

Chapter 2

Rural transformation in Thailand

Society can no longer be defined as a set of institutions, or as the effect of a sovereign will. It is the creation of neither history nor the Prince. It is a field of conflicts, negotiations and mediations between rationalisation and subjectivation, and they are the complementary and contradictory faces of modernity.

[A]ny 'modern' society must be seen as the product of its own activity, and must therefore be defined in terms of a certain mode of self-production.

A. Touraine¹

This chapter summarises the transformation in rural Thailand from the early 1960s to the early 1990s with an emphasis on the Upper Northern region, Chiang Mai province and Mae Rim district, thus setting the context for studying NGO intervention. It argues that socio-economic and political changes, competition and conflicts – especially over productive resources – and responses to these changes are intertwining activities in the process of rural transformation. No single factor causes the changes in rural Thailand. Rather they are produced and reproduced by the movements of social actors representing the three spheres of the state, economy and civil society at the local, regional and national levels. In competing to accumulate wealth and power in the Thai capitalist society, various actors seek to legitimise their actions by creating social meanings, rules and institutions and implementing them across time and space. The movements of social actors make a society transform and function through the on-going process of conflict resolution and the creation of representative institutions to handle conflicts of interest between different actors. In other words, the social relations and conflicts between actors stimulate “the self-production of society” and increase the capacity of a social system to transform itself “from tradition to modernity, from beliefs to reason”.² Amidst social relations and conflicts among social actors from different organisations and institutions, there appears a political space for negotiation, mediation and intervention. The particular political outcome will somehow reflect whether subordinate classes gain from a negotiation process.

¹ Touraine, 1995, *Critiques of Modernity*, pp. 358 and 360.

² Touraine, 1977, *The Self-Production of Society*, pp. 323 and 456; Touraine, 1988, *Return of the Actor...*, p. xxi.

Although the changes produce positive impacts, such as the wider availability of commodities and educational and health-care services, they also produce negative impacts on rural populations. As the social relations – which contain a power dimension – between actors from the state, economy and civil society are asymmetrical, it is likely that powerful élites and their organisations and networks can impose socio-economic change upon, and take advantage of, ordinary citizens. Since the beginning of the 1990s in particular, competition and conflicts over the use of natural and productive resources between social actors has spread widely in every region of rural Thailand. Through the expansion of transportation and communications, local communities have been gradually incorporated into the national and global economic and political systems. The kinship relations which have, in the past, provided a strong hub for social functions among rural residents have become too fragile in some situations to maintain social obligations across time and space.³

Villagers' responses to the changes in rural Thailand have been varied during the past three decades. As the ruling élite urged ordinary citizens to modernise economically, socially and politically, some villagers opposed the changes which they believed would have a negative affect on their livelihood. Others found a middle ground, albeit with difficulties, between their traditional culture and the modern administration and economic systems. As they saw their well-being subject to the changes, they sought to interpret and reinterpret their traditional culture so that they would be able to move away from being dependent within the present-day social system while working towards a hopefully better future.⁴ These people tried to empower themselves so that they would be able to survive in a context of increasing competition over resources

Having seen this, socially concerned groups of intellectuals, including people-centred NGOs, attempted to intervene in the competition over resources so as to provide a political space for the people to negotiate their interest with the state and capitalists and to make the Thai social system more equitable. These intellectuals have struggled to understand the complexity of local situations in relation to changes in the wider context. However, changes are neither unilinear nor universal, for they depend on the different patterns of social relations in specific situations. To be able to play an interventionist role to help the ordinary people, it is necessary for the intellectuals to be able to see beyond different systems of thought so that they can discover new models of knowledge and new visions for creating social policies and to be able to have them implemented through like-minded actors and their networks over time and across space. The Thai intellectuals and NGOs are still seeking the way to do so (see Chapter 3).

³ P. Cassell (ed), 1993, *The Giddens Reader*, Standford: Standford University Press, p. 301.

⁴ Touraine, 1977, *The Self-Production of Society*, p. 324.

Transformation, conflicts and responses are the key concepts of this chapter. The discussion covers the period from the early 1960s, when the Thai state replaced its policy of developing state enterprise with a policy of promoting development of the private sector, which was expected to create economic growth, to the early 1990s, when the private sector development began to expand extensively into remote areas. In what follows I shall, first, describe actors from three clusters of the state, economy and civil society and define the terminologies, such as ‘state’, ‘government’ and ‘rural transformation’, used in this thesis. Secondly, an overview of the Thai rural transformation between the early 1960s and the early 1990s will be given. Finally, the transformation in the Northern region with specific reference to parts of Chiang Mai province and Mae Rim district will be described. The description of the transformation, at both the national and local levels, will refer to the influences stimulating major socio-economic changes, the agents of change and the socio-political consequences of the changes. It will also demonstrate my argument that changes, conflicts and responses to the changes in the rural transformation process are the causes and effects of intertwining activities among social actors and, that in a relatively open political system, there appears a political space for negotiation, mediation and intervention in search for conflict resolution among social actors.

Actor-system relations

State actors

The term ‘state’ in this thesis refers to a single, undivided nation like Thailand which is “an amalgam of social, political, ideological and economic elements organised in a particular manner”.⁵ It is not a federation or union of states. Petras points out the difference between the state and “government” as follows:

The state refers to the *permanent* institution of *government* and the concomitant *ensemble of class relations* which have been embedded in these same institutions. The permanent institutions include those which exercise a *monopoly over the means of coercion* (army, police, judiciary) as well as those that control the *economic levers* of the accumulation process.

The “government” refers to those political officials that occupy the *executive* and *legislative* branches of government and are subject to renewal or replacement. There are various types of government classified along several dimensions. For example, there are civilian or military regimes; elected or self appointed regimes. Various kinds of *regimes* pursue different socio-

⁵ K.J. Hewison, 1993, “Of Regimes, State and Pluralities: Thai Politics Enters the 1990s”, in K.J. Hewison, R. Robison and G. Rodan (eds), *Southeast Asia in the 1990s: Authoritarianism, Democracy and Capitalism*, Sydney: Allen & Unwin, p. 169.

economic strategies. Various types of regimes need to be specified: terrorist or liberal, capitalist authoritarian, democratic socialist [emphasis as in original].⁶

It is misleading to perceive the state and its apparatus (bureaucratic and judicial institutions) as neutral.⁷ The state, Poulantzas argues, has a dual nature and role. It has a moral obligation to respond to the demands of and to protect its citizens on the one hand. On the other hand, it can be mobilised and utilised by dominant classes to legitimise their power and secure their resources, through institutional rules and cultural values, at the expense of subordinate classes.⁸

It is also misleading to view as ‘strong states’ only authoritarian states. The strong state may refer to a healthy democratic state which is able to transform its political priorities into rules and regulations governing different conflicting interests. Hewison, Robison and Rodan remark that a democratic state should embody certain objectives (and guarantees); for instance, to ensure equality under the state’s laws, to create legal guarantees for ordinary citizens to participate in formulating the government’s plans and policies, and to legally support the people’s political freedom to scrutinise the performance of government officials and institutions including the executive and bureaucratic systems.⁹ Thus, the strong state could be referred to as a law-based state which guarantees its citizens’ rights and liberty and, at the same time, “essentially underpins the prevailing hierarchies of power embodied in the social order”.¹⁰

Actors in the state category can be divided into at least four groups: bureaucrats (including technocrats), the military, politicians, and quasi-officials. Each group is composed of various actors who perform different functions. For instance, politicians theoretically act as representatives of their electorate whereas the military’s duty is to defend national security. Bureaucrats are there to advise the government, implement government policies and bring government services to the people. Many bureaucrats are in positions of authority and can enforce rules and laws as they apply to ordinary citizens. However, while bureaucrats are basically absent at the village level, the quasi-officials “act as links in the networks connecting peasant and national groups”.¹¹ The

⁶ J. Petras, 1989, “State, Regime and Democratisation Muddle”, *Journal of Contemporary Asia*, Vol. 19, No. 1, p. 26. Hewison, Rodan and Robison also explain the difference between “the state”, “state apparatus”, “regime” and “government”. See K.J. Hewison, G. Rodan and R. Robison, 1993, “Introduction: Changing Forms of State Power in Southeast Asia”, in Hewison, Robison and Rodan (eds), *Southeast Asia in the 1990s...*, pp. 4-5.

⁷ *Ibid.*, p. 5.

⁸ N. Poulantzas, 1978, *State, Power, Socialism*, tran. by P. Camiller, London: Lowe & Brydone Printers, p. 13.

⁹ Hewison, Rodan and Robison, 1993, “Introduction...”, p. 6.

¹⁰ *Ibid.*, p. 6.

¹¹ C. Keyes, 1979, “Local Leadership in Rural Thailand”, in C.D. Neher (ed), *Modern Thai Politics: From Village to Nation*, Cambridge: Schenkman, p. 202. Not only the sub-district head

quasi-officials include *kamnan* (sub-district head) and *phuyaiban* (village head).¹² *Kamnan* and *phuyaiban* are elected by villagers. Neher points out that while *phuyaiban* acts as the government's "ears and eyes", he also acts as the villagers' representative. Thus, *phuyaiban* may come under considerable pressure emerging from their conflicting roles.¹³

In the late 1980s, many bureaucrats and government officials left the public sector to join the private sector due to the more interesting and challenging work and more attractive rewards. At the same time, however, some young, energetic public servants began to demonstrate a less paternalistic outlook with more liberal ideas. Some military officers in later generations showed more of a tendency to be professional rather than political soldiers. The changing attitude among government officials derives from a wider range of education both in Thailand and overseas, the growing middle classes, and the major political conflicts and resolutions occurring in the Thai society over time.

Economic actors

Since the political change in 1932, Thai governments, both civilian and military, have been influenced by economic nationalism and expanded the role of government to create and control some key enterprises and manufacturing.¹⁴ They have done this, on the one hand, in an attempt to reduce the economic power of royalist groups. On the

and village head perform this role, Keyes also includes monks, teachers, village-based health officials and village traders. See also M. Moerman, 1979, "A Thai Village Headman as Synoptic Leader" in *ibid.*, pp. 229-250.

¹² *Phuyaiban* is called *kae ban* in a Chiang Mai village.

¹³ C.D. Neher, 1979, "Section III: Rural Political Process: Introduction", in C.D. Neher (ed), *Modern Thai Politics...*, p. 195. While their allowances are minimal, the duties of *kamnan* and *phuyaiban* cover "a dizzying array of functions". As the villagers' representative, *phuyaiban* has to chair village ceremonies, improve village infrastructure, arbitrate village disputes, and try to satisfy villagers demands. As a government's representative, *phuyaiban* has to attend officials meetings, inform villagers about government policies and arrest law breakers such as murderers, thieves, illegal gamblers. He has to keep the records of people's birth, death, mobility; and of events including flood, fire and other disasters. Moreover, he has to chair the village committee which acts as the village governing body. For these services, he receives an honorarium from the Ministry of Interior of 1,090 baht per month (Interview, INT-079-VIL, 13 January 1993, Mae Rim, Chiang Mai. Neher recorded that in the 1970s a village head received a monthly remuneration of about US\$ 3.75-7.75 or 80-160 baht). *Kamnan* has a wider range of duties than *phuyaiban*. For example, he has to submit periodic reports to the district office on the people's birth, death, marriage, divorce, disease, mobility, land survey, taxation and military conscription. As the chair of the sub-district council (*sapha tambon*), he is entitled to call meetings to propose to the district head where and how the government budget for village development should be allocated.

¹⁴ Between 1938 and 1944, Suehiro reveals that the government gained control of several categories of industries and business, which were regarded to have direct impact on the people's livelihoods, such as rice milling and related industries (insurance and shipping services), distribution of imported and domestically produced goods, and commercial banking business. See A. Suehiro, 1989, *Capital Accumulation in Thailand 1855-1985*, Tokyo: Kuuki Kikaku Co., pp. 9-10.

other hand, as it was unlikely that private Thai entrepreneurs would emerge without assistance, the government feared that Chinese and other foreign investors would control the national economy.¹⁵ To earn export income, Thailand became a supplier to the international market of primary products such as rice, tin, teak and rubber.¹⁶ The Thai economy, however, suffered a growing trade deficit during the Cold War period, especially in the 1950s. Besides being required to pay war reparations due to its alliance with Japan in World War II and facing the decline of international markets for primary commodities after the Korean War in 1953, Thailand also faced drought and poor harvests during 1952 and 1958.¹⁷ Moreover, there was the adverse impact of the rivalry between domestic political groups, namely the Phin-Phao faction on one side and the Phibun faction on the other. The economic and political crises left little option for Thailand other than to accept proposals from the World Bank and a number of US business agencies which favoured the privatisation of government-owned enterprises.

The private sector, which refers to organised informal and formal economic activities by either individuals or incorporate entities, covers a wide range of social actors ranging from individuals to joint ventures.¹⁸ At the local level, they include village vendors, itinerant traders, middlemen, salesmen and large-scale merchants, mostly Chinese, who provide advance loans to farmers for investment in agricultural commercialisation. These merchants operate traditional ricemill and sawmill industries in regional city centres.

¹⁵ J.C. Ingram, 1971, *Economic Change in Thailand 1850-1970*, Stanford: Stanford University Press, p. 229.

¹⁶ Ingram revealed that the paddy-planted area increased from 20.1 million rai, between 1930 and 1934, to 34.6 million rai in 1950 and argued that:

The vast extension of rice cultivation was carried on almost entirely by the Thai themselves. The Chinese and other immigrants did not become rice growers in competition with the Thai. Furthermore, the land was brought under cultivation by individuals acting on their own initiatives, and not to any significant extent by government or private settlement programmes. As they saw the possibility of earning cash incomes by growing rice, individuals began to clear and plant new land. *Ibid.*, p. 43.

Ingram might be partly correct in revealing the expansion of rice cultivation area and the people's enthusiasm to grow rice for cash income. However, after World War II, Thailand had to deliver "1,500,000 metric tons of rice free of charge as a sort of indemnity for her part in the war" according to the agreement signed between Great Britain, Thailand and India on 1 January 1946. *Ibid.*, p. 87.

¹⁷ K.J. Hewison, 1989, *Bankers and Bureaucrats: Capital and the Role of the State in Thailand*, Monograph Series 34, New Haven: Yale University Southeast Asia Studies, p. 93. See also Yang Jian, 1990, "A Historical Analysis of Thailand's Industrialisation", Paper presented at the Fourth International Conference on Thai Studies, Institute of Southeast Asian Studies, Kunming.

¹⁸ Kraiyudht Dhiratayakinant, 1990, "Partnership in Development: An Exploratory Analysis of the Relative Role of the Public and Private Sectors in Economic Progress of Thailand", Paper presented at the Fourth International Conference on Thai Studies, Institute of Southeast Asian Studies, Kunming.

As state enterprises have been taken over by private ventures since the early 1960s, there has been an increase in the number of foreign and domestic business groups in Thailand. However, it was not until the mid-1970s that investors of capital from Chiang Mai and Bangkok and their joint ventures began apace to open bank branches, shopping centres, hotels, restaurants and movie theatres all over Chiang Mai city.¹⁹ Since the mid-1980s, as the government has promoted agro-industries, brokers from agri-business companies, some of whom resigned from government extension officer positions to join private companies, have increasingly approached farmers and encouraged them to become engaged in contract farming. These brokers claim that contract farming provides a secure market for farmers, something which middlemen are unable to do. They say that they manage cash cropping from the start to the final process of marketing. That is to say, after the company determines the type, size and colour of agricultural products, the brokers would arrange for farmers to produce the goods to the standards required by the company.

Actors in civil society

Civil society is an ambiguous concept. The Gramscian notion of civil society refers to intermediate groups between the economic system and the state's apparatus of power. The relationship between the state and civil society is not always adversarial but changes over time and across space.²⁰ However, in present-day society, the civil society is inclined to be used to counterbalance the power of the state and economic system. The civil society is composed of both social and political systems such as schools, universities, the media, religious institutions, civic associations, trade unions, political parties and NGOs.²¹ By and large, they are products of economic development and the influences of social and political reforms. However, the civil society is not a formula for reform. It is what the members of civil society think and do that makes reform possible or not.²² The members of civil society in developing countries like Thailand include groups, such as peasants, wage workers, minorities, monks, journalists, writers and other concerned intellectuals and development practitioners, mostly from middle-class backgrounds, who wish to promote the rights and freedom of the marginal in their area of action and help redress their hardship.

¹⁹ Anchalee Singhanetra-Renard, 1982, "Northern Thai Mobility 1870-1977: A View from Within", PhD thesis (Geography), University of Hawaii, ch. 6.

²⁰ J. Keane, 1988, "Despotism and Democracy: The Origins and Development of the Distinction between Civil Society and the State 1750-1850", in J. Keane (ed), *Civil Society and the State: New European Perspectives*, London: Verso, pp. 35-71.

²¹ Friedmann, 1992, *Empowerment...*, pp. 26-31.

²² J.L.S. Girling, 1993, pers. comm. (letter dated 20 December). See also Girling, 1987, *Capital and Power...*, pp. 43 and 95-97.

Gramsci argues that everybody is potentially an intellectual in the sense of having and using an intellect, but that not everyone is an intellectual by social function.²³ He divides intellectuals into two categories: traditional and organic. Traditional intellectuals, such as monks, teachers, civilian and military officers, as well as technicians whose social functions are related to the state and business, are unlikely to challenge the existing power. However, organic intellectuals, such as social activists and some charismatic individuals, are those who commit themselves to represent the “people and issues that are routinely forgotten or swept under the rug” and to raise public awareness of social problems as well as to challenge the power of the state and business which causes, or fails to solve, the social problems.²⁴ The latter category of intellectuals includes the people-centred NGOs which, as an important part of civil society, attempt to make a more democratic society possible.

Rural transformation

Hart and others provide a useful analytical framework of “agrarian transformation” to illustrate how small-scale peasants in Southeast Asian countries have shifted their occupation from wet-rice agriculture to non-farming activities. Most importantly, the agrarian transformation framework postulates the asymmetry of power relations between the state and peasants and the expropriation of productive resources, through ‘local power’, from rural areas.²⁵ However, some critics point out the framework’s shortcomings. For instance, Bowen, an anthropologist, argues that many authors view the state as a “monolithic” entity instead of identifying a particular circumstance and conflict between regions and ministries as a determinant influencing agrarian change.²⁶ In line with Bowen, Omvedt argues that the “agrarian transformation” framework, which is influenced by traditional Marxism, needs to be broadened to handle “the challenge of reality”.²⁷

By rural transformation, I refer to the process in which social actors from different spheres of the state, economy and civil society interrelate to negotiate and struggle to control, as much as possible, the elements of rural production. These social

²³ A. Gramsci, 1971, “The Intellectuals”, in Q. Hoare and G.N. Smith (eds and trans), *Selections from Prison Notebooks of Antonio Gramsci*, London: Lawrence and Wishart, pp. 5-23.

²⁴ E.W. Said, 1994, *Representations of the Intellectuals*, London: Vintage, p. 9.

²⁵ G. Hart *et al.* (eds), 1989, *Agrarian Transformations: Local Processes and the State in Southeast Asia*, Berkeley: University of California Press.

²⁶ J.R. Bowen, 1991, “Book Reviews”, *The Journal of Peasant Studies*, Vol. 18, No. 2, pp. 154-156.

²⁷ G. Omvedt, 1994, “Review Essay: Agrarian Transformation, Agrarian Struggles, and Marxist Analyses of the Peasantry”, *Bulletin of Concerned Asian Scholars*, Vol. 26, No. 3, pp. 47-60.

interrelations subsequently result in socio-economic, cultural, political and ecological changes. There are sometimes conflicts and responses (in the form of negotiation, mediation and intervention) to the conflicts which cause changes, both positive and negative, in areas which are administratively separate from (albeit influenced by) a city municipal centre. This framework of rural transformation, I believe, does allow different perceptions of the actors involved in development to unfold. Then, a political space for discussion and negotiation between the actors can emerge and widen in the search for new common ground, or in conflict resolution. I use the term ‘pattern’ of change as I believe it is significant, as evidence shows, that small-scale peasants are able to shift their agricultural practices back and forth between subsistence and commercial production as long as they still own or have access to land resources. The term ‘stage’ of change would imply that farmers abandon farming entirely and irreversibly for other occupations.

The promotion of the private sector to replace state enterprise

The economic crisis and internal political conflicts in the 1950s were some of the main reasons why the Phibun government was toppled in the 1957 coup led by General (later Field Marshall) Sarit Thanarat.²⁸ When Sarit came to power in October 1958, he sought to win public support by claiming that his government was different from the previous one because it would create a “modernised state” and “economic progress” through a “revolution” (*patiwat*). By “revolution,” he referred to the termination of the state enterprise model inherited from the political changes introduced by the People’s Party in 1932 and the restoration of the Thai people’s fundamental values. These values, Sarit claimed, lay upon the three ideals of nation, religion and king (*chat, satsana, phra maha kasat*).²⁹ Sarit set up and used the “Revolutionary Party” (*khana patiwat*) to issue a number of legal edicts in the form of “Revolutionary Party Proclamations” (*prakat khana patiwat*) to pursue his task. The Party became a crucial state apparatus to restore law and order during the absence of parliamentary democracy. Moreover, Sarit adopted the World Bank’s advice to promote private enterprise, especially through foreign investment, as the main means to create national economic growth. Although the Bank’s advice was based on Rostow’s anti-communist strategy, Sarit had little hesitation in adopting it for two main reasons. On the one hand, he received foreign aid and loans to stimulate the downturned national economy, and on the other hand, he

²⁸ The Thai economy during the 1950s was in a depressed condition. Thailand suffered growing trade deficits because the prices of the primary commodities for export (rice, teak, tin and rubber) in the world market stumbled. The state-led enterprises were unprofitable and growing at a slow pace because they were largely subject to rivalry between political factions. See details in Suehiro, 1989, *Capital Accumulation...*, pp, 137-152. A list of Thai governments since 1932 is at Appendix IV.

²⁹ Thak Chaloemtiarana, 1979, *Thailand: The Politics of Despotic Paternalism*, Bangkok: The Social Science Association of Thailand.

could destroy the economic base of his political rivals whose interests were engaged in the state-sponsored industries.³⁰

Sarit's discourse on "revolution" opened up a new era of capitalist development in Thailand. It was marked by the objective of creating a middle class. Sarit believed that:

the revolutionary system is the best way to build up the nation, to stabilise society, to build a middle class that is greater in numbers than other classes.

My [r]evolutionary [s]ystem calls for building up of a strong middle class such as exists in small countries in Europe... I shall move towards this goal with determination and my utmost ability because I believe that to the extent we succeed in building up the middle class to the same extent will we succeed in building a new society for Thailand, a society that is happy. The national economic plan has this aim [brackets as in original].³¹

The economic plan, which was one of the Bank's recommendations, was soon underway. In 1959, Sarit reorganised the National Economic Council set up in 1950 into the National Economic Development Council to supervise the newly-established National Economic Development Board (NEDB – which became the National Economic and Social Development Board or NESDB in 1972) in drafting and carrying out a series of five-year plans.³² Since then, Thailand's socio-economic development has been in accordance with the five-year plans which have brought together the policies and projects influencing rapid changes in rural Thailand.

Industrialisation and agricultural commercialisation

In the 1960s, two economic development plans were implemented during the military regimes of Sarit and Thanom-Praphat respectively (See Appendix II). During the first phase of the First Plan (1961-1963), the Sarit government prohibited state enterprise from participating in business activities which directly competed with the private sector, and sought to provide infrastructure, such as water supply, electricity, transportation and communication facilities, to support private industries.³³ The government replaced the 1954 Investment Promotion Act with the 1960 Investment Promotion Act and established the Board of Investment (BoI). The 1960 Act was not attractive to foreign investors because the benefits offered by the government were considered too small (e.g. a two-year income tax holiday, the right to land ownership and some import duty

³⁰ Suehiro, 1989, *Capital Accumulation...*, p. 180.

³¹ Quoted from Hewison, 1989, *Bankers and Bureaucrats...*, p. 96.

³² Suehiro, 1989, *Capital Accumulation...*, p. 179. The First National Economic Development Plan (1961-1966), will be referred to by its short title in the text as the "First Plan", and subsequent plans will be referred to as the "Second Plan", "Third Plan" and so on. The First Plan was in two phases covering the periods 1961 to 1963 and 1964 to 1966. Only the latter phase was published.

³³ Following the Revolutionary Party Proclamation No. 33 dated 5 December 1958. *Ibid.*, p. 179.

exemptions). As a result, the government revised the Act in 1962 to provide more benefits and privileges to investors and promised to expedite promotional assistance. The government offers included a five-year income tax holiday period, exemption from duty and tax on imported raw materials and capital goods, and wider ranges for profit repatriation.³⁴ Under the Import-Substitution Industrialisation (ISI) strategy, the government reconstructed the tariff system to protect infant manufactures and industries, especially those of foreign firms. However, while the government was offering privileges to private firms and industries, it was silencing the labour movement by issuing Proclamation No. 19 dated 30 October 1958 abolishing the Labour Act of 1956 and ruling out the fundamental rights of workers to protest and form labour unions.³⁵

After Sarit died in 1963, the Thanom-Prapchat regime carried on the second phase of the First Plan (1964-1966) with minimal change from the approach of the previous government. However, while giving priority to the promotion of private enterprises in urban areas, the First Plan (1961-1966) provided few details of development programmes in the countryside other than the expansion of infrastructure such as water supplies and roads for transporting crops to the market.³⁶ The Second Plan (1967-1971) sought to maintain the level of economic growth as the first priority. Its scope was broader than that of the First Plan. Besides the expansion of infrastructure facilities, the Plan sought to develop agricultural research into the modernisation of farming techniques in order to increase productivity, to initiate manpower and employment planning through education and training, and to promote regional and local development.³⁷

The First and Second Plans produced mixed results and outcomes. The government did complete a number of development projects – especially large-scale infrastructure schemes. After the Chao Phraya Dam (Chai Nat province) was built in 1957, the Royal Irrigation Department (RID), established in 1914, finished building three dams, namely, the Phumibol (Tak province), Kaeng Krachan (Phetchaburi province) and Sirikit

³⁴ K.J. Hewison, 1985, “The State and Capital Development in Thailand”, in R. Higgott and R. Robison (eds), *Southeast Asia: Essays in the Political Economy of Structural Change*, London: Routledge & Kegan Paul, p. 279.

³⁵ Suehiro, 1989, *Capital Accumulation...*, p. 179.

³⁶ National Economic (and Social) Development Board (NEDB/NESDB), 1964, *The First National Economic Development Plan (1961-1966): Second Phase (1964-1966)*, Bangkok: NEDB, Office of the Prime Minister. See also Judd, 1988, *In Perspective...*, pp. 82-83.

³⁷ National Economic (and Social) Development Board (NEDB/NESDB), 1967, *The Second National Economic Development Plan (1967-1971)*, Bangkok: NEDB, Office of the Prime Minister.

(Uttaradit province) in 1964, 1966 and 1972 respectively.³⁸ The Highways Department, established in 1934, built approximately 12,000 km of new roads and upgraded or repaired about 23,000 km of national and provincial roads.³⁹ The Department of Agricultural Extension (DOAE), established in 1969, worked to improve livestock and inland fisheries and to control pest and crop disease. The government also opened regional universities such as Chiang Mai University (North), Khon Kaen University (Northeast), both in 1964, and Prince Songkhla (South) in 1967. Each of these universities set up a Faculty of Agriculture, with help from New Zealand, Australia, Canada and Israel, to expand the research services and to promote agricultural commercialisation in rural Thailand.⁴⁰

However, many studies criticised the government's implementation of rural development in the 1960s. For instance, Demaine noted that the government's provision of large-scale infrastructure was often badly managed and poorly coordinated among departments and agencies and that the people's lands were taken with little compensation. He also claimed that much of the infrastructure facilities and services went to support 13 US military bases set up in Thailand during the Vietnam War.⁴¹ Muscat and Thak argued that the government's chief priority (as between economic development and military mission to suppress "communist insurgency") was unclear and there were few concrete long-term guidelines for the changes in the Thai socio-economic structure provided by government.⁴² Judd argued that as Thailand became more involved in the Vietnam War, the government tended to focus on security issues rather than rural development.⁴³

³⁸ The Royal Irrigation Department (RID) was formerly called *krom khlo:ng* in Thai or the "Canal Department" in English during the reign of King Rama V (1868-1910). In 1914, King Rama VI (1910-1925) changed its name to be *krom totnam* or "Irrigation Department". Judd, 1988, *In Perspective...*, pp. 43 and 111.

In Chiang Mai, RID completed four dams namely Mae Faek (1928-1936), Mae Ping Kao (1937-1941), Mae Kuang (1948-1954) and Mae Taeng (1963-1972). Anchalee, 1982, "Northern Thai Mobility...", p. 176.

³⁹ Judd, 1988, *In Perspective...*, p. 124. See also P.J. Rimmer, 1971, *Transport in Thailand*, Department of Human Geography, RSPAS, ANU.

⁴⁰ Judd, 1988, *In Perspective...*, ch. 6. Ingram noted that, between the early 1950s to late 1960s, paddy rose from 35.1 to 42.2 million rai whereas other cash crops, such as maize, cassava, kenaf and jute, rose from 5 to 20.5 million rai as a result of irrigation development, seed improvement, chemical fertilizer and agricultural machines (e.g. small tractors and water pumps). Ingram, 1971, *Economic Change in Thailand...*, pp. 237, 239 and 263.

⁴¹ H. Demaine, 1986, "Kanphatthana: Thai View of Development", in M. Hobart and R.H. Taylor (eds), *Context, Meaning and Power in Southeast Asia*, Ithaca: Cornell University Press, p. 98.

⁴² R.J. Muscat, 1966, *Development Strategy in Thailand: A Study of Economic Growth*, London: Praeger, p. 282; and Thak, 1979, *Thailand...*, p. 230.

⁴³ Judd, 1988, *In Perspective...*, p. 48.

Academics also argued that the government's promotion of the industrial sector was done at the expense of the agricultural sector. They pointed out that the agricultural share in the GDP dropped from 37 per cent in 1961 to 29.8 per cent in 1971 while the industrial share rose from 19 per cent to 26.2 per cent during the same period.⁴⁴ The relative decline of the agricultural sector, which had absorbed four-fifths of the labour force, was accompanied by rising unemployment and migration of rural people to urban areas in search of work. While the Plans indicated that the industrial sector would provide plenty of new jobs, the actual outcome was disappointing. The BoI revealed that only 9,000 jobs were being created annually whereas there was a potential labour force of about 2.5 million. While the government promoted large-scale companies owned by foreign and domestic entrepreneurs to solve the unemployment problem, Suehiro argued that small domestic firms had employed more people than the big industries encouraged under the Plans.⁴⁵

Despite the criticisms mentioned above, a positive outcome of the government's promotion of economic development during the 1960s was the expansion of the Thai urban middle classes. The number of executive and managerial administrators increased from 26,000 in 1960 to about one-quarter of a million in 1970. Technical professions expanded from 174,000 in 1960 to 284,000 in 1970.⁴⁶ About half a million of the urban population had become economically and socially middle and upper-middle class in the Thai social structure. Approximately 10 per cent of rural populations were no longer solely farmers and landlords as they extended their income-generating activities beyond their farm gates as vendors, traders and brokers between small-scale peasants and officials.⁴⁷ The regional universities provided an opportunity for students "from a small-town lower-middle class [who], in their generation, for the first time in Thai history gained access to higher education".⁴⁸

Student and popular movements

During the late 1960s, student movements, which had become politically significant in the Northern hemisphere, especially in France and the US, began to trigger political and

⁴⁴ K.J. Hewison, 1987, "National Interests and Economic Downturn: Thailand", in R. Robison, K.J. Hewison and R. Higgott (eds), *Southeast Asia in the 1980s: The Politics of Economic Crisis*, Sydney: Allen & Unwin, p. 53; and G. Abonyi and Bunyaraks Ninsananda, 1989, *Thailand: Development Planning in Turbulent Times*, Asia Papers No. 3, Toronto: University of Toronto-York University Joint Centre for Asia Pacific Studies, p. 27.

⁴⁵ Suehiro, 1989, *Capital Accumulation...*, pp. 183-186.

⁴⁶ J.L.S. Girling, 1981, *Thailand: Society and Politics*, Ithaca: Cornell University Press, p. 173.

⁴⁷ Werasit Sittitrai, 1988, "Rural Transformation in Northern Thailand", PhD thesis (Political Science), University of Hawaii, p. 281.

⁴⁸ Quoted from Pasuk Phongpaichit and C. Baker, 1995, *Thailand: Economy and Politics*, Kuala Lumpur: Oxford University Press, p. 301.

social challenges to governments in general.⁴⁹ A similar course also emerged in Thailand when university students, influenced by Western-style education and democracy, began to challenge the Thanom-Praphat military regime. The first main challenge was made when the government promulgated the 1968 constitution and scheduled the national election for February 1969. In December 1968, students from 15 universities and colleges formed the Student Volunteers' Group for Observing the National Election (*klum naksuksa asasamak sangketkan lu'agtang*), the first openly political activity in nearly a decade. The Group urged the National Student Centre of Thailand (NSCT), initially formed in 1965, to take on a more political role in response to socio-economic problems. After Thirayuth Bunmi, an engineering student, became the NSCT Secretary General in 1972, the NSCT started its political movement by launching a ten-day campaign against Japanese goods flooding the Thai market. This target represented concerns that the government was selling out the Nation to foreign investors and local people were not benefiting. The campaign aroused Thai nationalism and identity and, more importantly, stirred up other student groups to extend their role and networking into the political arena (see also Chapter 3).

The Thanom-Praphat government found it difficult to handle a Western-style parliamentary system. Some MPs revealed evidence of corruption in large-scale projects undertaken by the Royal Irrigation and Highways departments. They voiced disapproval of military demands for an increase in arms spending and instead requested more funds to support development programmes in their constituencies. Moreover, they threatened not to approve the government budget bill. Unfamiliar with an open political system, Field Marshall Thanom complained: "Never, in my long political career, have MPs caused such trouble to government administration as in these recent times. Some of them even attacked me over my private affairs".⁵⁰ Eventually, he decided to scrap the 1968 constitution and dissolved the parliament in November 1971 by staging a coup against his own government.⁵¹ Then, he set up the National Executive Council (NEC) to rule the country under a Thanom-Praphat *junta* which included Colonel Narong Kittikhachorn, Thanom's son and Field Marshall Praphat's son-in-law.

The autocratic performance of the NEC leaders alienated concerned university students, academics and politicians, who eventually played a leading role in bringing down the *junta*. For example, when the NEC leaders proposed placing the judiciary under the

⁴⁹ See A. Touraine, 1971; *The May Movement: Revolt and Reform*, tran. by L.F.X. Mayhew, New York: Random House.

⁵⁰ Quoted from Pasuk and Baker, 1995, *Thailand...*, p. 300.

⁵¹ At that time, I was a first-year student at the Faculty of Education, Chulalongkorn University and went to join the demonstration organised in front of the University Meeting Hall against the government discarding the constitution and dissolving the parliament.

control of the Minister of Justice, and thereby subverting the independent power of the judiciary by placing it under the administrative system, there was widespread resistance from legal professionals, academics, the media and students which forced the NEC to back down on its proposal.⁵² Next, when in June 1973, the NEC leaders attempted to extend Thanom's military service beyond his 60-year retiring age in September 1973, some student leaders from Ramkhamhaeng University organised a protest.⁵³ As a result of the protest, nine students were expelled from the University by Dr Sak Phasukniran, the Rector at that time. In response, the NSCT organised a student protest against the dismissal of the students. Up to 50,000 people, mostly from the urban middle class, joined in the protest.⁵⁴ For fear of widening the social unrest, the government reinstated the nine students and accepted the resignation of the Rector following the protesters' demands.

As the discontent of the urban population towards the military government grew, a group of thirteen social activists pressed the government to promulgate a new constitution. Losing patience, the government arrested the activists on 6 October 1973. The detention prompted some 2,000 students, initially led by Seksan Prasoehtkul, a Thammasat University student, to protest at *Lan Pho*, Thammasat University.⁵⁵ Later, the NSCT took charge of the demonstration which moved to the Pramain Ground in front of the University as the number of demonstrators increased. On 13 October, there were reportedly 400,000 protesters demanding the release of the thirteen social activists and condemning the military regime's handling of the country's affairs.⁵⁶ The protesters included students from high schools, technical colleges, and universities, and a large number of the urban middle class who faced economic problems, especially from the rice shortages occurring in that year.⁵⁷ The government agreed to release the social activists but wanted to suppress the demonstrators by force. Although the use of force was not approved by General Krit Sivara, the Army Commander-in-Chief at that time, groups of police and soldiers beyond his command opened fire against the protesters in front of the Royal Palace and on Ratchadamnoen Avenue. The killing, with the loss of many hundreds of lives, prompted the King to intervene by asking Thanom, Praphat and Narong to leave the country so as to calm the mass hostility.

⁵² Revolutionary Decree No. 299 was set up by the Thanom-Praphat *junta* to implement this proposal. See E. Bartak, 1993, "The Student Movement in Thailand 1970-1976", Working Paper No. 82, Centre of Southeast Asian Studies, Monash University, Melbourne, p. 8.

⁵³ The students picked up the scandal of illegal hunting by Army leaders in the Thung Yai Naresuan National Park to politically ridicule the extension of Thanom's military service. The scandal appeared in the press in May 1973.

⁵⁴ Bartak, 1993, "The Student Movement in Thailand...", p. 10.

⁵⁵ *Ibid.*, pp. 12 and 13.

⁵⁶ *Ibid.*, p. 15.

⁵⁷ Girling, 1981, *Thailand...*, p. 64.

However, the 1973 uprising was a significant event in Thai history because it not only brought down the military junta but also dismantled the unity of the military domination over Thai society.

The mid-1970s was a period of open political system in Thailand. Morell and Chai-anan recorded that there were 501 workers' strikes in 1973 and 323 student demonstrations from November 1973 to September 1974 in every region of Thailand, excluding Bangkok.⁵⁸ Pressure from concerned intellectuals, the media and the public influenced the government to reform representative institutions. One of the political reform bodies was *Khana kammakan patirup kanmu'ang nai rabo:p ratthasapha* (Committee for the Political Reform in a Parliamentary System) led by Dr Chai-anan Samudhavanija, a scholar from the National Institute of Development Administration (NIDA) at that time. However, attempts to pursue the political reform or *patirup kanmu'ang* during this period was not successful due to the rejection of those who were in power and political "polarisation" between the 'right' and the 'left' factions.⁵⁹

During the political campaign for the 1975 general election, student activists voiced the grievances of disadvantaged peasants, especially those who lived and farmed in lowland areas of the Central Plain and Northern regions. Many peasants were losing their land in the process of agricultural commercialisation because they had to pay increasingly high rents on land and buffalo and often ended up losing their land due to debt foreclosure. Having seen the people's problems, the students helped the peasants set up the Peasants' Federation of Thailand (PFT), a people's organisation, in 1974. After encountering opposition from some local élite groups (*klum itthiphon*) and local government officials, the students and peasant movement adopted more radical political approaches to tackle the socio-economic problems being faced by the underprivileged. As a result, the movement was quickly attacked by right-wing forces of opposition such as "Red Gaur" (*krathing daeng*), "Village Scout" (*luksu'a chaoban*) and *Nawaphon* and, later, was further weakened by conflicts within the Communist Party of Thailand (CPT) which led to its demise (see further details in Chapter 3).

Recognition of social consequences

As social problems increased in many Third World countries, including Thailand, international agencies recognised the failure of the growth theory and formulated a new strategy to tackle the problem. In 1969, the International Labor Organisation (ILO)

⁵⁸ D. Morell and Chai-anan Samudavanija, 1981, *Political Conflict in Thailand: Reform, Reaction, Revolution*, Cambridge Mass.: Oelgeschlager, Gunn & Hain, Publishers, pp. 158, 160 and 188.

⁵⁹ Information obtained from the interview with Prof Chai-anan in 1983 when I worked as a research assistant for the Thai Study Project at Chulalongkorn University. See *ibid.*, ch. 5; and Girling, 1981, *Thailand...*, p. 196 and fn. 27. Chai-anan received his professorship at Chulalongkorn University.

urged development agencies to carry out economic development to meet the people's basic minimum needs. In 1973, Robert McNamara, the then World Bank's president, encouraged Third World governments to adopt Redistribution with Growth (RwG) as a development strategy. The Bank would give loans to developing countries whose proposals indicated that their development programmes met the Bank's requirements of distributing benefit and services to the rural populations. The recognition of social consequences by the international agencies, in turn, influenced the formulation of social and economic plans in developing countries.

In Thailand, the Third Plan (1972-1976) included proposals to address social problems which had emerged during the First and Second Plans. These included family planning and income-generating policies for rural areas. The Plan proposed the provision of agricultural credit for farmers and demarcated agricultural extension zones where cash crops and livestock would be most suitably produced. It also urged the private sector to take some responsibility to help solve social problems (such as unemployment, poor working conditions and moral decline).⁶⁰ These problems, as stated in the Plan, largely emerged from the rapid expansion of private sector industrialisation.

The Fourth Plan (1977-1981) recognised a number of crucial socio-economic and ecological problems which were emerging, for instance, the increasing number of landless peasants, the destruction of forest for agricultural purposes, and the conflicts over land use, especially in the Central Plain and the North. Moreover, it claimed that the problem of insurgency was stretching out across remote areas, especially the Northeast, where 52.5 per cent of the population were in "sensitive areas" compared to 9.4 per cent in Central Thailand.⁶¹ In order to solve these problems, the Plan proposed to create more jobs in rural areas, to start new land settlement projects, to provide information on labour markets to farmers and to provide vocational training for youth. The Plan recommended, too, the rehabilitation of natural resources through management programmes and encouraged the private sector – in particular NGOs which operated social-welfare services – to help rural residents obtain their basic needs.

Although the period covering the Third and Fourth Plans was largely dominated by political and security issues, the economic problems which resulted from the decline of

⁶⁰ National Economic and Social Development Board (NESDB), 1972, *The Third National Economic and Social Development Plan (1972-1976)*, Bangkok: NESDB, Office of the Prime Minister, pp. 26-27 and 200.

⁶¹ National Economic and Social Development Board (NESDB), 1977, *The Fourth National Economic and Social Development Plan (1977-1981)*, Bangkok: NESDB, Office of the Prime Minister, pp. 150, 157-158. "Sensitive areas" were designated by the military and government as areas which could be potential targets for CPT activities. They were generally poor areas (sometimes but not always close to national borders) with significant economic problems for peasants.

US military spending after the Vietnam War and the rising price of crude oil in 1973-74 and 1979-80 prompted the government to seek advice and assistance from technocrats and business groups.⁶² These economic crises gave a political space for domestic business classes not only to participate in national politics but also to influence development plans and policies in favour of their own interests.

The rise and expansion of domestic business groups

At least two situations contributed to the rise of domestic business groups. First, after the 1973 October uprising, domestic business entities, such as those involved in manufacturing commodities, commercial banks and agro-industries, were reluctant to forge business links directly with the military élites due to the restrictions imposed by the civilian government and criticism from the press and the public. Thus, the business entities began to organise their own interest groups and political parties to enter national politics.⁶³ Secondly, the Thai economy between 1974 and 1979 faced two serious problems in the decline of US military aid and the increase in imported value of crude oil. The government invited technocrats from business backgrounds to help manage the national economy. Suehiro argues that Thailand would have faced a deficit of about 17.2 billion baht in 1976 if there had not been an export boom in agricultural products. The export boom helped the government to gain some 23 billion baht between 1972 and 1976. Thailand encountered the second round of crude oil price increases in 1979. At the same time, the agricultural exports from agri-business groups helped the government ride out the economic crisis.⁶⁴

The success of agro-industry emerged from the cooperation between the “local exporters of agricultural products, leading local commercial banks, multinational enterprises, and the government”.⁶⁵ The younger generation of industry investigated new technology, improved management skills, and developed new products and markets. For instance, in 1978, the Charoen Phokkhaphan (CP) company arranged a joint-venture contract with Arbor Acres, a transnational Rockefeller agricultural company, which provided CP with technological know-how in livestock breeding as well as access to export markets. CP also received financial support from the Bangkok Bank (of the Sophonphanich family) as well as having access to the Bank’s marketing networks in Hong Kong, Singapore, Indonesia, Taiwan, the Middle East and the US.⁶⁶

⁶² P.G. Warr, 1993, “The Thai Economy”, in P.G. Warr (ed), *The Thai Economy in Transition*, Hong Kong: Cambridge University Press, p. 31.

⁶³ Anek Laothamatas, 1988, “Business and Politics in Thailand: New Patterns of Influence”, *Asian Survey*, Vol. 28, No. 4, April, pp. 451-470.

⁶⁴ Suehiro, 1989, *Capital Accumulation...*, p. 267.

⁶⁵ *Ibid.*, p. 271.

⁶⁶ Hewison, 1989, *Bankers and Bureaucrats...*, p. 144.

In 1979, 90 per cent of poultry exports from Thailand came from CP. Thus, the government began to promote agro-industries in the Fourth Plan, again in the Fifth Plan and would later promote them as a first priority in the Sixth Plan.⁶⁷

Other domestic business groups, which had kept a low profile in the period of military patronage, began to play a greater role in the Thai political economy. In 1977, three leading business associations, namely the Thai Chamber of Commerce (TCC), the Association of Thai Industries (ATI) and the Thai Bankers' Association (TBA), formed a Joint Standing Committee on Commerce, Industry and Banking. To do this was to "develop an institutional linkage with the state" and channel their common interest into the policy-making process.⁶⁸ Moreover, the Committee successfully suggested to the Kriangsak government (1977-1980) that it set up a consultative entity through which they could have a regular dialogue with policy makers. In 1981, the Committee lobbied the Prem government (1980-1988) to set up the Joint Public-Private Consultative Committee (JPPCC) which included cabinet ministers, representatives from TCC, ATI and TBA. The JPPCC, therefore, became the main policy forum for the government and business to discuss economic development policies while the NESDB, the national planning board, acted as the Committee secretariat.⁶⁹ The government accepted the role of JPPCC because it had more potential than other groups in the society to boost economic growth which had stagnated from the late 1970s until the mid-1980s.⁷⁰

The agri-business groups and their networks, such as the banks, industrial and commercial groups, aimed to gain raw materials, cheap labour, business locations and other resources in rural areas. Politicians from business backgrounds lobbied the government to pass legislation to demarcate zones for cash cropping. This would have resulted in the control of land and labour by the business classes through the parliamentary system. Although Ammar, a prominent agricultural economist, disagrees with giving control over land and labour resources to the business classes, he argues that "Thai agriculture is now at a crossroads".⁷¹ Due to the problems of inadequate land policy and population-land ratio constraints, Thai "horticulture", he says, may need more capital and technologically intensive approaches. That is because: "No longer can

⁶⁷ Suehiro, 1989, *Capital Accumulation...*, p. 268.

⁶⁸ A. MacIntyre, 1990, "Business-Government Relations in Industrialising East Asia: South Korea and Thailand", Australia-Asia Paper No. 53, The Centre for the Study of Australia-Asia Relations, Division of Asian and International Studies, Griffith University, Queensland, p. 30.

⁶⁹ R.J. Muscat, 1994, *The Fifth Tiger: A Study of Thai Development Policy*, New York: M.E. Sharpe, pp. 183-84.

⁷⁰ Anek Laothamatas, 1992, *Business Associations and the New Political Economy of Thailand: From Bureaucratic Polity to Liberal Corporatism*, Singapore: Institute of Southeast Asian Studies (ISEAS), ch. 4.

⁷¹ Ammar Siamwalla, 1993, "Agriculture", in Warr (ed), *The Thai Economy...*, p. 114.

the government be content to let the farmers grow any crop on whatever land, have middlemen transport it to Bangkok and then collect a toll only when it is exported".⁷² It was a challenge for the government to design a legal and regulatory framework which would be able to manage conflicts of interest between business and small-scale peasants.

Export promotion

In the mid-1980s, the World Bank urged the Thai government to implement Export-Oriented Industrialisation (EOI) and structural adjustment strategies to reform its economic structure and increase productivity for export.⁷³ It recommended in its 1984 Country Study that the Thai government should reform five major areas, namely, resource mobilisation, monetary policy, energy, industry and agriculture, to achieve economic stability at both domestic and international levels.⁷⁴ In support of the structural adjustment policy presented in the Fifth Plan (1982-1986), Thailand received two special Structural Adjustment Loans (SALs) from the World Bank, in 1982 and 1983 respectively. In its 1986 Report, the Bank noted that the trade deficit had increased to \$US 9.4 billion (equivalent to 5.3 per cent of GDP) between 1981 and 1985 and foreign debt had risen to \$US 14.9 billion (long-term debt \$US 11.7 billion and short-term debt \$US 3.2 billion, equivalent to 39 per cent of GDP) in 1985. Thus, it insisted that, in the Sixth Plan (1987-1991), the Thai government should give a firm commitment to bringing down the current deficit by cutting back government expenditure, increasing tax revenue by 15-16 per cent of GDP, improving public investment programmes and promoting export growth.⁷⁵ The Bank also suggested that, following structural adjustment policies, human development resources in the forms of health and education should be reduced since the first priority was to increase

⁷² *Ibid.*, p. 117.

⁷³ The World Bank realised that the Import-Substituted Industrialisation (ISI) strategy, which nursed infant industries in the 1960s, reached a "saturation point" especially in terms of consumer goods in domestic markets. Developing countries were ready to produce commodities for export. The Bank, therefore, emphasised Export-Oriented Industrialisation (EOI) and structural adjustment strategies to guide economic development in Third World countries. In order to earn more export value, the structural adjustment strategy recommends that developing countries put their economic houses in order. A range of measures include the control of inflation and trade deficits, the increase of national saving, the encouragement of the private sector to develop national economies of developing countries while cutting down the number of public servants and government-funded social services.

⁷⁴ World Bank, 1984, *Thailand: Managing Public Resources for Structural Adjustment*, The World Bank Country Study, Washington D.C.: The World Bank.

⁷⁵ World Bank, 1986, *Growth with Stability: A Challenge for the Sixth Plan Period*, A Country Economic Report No. 6036-TH, Vol. 1, Washington D.C.: The World Bank, p. 8.

investment for promoting export.⁷⁶ Some important points from the Fifth, Sixth and Seventh Plans follow.

The Fifth Plan (1982-1986) proposed that the main development objective should be met through the adjustment of economic structures to cope with changing conditions in the world economy. It proposed that capital investment be moved from Bangkok to regional centres. It also stressed the need for “poverty alleviation” for the one-fourth of the rural population who lived in “absolute poverty”, especially in the Upper North and Northeast. The Plan proposed the setting up of a National Rural Development Committee (NRDC) as a coordinating body in which officials from four ministries participated to coordinate development activities and services in target areas covering 216 districts out of a total of some 5,000 districts in rural Thailand. The Plan also emphasised the need for cooperation between private sector and government agencies to alleviate poverty in rural areas.⁷⁷

Although the Sixth Plan (1987-1991) recognised the failure of economic development to reach the marginal rural population in the past, it continued to stress the need for the private sector to improve production in order to increase Thailand’s competitiveness in the international market. It promoted both agricultural and industrial productions for export as the first priority, showing that the government incorporated the EOI strategy suggested by the World Bank in its development policies. However, the Plan did begin for the first time to recognise the need for multidimensional approaches to rural development problems and the need to involve various actors in the decision-making process. It, therefore, encouraged coordination between government agencies, people’s organisations and NGOs in responding to the actual conditions and the people in a particular area.⁷⁸

Even though the government had attempted in the Fifth and Sixth Plans to address the problem of rural poverty from a social perspective, their main economic strategy was to promote export industries (including agro-industries). The more the government encouraged the private sector to take the initiative in creating economic growth while limiting its own role as an arbitrator, the more there was penetration by investors of capital into rural areas, inevitably resulting in competition and conflicts over productive resources between investors of capital and rural populations. This situation was once

⁷⁶ World Bank, 1984, *Thailand: Managing Public Resources...*, p. 247.

⁷⁷ National Economic and Social Development Board (NESDB), 1982, *The Fifth National Economic and Social Development Plan (1982-1986)*, Bangkok: NESDB, Office of the Prime Minister.

⁷⁸ National Economic and Social Development Board (NESDB), 1987, *The Sixth National Economic and Social Development Plan (1987-1991)*, Bangkok: NESDB, Office of the Prime Minister.

pointed out by Dr Pridi Phanomyong, a leader of the People's Party, who argued that: "To let private citizens do the economy by themselves, competition will occur and in the end those who possess wealth will overcome those who do not...".⁷⁹ To minimise the competition and conflicts, Pridi concluded, the state should intervene to direct and manage the national economy. However, the degree of state intervention, he added, would depend on a country's situations over time.⁸⁰

While the Seventh Plan (1992-1996) continued to propose an economic growth strategy fuelled by the private sector, it also began to address various problems in rural areas and to find some measures to remedy the problems. The Plan proposed the ambitious aim "to promote Thailand to become the region's economic and financial centre".⁸¹ It stressed the development of regional centres and encouraged industries and services to move to the regions by improving infrastructures throughout the country. It also pointed to crucial problems which it recommended the government should handle with care. These problems included: first, income disparities. The Plan pointed out that the income share of the richest 20 per cent of the population had increased from 49.3 per cent in 1975/1976 to 54.9 per cent by 1987/1988 while the income share of the poorest 20 per cent declined from 6.1 per cent to 4.5 per cent in the same period.⁸² Secondly, there were regional disparities emerging as a primarily rural society transformed to a more urbanised one. The rural transformation, it said, would have social consequences such as the disruption of rural family unity, high urban crime rates, and so on. Thirdly, it recognised the destruction of natural resources, especially the national forest areas, which had declined from 109.5 million rai or 34 per cent of total land area in 1978 to less than 90 million rai or less than 28 per cent by 1989.⁸³ Hence, the Plan proposed measures to address social and environmental problems. For instance, it suggested strengthening the role of the local authorities in the management of pollution treatment systems and empowering them to collect a service charge according to "polluter-pays-principles".⁸⁴ It also suggested promoting a greater role for people's organisations and NGOs in formulating national resource management projects.⁸⁵ However, although the Plan recognised social and environmental problems resulting from economic

⁷⁹ Quoted from Somsak Jeamteerasakul, 1993, "The Communist Movement in Thailand", PhD thesis (History), Department of Politics, Monash University, p. 91.

⁸⁰ *Ibid.*, p. 91.

⁸¹ National Economic and Social Development Board (NESDB), 1992, *The Seventh National Economic and Social Development Plan (1982-1996)*, Bangkok: NESDB, Office of the Prime Minister, p. 6.

⁸² *Ibid.*, p. 2.

⁸³ *Ibid.*, p. 3.

⁸⁴ *Ibid.*, p. 17.

⁸⁵ *Ibid.*, p. 18.

development over the past three decades, it recommended the government play only a supporting role while strongly stressing the role of the private sector as the engine of national economic growth.

Factors stimulating export-led growth

Besides the Plans, there were other important factors stimulating the export-led growth and the development of regional centres during the early 1980s and early 1990s.

First, the Prem government (1980-1988) experienced relative political stability. It survived two abortive coups staged by the “Young Turks” in 1981 and 1985 respectively. However, it received support from the “Democratic Soldiers” group who had been the architects of the counter-insurgency strategy. The group, led by General Chavalit Yongchaiyudh, attempted to reform the rice trade and a state-owned fertiliser project and to develop irrigation resources and local infrastructure through the Green Isan Project (*khrongkan isan khieo*).⁸⁶

Secondly, the Prem government decided to move towards the export-led industrialisation advocated by foreign creditors, politicians with business backgrounds, technocrats, bankers and potential exporters to boost economic growth. It devalued the baht by 14.7 per cent in November 1984 and the link with the US dollar was replaced with “an undisclosed ‘basket’ of currencies of major trading partners”.⁸⁷ By the end of 1987, it allowed the baht to “float downwards resulting in an effective devaluation of around 20 per cent”.⁸⁸ This made Thailand attractive for investors from Japan, Korea, Taiwan and Hong Kong who were looking for low-cost production sites in Southeast Asian countries. They began to invest in Thailand in 1985 and this increased rapidly in 1988. Later, some of the investment was in joint ventures with domestic Thai companies.

Thirdly, as Thailand’s former ‘socialist’ neighbours, namely Burma, Laos, Cambodia and Vietnam, changed their policies to adopt capitalist free market development approaches in the 1980s, the Chatchai government (1988-1991) allowed Thai domestic business groups to invest and trade with these countries according to his slogan of “changing the battlefield into a marketplace”. At the same time, the government launched a strategy to improve regional growth centres following the Fifth Plan. The government sought to develop the Northeast into an industrial centre, the North into a tourist centre, the South and the East into exporting centres, and the Central Plain and

⁸⁶ Pasuk and Baker, 1995, *Thailand...*, ch. 10

⁸⁷ *Ibid.*, p. 150.

⁸⁸ *Ibid.*, p. 150.

Lower North into agricultural-export centres. The development strategy of the Chatchai government was designed to persuade foreign investors to invest in Thailand rather than in the former socialist countries. The government strategy involved over 100 projects of rural infrastructure in every region.⁸⁹

The development of infrastructure and other facilities attracted investors of capital both in Thailand and from overseas. In 1988, the total investment in the Northeast was 11.86 hundred million baht. In 1989, the official estimate of the investment was about 5 thousand million baht.⁹⁰ The foreign investors were interested in not only investing in Thailand but also using it as a “springboard” to access the neighbouring Indochinese countries.⁹¹ In developing infrastructures, Thailand received both foreign loans and aid from various countries, for instance, the UK offered a 4,000 million baht grant and a 7,000 million baht loan; Denmark proposed to assist an agricultural investment project worth 600 million baht; and Japan invested 40 million baht in steel wire production.⁹² Thus, compared with the previous two decades, industrialisation and commercialisation in Thailand from the late 1980s widened in terms of volume of investment and scale of operation.

Fourthly, since the late 1980s, cheap labour seemed to be more readily available. As the proportion of GDP from the agricultural sector declined to 12 per cent in 1993, the contribution from industry, manufacturing and services increased by 38, 26 and 50 per cent respectively in the same period.⁹³ The marginal of the Thai rural population moved to the big cities in search of additional income from non-farming activities. The closure of forest frontiers by the government to remedy the problem of forest depletion also resulted in more rural migration into urban areas. Moreover, unskilled cheap labour came also in the form of migrants from the neighbouring former socialist countries to work on construction sites in the cities.⁹⁴

Fifthly, the Chuan coalition government (1992-1995) offered special privileges to those business firms which located outside Bangkok. For instance, in April 1993, the BoI offered “additional import-duty exemptions and extended tax holidays to investors

⁸⁹ See *Athit Weekly*, 1995 (2538), various issues.

⁹⁰ Yang Xiao-Hui, 1990, “On Thailand’s ‘Green Northeast Project’”, Paper presented at the Fourth International Conference on Thai Studies, Institute of Southeast Asian Studies, Kunming, p. 155.

⁹¹ *Ibid.*, p. 156.

⁹² *Ibid.*, p. 157.

⁹³ Pasuk and Baker, 1995, *Thailand...*, p. 153.

⁹⁴ More than half a million migrants from Cambodia, Laos and Burma sought to work in Thailand. The Thai government decided to let them work in 39 provinces. Chitraporn Vanaspong, 1996, “Importing Problems?”, *Bangkok Post*, 21 July, p. 17.

willing to locate outside greater Bangkok and its surrounding provinces”.⁹⁵ The stimulation of export-led growth was, however, not without impact on the rural population, nor without resistance from rural people.

Social conflicts and movements

Social conflicts unfolded in every region during the period of relatively open political system in the late 1980s and early 1990s. A report by the Interior Ministry recorded that 713 rallies arranged by people’s organisations occurred in 1994 – 204 protests were in the Northeast, 161 in the North, 151 in the South, 82 in the Central Plain and 115 in and around Bangkok.⁹⁶ The report also noted that there were 694 rallies in 1995 and argued that the number of protests was likely to increase unless the government devised and implemented effective approaches to tackle the socio-economic problems faced by the poor.⁹⁷ Due to the limited space here, I shall provide only a brief summary of several prominent protests arising during the period. The circumstances of the May 1992 political crisis are also presented to provide some background illustrating why there is a strong call for social and political reform among Thai intellectuals and NGOs.

Social movements in the form of collective protests were used by poor people to express grievance when their livelihoods were threatened by the government’s promotion of economic growth without giving due attention to the social consequences. The protests were centred around conflicts over resource use and allocation. Nevertheless, the conflicts involved different actors and organisations and derived from a multiplicity of causes in different situations. The key issues were largely concerned with poor people’s access to resources (such as land and forest), their working conditions and housing. The agents depriving villagers of resources were the military, government officials or businesses. The methods of protest chosen varied from confrontation to political lobbying.

The conflict between villagers living in Thaplan National Park and the Second Army Region had complex causes originating from the plan to relocate the villagers to make way for a “reafforestation” programme.⁹⁸ During the 1960s and 1970s, the military had

⁹⁵ *Far Eastern Economic Review* (hereafter *FEER*), 14 April 1994, p. 23; *Bangkok Post*, 27 May 1996.

⁹⁶ The Report was cited in the *Bangkok Post*, 21 April 1996.

⁹⁷ *Ibid.*

⁹⁸ Due to the long-standing encroachment in the national forest by illegal logging, farming, and the government’s construction of infrastructure (such as large-scale dams and roads), the forest area was reduced from 109.5 million rai or 34 per cent of total land area in 1978 to 90 million rai or less than 28 per cent of the total land area in 1989 (The Seventh Plan, 1992, p. 3). As a result, the Royal Forestry Department (RFD) initiated a long-term programme to maintain 40 per cent of the total area in Thailand under forest. One of the RFD’s activities was to expand eucalyptus plantations by planting a fast-growing species like *Eucalyptus camaldulensis*. P. Hirsch and L.

allegedly encouraged landless peasants to encroach on and farm in the forest as a way of keeping the ‘communist insurgency’ at bay. However, after the decline of the communist movement, the government decided to address the problems of forest depletion. The people were subsequently pushed out of the forest to permit the expansion of a eucalyptus plantation by the Royal Forestry Department (RFD). A group of Dong Yai villagers (Pakham district, Buri Ram province) resisted eviction by burning down some parts of the plantation and the eucalyptus nursery in 1989 and 1990.⁹⁹ The military’s Land Resettlement Project, initiated in 1990 by the Second Army Region, local MPs and provincial governors from 17 provinces in the Northeast, helped relocate the villagers out of the forest. The military officers involved in the Project allegedly facilitated the issue of concessions to some logging companies to cut down about 6,500 trees.¹⁰⁰ When the villagers were reluctant to move, the military adopted forced relocation. It began to forcibly relocate No:ng Yai villagers onto the cassava plantations of Satakhian villagers (of Soengsang district, Korat province) who protested strongly. The Dong Yai villagers, led by *Phra* Prachak, came to urge the No:ng Yai villagers not to move off their land, thereby resisting the military’s relocation. The Dong Yai villagers then clashed with a group of military. We can see that this conflict involved the people from three villages, the RFD, and the military from the Second Army Region, and, on a number of issues ranging from the extension of a eucalyptus plantation, alleged illegal logging and the use of violent approaches to village relocation. Wherever the military’s Land Resettlement Project was conducted in the Northeast, it provoked villagers’ protests similar to the above example (a similar relocation plan was adopted by the military in Village 3; see Chapter 6).¹⁰¹

The mass demonstration led by the Forum of the Poor is another good example. In 1996, between 5,000 and 12,000 protesters from various provinces (such as Si Sa Ket, Nong Khai, Udon Thani, Khon Kaen, Yasothon, Roi Et, Ubon Ratchathani and Surin) rallied for several days in front of the Parliament House, Bangkok, to put pressure on the government to tackle their problems which they claimed arose from different kinds of government ‘development’ projects. Factory workers from Samut Sakhon, Nakhon

Lohmann, 1989, “Contemporary Politics of Environment in Thailand”, *Asian Survey*, Vol. 24, No. 4, April. *Eucalyptus camaldulensis*, known as “River Red Gum”, is a native of inland Australia.

⁹⁹ *Khao phiset*, 22-28 April 1991 (2534), pp. 26-27.

¹⁰⁰ *Khao phiset*, 16-22 September 1991 (2534), pp. 28-30. The military’s Land Resettlement Project was known in Thai as *Khrongkan jat thi thamkin hai kap ratsado:n phu yakrai nai phu’nthi pa sa-nguan su’amsom* or shortened as “khor jor kor”. See also Local Development Institute (LDI), 1992 (2535), *Pa, thidin lae khor jor kor: thang o:k thi pen tham* [Forest, Land and Khor Jor Kor: A Fair Way Out?], [in Thai], Bangkok: LDI; and *The Nation*, 17 September 1991.

¹⁰¹ Due to the protests by villagers, students, the media and NGOs, the military’s Land Resettlement Project was terminated on 3 July 1992 following the cabinet’s decision dated 23 June 1992. *Athit Weekly*, 28 January-3 February 1994 (2537), pp. 25-27.

Prathom and Samut Prakhan provinces came to join the protest. The protesters made a number of demands which included calling on the government to settle land disputes with the state authorities; to provide “fair compensation” for villagers affected by dam constructions and the expansion of eucalyptus plantations; to improve conditions for workers; and to provide housing for slum dwellers.¹⁰² Due to the different nature of the demands, the protesters divided themselves into four groups to negotiate with four ministers (Science, Technology and Environment; Public Health; Interior; and Agriculture and Cooperatives). Owing to the range of complex issues to be negotiated in each group, the results were far from satisfactory for the parties concerned.¹⁰³

Unlike the conflicts in the countryside, the 1992 May crisis had a clear-cut unified purpose; that is, to oppose the military’s interference in politics. The interference started when a group of military under the banner of a National Peace Keeping Council (NPKC) staged a coup to oust the Chatchai government in February 1991. The NPKC, led by Generals Sunthorn Khongsomphon and Suchinda Kraprayun, appointed a Constitution Drafting Committee to write the 1991 Constitution. This constitution stipulated that the Prime Minister need not be an elected MP, but could be designated by the Senate. It also gave the NPKC power to appoint 270 out of 360 Senators (most of the appointees were military officers).¹⁰⁴ After forming a coalition government, the pro-NPKC political parties moved to support Suchinda for Prime Minister although he had not stood for an election (see related issue in Chapter 5). The appointment of Suchinda prompted, in the first place, a hunger strike by Second Lieutenant Chalot Vo:rachat, a former MP, followed by peaceful rally (from 4 to 10 May) organised by the Campaign for Popular Democracy (CPD), Student Federation of Thailand (SFT) and several NGOs. The protesters demanded constitutional amendment.

As Suchinda did not keep the promise to amend the 1991 constitution, the number of protesters grew to some 200,000 and spread to regional cities such as Chiang Mai, Khon Kaen, Surat Thani and Songkhla. At this point, the demonstrators called for his resignation and demanded constitutional amendment. Sungsidh and Pasuk note of the demonstrations that: “The typical member of the ‘mob’ was a well-off, well-educated, white-collar worker”.¹⁰⁵ Although the military government adopted violent means to

¹⁰² *Bangkok Post*, 21 April 1996 and 11 August 1996.

¹⁰³ *Bangkok Post*, 21 April 1996.

¹⁰⁴ International Fact-Finding Mission, 1992, “Crisis in Democracy”, Report of an International Fact-Finding Mission to Thailand on the Events of 17th-20th May in Bangkok, written by a network of regional NGOs based in Hong Kong, p. 6.

¹⁰⁵ Sungsidh Piriyaarangsarn and Pasuk Phongpaichit, 1993, “Introduction: The Middle Class and Democracy in Thailand”, in Sungsidh Piriyaarangsarn and Pasuk Phongpaichit (eds), *Chonchanklang bon krasae prachathippatai thai* [The Middle Class and Thai Democratisation], [in Thai], Bangkok: The Political Economy Centre, Faculty of Economics, Chulalongkorn University, p. 28.

suppress the mass movement, it could not stop the flow of information and communication channels (in particular mobile phones and Internet) between protesters and their supporters around the globe. The media attention world-wide was one of the important factors putting pressure on the military to step down and let the tide of 'liberal democracy' continue to flow.

Social and political reform

Many studies recognise that social conflicts are legacies of past rapid but uneven development. Girling, for example, correlates the outcomes of past development as "twin peaks" and "disturbing shadows".¹⁰⁶ The "twin peaks" refer to the achievement of economic growth, the growth of civil society and democratisation whereas "disturbing shadows" are cast by the social costs of rapid industrialisation, conflicts over resources and centralisation of power. The "money politics", by which Girling refers to the activities of "trading power for wealth, and wealth for power", is one of several factors causing the weakness of the system.¹⁰⁷ The "money politics" involves a range of conduct from political candidates buying votes to enter the parliamentary system to self-serving bureaucrats and cabinet ministers who abuse public resources for private gain. Concerned Thai scholars, such as Prof Prawase Wasi and Prof Chai-anan Samudhavanija, feared that without social and political reform, the present system might collapse if it were unable to fulfil the demands of the majority poor to tackle complicated socio-economic problems affecting them.

The attempts of Thai intellectuals, development planners and practitioners – in particular NGOs – to stimulate social and political reform to handle social conflicts are seen in, at least, three main areas. First, the Eighth Plan (1997-2002) emphasises "human development" as the main objective of national development while promoting economic growth as the first priority in regional areas. It aims to promote manpower in science and technology by increasing the budget for research and development. It also aims to strengthen the role of family and community. The National Institution for Children and Family Development initiated by Mahidol University will help the Department of Community Development in the Ministry of Interior to recruit and develop personnel experienced in family and childhood development. The National Rural Development and Decentralisation Committee (NRDDC) will receive special approval from the government to monitor the efficiency of the rural development administration. The Plan seeks the cooperation of the private sector, people's organisations and NGOs to remedy rural poverty and to encourage resource protection

¹⁰⁶ J.L.S. Girling, 1996, *Interpreting Development: Capitalism, Democracy, and the Middle Class in Thailand*, Ithaca: Cornell University Press, pp. 77-91.

¹⁰⁷ *Ibid.*, pp. 35-40.

and environmental management.¹⁰⁸ Although the Eighth Plan seems to deploy an outlook of human-centred development, its aims may not be fully achieved as the personnel and mechanisms to implement and monitor the Plan are still inadequate.

Secondly, between 1992 and 1994, Thai academics and NGOs called for “decentralisation” of power and local level political reform to provide a political space for local people to participate in resource protection and management and to tackle the problems of conflict over resources in rural Thailand. However, the “power play” in the Chuan coalition government (1992-1995) and in the Ministry of Interior was apparent in the debate over two possible approaches to decentralisation. One was the election of the provincial governors: the other was the legal establishment of *tambon* (sub-district) councils.¹⁰⁹

The proposal for direct election of provincial governors was subject to greater opposition than that for the establishment of *tambon* councils. The government decided to support the less controversial latter proposal.¹¹⁰ In November 1994, it passed a bill to raise the legal status of *tambon* councils to that of a legal entity able to levy and collect taxes, to enter into commercial contracts and receive funds from the central government.¹¹¹ A *tambon* council which was able to collect local revenue of 150,000 baht in three consecutive years would be given the status of *Tambon*

¹⁰⁸ National Economic and Social Development Board (NESDB), 1997, *The Eighth National Economic and Social Development Plan (1997-2001)*, Draft Version, Bangkok: NESDB, Office of the Prime Minister.

¹⁰⁹ The *tambon* council (or *sapha tambon*) is an administrative unit of local government. It is chaired by *kamnan* or sub-district head (elected by local people) and comprises *phuyaiban* or village heads from each village in the sub-district, a sub-district doctor, a primary school teacher and an ex-officio member. A secretary of the *tambon* council is appointed from among government officials working in the sub-district. The *tambon* council is concerned with local-level development programmes.

Before the *Tambon* Council and *Tambon* Administrative Organisation Act of B.E. 2537 (1994) was enacted, a *tambon* council was not legally recognised administrative body. Under the new law, the council has authority to make independent financial decisions. See Medhi Krongkaew, 1995, “The Political Economy of Decentralisation in Thailand”, *Southeast Asian Affairs*, Singapore: ISEAS, pp. 343-361.

When working as a school teacher in Korat province in 1975, I was appointed as the secretary of a *tambon* council.

¹¹⁰ The Chuan coalition government was split into two factions over the debate on direct election of provincial governors. Palangdham and Solidarity parties campaigned for the direct election of provincial governors whereas Democrat and New Aspiration parties wanted to move cautiously as Chuan Leekpai, the Prime Minister at that time, argued: “The Interior Ministry must be given time to work on this, since the distribution of administrative power to the provinces does not involve only the election of governors”. Chuan’s argument, albeit rational, inevitably supported a group of conservative top-rank bureaucrats in the Ministry of Interior who strongly opposed the decentralisation of power. However, Anand Panyarachun, former Prime Minister, had a different view when he remarked that: “Some people have suggested in the provinces that those provinces which are ready to hold such elections should go ahead and do it, while those not yet prepared to stage them should be allowed to wait”. *Bangkok Post*, 30 January 1994.

¹¹¹ Medhi, 1995, “The Political Economy...”, p. 350.

Administration Organisation (TAO) which allowed the separation of legislative and administrative functions, thus creating a form of local self-government. However, some critics, including NGOs, argue that the legislation still gives limited decision-making power to local people as provincial and district authorities retain control over the *tambon* councils and TAOs through the Ministry of Interior's hierarchy and have the right to dissolve the bodies under specified circumstances.¹¹²

Finally, since June 1995, a group of Thai intellectuals have organised themselves under the banner of the Democracy Development Committee (DDC), led by Prof Prawase and called for the full commitment of the public to push for political reform. The DDC's aim is to create a law-based society. More concretely, it tries to prevent rampant vote-buying politicians from entering the parliamentary system and to scrutinise executive administrators at all levels to preclude corruption.¹¹³ The political reform began with amendment of Article 211 in the 1991 Constitution ensuring that a special committee to draft a new constitution would be legally established.¹¹⁴ Trying to win support from urban middle classes, the unstable Banhan government (1995-1996) had to accept the DDC's proposal for the political reform. After many months of debate about who and how many would be on the new drafting committee, the amendment bill was eventually passed with overwhelming support from both the House of Representatives and the Senate on 14 September 1996.¹¹⁵

The amendment bill allows the establishment of the Constitution Drafting Assembly (CDA). The assembly, composed of 99 members, is made up of two groups. The first includes 76 representatives elected by the parliament from each province; the second 23 academics appointed by the parliament.¹¹⁶ The drafting of the charter will cover: guaranteeing and promoting individual freedom and fundamental rights; more even distribution of wealth and power; amending legislation to allow better governance; increasing public participation in politics at all levels and encouraging civic duties.¹¹⁷ The charter is expected to be finalised in August 1997.

¹¹² *Ibid.*, pp. 349-350; and P. Hirsch, 1994, "The Thai Countryside in the 1990s", *Southeast Asian Affairs*, Singapore: ISEAS, p. 326.

¹¹³ *Bangkok Post*, 15 June 1995 and 3 October 1995.

¹¹⁴ *Bangkok Post*, 6 August 1995.

¹¹⁵ *Bangkok Post*, 15 September 1996 and various issues about the debate whether or not the new drafting committee should include politicians especially *Bangkok Post*, 6 August 1995 and 30 June 1996.

¹¹⁶ *Bangkok Post*, 9 July 1996. Among 23 academics, eight experts are in political science and public administration, eight in public law and the rest have political experience in some ways, for instance, in government administration and in drafting constitutions in the past.

¹¹⁷ *Bangkok Post*, 28 January 1997.

The constitutional amendments are only part of the political reform. Dr Kaosan Atipho, a law lecturer from Thammasat University says that the political reform does not aim to achieve “clean politics” but to encourage ordinary people to be aware of their own rights to development.¹¹⁸ Jamie Retell, an observer of Thai politics, argues that the political reform does not end only at “a few simple constitution amendments” but that there must also be “an increase in the average level of education in the less developed areas of the country and a fundamental redistribution of wealth to such places”.¹¹⁹ This task requires a great deal of ‘political will’ from the government to make it happen – or otherwise the reform would fail to tackle social conflicts resulting from rapid socio-economic and political changes in a peaceful way.

Regional transformation

Upper Northern region

Following topographies and popular cultures, the Northern region is composed of two parts: the Upper North and Lower North.¹²⁰ The Upper Northern region is mountainous. About 5.2 million rai or 8 per cent of the total area is lowland; 18.9 million rai or 29.6 per cent is upland; 39.8 million rai or 62.4 per cent is highland. The population includes hilltribes (Karen, Hmong, Lisu and others), and the Northern Thais or *khonmu'ang* who speak *Khammu'ang* or “Northern Thai dialect” and have their own culture distinct from the Thais in other regions. The Lower North is about 13.5 million rai or 32.1 per cent lowland; 13 million rai or 30.9 per cent upland; and 15.6 million rai or 37 per cent highland.¹²¹ The people in the Lower North have a language in which dialects are mixed between Northern and Central Thai.

In the late 1960s, the Thai government initiated regional development plans assisted by a number of foreign experts. The initiatives began in the Northeast in 1968, the North

¹¹⁸ *Bangkok Post*, 30 June 1996.

¹¹⁹ J. Retell, 1995, “Political Reform Entails More Than Constitutional Amendments”, *Bangkok Post*, 20 August, p. 22.

¹²⁰ The Upper Northern region includes nine provinces namely Chiang Mai, Chiang Rai, Mae Hong Son, Lamphun, Lampang, Phayao, Nan, Phrae and Tak and covers an area of 63.9 million rai or 60.3 per cent of the whole Northern region. The Lower Northern region is composed of eight provinces namely Khamphaeng Phet, Nakhon Sawan, Phichit, Phitsanulok, Phetchabun, Sukhothai, Uttaradit, and Uthai Thani.

¹²¹ Northern Development Centre, NESDB, 1992 (2535), “Okat lae naeothang kan phatthana phaknu'a nai raya kho:ng phaen phatthana chabap thi jet por sor 2535-2539” [Opportunity and Direction of Development in the Northern Region during the Seventh Plan, B.E. 2535-2539 (1992-1996)], [in Thai], Chiang Mai, p. 1.

in 1970 and the South in 1973.¹²² With assistance from the Israeli government, the Northern Development Centre produced the 1973 Northern Regional Plan which proposed to promote agro-industries, urban growth centres, industrial estates and tourist industries in line with the national development plans. To develop agricultural commodities for export, the 1973 Plan sought to extend intensive multiple croppings and adopt more advanced farming technology in lowland areas.¹²³ The 1973 Plan also suggested setting up industrial estates. This was followed by the 1989 and 1992 Northern Regional Plans which proposed industrial estates for a number of provinces such as Chiang Rai (clothing, jewellery), Lampang (pottery, agricultural machinery) Nakhon Sawan, Phitsanulok and Phrae (agro-industries).¹²⁴

The proposal to set up regional growth centres appeared in the Fourth and Fifth Plans but implementation only began from the Fifth Plan onwards. The Plans nominated Chiang Mai and Phitsanulok (Fourth Plan), Nakhon Sawan (Fifth Plan), Chiang Rai and Lampang (Sixth Plan) as regional growth centres.¹²⁵ The Plans specified the provision of better infrastructure to attract new industries into the regions. However, following the Seventh Plan, the 1992 Northern Regional Plan proposed to develop urban together with rural areas in order to maintain the “stability” of economic growth. That was because, in the past, the growth of urban areas had been promoted at the expense of the rural sector. Chiang Mai province is well-documented in terms of both agrarian transformation and rural-urban interrelations.

Chiang Mai province

Chiang Mai province is situated in the Chiang Mai-Lamphun valley (sometimes called the *Maenam Ping* valley) and shares a common boundary with Burma to the north, Mae Hong Son to the west, Tak and Lamphun to the south, Lampang and Chiang Rai to the east.¹²⁶ Chiang Mai has a 12,566,910 rai or 20,107 sq km area which was divided into

¹²² Judd, 1988, *In Perspective...*, pp. 91-92.

¹²³ Northern Development Centre, NESDB, 1973 (2516), “Rai-ngan kan wangphaen phatthana phaknu’a” [Report of Development Planning in the Northern Region], [in Thai], Chiang Mai, pp. 4, 8, 11, 31, 32, 35, 105 and 189.

¹²⁴ Northern Development Centre, NESDB, 1992 (2535), “Okat lae naeothang...”; and Northern Development Centre, NESDB, 1989 (2532), “Pradenlak lae okat kan phatthana phaknu’a” [Main Points and Opportunity for Development in the Northern Region], [in Thai], Chiang Mai.

¹²⁵ Since 1996, NESDB planners have changed their idea from developing each important province as a regional growth centre to promoting a group of provinces (*klum jangwat*) in each region. The Northern group of provinces includes Lamphun, Chiang Mai, Lampang and Mae Hong Son. See National Economic and Social Development Board (NESDB), 1996 (2539), “Phaen yutthasat kan longthun klum jangwat” [Strategic Plan for the Investment in Provincial Groups], [in Thai], Draft, NESDB, Bangkok.

¹²⁶ Chiang Mai has a long history as the centre of the Northern region. It was the capital city of the Lanna Thai kingdom long before Bangkok was established as the centre of administration of the Siamese kingdom. Chiang Mai became the administrative centre of *Monthon Phayap* or

19 districts, 192 sub-districts and 1,628 villages as of 1989.¹²⁷ The Muang district, where Chiang Mai city is located, is administratively called *thetsaban nakho:n* (municipal area) or “urban place”.¹²⁸ The city is surrounded by six satellite districts namely Mae Rim and San Sai to the north, Doi Saket and San Kamphaeng to the east, Saraphi and Hang Dong to the south (see Map 1.1). The population of Chiang Mai province was about 1.15 million in 1980 and 1.38 million in 1990.¹²⁹ In 1980, 8.8 per cent lived in urban areas whereas the other 91.2 per cent resided in rural areas.

There appear a number of interesting studies concerning socio-economic and political changes and impacts on the rural population at different times and places in Chiang Mai.¹³⁰ However, recent studies encourage new researchers and policy planners to extend their perspectives so as to understand complicated social relations in both rural and urban areas. For instance, Werasit uses a “rural transformation framework” to study changes in two villages of Saraphi district, Chiang Mai, because it helps him to understand different perspectives of different actors (such as government officials, villagers, traders and even the author himself) involved in the changes. The study, he believes, provides a socio-political space “...for other interpretations to be made and analysed” so that an explanation close to social reality could be obtained.¹³¹ In line with Anchalee, Ritchie sees social mobility between Chiang Mai and the surrounding rural areas as a “rural-urban interpenetration” via the flow of commodities, luxury goods, agricultural commercialisation and labour.¹³² Ritchie’s study shows that the

“Northwestern region” under Bangkok’s supervision in 1796. Since 1900 when the region was fully incorporated under the Bangkok administration, Chiang Mai has maintained its importance as the centre of the Upper Northern region. See G. Wijeyewardene, 1985, “Great City on the Ping River: Some Anthropological and Historical Perspectives on Chiang Mai”, *Political Science Review*, Faculty of Social Sciences, Chiang Mai University, Academic Series No. 6, December 1984-May 1985, pp. 86-112.

¹²⁷ Office of Chiang Mai Province, 1989 (2532), “Banyai sarup jangwat chiang mai pi 2532” [Brief Description of Chiang Mai Province in the Year 1989], [in Thai], Provincial Office, Chiang Mai, p. 5/1.

¹²⁸ Anchalee, 1982, “Northern Thai Mobility...”, p. 50.

¹²⁹ Northern Development Centre, NESDB, 1992 (2535), “Okat lae naeothang...”, p. 9.

¹³⁰ For example, Anan Ganjanapan, 1984, “The Partial Commercialisation of Rice Production in Northern Thailand (1900-1981)”, PhD thesis (Anthropology), Graduate School, Cornell University; Anan Ganjanapan, 1989, “Conflicts over the Development and Control of Labour in a Northern Thai Village”, in G. Hart *et al.*, *Agrarian Transformation...*, pp. 98-122; A. Turton, 1989, “Thailand: Agrarian Bases of State Power”, in *ibid.*, pp. 53-69; A. Turton, 1989, “Local Powers and Rural Differentiation”, in *ibid.*, pp. 70-97; Chayan Vaddhanaphuti, 1984, “Cultural and Ideological Reproduction in Rural Northern Thai Society”, PhD thesis (Anthropology), The School of Education, Stanford University; and S. Tanabe, 1994, *Ecology and Practical Technology: Peasant Farming Systems in Thailand*, Bangkok: White Lotus.

¹³¹ Werasit, 1988, “Rural Transformation...”, p. 443.

¹³² Ritchie cites a 1988 survey by Bhansoon and Vasant to show that 51.85 per cent of workers in Chiang Mai came from surrounding areas and 42.77 per cent of the workers live within a 45-minute travel zone. M.A. Ritchie, 1996, “From Peasant Farmers to Construction Workers: The Breaking Down of the Boundaries Between Agrarian and Urban Life in Northern Thailand, 1974-1992”, PhD thesis, Department of Sociology, University of California at Berkeley, p. 113.

peasants of Ban Lek in Mae Rim district who live close to the city seek non-farm activities to enable them to sustain their farms. He encourages researchers and policy planners to widen the scope of study to include non-farm activities as part of village life because boundaries between rural and urban areas nowadays are hard to distinguish.¹³³

Besides the increase in population, Sopon argues, following Sanay, that four factors have contributed to the physical expansion of Chiang Mai city especially since the 1960s.¹³⁴ They were, first, the stimulation of central government development plans and policies; secondly, the improvement in transportation, education and communications; thirdly, the investment by domestic and international companies; and fourthly, the availability of labour for the industrial and service sectors.¹³⁵ After the implementation of the First Plan, the pattern of expansion of Chiang Mai is seen in two periods.

The first period was in the 1970s and 1980s (see Map 2.1). The government developed infrastructure and expanded educational institutions to stimulate economic growth in the region. For instance, during the early and mid-1960s, the government developed the Chiang Mai-Fang road, improved interprovincial bus terminals, and established Chiang Mai University and Chiang Mai Teachers' College. The "growth points", namely, daily markets, bus terminals and educational institutions, encouraged investors of capital from Bangkok and elsewhere to open businesses (e.g. hotels, restaurants, banks and housings) in Chiang Mai. As the city expanded to the north and to the west, some Thai-Chinese land speculators and wealthy government officials sought to buy land in the line

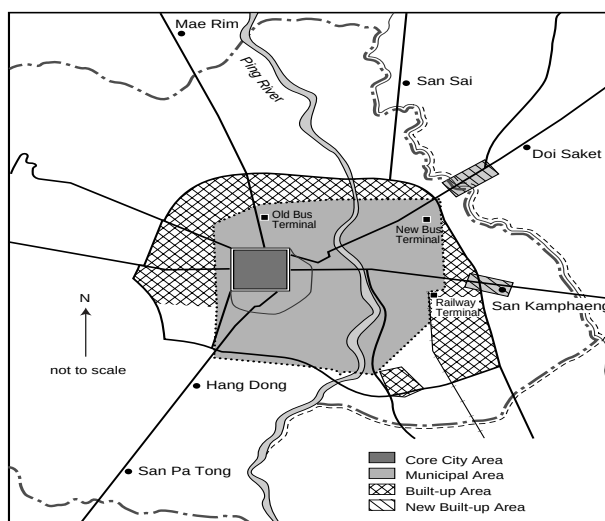
See also M.L. Bhansoon Ladawan and Vasant Siripool, 1987 (2530), *Phonkrathop kho:ng khrongkan phatthana mu'anglak thi mi to: phu'nthi doi ro:p: Ko:rani suksa mu'ang chiang mai* [The Impact of the Regional City Development Project upon Outlying Areas: A Case of Chiang Mai City], [in Thai], Research Report, Social Research Institute (SRI), Chiang Mai University.

In the case of Malaysia, Brookfield and others study the physical coexistence between the city and village which they describe as "the interpenetration of city and countryside" because neither is wholly rural nor wholly urban, but both coexisted. See H. Brookfield *et al.*, 1991, *The City in the Village: The In-Situ Urbanisation of Villages, Villagers and Their Land Around Kuala Lumpur, Malaysia*, Singapore: Oxford University Press.

¹³³ Ritchie, 1996, "From Peasant Farmers...", p. 364.

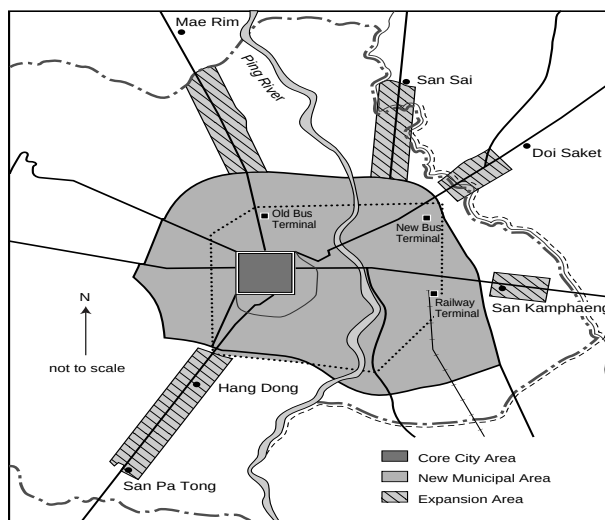
¹³⁴ Sopon notes that between 1970 and 1980, a 5.2 per cent of annual population growth rate in suburban areas was recorded by the Department of Local Administration (DOLA). Sopon Thangphet, 1993, "The Impact of Urbanisation on Local Resource Management: A Case Study of an Indigenous Irrigation Community in Northern Thailand", MA thesis (Urban Studies), Department of Urban and Regional Planning, University of Sydney, p. 46.

¹³⁵ *Ibid.*, p. 42.



Map 2.1 Expansion of Chiang Mai City and Surrounds from 1970 - 1980.

Source: Sopon, 1993, p. 47.



Map 2.2 Expansion of Chiang Mai City and Surrounds from 1980 - 1993.

Source: Sopon, 1993, p.50.

of city expansion.¹³⁶ Due to the absence of effective government land-use planning and control over urbanisation, much fertile lowland was transformed into non-agricultural purposes, such as housing, or left idle awaiting some high-profit urban development project.¹³⁷

The second period was between the 1980s and early 1990s (see Map 2.2) when several important factors influenced the rapid expansion of Chiang Mai. First, as the government began to promote Chiang Mai as a growth centre in the Upper Northern region in the early 1980s, concerned academics and development planners were afraid that Chiang Mai would become a “primate city” like Bangkok. They therefore proposed the development of surrounding districts as “satellite towns” to reduce the density of population and industrialisation.¹³⁸ In 1987, Dr Phairat Decharin, the late provincial governor, focused his work on the city’s expansion.¹³⁹ The main roads linking the city and surrounding districts were subsequently improved, providing easy access to transportation and communications. Secondly, between 1988 and 1993, the Thai economy recovered from recession, (caused partly by the increase in oil prices during the late 1970s and early 1980s), and experienced a high economic growth rate of about 10 per cent per annum.¹⁴⁰ Rapid economic growth obtained from agricultural exports, industrial and service sectors prompted investors both in Thailand and overseas to expand their investment in regional cities such as in Chiang Mai. As shown in Maps 2.1 and 2.2, two major corridors in the north (Mae Rim and San Sai districts) and the south (Hang Dong and San Pa Tong districts) expanded more than others because they have better physical environments, social services and infrastructure.¹⁴¹

Without effective government control over land use planning, land speculators, urban developers and investors bought well-irrigated agricultural lands and transformed them into housing projects, factories, tourist resorts and golf courses. They then put pressure on the government to improve infrastructure and other facilities. Many land transfers

¹³⁶ Anchalee, 1982, “Northern Thai Mobility...”, p. 246.

¹³⁷ Sopon, 1993, “The Impact of Urbanisation...”, p. 46.

¹³⁸ Suri Bunyanuphong and Atsadang Porananon, 1986 (2529), “Naeothang kan phatthana phu’nthi mu’ang bo:riwan kho:ng mu’ang chiang mai” [Proposal for Developing Dormitory Towns of Chiang Mai], [in Thai], SRI, Chiang Mai University.

¹³⁹ Phairat Decharin, 1991 (2534), “Kan sang mu’ang mai kho:ng jangwat chiang mai: Hetphon lae kan damnoenkan” [The Expansion of Chiang Mai Province: Rationale and Working Process], *Anuso:n ngan phraratchathan phoengsop Dr Phairat-Associate Professor Suphap Decharin* [The Commemoration on the Occasion of the Funerals of Dr Phairat and Associate Professor Suphap Decharin], [in Thai], Bangkok: DOLA, pp. 90-104. Dr Phairat and his wife died in a plane accident on 26 May 1991 in Suphan Buri province.

¹⁴⁰ Pasuk and Baker, 1995, *Thailand...*, p. 152.

¹⁴¹ Sopon, 1993, “The Impact of Urbanisation...”, p. 49.

involved local officials, such as sub-district heads and village headmen or ‘local powers’, acting as brokers between small-scale peasants and land buyers. The peasants sold their lands for various reasons, for instance, to pay off debts, or because of drought, or they were forced to sell their land because access to transportation was blocked when all the adjacent land was sold.¹⁴² There was considerable competition and sometimes conflict over land and related resources impacting on my study areas in Mae Rim district, as will be explained below.

Mae Rim district

Mae Rim district is about 16.5 km north of the centre of Chiang Mai city.¹⁴³ However, since the new Chiang Mai provincial office was moved to a location 8 km north on the Chiang Mai-Fang highway in 1982, the distance between Mae Rim district and Chiang Mai administrative centre has been reduced to only 8.5 km. Mae Rim district shares common boundaries with other districts, for instance, with Mae Taeng to the north, San Sai to the east, Muang and Hang Dong to the south and Samoeng to the west. Transportation between the city and the district is via the Chiang Mai-Fang highway. The road was built following an old caravan trade route from Chiang Mai to Burma in 1927 and upgraded as a highway in 1989.¹⁴⁴ Other main roads connect Mae Rim with Samoeng to the west and with San Sai to the east. A number of laterite feeder roads link Mae Rim and its sub-districts.

The location of Mae Rim is on the west bank of the Ping river at about 324 metres above sea level. Its area is about 495 sq km and it slopes from high lands in the north, west and southwest down to flood plains in the east and south. Its water resource includes three main streams, namely, Nam Mae Rim, Nam Mae Sa and Nam Mae Raem. It has two conservation forests which cover 226.5 sq km or 45 per cent of the district area.¹⁴⁵

¹⁴² Somkit Kaeothip, 1989 (2532), “Kan suksa choeng nayobai kho:ng phonkrathop jak kan khayaitua kho:ng chumchon mu’ang to: kan plianplaeng kho:ng saphap setthakit sangkhom lae kan jatkan sapphayakho:n kaset: Ko:rani suksa chumchon mae jo amphoe san sai jangwat chiang mai” [Policy Study on Impacts of Urbanisation on Changes in Socio-Economic Conditions and Agricultural Resource Management: A Case Study of Mae Jo Community, San Sai District, Chiang Mai Province], [in Thai], MA thesis (Agricultural Technology), Mae Jo Agricultural Technology College, Chiang Mai, p. 139.

¹⁴³ Office of Chiang Mai Province, 1986 (2529), *Prawat mahatthai suan phumiphak: jangwat chiang mai* [Regional History of the Ministry of Interior: Chiang Mai Province], [in Thai], Chiang Mai: Thipphanet kanphim, p. 95.

¹⁴⁴ Anchalee, 1982, “Northern Thai Mobility...”, pp. 144-152. Interview, INT-105-VIL, 24 January 1993, Mae Rim, Chiang Mai.

¹⁴⁵ Suri Bunyanuphong, 1986 (2529), “Phaen kan chai thidin kho:ng amphoe mae rim jangwat chiang mai” [Land Use Planning in Mae Rim district, Chiang Mai Province], [in Thai], SRI, Chiang Mai University, pp. 14 and 19.

Mae Rim is composed of 11 sub-districts (*tambon*), 71 villages (*muban*), and 1 *sukhaphiban* (literally translated as “sanitary administration area” where infrastructure is well developed) which covers Rintai and part of Mae Sa sub-districts.¹⁴⁶ In 1986, it had a population of 64,610. Of these, 95 per cent were Northern Thais or *khonmu’ang*, and 5 per cent were hilltribes such as Lua, Karen, Hmong, Yao and Lisu. About 80 per cent of the population were engaged in agriculture whereas the other 20 per cent were traders, public servants and wage workers. Approximately 90 per cent of the population were Buddhists; 9 per cent were Christians; and the rest were animist. There were 44 temples and 2 churches in the district.¹⁴⁷ Since the early 1980s, people from the cities, such as Bangkok and Chiang Mai, have purchased land and some have migrated to live in Mae Sa, Pongyaeng and Donkaeo sub-districts which are in the line of Chiang Mai city expansion.¹⁴⁸ At the same time, rural people began to earn off-farm income in the city to support their families in rural areas.

Interrelations between peasants, market and the city

The socio-economic history of Mae Rim district shows the interrelations between peasants, market and the city. For instance, in her research on Mae Sa village in Mae Sa sub-district, Anchalee found that in 1900 there were about 40-50 houses settled on the northern bank of Mae Sa river. Land was mainly used for growing glutinous rice and other items for household consumption such as soya bean (for making *thua nao khaep* or “fermented wafers of dried soya bean”¹⁴⁹), vegetables, native tobacco and fruits. During the dry season, some women were engaged in weaving and making clothes while others made the daily trip to markets in Chiang Mai city to sell fruit, vegetables, betel nut, tobacco and forest products (mushrooms, bamboo shoots, herbs, honey and *miang* tea; see more details in Chapter 5). Most of these forest products were bought from Pongyang villagers who lived on the hills to the west of Mae Sa Village.¹⁵⁰ These village traders, mostly female, left the village daily about 2 a.m., reached the city markets at dawn and returned to the village in the late afternoon for lunch. Citing Freeman’s observation, Anchalee noted that Chiang Mai markets were almost all run by female village traders.¹⁵¹ Some adult and juvenile males, however, went to work as seasonal wage workers in *miang* gardens on the hills, while others

¹⁴⁶ Eleven sub-districts in Mae Rim are: Rintai (including 5 villages), Rimnu’a (4 villages); Sanpong (8 villages); Khilek (7 villages); Huai Sai (5 villages); Mae Raem (10 villages); Pongyang (9 villages); Mae Sa (4 villages); Donkaeo (5 villages); Mu’angkaeo (6 villages); and Saluang (8 villages). Suri, 1986 (2529), “Phaen kan chai thidin...”, pp. 19 and 21.

¹⁴⁷ *Ibid.*, pp. 21 and 24.

¹⁴⁸ *Ibid.*, p. 24.

¹⁴⁹ Anchalee, 1982, “Northern Thai Mobility...”, p. 141.

¹⁵⁰ *Ibid.*, p. 153.

¹⁵¹ *Ibid.*, p. 153.

joined caravan traders travelling from one Thai province to another or, sometimes, between Thailand and neighbouring countries such as Burma and Laos. Villagers viewed these off-farm activities as an opportunity for “adventure, fellowship, popularity, and prominence as well as profit”.¹⁵² There were the interdependent relations between peasants, Chiang Mai city and markets, and the village traders who travelled between Thailand and neighbouring countries.

Roads, cash crops and modernisation

The introduction of new transport infrastructure, technology and private agricultural investment encouraged socio-economic changes in Mae Rim district. After the Chiang Mai-Fang highway was built in 1927, Mr Sibō Wutthidet, locally known as *Jaono:i* Sibō, encouraged villagers to build a village feeder road from Saluang No:k village of Saluang sub-district, where his sawmill was located, to No:ng Waen village of Mae Taeng district, so that he could transport timber from his sawmill to outside markets.¹⁵³ Villagers agreed to build the road because they would be able to have access to transportation to hospitals, schools and markets in the city.¹⁵⁴ In the late 1930s a local investor set up a tobacco kiln at Saluang No:k village and urged villagers to switch over from growing native tobacco to producing Virginia-Richmond tobacco after completion of the rice harvest (see Chapter 5). Some villagers began to grow the new species of tobacco. Others began to cut and collect firewood (*tat lua*) to earn cash income from the tobacco kiln.¹⁵⁵ However, villagers rarely felled big trees even for building their houses for fear of being punished by *jaonai* (referring to officials) until the early 1960s, when the villagers saw that the *jaonai* allowed private entrepreneurs to log timber, especially teak, in the Saluang forest. They then began to cut timber to build their

¹⁵² *Ibid.*, p. 152.

¹⁵³ Interview, INT-105-VIL, 24 January 1993, Mae Rim, Chiang Mai. Later on, *Jaono:i* Sibō pioneered a coconut plantation by using a tractor to work alongside elephants. Unfortunately, the plantation failed. The land had been left idle for the time being until a rich farmer from Lumphun bought the land, diverted it into small plots of rice field and sold them to villagers who were engaged in small-scale rice farming. The failure of the coconut plantation of *Jaono:i* Sibō provided an example of land transformation from subsistence to commercialised farming and *vice versa*. This failure did not mean that agricultural commercialisation came to an end.

Another example involving members of the royal family tried to experiment with ‘modern’ agriculture. In the early 1930s, *Jao* Dararassami, a consort of King Rama V (1868-1910), asked *Jao* Chu’n Sirorot to start experimenting with modern agricultural technique near her palace, “*Khum jao sabai*”, in Rimtai sub-district (near the present-day District Office). *Jao* Chu’n bought a piece of lowland, about seven rai, in Haui Jo village, where he grew cabbages using a plough, a harrow and an animal to work in the field. These tools and techniques such as soil treatment were new to the Northern Thai farmers in those days. See Nongyao Kanjanajari, 1990 (2533), *Dararassami: Phra prawat phra ratchaya* [Dararassami: A Biography], [in Thai], Chiang Mai: Suriwong Book Centre, pp. 175-179.

¹⁵⁴ Interview, INT-105-VIL, 24 January 1993, Mae Rim, Chiang Mai; Interview, INT-116-VIL, 27 January 1993, Mae Rim, Chiang Mai.

¹⁵⁵ Interview, INT-103-VIL, 23 January 1993, Mae Rim, Chiang Mai.

houses because they thought that they might miss out on using the valuable forest resource.¹⁵⁶

As roads linked the city and villages, local shopkeepers brought consumer goods (such as imported cotton prints, soap, tinned sardines, canned milk and cigarettes) to sell in the villages. Many of these consumer goods were attractive to the villagers who sought the cash income to purchase them. Chinese merchants acted as middlemen and encouraged villagers to expand areas of cultivation by renting rice fields from neighbours to grow cash crops, especially fresh vegetables. Villagers in lowland areas of Mae Rim responded to the encouragement because they saw the possibility of profit from selling fresh vegetables. In December 1941 when the Phibun government allowed Japanese troops to pass through Thailand into Burma, a British colony at that time, some of the troops used the Chiang Mai-Fang route and needed fresh vegetable supplies from the villagers. The people of Mae Sa and other villages in Mae Rim began to grow fresh vegetables for sale.¹⁵⁷ By the late 1940s, some villagers along the Chiang Mai-Fang route began to shift from self-sufficiency in favour of involvement in the market-oriented economy. As roads linked the villages with city markets, schools and hospitals, they became one of the symbols of rural modernisation for some people. For others, they facilitated the transportation of natural resources (teak and other timbers) and labour from the villages to the cities.

Competition over lowland resources

Since the early 1960s, the value of land has increased as it has become an important asset for investment and profit making. Rental rates on low fertile land suitable for agricultural commercialisation have also increased (see Chapter 5). The price of lowland with good infrastructure and suitable for housing and industrial uses has grown markedly as capital investors and officials, who came from Bangkok to work in Chiang Mai in universities and government departments, sought to buy “land within commuting distance of the provincial centres a [sic] most desirable investment”.¹⁵⁸ In 1976 about 25 absentee landowners, including the provincial governor, bought land in Mae Sa sub-district.¹⁵⁹ Also at this time, Mae Sa villagers who lived close to the city began to pursue both on-farm and off-farm activities so that they could afford to make ends meet. The high land price was attractive to some peasants who sold their lands. However, many peasants did not really want to sell their lands but were forced by

¹⁵⁶ Interview, INT-113-VIL, 27 January 1993, Mae Rim, Chiang Mai.

¹⁵⁷ Anchalee, 1982, “Northern Thai Mobility...”, pp. 172-173.

¹⁵⁸ *Ibid.*, p. 243.

¹⁵⁹ *Ibid.*, p. 243. This situation of land transaction also happened elsewhere. For an example in a Southern village, see McVey, 1984, “Changes and Consciousness...”, pp. 109-137.

difficult situations (e.g. the fluctuation of agricultural prices, the uncertainty of climate and the increase of household expenditure) to sell. Those who had difficulties selling their crops and subsequently could not pay back capital loans decided to sell their lands to pay off debt and to avoid foreclosure.

Also during the mid-1970s, well-to-do farmers became involved in fruit orchards promoted by agricultural extension officers. The farmers began to expand the area of cultivation into the forest on the western side of the district where the climate was cooler and more suitable for fruits, such as longan, lychee and mango, than the eastern plain (see Table 2.1).

Table 2.1 Land use in Mae Rim District in 1969 and 1977.

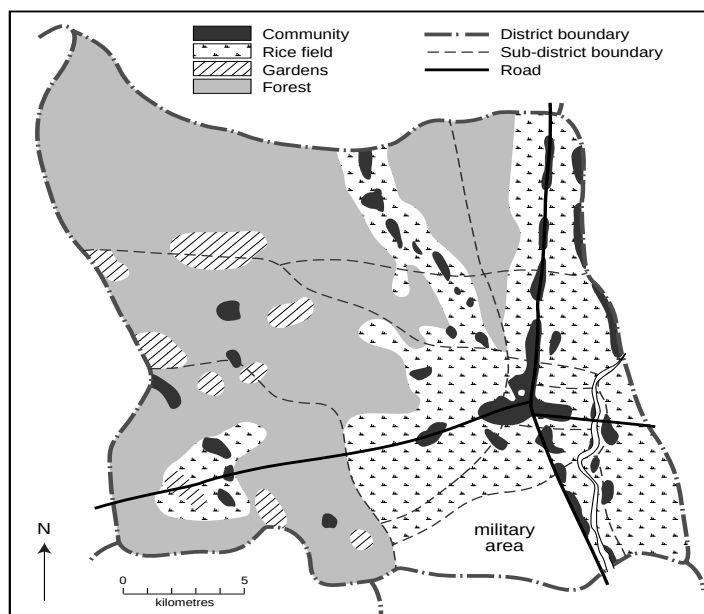
Land categories	1969	Percentage	1977	Percentage
	Land size (sq km)		Land size (sq km)	
Settlement	31.5	6.36	35.9	7.25
Rice field	119.1	24.06	83.7	16.91
Fruit orchard	20.4	4.12	80.3	16.22
Forest	238.2	48.12	204.3	41.27
Others*	85.8	17.34	90.8	18.35
Total	495.0	100.00	495.0	100.00

* Such as military areas, roads and rivers.

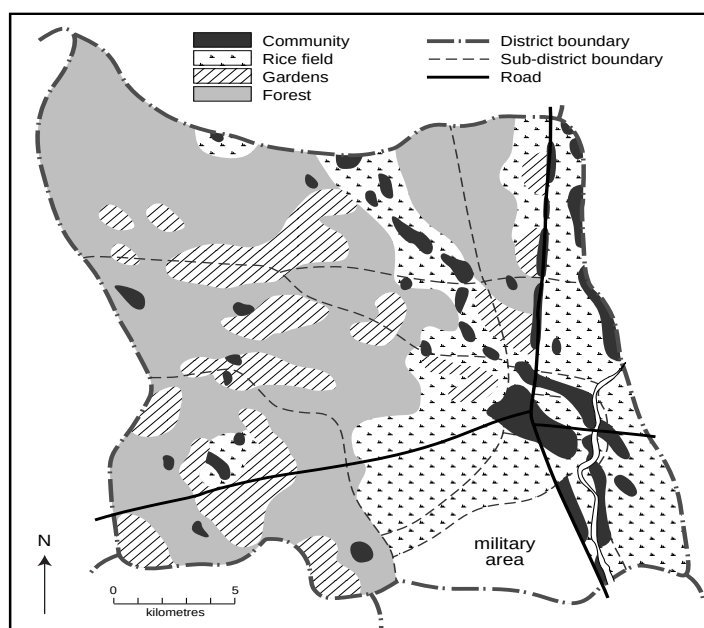
Source: Adapted from Suri, 1986 (2529), p. 42

Table 2.1 divides the use of land in Mae Rim district into five categories. They include settlement, rice field, fruit orchard, forest and others (such as military areas, roads and rivers). Between 1969 and 1977, forest land area reduced from 238.2 to 204.3 sq km or a reduction of 6.85 per cent of the total area. Rice field shrank from 119.1 to 83.7 sq km or a reduction of 7.15 per cent of the total area. However, the amount of land used for fruit orchards, settlements and others rose markedly. For instance, the orchards expanded from 20.4 in 1969 to 80.3 sq km in 1977, an increase of 12.1 per cent of the total area (see Maps 2.3 and 2.4 on the next page). The situation of competition over land use between landowners and tenants, between landowners and land speculators from the city, and the fluctuation of agricultural prices frustrated small-scale peasants who gained little benefit from agricultural commercialisation. This situation prompted some lowland peasants in Mae Rim to participate in the peasant movements organised by the PFT.

Participation in the PFT was evident mainly in lowland areas where the peasants were engaged in double and triple cash cropping such as in Saraphi, San Pa Tong and Mae



Map 2.3 Land Use in Mae Rim District – 1969.
Source: Suri 1986 (2529), pp. 44



Map 2.4 Land Use in Mae Rim District – 1977.
Source: Suri 1986 (2529), pp. 45

Taeng districts in Chiang Mai province.¹⁶⁰ In these areas, conflicts often arose between landowners and tenants over the high land rents and between small-scale peasants and moneylenders over high interest rates. Although a peasant leader was assassinated in Mae Rim,¹⁶¹ a former social activist (currently a high-rank government official) who used to work with the Mae Taman Cooperative Project (1973-1976; see Chapter 3) in Mae Taeng district told me that the peasant movement in Mae Rim district was limited to a few who lived and farmed in the lowlands of Rimtai and Rimnu'a sub-districts.¹⁶² Villagers whom I interviewed recalled little of the PFT movement in the area (see related issue Chapter 5).

Promoting Mae Rim as a dormitory district and tourist venue

The expansion of Chiang Mai city to the north and relocation of its administrative centre in the north in 1982 made Mae Rim more accessible to the expanding city and its services. The city expansion also resulted in improvement in the socio-economic infrastructure between Chiang Mai and Mae Rim and in Mae Rim district itself. The infrastructure development included the upgrading of the Chiang Mai-Fang highway in 1989, the building of Chiang Mai's Nakho:nphing Hospital 1 km north of the Provincial Office, the improvement of Dararassami Camp hospital in Rimtai sub-district and 16 Sub-district health offices (*anamai tambon*), and the opening of 51 schools (47 primary and 1 secondary under the Ministry of Education, and 3 privately owned kindergartens) across Mae Rim district.¹⁶³ Electricity and water supplies also spread across the district, albeit unevenly. Most villagers in the area under study welcomed the government improvements to infrastructure and social services.¹⁶⁴ In addition to improved health and education services, villagers were now able to commute daily between their villages and the city. Some of them found work in the city as public

¹⁶⁰ See Werasit, 1988, "Rural Transformation..." (Saraphi district); Chayan, 1984, "Cultural and Ideological Reproduction..." (Mae Taeng district); Anan, 1984, "The Partial Commercialisation..."; and Anan, 1989, "Conflicts over the Deployment...", pp. 98-122 (San Pa Tong district).

¹⁶¹ Morell and Chai-anan noted that Jar Jakrawan (of Mae Rim district) was assassinated on 13 June 1975. Morell and Chai-anan, 1981, *Political Conflict in Thailand...*, p. 227. An informant told me that he was only injured, but I could not trace any further information during the fieldwork.

¹⁶² Interview, INT-145-GOV, 13 March 1993, Bangkok.

¹⁶³ Suri, 1986 (2529), "Phaen kan chai thidin...", p. 32.

¹⁶⁴ Data received from interviewing villagers in three villages under study. Especially an elderly lady whose son was born crippled admired transformation and facilities improved by the government. She blamed the condition of a village dirt track for causing her son to be born disabled. She gave birth in a cart while riding to a city hospital. When she reached the hospital, her baby was in a bad condition beyond medical aid. She named him *Lo*: meaning "cart wheel" to remember his difficult birth condition.

servants, teachers, technicians and wage workers whilst residing in the villages (see Chapter 6).

Although the people in Mae Rim district were predominantly rice cultivators, from the early-1970s some people in the lowlands moved away from rice farming for household consumption to become engaged in cash crops such as fresh vegetables and fruit. Since the early-1980s both lowland and upland farmers have become involved in cash crops such as soya bean, banana, jackfruit and chilli.¹⁶⁵ However, people in upland areas of Saluang sub-district have generally maintained the practice of producing rice and other crops for household consumption as the first priority and selling only surplus produce. Also, during the same period, non-agricultural activities were increasing in the district (see Map 2.5). In 1986, Suri noted that there were 106 rice mills, 3 timber retailers, 4 tobacco kilns, 2 earth tile factories, 7 cement tile factories and 10 sand suppliers.¹⁶⁶ Some villagers worked in these factories full time for daily wages whereas many others sought occasional jobs for extra income beyond their farm gates.

Since the mid-1980s the tourist industry has been strongly promoted by the government in the Upper Northern region and in Chiang Mai. A number of tourist resorts have been built in Mae Rim district, such as the “Mae Sa Valley”, “Suanrin”, “Tonto:ng” and “Erawan” resorts (see Map 2.5). Other tourist and recreational venues, such as a butterfly farm, a snake farm, an orchid farm and two golf courses (“Green Valley” and “Lanna”), have been built and developed to attract foreign tourists. Most of the lowlands suitable for agriculture along the Chiang Mai-Fang highway were taken over by six housing estate projects in the mid-1980s.¹⁶⁷ Non-agricultural activities have increased at the expense of the agricultural sector and subsequently undermined the interdependent relations between peasants and the city.

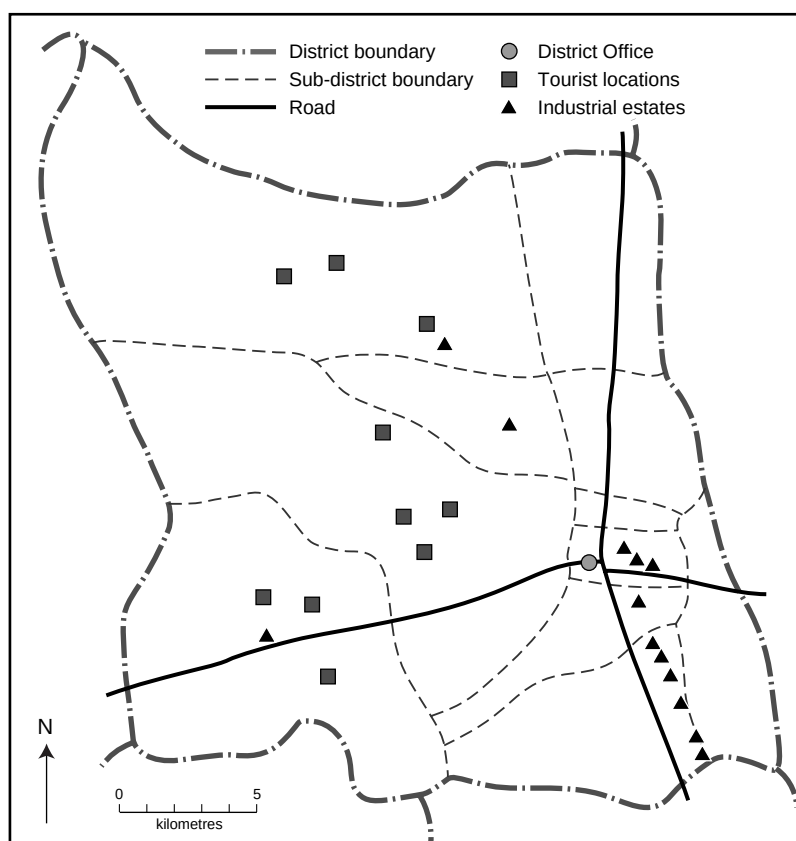
Amidst the rapid transformation in rural areas in the 1980s, villagers felt resentful that their secure livelihood in their home villages was being disrupted by competition over the use of village land and by socio-economic pressures and differentiation. Sopon and Somkit comment in their dissertations on the impact of the city’s expansion on two rural communities in San Pa Tong and San Sai districts that there is an increase in competition and conflicts over land use and occupation.¹⁶⁸

¹⁶⁵ In 1984, agricultural trade amounted to 144 million baht including rice (43.3), soya bean (30.8), mango (15), longan (9.6), lychee (8.5), garlic (8), cauliflower (7.5) and tobacco (5.7). Suri, 1986 (2529), “Phaen kan chai thidin...”, p. 28.

¹⁶⁶ *Ibid.*, p. 28.

¹⁶⁷ Suri Bunyanuphong, 1988 (2531), *Ban jatsan nai jangwat chiang mai: panha kan chai thidin lae kan jat sing bo:rikan* [Housing in Chiang Mai Province: Problems of Land Use and Infrastructural Services], [in Thai], SRI, Chiang Mai University.

¹⁶⁸ Sopon, 1993, “The Impact of Urbanisation...”; and Somkit, 1989 (2532), “Kan sukxa choeng nayobai...”.

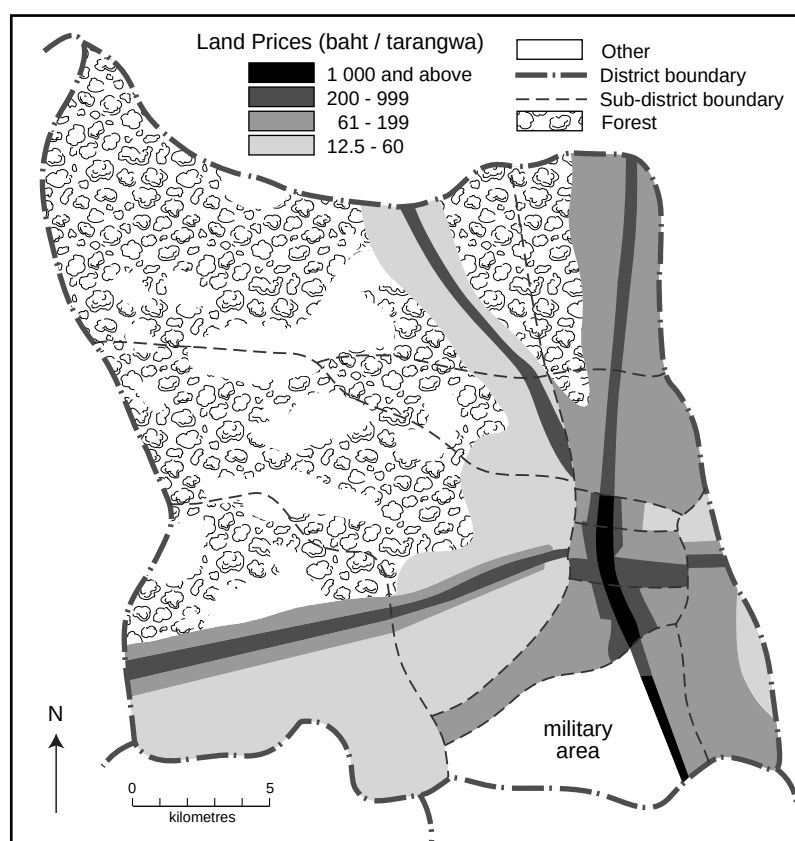


Map 2.5: Industrial Estates and Tourist Locations in Mae Rim District in 1986.

Source: Adapted from Suri, 1986 (2529), p. 30.

Increasing competition over land, forest and water resources

The expansion of Chiang Mai city increased the demand on land use for housing, recreation and other non-agricultural purposes. The new demand on land raised land prices in Mae Rim district as a whole. Map 2.6 illustrates land prices in Mae Rim in the mid-1980s.



Map 2.6: Land Price in Mae Rim District in 1986.

Source: Adapted from Suri, 1986 (2529), p. 64.

It shows that in 1986, the price of land varied between 12.50–1,000 baht and above per *tarangwa*¹⁶⁹ depending on access to infrastructure, transportation and other facilities. The land along both sides of the Chiang Mai-Fang highway to a depth of about 40 m yielded the highest price of between 1,000 and 3,000 baht per *tarangwa* or about 400,000-1.2 million baht per rai. Similar land along the Mae Rim and San Sai road cost about 1,000 baht per *tarangwa* or 400,000 baht per rai. The land near the military restriction area around Mae Raem and Mae Sa sub-districts was valued at between 125 and 2,000 baht per *tawangwa* or about 50,000-800,000 baht per rai (see Chapter 6). The upland (sometimes including forest land) in Saluang sub-district cost between 20 and 65 baht per *tawangwa* or 8,000-26,000 baht per rai (see an example of land transaction in Chapter 4).¹⁷⁰ However, in 1992, the land near Mae Sa falls had increased up to 2 million baht per rai.¹⁷¹ The problems of agriculture, such as high

¹⁶⁹ *Tarangwa* is a unit of land measurement in Thailand. One rai is equal to 400 *tarangwa*; 2.2 rai equivalent to 1 acre; or 6.25 rai equivalent to 1 hectare.

¹⁷⁰ Suri, 1986 (2529), “Phaen kan chai thidin...”, pp. 60, 64, 65, 66 and 70.

¹⁷¹ Interview, INT-130-GOV, 22 February 1993, Mae Rim, Chiang Mai.

investments with low returns, coupled with the problem of water shortage, influenced many farmers to sell their land as the prices appeared so attractive. After the mid-1980s, there was increased competition over land used for either agriculture or non-agricultural activities such as housing, tourist resorts and recreation in Mae Rim district. The competition aggravated the land dispute between the Thai Army and villagers who lived in the line of the city expansion in Mae Raem sub-district (see Chapter 6).

In the late 1980s, government policies to promote economic growth included financial measures giving more loan credit to private entrepreneurs.¹⁷² The credit allowed the entrepreneurs to speculate in land transactions and manipulate land accumulation in lowland, upland and forest areas, often through the assistance of corrupt politicians and authorities. Some ‘local powers’ (such as village heads, sub-district heads and even district heads) became agents in these land transactions.¹⁷³ In 1991, over 100 cases of forest encroachment occurred in Mae Rim district and many of those responsible were top-ranking military officers and entrepreneurs from Bangkok.¹⁷⁴ However, many local officials disagreed with the government policy and disapproved of the misconduct of politicians and officials as they saw the public interest being destroyed. However, they were unable to speak out because they were in a position of “*nam thuam pak*” (literally translated as “having water over the mouth”).

The government also promoted agro-industries run by the private sector in the form of contract farming or *rabop kaset khrop wongjo:n*, through which an agri-business company manages the whole process of agricultural production from start to finish. This form of contract farming involved the agri-business company, a bank and the farmers. The company designated what kinds of agricultural produce were in demand in the market and organised farmers to grow those products using the services of its brokers, some of whom were former extension officers who had resigned from the public service to join the private sector. According to villagers interviewed in early 1993, the company brokers instructed them on the period of planting and method of cultivation, and provided seedlings, chemical fertiliser and insecticide, as well as capital loans guaranteed by the company. The price paid for the crops was determined by the company. The farmers became producers who effectively provided land and labour for the company. After the agricultural produce was sold on the market, the company kept an amount to pay off the bank loan plus interest and an amount to cover the cost of all

¹⁷² Thongrot Onchan, 1992, “Land Speculation, Rural Land Market Operations and the Effects on Forest Lands”, Paper presented at the Fourth Annual Common Property Conference, organised by the International Association for the Study of Common Property (IASCP), 15-19 June, Manila.

¹⁷³ Interview, INT-032-GOV, 19 November 1992, Mae Rim, Chiang Mai; Interview, INT-109-GOV, 25 January 1993, Mae Rim, Chiang Mai.

¹⁷⁴ Interview, INT-045-GOV, 14 December 1992, Bangkok.

productive inputs provided by the company. The remaining money then belonged to the farmers. The farmers who were successful in contract farming were encouraged by the company to become brokers in the village. The government development planners viewed the contract farming system as a model of income-generating practice for Thai farmers.

Farmers, however, had different views towards contract farming. Some well-to-do farmers in a village under study said that they were offered capital investment by agribusiness companies; they only used their land and labour to produce cash crops for the waiting markets.¹⁷⁵ Other farmers were, however, sceptical about the contract farming process but had no better option in the production process.

In the late 1980s when many more villagers were engaged in agricultural commercialisation (e.g. fruit orchards and contract farming), a water scarcity problem began to emerge and led to competition and conflicts over the available water resource. For instance, the leaders of Village 2 had a dispute over water with a Hmong tribal group who had fruit orchards on an upland area of the Suthep-Pui range, a natural boundary between Saluang and Mae Raem sub-districts, located to the north and the south of the range respectively (see Chapter 5).

Increasing socio-economic pressure and differentiation

People in the three villages said that they had felt a lot of pressure upon themselves, their families and communities. They recognised that, in the past five years, they had become very “exhausted” or “*id*” in the Northern Thai dialect. For instance, a woman from Village 2 found herself so busy that she said she hardly had time to stop to talk with her neighbours. She said she had to earn additional income (from needlework and handicraft) to cope with the increasing household expenditure and the education of two children.¹⁷⁶ Another woman who lived in Village 3 told me that her husband earned a daily income by driving a motorcycle taxi while she earned additional income by selling fresh vegetables at the city market. She had only 3-4 hours sleep at night because she got up at 2 am to go to the market. To cope with the present-day household expenditure, she said, she needed two incomes for her family of three adults and two children.¹⁷⁷ A man from Village 2 was resentful that the unity of his family was under pressure because his wife had to do shift work in a factory located in the city. They hardly had time to discuss family matters.¹⁷⁸ Elderly people complained that the young

¹⁷⁵ Interview INT-102-VIL, 23 January, 1993, Mae Rim, Chiang Mai.

¹⁷⁶ Interview, INT-114-VIL, 27 January 1993, Mae Rim, Chiang Mai.

¹⁷⁷ Interview, INT-036-VIL, 30 November 1992, Mae Rim, Chiang Mai.

¹⁷⁸ Interview, INT-115-VIL, 27 January 1993, Mae Rim, Chiang Mai.

nowadays had jobs in the city and rarely came to join village ceremonies such as *wai phi pu nja* (paying respect to ancestors). This ceremony is held annually for family members on the mother's side, in principle to support those who have difficulty helping themselves (see chapter 5).¹⁷⁹ Due to increasing economic pressure, the kinship relations among community members, as Giddens argues, become too fragile to carry on social functions and obligations over time.¹⁸⁰

Attending village ceremonies and meetings, I observed the increase in social differentiation among rural populations. This was not a new phenomenon as it has been documented in many studies. What interested me was the particular situation in each village and how people dealt with the differentiation. Among the three selected villages, it was most distinctive in Village 2, as the inhabitants had been involved in agricultural commercialisation to a greater extent than the other two villages (see Chapter 5).

Responses to the changes

Responses to the socio-economic changes in Mae Rim district had come not only from the villagers who were affected, but also from some local officials who saw the resultant negative impact on the society as a whole. The promotion of regional growth in the late 1980s frustrated some public servants who were concerned about the long-term public interest, and especially those whose work was directly involved with social-welfare services and environment problems. They found that investors of capital extended housing and businesses without proper infrastructure but later demanded that officials develop those facilities. The officials found themselves unable to cope with such demands due to limited budgets and personnel. The private entrepreneurs would then lobby to get the facilities they wanted through the joint private and public committees at the district level. Local officials sometimes responded by ignoring the claims and shifting meetings without notice to avoid being lobbied.¹⁸¹ To protect the state forests from being encroached upon by private entrepreneurs, some forestry officials tried to speed up planting in government teak plantations as a way of clearly establishing the state forest boundaries (see Chapter 4). Although many officials wanted to protect the public interest, they were unable to ensure that the government laws and regulations were adhered to.

The response of villagers to the changes was varied. From my observations, there were at least three types of response: adaptation, resistance, and waiting to see whether the

¹⁷⁹ Interview, INT-100-VIL, 22 January 1993, Mae Rim, Chiang Mai.

¹⁸⁰ Cassell (ed), 1993, *The Giddens Reader*, p. 301.

¹⁸¹ Interview, INT-032-GOV, 19 November 1992, Mae Rim, Chiang Mai.

new ways would work before trying them. The first occurred when villagers were able to creatively adjust to modern aspects of the Thai society over time. Village 2 (in Chapter 5) provides an example of this. In response to modern administration, villagers maintained a social organisation which operated through three key traditional leaders of a village community: *kae wat*, *kae fai* and *kae ban*. *Kae wat* or “a religious leader” was a person from whom villagers sought advice to help them tackle their problems. *Kae wat* also led meditation practice four times a month on *wan phra*, or the day on which Buddhists get together to practice *Dhamma* (Buddhist teaching). The aim was for villagers to have a chance to talk over their problems and calmly handle them.¹⁸² *Kae fai* was a leader who looked after the traditional irrigation system. Although the government provided money to build small weirs and water channels to irrigate rice and other cash crops, Village 2 still maintained the traditional *mu’ang fai* system for the maintenance and management of the water resource. *Kae ban* was a leader who oversaw the people’s well-being and order in a village community. After the village committee was introduced by the central government, *Kae ban* became one of the committee members looking after the village welfare. In Village 2, *Kae ban* – currently called *phuyaiban* (village head) – was a charismatic leader who was able to adjust to the modern form of administration. Of the three villages under study, this village demonstrated the most distinctive adaptation to the socio-political changes.

The second response to change – resistance – is manifested in different forms shaped by local situations in relation to the national political context. Chapter 6 discusses different forms of resistance found in Village 3. Since 1940, the villagers have resisted the Army taking over their land. The forms of resistance have ranged from “everyday forms of peasant resistance” to open conflict over land use and allocation.¹⁸³ The “everyday forms” included: refusal to return official land occupation documents by hiding them from the authority; refusal to move off the land by negotiating to pay land rent as demanded by the authority; the search for a superior (patron) in the Army whose

¹⁸² Interview, INT-103-VIL, 23 January, 1992, Mae Rim, Chiang Mai.

¹⁸³ J.C. Scott, 1986, “Everyday Forms of Peasant Resistance”, in J.C. Scott and B.J. Tria Kerkvliet (eds), *Everyday Forms of Peasant Resistance in Southeast Asia*, London: Frank Cass, pp. 5-35. Kerkvliet defines “everyday resistance” as:

what people do short of organised confrontation that reveals disgust, anger, indignation, or opposition to what they regard as unjust or unfair actions by others more wealthy or powerful than they. Stated positively, through such resistance people struggle to affirm what they regard as just or fair – or less unjust, less unfair – treatment and conditions. They are expressions of people who perceive injustice but for various reasons are unable or unwilling to push for improvements in an organised, direct manner. These reasons generally include the perception that they lack sufficient control or power or that the effort to gain more power in order to be more assertive would be too costly to themselves, their families, or other valued resources and conditions. They are, or at least consider themselves to be, limited to activities that indirectly, surreptitiously, or obliquely attempt to gain some of what they regard as rightly theirs.

B.J. Tria Kerkvliet, 1986, “Everyday Resistance to Injustice in a Philippine Village”, in *ibid.*, p. 108.

authority balanced that of the Army officers and who promised to protect the village interest; and the selection of a village head who had the potential to negotiate the village interest with outsiders. Such forms of resistance had been pursued during the period prior to the mid-1980s when the political system was under the military regime. However, in the early 1990s, when the Army announced it would take over the village land, the villagers decided to organise themselves in the form of a collective protest against the land takeover by the Army. The protest was conducted during the open political system when the military power was subject to civilian law and order.

The third pattern of response – wait and see – has occurred in different places, on different issues over time. For instance, when NGO workers introduced alley-cropping techniques in Village 1 in the mid-1980s, only two villagers decided to cooperate with the experiment. These two were in a better economic position than the others and could afford to take a risk. The others cooperated with local forestry officials by working in the official teak plantation for a daily wage, and with the NGOs by patrolling the Mae Rim Conservation Forest every fortnight, and by keeping an eye on any activity related to illegal logging. Moreover, some villagers joined meetings and conferences organised by NGOs and university academics to keep themselves informed about government policies and practices affecting their villages. One of the issues which struck me was the discussion among village leaders from different places concerning the establishment and status of the Sub-district Council following the 1994 Sub-District Council Act.¹⁸⁴ They said they would like to wait and see how it worked. It seems to me that it might take them a while to learn how it would operate in practice and to work out how they could participate in a new political space which the central government had just opened up at the sub-district level.

Concluding remarks

To provide a contextual basis for studying NGO intervention, this chapter has demonstrated that socio-economic and political changes, competition, conflicts and responses to the changes are interrelated movements constituted by different social actors from various organisations across time and space. After identifying social actors from three spheres in a capitalist society, the chapter has sketched influences stimulating rural transformation from the 1960s to the early 1990s by examining national social and economic plans, regional development plans, key social actors and socio-political consequences in each decade. The situations of rural transformation

¹⁸⁴ The meeting held on 22-24 November 1992 at the Chiang Mai Teachers' College by a group of Chiang Mai-based NGOs which received funding support from the Social Research Institute (SRI), Chiang Mai University.

have been presented in a national context and regionally with reference to Chiang Mai province and Mae Rim district. The chapter has shown that the movements of social actors and their organisations have made Thai society transform and function in a spiral, as it were, through periods of conflict and order (or social disintegration and integration). For instance, we can see that, in the past three decades, the national social and economic plans have reflected the attempts of development planners and practitioners not only to adjust the Thai development direction to cope with socio-economic changes imposed from both outside and within the country, but also to achieve a balance between the economic and social dimensions of development through socio-political reform. Nonetheless, actors in the sphere of the state have been tied by bureaucratic rules and regulations and felt powerless to tackle rural poverty.

The chapter has shown that since the early 1960s when the Thai government adopted the modernisation approach to development and emphasised the private sector to boost economic growth and the market economy, Thai society has experienced socio-economic changes in two main periods: before and after the mid-1980s. At the early stage of capitalist development, key actors in the private sector were mainly foreign companies from the US, Europe and Japan. Not until the mid-1970s did domestic entrepreneurs emerge and begin to strengthen their interest groups as well as to lobby the government to adopt policies in favour of their business interests. Since the mid-1980s, Thai domestic entrepreneurs have started “taking on the world” and expanding into regional growth centres and penetrating into rural enclaves.¹⁸⁵ To support the economic boom, the government has played a role by extending infrastructures into every region. The transportation and other facilities have resulted in closer links between urban and rural areas on the one hand; on the other hand, they have resulted in the increase of competition and conflicts over natural and productive resources between villagers, officials and investors of capital.

However, a number of social actors mostly from middle-class backgrounds have perceived and reacted to the unfavourable impacts of the changes upon the common people and the society as a whole. These social actors, such as student activists, concerned academics, lawyers, journalists, doctors and NGO workers, have tried, over time, to create pressure “for the development of representative institutions” and to invent a political space for those who are excluded from the past development to “take part in decisions affecting them”.¹⁸⁶ Seeking the cooperation of actors from the other

¹⁸⁵ Pasuk and Baker, 1995, *Thailand...*, p. 164.

¹⁸⁶ J.L.S. Girling, 1988, “Development and Democracy in Southeast Asia”, *The Pacific Review*, Vol. 1, No. 4, p. 332; see also K.J. Hewison, 1996, “Emerging Social Forces in Thailand: New Political and Economic Roles”, in R. Robison and D.S.G. Goodman (eds), *The New Rich in Asia: Mobile Phones, McDonalds and Middle-Class Revolution*, London: Routledge, pp.137-160.

two spheres, these concerned actors, whom Girling calls “the ‘intermediate’ forces of civil society”,¹⁸⁷ have intervened in various socio-political situations to make society function and transform itself from authoritarian to democratic regimes; from belief or myth to reason. For example, in the mid-1970s, the student and popular movement was one of the key influences in dismantling the military regime. Later, the alignment of prominent intellectuals and social activists with the CPT revolutionary force was one of the factors prompting certain members of the Thai élite to change their strategy by moving away from suppression to reconciliation. Since the mid-1980s, intellectuals and development practitioners have put pressure on the central government to amend the 1991 Constitution, to decentralise government power to local government so that the Thai political structure will be more responsive to the various kinds of conflicts over resources occurring at different times and places.

Unlike the 1960s, when the closed political system hardly allowed any meaningful reform, the political space for discussion and negotiation since the late-1980s has been emerging and widening (except for a brief period in early 1992). However, intellectuals and development actors, especially NGO workers, need to make an attempt to search for this political space in relation to different representatives from other social groups, institutions and even “social adversar[ies]”.¹⁸⁸ Especially at the local level, when social relations between actors intermingle and rapidly diverge in different situations, the NGO workers must make a greater effort to understand local situations in relation to the wider context of political economy and to intervene at an appropriate time and place.

¹⁸⁷ Girling, 1988, “Development and Democracy...”, p. 332.

¹⁸⁸ A. Touraine, 1971, *The Post-Industrial Society: Tomorrow's Social History: Classes, Conflicts and Culture in the Programmed Society*, tran. by L.F.X. Mayhew, New York: Random House, p. 132.