

# Introduction

This book studies the Thai state from the early nineteenth century to the early twentieth century. During this period the Thai elite worked to transform Siam from a patrimonial, pre-modern society state to a modern, absolutist state. The term absolutism is treated here as a historical process in which the pre-modern state was undermined and centralised government was created. In Western Europe, this process occurred over a long period, beginning with the revival of commerce and towns in the eleventh century. In the Thai case, it only started in the late nineteenth century. When a group of government officials took power in 1932, the state-building process was far from finished and patrimonial loyalties were still influential.

The main argument of this book is that, like other states “peripheral” to the hegemonic political-economic centres in the world economy, the Thai state was transformed by economic opportunities and pressures, not as a result of war, as argued by Tilly.<sup>1</sup> A comparative model of state transformation in developing countries is offered in support and the validity of Tilly’s argument is tested.

Thailand was one of very few Asian states to escape colonial rule. According to conventional wisdom, this was due largely to the efforts of two modernising monarchs, King Mongkut (1850–1868) and his son, King Chulalongkorn (1868–1910). The first king accepted the British demand for free trade and started the process of modernisation, which was carried on with greater gusto by King Chulalongkorn who steered the country away from the threat of imperialism.<sup>2</sup> Histories of nineteenth-century Thailand have tended to give heavy emphasis to the maintenance of independence.<sup>3</sup>

Instead, this book explains Thai development in terms of changes in the wider Southeast Asian context. It adapts Anderson’s suggestion in his seminal work on Thai Studies,<sup>4</sup> that, in common, Southeast Asian states centralised in order to serve the expansion of the capitalist system. Here it is argued that modern, centralised states arose in the area which already had contacts with the world economy either via the colonial powers or their own ruling elites. The modern state differed from the pre-modern

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patrimonial one in that a centralised modern bureaucracy was staffed by educated, salaried officials. They needed to be trained. Thus its formation was a long-term process. In European-ruled countries, the new form of administration was colonial. In Thailand, it was absolutist, and the term “absolutist state” used herein refers to a specific form of state, which shared certain characteristics with that which emerged in the West from the sixteenth century onwards, and which gradually replaced the feudal state.

The transformation of the Thai state differed from developments in the colonised Southeast Asian states in that the king struggled to wrest political power from the great nobles. A similar situation had occurred in European states. The question then arises as to how far the transformation of the Thai state from pre-modern to absolute rules follows the European pattern. The existing literature on state transformation is restricted to the western experience, and hence offers no comparisons. State transformation in Asia has been generally seen to differ from that in Europe in two respects. First, only Japan experienced a feudal period as in European states. All other Asian states had developed their own forms of pre-modern governments, whether patrimonial or sultanate. Second, until the threat of European imperialism, they were perceived as static agricultural backwaters, only transformed during the second half of the nineteenth century by imperialism or the threat of imperialism.

Thus it is not surprising that one of the most influential theories of state transformation, that propagated by Charles Tilly, is based solely on the experience of Western European states. He argues that war makes states. Western European state rulers waged wars “in order to check or overcome their competitors and thus enjoyed the advantage of power within a secure or expanding territory”.<sup>5</sup> According to this logic, a state’s main purpose in raising revenue is to finance war. Hence, the drive to prevail over one’s rivals is the key to state formation.

In general, this does not correspond with the history of the modern Thai state. As we shall see, wresting control over the growing revenues from the great nobles was the main feature of state-building in the second half of the nineteenth century. In overcoming the great nobles, King Chulalongkorn used means other than wars. Although the conflicts with the French in the late 1880s, leading to the humiliating Siamese defeat in 1893, appear to fit Tilly’s theory, this episode had little influence on state-building in Siam, which had started a few decades earlier. Some Southeast Asian states, such as Burma, were subjugated by force. But, in general, war-making cannot be causally linked to state-building in the region.

In another respect, Asian experiences differed from Tilly’s theory. Perlin studied the Mughal state before it was taken over by the British. He identified an economic context of “commercial resolution” in the seventeenth and eighteenth centuries, which led to centralisation under the Mughal.<sup>6</sup> This example supports the link between the world economy and

state formation and also shows that state-building might be driven by the indigenous elite – as in the case in Siam.

At this juncture two theoretical issues present themselves for discussion. First, patterns of state formation in Europe and Asia seem to differ radically; but analysis of that proposition threatens to trap us in the Orientalist straitjacket, which divides the West from the exotic East. Second, we might re-evaluate Tilly's theory – that war makes states.

This book pursues the second path. It argues that the experience of Thailand and of other major Southeast Asian societies shows that pressures and opportunities from the world economy, rather than war, makes the state. From the late nineteenth century, the major states in the region were transformed into modern centralised states by colonial powers and the indigenous elite. These states had in common the process by which they were incorporated into the world economy.

The histories of state-making in Western Europe and Southeast Asia share one common feature, in that they occurred during a period of capitalist expansion. This book argues that the expansion of a world-economy provides the backdrop for state-making. A world-economy generates extra resources well above those derived from agricultural production. In the second half of the nineteenth century, a Thai king seized the opportunity presented by an expansion of resources to build an administrative apparatus in the form of the modern bureaucracy.

One needs to go back to the second half of the feudal period to observe the beginning of state-building in Europe. Long-distance trade linking the Baltic and Western Europe with Venice and other Italian cities revived the money economy. This was also a time when monarchical power was consolidated by the collection of revenue and of the replacement of the feudal system by a developing state judicial system.<sup>7</sup> Increasing revenues allowed the European kings to wage wars against the great nobles and each other, and thus to centralise their powers and seize further territories.

In answer to the questions of why the European states made war against each other and why wars contributed so much to their state-building, Tilly, who is interested in the role of violence in societies through time, puts the emphasis on explaining the use of military power rather than the reason behind it. Thus he assumes that it was purely for self-aggrandisement. That certainly contributed, but we need to ask why war-making became possible and widely used. I argue that war-making in Europe was a reflection of European capitalist development. Economic expansion meant that any king who could control new forms of economic resource was in the position to consolidate his power over the great nobles as well as other kings. Tilly did see the importance of capital when he argued: "To make effective war, they (the kings) attempted to locate more capital."<sup>8</sup> According to this perception, the availability of capital was to serve the war-hungry monarchs and was not the force behind state formation. A different perspective offered in this book is that a world-economy

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makes states. Wars could be an integral part of state-making in some areas, but not so important in others.

Thus, it is argued here that state-formation must be seen in relation to the world economy. War-making was an essential component of capitalist development in the core areas for two reasons. First, it was argued by Tilly himself that the formation of state institutions provided protection to the bourgeoisie, who increasingly needed to establish property rights.<sup>9</sup> The role of the bourgeoisie, a missing element in the Southeast Asian states in the late nineteenth and early twentieth centuries, was crucial in European state-making. Because the king could provide them with law and order, they supported his efforts to subdue the great nobles.

Second, because Western Europe was core to the European world-economy, wars among these states were fought for hegemony, and often involved key economic regions.<sup>10</sup> Wars fought during the seventeenth and eighteenth centuries reflected the competition among major states for hegemonic position in the European world-economy.<sup>11</sup> States were prepared to incur debts in war-making because this investment promised to provide potential economic returns. Hence the difference in the process of state formation in Europe and Asia can be explained by their functions in relation to the world economy.

A number of writers offer theoretical supports for the above argument. Braudel provides a useful analytical tool for an understanding of the difference in state formation. He invented the theory of a world-economy<sup>12</sup> whose parameters include areas which interact economically through long-distance trade. Within a particular world-economy, there exist power relationships between the centre, the core areas and the periphery, each of which has different economic functions. At a particular time in history there might exist more than one world-economy. These capitalist world-economies have acted as the driving force behind major civilisations from time immemorial. Eventually, the various world-economies were dominated by the European world-economy, which ultimately transformed itself into the only world economy in the nineteenth century and was dominated by London.<sup>13</sup>

Braudel's model can be applied to the development of states in Western Europe and Southeast Asia. The basis of the feudal states in Europe was economic self-sufficiency. Under such conditions, the king and great nobles maintained their rule by distributing land, the most valuable resource, to the ruling class. Hence economic development was localised and depended on land.

In contrast, during a similar period, Southeast Asia developed state forms of Hindu-Buddhist empires such as Burmese Pagan, Khmer Angkor and Malay Sri Vijaya.<sup>14</sup> They were connected to a world-economy or world-economies by maritime and over-land trade. Power was based on a self-sufficient economy and long-distance trade. Manpower rather than land was the most valuable resource, and was distributed to the ruling

class. Those rulers who benefited from long-distance trade were able to establish royal courts and bureaucracies based on the Hindu model. Thus trade generated a surplus which facilitated the development of centralised state machinery. However, the region's trade was mainly limited to trading forest products and the nature of the state was not drastically changed until the nineteenth century when the impact of a world-economy transformed its economic functions.

In contrast, the early European involvement with a world-economy encouraged not only commercial capitalism, but also industrial and financial capitalism. These new forms of economic activities had the effect of diversifying state activities and eventually led to the collapse of the feudal system.

These different cases illustrate how involvement with a world-economy influenced state development. Thus different forms of states evolved at different times in history depending on the timing and the nature of their contacts with world economies.

Wallerstein's controversial work on the world system also helps to explain the relationship between the world economy and state development. The first of his three volumes briefly discusses the link between the emergence of the world system from the sixteenth century and the rise of absolutism. His focus on the development of states around the centre of the world system<sup>15</sup> does not explain what happens to a country at the periphery, such as the Thai state when it came to be directly incorporated into the western world economy in the middle of the nineteenth century. Yet his theory, as we shall see, proves to be applicable.

Cox picks up from where Braudel left off, looking at the hegemonic world orders under Pax Britannica and Pax Americana. Both world orders were based on economic and military power, and so both provided economic and military dominance. State structures were transformed so that they fitted into the new configuration of world order. Cox calls this process the internationalisation of state, in which the state's structure and role were reorganised. There emerged a distinctive form of state derived from a configuration of social forces upon which the state power ultimately rested. The state exercised power and choice in the organisation and development of production and classes within the context of the existing world order.<sup>16</sup> As we shall see, Cox's theory of the impact of Pax Britannica and the role of social forces in the internationalisation of state helps explain the Thai case.

A recent study by Trocki offers the most comprehensive picture of the development of Pax Britannica in Asia, the regional order in which the Thai state developed. In the late seventeenth century, after being driven out of the spice trade in Southeast Asia, Britain established Indian trading bases in Calcutta, Madras and Bombay. The East India Company also went to China and set up a factory in Canton and engaged in the highly profitable tea trade, a commodity which gained popularity in Britain. This

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gave the British East India Company an edge over the Dutch VOC and, in the second half of the eighteenth century, it replaced the Dutch trading empire throughout Asia. The Indian bases allowed the British to move into the power vacuum left by the weakened Mughal empire, where they took control over the production and sale of opium.

The export of opium enabled the British to turn around the trade imbalance that had arisen due to the growing demand of tea in Britain. Once the British authorities understood that it was more profitable to control opium production and distribution than to engage directly in shipping, British private traders played an increasing role. The colonial government allowed the country traders to bid for opium and carry the trade to China. The Dutch saw this practice as a sign of weakness, but it allowed greater flexibility than VOC practices and gave the British a further advantage.<sup>17</sup>

The new British practices concerning opium in the late eighteenth century involved a shift from mercantilism, whereby the state was directly involved in trade and production, to liberalism, whereby these activities were left to private entrepreneurs. It stopped the practice of earning revenue from trade. The main function of the state was now one of extracting surplus from economic activities by taxation. This influenced the theory and development of the hegemonic state. As we shall see, the Siamese kings and elite also learned this lesson.

Thus Pax Britannica benefited the British authorities with increasing tax revenue and furthered the interests of British private traders who became the main source of capital accumulation, by far more important than that which occurred in Europe. Trocki points out that the opium trade led to a huge capital accumulation. Other economic activities were also developed in the region; for example, the establishment of British merchant houses, banks and insurance companies.

Although opium formed a very important basis for Pax Britannica as argued by Trocki, there were other commodities, such as sugar and rice, which propelled the expansion of capitalism in Southeast Asia. These newly developed goods involved indigenous capitalist groups in India, Southeast Asia and China.<sup>18</sup> Of particular significance were Chinese entrepreneurs who initially benefited from the western demand for tea. They were engaged in the expansion of economic activities and the growing division of labour not only in China and also in Southeast Asia. In the latter case they produced goods that were of great demand in both the West and in Southeast Asia in the eighteenth and early nineteenth centuries. For example, they produced sugar in Java, Luzon and Negros in the Philippines and central Siam. In certain places, such as in the Philippines, they became business partners of the British.

By the beginning of the nineteenth century, British entrepreneurs, armed with capital accumulations from India–China trade and a new trading philosophy, began to integrate large areas of Southeast Asia into

the world economy. The development of British capital did not necessarily depend on British colonisation. The Philippines, a Spanish colony, provides an example. Economic downturns had forced Spain in the late nineteenth century to abandon its mercantilist policy of the late eighteenth century and open the Filipino economy to outsiders. Anglo-Chinese capital reaped the most advantage and turned the Philippines into “an Anglo-Chinese colony flying the Spanish flag”.<sup>19</sup> Foreign capital flooded into all modern sectors and turned the Philippines into the most advanced capitalist economy in the region at the beginning of the Second World War.

British dominance over the Mughal Empire also meant that rice became an important export item. At first Indian rice was exported to Britain; later, in the second half of the eighteenth century, rice was increasingly exported to many European countries where it was consumed by the upper and middle classes and used in such industries as paper, animal feed, liqueur and brewing. British trade also benefited from the fact that competing rice producers in the United States and Italy were impeded from exporting to Europe by the American Revolution and Napoleonic wars, respectively. The British then turned to Southeast Asia as a new source of rice supplies. In its occupation of Java between 1811–1816, Britain tried to introduce social and economic reforms so that rice could be produced for export. Although Java significantly exported rice to Europe in the early nineteenth century, domestic demand from an expanding population made it an unreliable exporter.<sup>20</sup>

The British occupation of Lower Burma in 1826 led to the development of the area as the greatest rice exporter in the region. In the meantime, rice from unoccupied areas in Burma was sold in Singapore and other parts of Southeast Asia. Thus Britain did not introduce the rice trade to Burma after the final occupation of 1862. Rather, it encouraged the trade and production of rice by providing the context for its extraordinary growth. Burma became the first area in the region to be integrated into the world rice market.<sup>21</sup>

The resistance of the Burmese elite to the British further commercial influence shows that the British experienced greater problems in selling their new policy of liberalism in other societies. The resistance, from Siam, for example, became an increasing source of dissatisfaction among country traders in Singapore. Singapore had been established as an *entrepôt* for this network of regional trade and was a free port. The new practices meant that regional traders bringing goods to Singapore enjoyed the free tax status whereas British traders going into Southeast Asian ports were subject to discriminating tariffs. This perception of unfairness drove British demands for lower tariffs in Siam.

The British authorities also appealed to free trade as a reason for liberalising the opium trade. At first, many Southeast Asian elites prohibited the import of Indian opium for ethical reasons. Once it was accepted,

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revenues from opium sales became the main source of revenue, and an important basis for state formation in Southeast Asia in the late nineteenth and early twentieth centuries.

Initially Siam had been outside the main thrust of British political and economic expansion. By the first half of the nineteenth century, Chinese entrepreneurs had developed the sugar industry and the country had become increasingly integrated into the Chinese world-economy. Burmese rice was sufficient to satisfy demands on the world market. Nevertheless, British trade interests began to grow when sugar exported by the Thai elite and Chinese traders started to arrive in Singapore. At first they accepted the discriminating tariff rate. However, during the 1840s they became agitated when the Siamese authorities shifted its earlier policy of free trade to monopoly in sugar. Britons based in Singapore began to pressure their government to demand free trade and to accommodate the import of opium and the export of rice. These demands were met soon after King Mongkut (1850–1868) ascended the throne. The Bowring Treaty in 1855 concentrated on the tariff issue and effectively integrated Siam into the world rice market, some time later than was the case with Burma.

This book aims first to show how Siam became part of Pax Britannica. Second, it seeks to account for the subsequent state transformation of Siam. It is intended to be read not only as a history of a particular country but also as a contribution to an understanding of state transformation. Events in Siam did not precisely replicate those of Western Europe, but both regions shared some experiences in engaging with the world economy.

Prior to the sixteenth century, the Siamese state contributed mainly to the Chinese world-economy. The Chinese limited the demands made upon its trading partners to engagement through the tributary system, and thus did not disrupt the social order. The Europeans, on the other hand, tended to press for greater accommodation. In the seventeenth century, Siam had suffered a range of trade restrictions imposed by their partners, the Dutch; yet, under Pax Britannica, far greater demands were made for both economic and ideological adjustments.

In economic terms, demands from Pax Britannica that Siam transform itself into a major rice exporter came relatively late, at a time when the country had already lost its comparative advantage in sugar production to Java and Luzon. This shift to rice carried the economic advantage of involving the Thai peasantry as a labour force, whereas sugar production had been monopolised by Chinese labour.

The ideological demands made by Pax Britannica on the Thai elite were more onerous and became the main cause of social disruption. The expected standards of civilised western behaviour divided the Thai elite; some accepted and aspired to achieve them and others completely rejected them. For those who accepted, their natural impulse was to confirm Siam's

superiority to other countries in the region.<sup>22</sup> But more importantly, the quest for civilisation was claimed by various groups among the elite to attain their political objectives, and led to conflict.

The faction of the elite who advocated participation in Pax Britannica wanted to modernise Siam in order to produce for the world market more efficiently. This put them in conflict with the official class who perceived modernisation as a threat to their livelihood. The monarch, on the other hand, agreed with the need to serve world markets more effectively, but his priority was to use modernisation as a tool to consolidate his political power. This led him to going further in adopting the institutions of the western state. Among the newly created official class, demands for Siam to move along with the civilised world proliferated. Political demands for a representative system of government also served their interests.

Thus the quest for civilisation assumed a central place in the political space. In the process, the economic aspects got lost in the elite consciousness. In this book I will look at the impacts of both western economic and ideological influences on Thai history. I am interested in the form of rule and state ideology, which necessarily means that I am concentrating on the top of the society – the ruling elite. I will touch on details of the debates that went on among the elite and the way in which ideology and practice intertwined to show that the whole process was not automatic. I will also show that the kind of modernity Siam experienced was not just the product of the economic transformation but also arose from the decisions of the elite. Thus I by no means argue that Thai history constituted a unilinear march towards modernity. Instead I see it as a complex process of interactions among various social forces, and the denouement of this history was far from inevitable.

Also, the history told here does not mean that I do not show interest in other levels of Thai society. I fully realise that any society consists of different levels of different strengths. Undergoing some form of change from the centre would be different from the periphery. Agitation by young army officers, attacking the monarchy for being backward, was quite different from the millennium movements in the northeast or the south, where people were incorporated into a modern state, making onerous demands on their livelihoods.

But at this stage I choose to present the picture of a narrow group of people. This was due to available materials. A more comprehensive study of Thai history awaits further research.