

## BOOK REVIEWS

*Capital Accumulation in Thailand, 1855–1985* by Akira Suehiro, Tokyo, Centre for East Asian Cultural Studies, 1989, xviii+427 pp.

This selection is an epoch-making work in the economic history of Thailand in the sense that the author has for the first time succeeded in scientifically identifying and analyzing the entities, or agents of that country's economic development. He therefore takes up where Ingram and others left off in describing the development process of the Thai capitalist economy. The author categorizes these entities into three entrepreneurial groups and proceeds to describe how each group accumulated capital over three historical periods (1855–1938, 1938–57, 1957–85). Gathering together tons of data garnered from source materials and field surveys, the author provides us with an excellent theoretical, empirical account of these three groups of entrepreneurs based on a concept which he calls the "tripod structure" of Thai capitalism—(1) the *sakdina* group made up of the Thai royal family, the aristocracy, bureaucracy, and military factions; (2) foreign capitalists in the form of trading companies, multinational corporations, and Japanese *sogo shosha*; and (3) Chinese businessmen, both nationals and foreign born—that evolved and interacted over time in reference to the changing structure of political power.

The capital accumulation behavior of these three groups is analyzed in terms of the following four aspects. (1) What were the leading industries that formed the bases of the determining socioeconomic forces in each phase of modern Thai history. (2) What were the social status and nationality of the capitalists groups which dominated in those major industries. (3) How did they respond to changes occurring in world and national affairs, as well as in the Thai power structure. (4) What were the major characteristics on their dynamic development pattern on the corporate level (organization, ownership, business management, family involvement, etc.), on the industrial level (growth patterns, market structure, etc.), and on the national economic level (infrastructure, ties to political regimes, etc.).

By choosing to work under this kind a theoretical hypothesis and within such a analytical framework, the author put himself in the position of having to come to grips with an enormous collection of multi-linguistic source materials written in Thai, Chinese, the Western languages, and Japanese. In essence, what he discovered in the process can be summarized in the following three points. (1) The early (or primitive) attempts by the royal family-bureaucratic group at capital accumulation were carried out under traditional Thai feudal institutions known as the *sakdina* system, in which indigenous forms of tax farming and ex officio profit taking provided the wherewithal for creating enterprises. It is also such sociopolitical origins that characterized the business management posture of this group over the whole historical process. (2) The opportunity for capital accumulation by the Chinese was made possible by their merchant-oriented strategy of staying continuously connected to the powers that be at any given time. Their rapid rise to economic power was accomplished first through the fees they received as the actual tax farmers under the *sakdina* system and later via patron-client relationships hammered out with political leaders and the military.

However, on the other hand, without their reliance on foreign capital outside the Thai merchant-oriented framework—activities running the gamut from compradore services to joint-venture enterprises—the Chinese would not have succeeded in their capitalist endeavors. (3) With respect to foreign capital, a group that has developed from its controlling interest through local agents over the rice, teak, and tin industries at the onset into the multinationals and general trading companies active in the Thai economy today, we see them involved with the *sakdina* group and the Chinese in all kinds of ways—as competitors, business partners and for a short-time political personae non gratae. There is no doubt, however, about their superiority based on their incomparable advantage in acquiring and providing investment capital, controlling markets, and developing technology.

Turning to the author's third phase in Thai capital accumulation, 1957 through 1985, it is depicted (1) as a period during which foreign capital was included along with the Thai business communities (which are predominated by Thai-born Chinese and Chinese nationals) in the government's economic promotion planning schemes and (2) as a time in which enormous foreign investment flowed into the country under drastically lowered tariff restrictions and cutbacks in state-operated enterprises. At the same time, the Chinese formed three new business sectors of their own in the areas of import-substitution industries, finance, and agribusiness, making that group the dominant economic force in the country. While the Chinese continued during the earlier part of the period to rely on their connections with the bureaucracy and military, since the removal via the 1973 student revolution of these two political forces from their position of riding roughshod over the economy, the Chinese have gradually moved away from protection under the power elite and have begun to rely on genuine management-oriented efforts to steer their business groups through economic bust and boom. In addition, the author shows us the growth of a class of economic technocrats that has gradually taken over state and public enterprises from former parasitic soldiers and bureaucrats in forming a government business sector managed the way it should be.

The analysis of these Chinese business groups is the most impressive part of the study, for it presents us with the following prospects for the future of the dominant circle of Thai economy. (1) Since oligopolistic control by these business groups over the sectors was hastily built upon government promotion policies in addition to a formula of investment plus technological transfer from foreign capital, we can predict that if those two factors are for some reason eliminated, the oligopoly structure will in turn be dissolved. (2) Their future development depends on two factors: the scale of domestic markets and competition between foreign capital and government-run enterprises. (3) Since Chinese business groups in both import-substitution and agribusiness areas depend solely on foreign capital in the form of joint ventures for their technology and production management, they find themselves in the position of mere merchant-oriented capitalists, their only claim being exclusive inroads to commodity distribution routes. As long as this situation exists, it will be very difficult for even the biggest business groups to respond effectively to the exigencies of the high-tech industrial society growing up around it. (4) Despite the fact that from the 1970s we have seen an increasing number of corporations going public and introducing more meritocratic, skill-oriented programs into their management organizations, still the business family reigns supreme in both ownership and operations. As the author has painstakingly shown us, as long as this family character remains, Chinese business groups and Thai capitalism as a whole will be burdened with definite barriers to further industrial growth and development.

Overall, what this study in its empirical support of a tripod structured Thai economy has done is to open up a brand new horizon for grasping the socioeconomic character of that country during its modern period. Let me remind the reader, however, that the strength of the work not only lies in the ingenious underlying hypothesis, but also in the two years spent by the author in the field searching out, sifting through and piecing together all the available primary and secondary evidence written in a number of completely unrelated languages. In addition, some other lessons that this work has taught us is, first, that the reason for the strong merchant-oriented capitalist tendencies observed among Chinese entrepreneurs is not to be found in national character or racial studies, but rather in the historical conditions under which these people were forced to operate; and secondly, that the role played by multinational corporations in any economy cannot be filed solely under the all-to-convenient term "dependency," but must be evaluated according to their diversified and complicated functions.

One final interesting point is the way the analysis is developed by a subtle comparison of the experiences in the West and Japan, resulting in a quite successful attempt at understanding the peculiar development pattern of Thai capitalism. The book is an international contribution to the scientific understanding and historical treatment right along side Ingram's *Economic Change in Thailand, 1850-1970*.<sup>1</sup> (Kenji Koike)

<sup>1</sup> James C. Ingram, *Economic Change in Thailand, 1850-1970* (Stanford, Calif.: Stanford University Press, 1971).

*Livestock Development in India: An Appraisal* by S. N. Mishra and Rishi K. Sharma, New Delhi, Vikas Publishing House, 1990, vii+203 pp.

The important influence that livestock has on the Indian economy is reflected in the long history of research on the subject. *The Report of the Royal Commission on Agriculture in India* (1928, hereafter abbreviated as the RCA report), which will be described later, and the way in which it formulates the features of the Indian cattle economy is such a landmark in this history that it still exerts great influence on contemporary scholars.

The RCA report points out the irrationality of the excessive proportion of cows in the Indian bovine structure, and as such its formulations gained wide acceptance as theoretical underpinnings for many studies that emphasize the structure's irrational and uneconomic aspects. In opposition, M. Harris used the perspectives of cultural anthropology in his paper "The Cultural Ecology of India's Sacred Cattle" (1966)<sup>1</sup> to argue that the irrational, uneconomic, and exotic aspects of the bovine structure had been overly emphasized and that it should be explained rationally from ecological system perspectives. Harris's paper triggered the debate over India's "surplus" cattle from the latter half of the 1960s on. S. N. Mishra, one of the authors of the book under review was part of this controversy, and once advocated that the number of cattle in India were indeed excessive at least in relation to the available feed, fodder basis. Now, he and Rishi K. Sharma have written *Livestock Development in India*:

<sup>1</sup> *Current Anthropology*, Vol. 7, No. a (1966).