Information Office, 1989; Yang X, 'On Thailand's "Green Northeast Project"', *Proceedings of the 4th International Conference on Thai Studies*, Institute of Southeast Asian Studies, Kunming, China, 11–13 May 1990, pp 149–160.

⁴⁷ C Chantachaeng, *Land Settlement Policy, Agricultural Income and Farm Organisation in Thailand*, Kiel: Wissenschaftsverlag Vauk Kiel KG, 1988, p 18; M Krongkaew, 'Thailand's internationalization and its rural sector', *ASEAN Economic Bulletin*, 11(3), 1995, pp 310–314; and A Siamwalla, S Setboonsamg & D Patamasirawat, 'Agriculture' in P Warr (ed), *The Thai Economy in Transition*, Melbourne: Cambridge University Press, 1993, p 100.

⁴⁸ In 1993 further changes to BoI investment policies which applied to Zone 3 were announced. These included income tax exemptions and reductions for up to 13 years, exemptions on import duties for machinery and raw materials, double deductions on taxable income for water, electricity and transport costs and deductions for installation and construction of infrastructure and plant. See Board of Investment, 'Board of Investment privileges by location, at <<http://www.boi.go.th/boi/c8.htm>>.

⁴⁹ D Burch, 'Agribusiness, peasant agriculture and the state: the case of contract farming in Thailand', in T Lloyd & O Morrissey (eds), *Poverty, Inequality and Rural Development*, London: St Martin's Press, 1994, p 168; Hewison, *Bankers and Bureaucrats*, p 131–134; S Manarungsan & S Suwanjindar, 'Contract farms and outgrower schemes in Thailand' in D Glover & Lim TG (eds), *Contract Farming in Southeast Asia: Three Country Studies*, Kuala Lumpur: Institute of Advanced Studies,

- 1992, p 12; National Economic and Social Development Board, *Seventh National Development Plan 1992–1996*, Bangkok: Office of the Prime Minister, 1992, p 37; N Poapongsakorn, 'The commercial broiler and swine industries in Thailand', in T Panayotou (ed), *Food Policy Analysis in Thailand*, Bangkok: Agricultural Development Council, 1985, p 282; and Suehiro, *Capital Accumulation*, pp 267–268.
- ⁵⁰ J Goss & D Pacheco, 'Comparative globalisation and the state in the Asia-Pacific', *Journal of Contemporary Asia*, 29(4), 1999, p 523; Hewison, 'Capitalist development', p 104; P McMichael, 'A global interpretation of the rise of the East Asian food import complex', *World Development*, 28(3), 2000, pp 409–424; and Suehiro, *Capital Accumulation*, p 329.
- ⁵¹ J Goss, D Burch & RE Rickson, 'Agri-food restructuring and Third World transnationals: the case of CP, Thailand and the global shrimp industry', *World Development*, 28(3), 2000, pp 513–530.
- ⁵² Suehiro, *Capital Accumulation*, p 268.
- ⁵³ Poapongsakorn, 'The commercial broiler and swine industries in Thailand', p 238.
- ⁵⁴ Bello *et al*, *A Siamese Tragedy*, pp 11–12; Burch, 'Agribusiness, peasant agriculture and the state'; Krongkaew, 'Thailand's internationalization', p 313; Office of Agricultural Economics, *Agricultural Economics Indicators of Thailand*, Bangkok: Ministry of Agriculture and Co-operatives, 1999, p 46; and World Bank, *World Tables 1995*, Baltimore: Johns Hopkins University Press, 1995, pp 34–35.
- ⁵⁵ S Chirathivat, 'Regulatory issues affecting trade in agro-food products and role of regulatory reform: an exploratory note from Thailand', in *Regulatory Reform in the Global Economy: Asian and Latin American Perspectives*, Paris: OECD, 1998, pp 60–66; and Department of Business Economics, *Trade Statistics and Economic Indicators of Thailand 1998*, Bangkok: Trade Statistics Centre, Ministry of Commerce, 1999.
- ⁵⁶ Although this still represented a proportional decline from the 1989 level, where agri-industrial exports accounted for 12.9% of total exports. Department of Business Economics, *Trade Statistics and Economic Indicators of Thailand 1998*, p 55.
- ⁵⁷ MP Gopalan (ed), *ASEAN Handbook*, Manila: Asia Research Systems, 1979, p 306.
- ⁵⁸ *Bangkok Post*, Year End Economic Review 1998.