

Revisiting Thailand's Developmental Miracle: The Rate of Profit, Social Structure of Accumulation, and Trajectory of Economic Development between 1957-1997¹

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ABSTRACT—This article aims to provide an overview of Thailand's economic development trajectory from 1957 to 1997. Based on the Social Structure of Accumulation theory, which posits that a “set of institutions” relates to fluctuations in the rate of profit and economic growth, the Thai economy during this period featured a specific institutional framework that created “long waves” in profit rates. Using a historical analysis approach, the arrangement of the Social Structure of Accumulation of this period includes: (1) the dominance of American “capitalist” development ideas; (2) tight control of planning and policy implementation by technocrats; (3) a tripod structure comprising state-owned enterprises, multinational corporations, and commercial bank-based local conglomerates; and (4) strict governance of labor forces. This specific “set of institutions” not only defined the characteristics of Thai capitalism known as the “banker's capitalism” but also related to the fluctuations of the “long waves” between 1957 and 1997.

Keywords: rate of profit; social structure of accumulation; pre-1997 Thailand economy

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Introduction : Thailand, the most successful “Asian Miracle”

Prior to the 1997 Asian Financial Crisis, Thailand was considered a remarkable showcase of post-war economic development, having achieved an impressive average growth rate of 9.2 percent *per annum* between 1987 and 1996. (Warr 2005, cited in Siriprachai 2009, 153) Statistically, the average annual growth until the 1950s was only 0.2 percent, (Manarangsan 1989, cited in Siriprachai 2009, 153) while the growth rate from 1950 to 2000 increased to 6.6 percent *per annum*. (Siriprachai 2009, 152) This rapid transition from a pre-war peripheral economy to a high-growth modern economy prompted many scholars to try to understand the pathway to such phenomenal growth.

The principal explanation came from mainstream economists who argued that (1) increased domestic savings and investment; (2) improved efficiency in commercial agricultural sectors; and (3) continuous human capital development is the major cause of the “miracle”. (the World Bank 1993, 5–6) Meanwhile, alternative set of explanations are also available. Modernization theorists suggest that Thailand’s development was influenced by a patronage system between capital groups and a “predatory class” of political and military elites who benefited from economic growth. Dependency theorists emphasize Thailand’s entrapment within global power dynamics, where developed countries exploit Thailand’s economic surplus to fuel their own growth. Historical institutionalists highlight Thailand’s relatively weak state capacity compared to other “Asian Tigers”, while Marxist analysis attributes Thailand’s development to the transition to capitalism, which also shaped its economic, social, and political relationships. (Hewison 2002, 226–30)

However, the previous literature has focused on the results of institutional arrangements rather than the arrangements themselves and their origins. Then, there is a need to explain the “set of institutions” that influenced economic development between 1957 and 1997, which could provide a holistic picture of Thailand’s economic development trajectory during this period. With the major question of “What was the institutional arrangement of Thailand’s economic development from 1957 to 1997?” remaining unanswered, this article adapts the Social Structure of Accumulation (SSA) theory to provide a qualitative explanation of institutional arrangements in Thailand’s economic

development from 1957 to 1997.

Under the hypothesis that there was a “long waves” in the rate of profit between 1957 and 1997 resulting from a specific “set of institutions,” this article consists of three major sections. The first section briefly introduces the SSA theory used as the foundation for analysis. The second section proves the existence of “long waves” using recent data available from the Extended Penn World Table 7.0. The third section provides a qualitative explanation of Thailand’s SSAs and their effects on the rate of profit.

The Social Structure of Accumulation: Theory and Applications

Speaking of the theory itself, the Social Structure of Accumulation theory can be traced back to two distinct theories. First, the idea developed by Marx and later inherited by later Marxist and Neo-Marxist theorists, which identified core contradictions in capitalism, including the class division between bourgeoisie and labor; a conflict between labor and capitalist; and the idea of profit maximization to drive systemic changes. Second, the theory of “long waves” proposed by Kondratieff (1935) and Schumpeter (1939) that capitalist economic growth is reflected in long cycles affected by Kondratieff’s proposal of needs for long-lived capital goods, or Schumpeterian technological changes that led to investment booms. (Lippit 2010, 46–47)

Here, the development of the concept of the SSA begins with a proposition that “the accumulation of capital through capitalist production cannot take place either in a vacuum or in chaos.” (Gordon, Edwards, and Reich 1994, 13) That is, capitalists invest funds in materials needed for production. Then, capitalists organize labor to produce products and services using accumulated materials. Finally, capitalists sell these products of labor, converting them into money capital ready for the next round of investment. As capitalists push their capital through each step of the accumulation process, they are touched by some general institutional features of their environment. The most important ones include the system ensuring money and credit; the pattern of state involvement in the economy; and the structure of class

struggle. (Gordon, Edwards, and Reich 1994, 14–15)

These three types of institutions are significantly related to the contradictions in capitalism which Marx believed would eventually lead to an internal crisis, which is possible in two variants:

- (1) The process of capital accumulation leads to the limitation of the purchasing power of labor, as it must use all its income to buy goods and services while capitalists do not. These circumstances make earnings changes tend to depress wages while increasing profit margins. At the same time, it will reduce the gross demand for goods and services, making capitalists unable to sell all goods and services then leading to the failure to acquire excess value.
- (2) The tendency in which the process of capital accumulation would lead to the use of an excess supply of labor, in the form of a “labor reserve army” that if employers use them at full capacity, they would lose the ability to fire workers. At the same time, workers would have greater power to negotiate salaries and benefits. This would lead to a decrease in the profit margin, which in turn slows down the capital accumulation process. (Weisskopf 1991, 72–73)

As a result, the SSA consists of all those institutions that affect the accumulation process and determine the institutional environment for capital accumulation. Meanwhile, the SSA itself is distinct from the remaining “social structures” of the society. The exclusivity of the SSA made their roles alternately stimulate and constrain the pace of capital accumulation. This mechanism should be briefly described as capitalists will invest in the expansion of productive capacity when the SSA is stable. Conversely, they would put their money in financial rather than direct investments to earn a financial rate of return when the SSA became shaky and reduced their expected profit. (Gordon, Edwards, and Reich 1994, 15–16)

Here, the relationship between SSA and the rate of profit then led to the connection between “long swings” of the rate of profit and the SSA that “long swings as in large part the product of the SSA in facilitating capital accumulation”. (Gordon, Edwards, and Reich 1994,

17) This also led to the connection between SSA and the concept of the “stage of capitalism” as a period of expansion is built on a favorable SSA that generates a boom of investment. Then, investment would have been pushed to the limit of possibility, making the accumulation slow into a period of stagnation. Meanwhile, attempts to alter the institutional structure are met with opposition, leading to further stagnation and dissolution of the existing SSA. As a result, there is a need to construct a new institutional structure, somehow shaped by the class struggle’s character during the preceding period of economic crisis. Therefore, the new set of SSA is virtually certain to differ from its predecessor and generate a succession of stages of capitalism. (Gordon, Edwards, and Reich 1994, 20–21)

To summarize the concept of the SSA, it takes its roots from the nature of capitalist systems where “sets of institutions” embedded with “dominant ideas” help underpin the rate of profit and create secure expectations that stimulate long-term investments, later leading to economic expansion. However, the class division between labor and bourgeoisie, ideas of profit maximization, and competition among capitalists have led to periodic economic and institutional instability which interrupts the process of accumulation and brings down not only the rate of profit but also the ability of the “sets of institutions” to promote accumulation. As a result, the crisis is overcome only if new “sets of institutions” embedded with new “dominant ideas” are established. (McDonough, McMahon, and Kotz 2021, 1)

Then, the adaptation of the theory was pioneered by Bowles, Gordon, and Weisskopf (1986). They argued that there are structures related to what they called the “Three Front Wars of Capital”: the relationship between labor and capital; the power to set prices for import-export goods; and the power to determine government policy. Their study on the United States from 1945 to 1980 showed that the pre-Globalization American SSA consisted of three parts.

(1) Capital-Labor Accord: The reciprocal relationship between capital and labor, also known as *quid pro quo*, is characterized by capital exerting managerial power in exchange for agreements with unions that guarantee an increase in real compensation in

line with labor productivity; improvements in workplace quality; and increased job security. Additionally, this relationship facilitates the sharing of wealth while also leading to a divide between unionized and non-unionized workers.

(2) *Pax Americana*: The post-war international political and economic institutions played a crucial role in establishing the United States as a dominant power in the global capitalist economy. This status favored American capital in both purchasing intermediate goods and exporting finished goods. In other words, economic openness under *Pax Americana* also impacted capital's ability to negotiate with workers and the general population.

(3) Capital-Citizen Accord: The agreement between capital and citizens is a political arrangement that manages the conflicting interests between capital's desire to maximize profits and the desire for economic security and social responsibility among the people. (Bowles, Gordon, and Weisskopf 1986, 140–46)

Their revision in 1996 proposed that another component of pre-globalization American SSA is the moderation of inter-capitalist rivalry. They argued that American capital faced minimal competition and was able to maximize its capital accumulation until the 1960s. Then, it faced both domestic and international rivalry which increased competition and reduced its ability to generate profits. (Gordon, Weisskopf, and Bowles 1996, 232–35) An updated version of the pre-globalization American SSA is shown in Table 1.

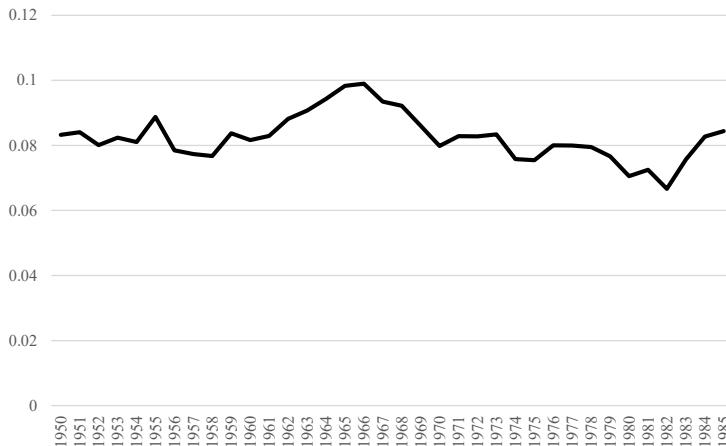
Table 1. Pre-Globalization United States Social Structure of Accumulation

	Capital-Labor Accord	Pax Americana	Capital-Citizen Accord	Inter-Capitalist rivalry
Boom 1948- 1966	<ul style="list-style-type: none"> • Cost of job loss rises • Workers' resistance down 	<ul style="list-style-type: none"> • U.S. Military dominance • Terms of trade improve 	<ul style="list-style-type: none"> • Government support for accumulation; profits main state priority 	<ul style="list-style-type: none"> • Corporations insulated from domestic and foreign competition
Erosion 1966- 1973	<ul style="list-style-type: none"> • Cost of job loss plunges • Workers' resistance up 	<ul style="list-style-type: none"> • Military power challenged • Terms of trade hold steady 	<ul style="list-style-type: none"> • Citizen movements take hold 	<ul style="list-style-type: none"> • Foreign competition and domestic mergers begin to affect corporations
Stagnate 1973- 1979	<ul style="list-style-type: none"> • A stagnating economy creates a stalemate between capital and labor 	<ul style="list-style-type: none"> • OPEC, the declining of U.S. Dollars results in a sharp deterioration in U.S. terms of trade 	<ul style="list-style-type: none"> • Citizen movements affect new fetters on business 	<ul style="list-style-type: none"> • Pressure of foreign competition and domestic rivalry intensifies

Source: Gordon, Weisskopf, and Bowles (1995)

Under this specific “regime of accumulation,” the rate of profit of the United States could be visualized into “long waves” using data on the rate of profit provided by Marquetti, Miebach, and Morrone (2021b). As shown in Figure 1, in the early phase of the boom period, the rate of profit fluctuated until 1958 when it significantly increased until 1966. Then, the rate of profit decreased until 1970 but then slightly increased and returned to fluctuating until 1973. Finally, the stagnated period clearly shows the continuous decrease of rates of profits through 1982, which also never rebounded to the level of the boom period since then.

Figure 1. The Rate of Profit of the United States from 1950 to 1983, in current price



Source: Marquetti, Miebach, and Morrone (2021b)

This piece of analysis later became a basis for studies of the relationship between economic growth and institutional setup in various countries. Those works include Melendez (1990) in post-war Puerto Rico; Mihail (1993) in post-war Greece; Jeong (1997) in pre-crisis South Korea; Heintz (2010) in Apartheid South Africa; Lippit (2010) during Japanese “Miracle Years”; Pfeifer (2010) on Egypt, Jordan, and Kuwait; Salas (2010) in Mexico between 1930s and 1980s; and Abramovitz (2021) for American Welfare State. Although the SSA theory has gained recognition in certain academic circles, its application to the Thai economy remains relatively unexplored as of 2024.

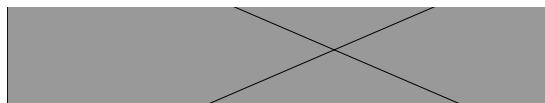
Are there “long waves” of Thailand’s Pre-1997 economy?

Here, the adaptation of the SSA theory for the analysis had to begin with the finding that the “long wave” consisted of a pattern of rising, constant, and falling rates of profit which typically occur over 40 to 50 years. These “long waves” on the one hand could help trace back to the “critical junctures”³ for the “set of institutions” that effectively

³ Capoccia (2016) define “critical junctures” as “situations of uncertainty in which

related to the rate of profit. As of 2024, Glassman (2001), Jetin (2012), and Phumma (2014) have already determined the rate of profit of Thailand in a period from 1970 to 2010.⁴ Thus, those works had a limited range only for post-1970 Thailand's economy as they were limited by the unavailability of the data provided by Thailand's economic agencies.⁵ Luckily, Marquetti, Miebach, and Morrone (2021a) had recently developed the Extended Penn World Table 7.0 (EPWT 7.0) that provided the multi-national data of the rate of profit and related variables.

Their calculation of rate of profit is based on the equation derived from the proposal by Weisskopf (1989) as the Net Rate of Profit (r^N) is a multiplier between capital share in GDP, which itself is a reciprocal of labor share in GDP (w), and productivity of capital or output-capital ratio (Y/K). The multiplied result is then subtracted by the depreciation rate of capital stock (D_K) (Marquetti, Miebach, and Morrone 2021a, 4) which can be written as the equation:



Using data compiled from multiple sources,⁶ the calculation of Thailand's rate of profit at current prices of the EPWT7.0 is plotted in Figure 2.

decisions made by important actors are causally decisive for the selection of one path of institutional development over other possible paths" (Capoccia 2016, 86)

⁴ Glassman (2004) construct a sectorial rate of profit between 1970 and 1996; Jetin (2012) provide the rate of profit of whole economy between 1970 and 2009; while Phumma (2014) focus on non-farm profit rate between 1970 and 2010

⁵ As all prior works are based on the statistics provide by NESDB, the author also contacted NESDB's Department of National Account for the data on Capital Stock prior to 1970. Thus, the department replied that pre-1970 data was unavailable. In addition, the other possible source of data, the Statistical Yearbook of Thailand, available from 1916, had only the data sets of Gross Fixed Capital Formation but neither Gross Capital Stock nor Net Capital Stock.

⁶ The composition and sources of data in EPWT7.0 are described in Marquetti, Adalmir, Alessandro Miebach, and Henrique Morrone. "Documentation on the Extended Penn World Tables 7.0, EPWT 7.0." Universidade Federal do Rio Grande do Sul, January 2021. <https://www.ufrgs.br/ppge/wp-content/uploads/2022/01/Documentation-EPWT-7.0.pdf>.

Figure 2. The Rate of Profit of Thailand from 1950 to 2000, in current prices



Source: Marquetti, Miebach, and Morrone (2021b)

Here, the fluctuations in Thailand's rate of profit have shown us "long waves" and sets of dedicated SSA in a period between 1955 and 1998. Without the decrease prior to 1954 and the gradual increase from 1999, the fluctuation within these "long waves" could be described in six phases. The first phase occurred between 1954 and 1959 when the rate of profit increased significantly. The second phase shows a cycle of "stagnate-then-drop" in the rate of profit which repeated multiple times between 1960 and 1974. The third phase is a brief period of stagnation which occurred between 1975 and 1978, followed by the fourth phase of constant decrease in the rate of profit from 1978 to 1982. The rate of profit returned to increase in the fifth phase between 1983 and 1988 but turned to decrease continuously in the sixth phase that ended in 1998.

Even though these "long waves" could be considered as a combination of two large waves—the larger one from 1955 to 1982, and the smaller one from 1983 to 1998 — the theoretical definitions of "regimes of accumulation" that were considered for 40-50 years follow-

ing the “durability of social institutions comprising the SSA” (Gordon, et al. 1982, cited in Kotz 1987, 25) made the combination of larger and smaller waves into one larger “long wave” more suitable for the institutional arrangements which will be explained in the following part.

Thailand Pre-1997 Social Structure of Accumulation: Bankers-led Market Capitalism under Protectionism and Labor Oppression

As the “long waves” were identified, it then provided a scope for the document research on the Thai economy between 1954 and 1998 using an adapted version of the framework by Gordon, Weisskopf, and Bowles (1995). This included four sets of institutions: (1) institutions that related to the regulation of the international political economy (IPEs); (2) institutions that determined the relationship between capital and state; (3) institutions that determined the relationship between capital and their counterparts, and (4) institutions that determined the relationship between capital and labor.

The qualitative description of Thailand’s Social Structure of Accumulation between 1954 and 1998 has consisted of four primary elements: (1) Pax Americana – the influences of the U.S. on the Thai economy; (2) the Capital-State Accord – an attempt at controlling the design and implementation of economic and development policies; (3) the Inter-Capitalist rivalry – the relationship between various groups of capitalists; and (4) the Capital-Labor Accord – the relationship between labor and the capitalist class.

The Pax Americana: a designated only choice

Even though diplomacy between Bangkok and Washington could be traced back centuries, the post-WWII relationship between Thailand and the United States was constructed on “mutual benefits” between the two countries. The basis of the ties between Thailand and the United States stemmed from the doctrine in 1953 for measures to prevent Thailand from falling into communist occupation, including (1) military assistance that was sufficient to increase the strength of indigenous forces, thereby helping to control local subversion, and to make easier the clear identification of instances of overt aggression; (2)

economic assistance that is conducive to the maintenance and strength of an anti-communist regime; and (3) efforts to develop Thailand as a supporter of U.S. objectives in the area and as the focal point of U.S. covert and psychological operations in Southeast Asia. (NSC 1952, cited in Randolph 1986, 19)

However, the pivotal event that marked the transition of Thailand into Pax Americana was the acceptance of the Point Four program in 1954 which marked a comprehensive combination of military assistance and economic aid that was “conducive to the maintenance and strength of a non-communist regime”. (NSC 1954, cited in Randolph 1986, 19) Meanwhile, those programs came with a demand from Washington that the Thai government should abandon its “economic nationalism” doctrine; maintain the stability of the economy; and promote foreign investment in Thailand. (Kesboonchoo-Mead 2007, 16–20) This marked a “critical juncture” that made Thailand gradually abandon the doctrines of economic nationalism inherited from the days of *Khana Ratsadon* [People’s Party].

Here, the most important asset provided by Pax Americana was the implementation of mainstream development ideas which could be summarized by Myrdal’s (1968) suggestion that “development can be accelerated by government interventions using rationally planned state policies”. (Myrdal 1968, 2:709–10) On the upper structure, the elite and bureaucrats were brought into acceptance of prevalent ideas through American-dominated training and education. Then, the elites were provided with planning and recommendations provided by American technicians which became a “bible” guiding the planning and execution by Thai technocrats. The most important one includes two of the World Bank reports following Ellsworth’s mission of 1959, which became the basis for the development plan of the 1960s and 1970s, and Lim’s mission of 1978, which became influential to the development plan of the 1980s and 1990s. Furthermore, Thai elites were constantly being “in check” by America for its continuation of the “dual-sector” model between commercialized agriculture and industrial production under the pro-capitalist, market-oriented systems through American specialists being sent for “monitoring” of Thai policymaking and conditions following loans and grants for developmental programs.

Another essential support received was aid and assistance for the Thai government and other related agencies. Other than the military aid and spending that ultimately turned Thailand into an “unsinkable aircraft carrier” for American intervention in the Vietnam War (which also included highways, air bases, and naval ports intended as dual-purpose programs in civilian development efforts), (Randolph 1986, 22–24) American aid programs in Thailand focused on the buildup of a capitalist economy spearheaded by programs of modernization and capacity enhancement of the bureaucratic systems that were “stuck with pre-war vintage, conservative, courtly, and carrying on the traditions of noblesse oblige”; (Muscat 1990, 143) the civilian-controlled Accelerated Rural Development (ARDs) Program of the 1970s; and programs under USAID to “strengthen the country’s long commitment to a competitive, open trading strategy”. (Muscat 1990, 235–37)

Benefits from these assistance programs were not only in the provision of the latest American technologies available, but also technical knowledge and on-the-job training that spilled over from American professionals to local workers and technicians. (Muscat 1990, 93) Furthermore, these programs helped ease the financial burdens of the Thai government, following the lack of capital simultaneously to invest in both military expansion and various infrastructure development projects, as it was fully or at least partially paid by U.S. taxpayers. Although the important and long-sustained effect of assistance programs is that they became a foundation for massive investment by private entities, both domestic and foreign, following the military assurance against communist threats, the protection against government intervention in private economic activities, the availability of necessary infrastructure, and the government policies that helped aid the process of capital accumulation.

The aforementioned American involvement was a principal factor in Thailand’s development from the late 1950s until the mid-1970s under the authoritarian regime of Sarit and his successor Thanom. Thus, American influence later faded following Nixon’s doctrine that prompted their retreat from Southeast Asia in the aftermath of defeat in the Vietnam War. America’s intervention after the mid-1970s then came from American-controlled Key International Economic Organizations (KIEOs) such as the World Bank and IMF with major influences

including the acceptance of IMF's Article 8 which led to full liberalization of the financial market in the 1990s. Other sources came through diplomatic means such as American pressure on Thai copyright intrusion problems with a threat to cut GSP benefits in the late 1980s, with most of this process handled through the U.S. Department of State.

The contestant for major influencers of the Thai Economy from the early 1970s was Japan. However, Japan could be considered as part of Pax Americana as Washington's early plan for regional integration of Asia designated Japan as the "core" with remaining Third World countries as sources of supplies for the re-industrialization of Japan. (Glassman 2004, 38, and 42–43) Starting from the 1970s, Japan became a major provider of Overseas Development Aid (ODA) to Southeast Asia following their target to build relationships of mutual "confidence and trust" with Southeast Asian countries in wide-ranging fields. (Kato 2016, 3) In the case of Thailand, the early days of Japanese aid programs until the 1980s focused on technical assistance to government agencies. Then, Japanese assistance in the 1980s gradually became tools for "facilitating its continued high rate of industrial growth" (Rudner 1989, 101) with their largest effort in the Eastern Seaboard program. Japanese assistance later became beneficial for Japanese and other East Asian MNCs following the Plaza Accord of 1985 which made Thailand a competitive base for diverse types of EOIs.

Here, the roles of Pax Americana in this dedicated set of SSAs could be described as the institution of a "controlled framework" that guided Thailand into a process of development under the capitalist approach. On one hand, it allowed the process of capital accumulation by the bourgeois class following its doctrine of minimally intervened market economies. On the other hand, it helped create the environment that stimulated the process of accumulation: stable government, competent bureaucrats, usable infrastructures, and access to international trade regimes, which brought in numerous economic activities and capital stocks that helped fuel both rate of growth and rate of profits, as well as the volatility that led to the falling rate of profit and ultimately crisis.

The Capital-State Accord: technocrats, their challenges, and the “sacred” areas of policymaking and implementations

The Capital-State Accord could be summarized as the institution that deals with policies that help aid the process of accumulation while balancing with the interests of other economic factors such as equality and distribution. Throughout forty years of Thailand's economic development process, academically trained bureaucratic workers or “technocrats” were continuously in control of the planning, decision, and operation of economic and development policies while others were a minority in actions by comparison.

The history of Thai Technocrats had intertwined with Pax Americana as key institutions in economic management: the Bank of Thailand (BOT), National Economic and Social Development Board (NESDB), the Budget Bureau (BB), and the Fiscal Policy Office (FPO) were reorganized and upgraded their capacities using multiple assistance and aid programs from the U.S. Meanwhile, the “scientification” of the field made technocrats who were trained under an American-hegemonic approach, with many enrolled in the same institutions as “professionals” from KIEOs or other advanced economies. Not only did this make them the monopolists of technical qualifications in development and economics with common acceptance of some “key concepts” which helped align Thai technocrats with Pax Americana, their personal relationships also led to one of the key characteristics of Thai technocrats – mobilizing the support of foreign aid donors for their internal political efforts to make changes (Stifel 1976, cited in Muscat 1994, 94) while using foreign influences as cover for dealing with rent-seeking from military or political leaders. (Muscat 1990, 144–45)

The technical requirements of modern economic management brought technocrats as the only legitimate group who could accomplish the goal of maintaining monetary stability without sacrificing continuous economic growth under the ideology of laissez-faire that the government should not “interfere” with the duties of private sectors. (Muscat 1994, 100) Throughout 40 years of dominance, the technocratic class was under the leadership of two men - Puey Ungpakorn (1916-1999) – a LSE doctor, who became a paramount figure under

the Sarit-Thanom era, and Snoh Unakul (1931-Present), a Columbia doctor, who was the orchestrator of Premocracy. While Puey and the first generation of technocrats shared “a mixture of personal integrity, treasury control, and Gladstonian orthodoxy” (Silcock 1967, cited in Stifel 1976, 1190) following being educated and gaining experience under Pax Britannica, Snoh and the second generation of technocrats became more Americanized, with priority on economic growth, a tendency toward liberalization, and being “pragmatic” in their economic decisions. (Satitniramai 2015) Even though, those two sets of values would later be blended into the prioritization of stability, then growth, followed by redistribution.

Here, technocrats were in control of three major tasks: developmental planning, stabilization of the economy, and pursuing growth through various measures. For planning, the NESDB was responsible for creating the Economic and Social Development Plan. The first three plans were adaptations of the IBRD report of 1959 that aimed for rapid growth and industrialization. Thai technocrats then regained control through the Fourth Plan which provided guidelines for treating economic stagnation in the 1970s. The Fifth and Sixth Plans were designed as action plans for stabilization and adjustment of the structural imbalance that limited further possible growth. Later, the Seventh Plan focused on sustaining growth and developing quality of life.

These plans showed commonalities through attempts to increase productivity and diversification of agricultural products; promotion of industrial productions through protection measures and incentives; control of population rate; increased access to education and healthcare; maintenance of fiscal, monetary, and exchange rate stabilities; and attempts to redistribute via rural and regional development. However, those targets sometimes had internal conflicts, and technocrats often had to sacrifice some factors for overall targets. Beyond urban-rural differences in income and quality of life which became long-lasting problems since the First Development Plan, technocrats had to balance the importance of growth, stability, and redistribution, which resulted in policy paradoxes such as promoting cash crops while reducing agricultural share in GDP in the 1960s; maintaining inflation rates while seeking speedy recovery in the 1970s; or implementing deficit cuts

and investment in government-led “big-push” programs in the 1980s.

Those commonalities are also related to the results of implementing these plans. Technocrats performed well in stabilizing the economy through their preference for a “conservative-cautious approach” in fiscal and monetary management. Three areas were in focus: keeping inflation low, reducing deficits, and controlling the value of the Baht under fixed exchange regimes. While all helped aid the accumulation process, maintaining stability became difficult for technocrats after the fall of Bretton Woods in 1973, which marked the end of “isolated economies from speculative attacks and rapid capital outflows”, (Rodrik 2011, cited in Dauzat 2014, 16) forcing them to balance multiple indicators and the needs of multiple economic actors in later years.

Regarding growth, technocrats were highly effective in pursuing growth, if we only considered only the statistical data. Their preferred strategy was “imbalanced growth” - allocating surplus from the agricultural sector to develop non-agricultural sectors. This preference benefited industrialists through excessive subsidies and protection aimed at establishing capital-enriched and labor-intensive ISI schemes, which simultaneously oppressed labor wages while punishing farmers through taxation of agricultural exports that were relocated into other economic activities. Though highly effective for early-stage growth, in the long run, their trade-offs created structural imbalances, including multiple deficits following the needs of capital and intermediate goods, disproportional investment-saving ratio, vulnerability to external shocks, and concentration of incomes and jobs in the Bangkok Metropolitan Area. (Muscat 1994, 161)

Meanwhile, many planned policies were not achieved due to several structural limitations in policy implementation: differences in levels of influence over decision-makers; lack of coordination within technocratic agencies; and persistent “non-interventionist” ideologies that made policy options differ from classic East Asian “Developmental State” approaches. Regarding the level of influence, technocrats performed well when they could make decisions on major resource allocations while protected from opposition. Otherwise, technocrats could not push agendas and were confined to the natural role of maintaining

stabilization. This explains the success of technocrats during the Sarit, Prem, and Anand governments when they became political players (e.g., Economic Ministers) who could “govern” the bureaucracy, and their underperformance under elected governments between 1972-73 and 1993-97 as they had to “play politics” against politicians with no guarantee of success in pushing policies since they had to bargain with numerous competitors.

Low levels of influence were also caused by a lack of coordination within technocratic agencies, especially the separation of planning and budgeting processes which led to programs being cut, or suffering from inefficient resources. (Rock 1994, 24) However, most coordination issues also occurred from conflicts of targets. One clear example was the attempt to promote EOIs in the late-1970s. To address account deficits by increasing EOI income, the government used the Investment Promotion Act to provide special incentives for them. However, other agencies had also adjusted tariff rates into “protectionist” areas which maintained advantages for remaining ISIs. (Muscat 1994, 148–52) Furthermore, adherence between technocrats was based on the “Barami” [merit] of Puey and Snoh who also acted as paramount organizers between various departments. The absence of these figures explains the lack of policy implementation synchronization during the “vacuum” of merit figures in the 1970s, and fractures both within and between institutions in the 1990s after Snoh retired, which even led to competition between four “major agencies” in controlling economic governance. (Satitniramai 2013, 206–10)

Finally, the influences of Pax Americana made Thai technocrats maintain their “non-interventionist” ideologies, making policy options differ from the classic approach favored by the East Asian “Developmental State”. In most Asian Developmental States, a key feature is “disciplining” the private sector. (Amsden 2001, cited in Haggard 2018, 34) However, this discipline requires institutions to perform allowances or impositions that absolutely conflict with the doctrine of “least government activity possible” imposed by Pax Americana. One important aspect making Thailand unqualified as a “developmental state” mentioned by Glassman (2018) that “Thailand had never disciplined financial capital.” (Glassman 2018, 415) In Thailand, commercial banks

were free to allocate savings to investments generating the maximum possible profits, making them less likely to fund late-return capital-intensive industries like those in other Asian developmental states. Also, the only attempt at “big-push” development in the Eastern Seaboard program was crippled by many circumstances and resulted in only a single success in developing import-substitution petrochemical sectors.

Even though technocrats’ decisions and performance could be questioned, few could challenge their dominance. Most politicians were unable to challenge their decisions as political regimes did not provide areas for intervention and due to technical limitations, which politicians lacked until the mid-1980s. This lack of challenges combined with a persistent lack of coordination and domination of non-interventionist ideologies made technocrats ineffective in governing the economy in the 1990s. Significant evidence was their mistake leading to the “impossible trinity” when technocrats tried to retain influence over monetary policies and stability secured by fixed exchange rates while pushing financial market liberalization following “non-interventionist” ideologies. The cost of maintaining these three incompatible goals included massive capital outflow, depletion of reserves, and finally the 1997 meltdown.

Here, the roles of the Capital-State Accord in this dedicated set of SSAs could be described as the institution that acted as a “stabilizer” and “growth promoter.” On one hand, technocrats built a foundation of economic growth under American influence by squeezing surplus from the agricultural sector and urban labor to create industrial sectors. However, their preferred growth model was based on import-substitution, which created structural deficiencies that later limited the long-term rate of profit. On the other hand, technocrats were “obsessed” with stabilization which itself helped encourage the accumulation process, but was also limited by several structural constraints, becoming one reason for mismanagement that led to a breakdown of the accumulation process.

The Inter-Capitalist Rivalry: contests and coordination of the “Tripod Structure”

The inter-capitalist rivalry concerns institutions that dictate relationships between capitalists—actors who perform economic activi-

ties intending to gain profits and continue capital accumulation—with themselves and other actors. In pre-1997 crisis Thailand, pioneering work by Suehiro (1996) portrayed Thai capitalists as a combination of three types: state-owned enterprises (SOEs) including military-operated economic organizations; multinational companies (MNCs) led by Americans, Europeans, and Japanese; and local capitalists who were mostly Thai Chinese, with activities based on commercial banks. (Suehiro 1996, 275)

State-owned companies were a heritage from the earlier period of economic nationalism. The development policy of the Sarit government led to unprofitable SOEs being liquidated or sold to private investors, whilst the government retained monopolies and profitable ones. However, the establishment of new SOEs continued until the 1990s with many being “spin-offs” from existing bureaucracy or new “clean sheet” institutions controlling basic infrastructure or partnerships in large-scale investments that became corporate bases of “state capital” steered by technocrats. (Suehiro 1996, 195)

SOEs faced a second wave of reform in the 1980s under structural adjustment programs, which forced them into privatization and reformation into “business-like” management to increase efficiency, raise profits, and lower governmental backing. While some succeeded, such as Bangchak Petroleum and National Petrochemical Company, remaining attempts faced opposition from unions fearing loss of privileges; suffered from lack of political will further to push efforts, as SOEs remained sources of power and patronage distributed among rival parties in unsteady coalitions; and many schemes became efforts to transfer monopoly rents from state enterprises into private hands, or new opportunities for private rents. (Muscat 1994, 202–5)

Referring to changes in doctrines under the Sarit regime, it also affected another group of capitalists, multinational companies. The decision to promote capital-enriched and labor-intensive ISI, while local entrepreneurs lacked the expertise and technologies to construct and operate recent industrial-scale manufacturing, created a need for MNCs to access capital goods and expertise, making expansion possible. In exchange, MNCs enjoyed the protection of their market

leadership or chances to penetrate expanding new markets. (Muscat 1994, 116–17; Suehiro 1996, 199) These mechanisms were greatly accelerated by investment promotion schemes, bringing significant FDI led by Americans since the late 1950s, followed by Japanese from the late 1960s and other “Asian Tigers” in the mid-1980s for investments in multiple activities, from large-scale agricultural production to hotel and leisure services. Nevertheless, Thailand’s foreign investment level was considered among the lowest in Asia-Pacific countries until 1985, alongside South Korea. (Kaosa-ard 1998, 4)

However, the influx of MNCs came with great costs. MNCs dominated local counterparts through control of technologies and trade channels, allowing them to squeeze out surplus not only from cheap labor and local-made primary goods but also through intra-firm trades, overpricing necessary material and intermediate goods, and underpricing final products. (Prasartset 1982, 440 and 448) The dependency on MNCs in industrialization brought classic “core-periphery” problems: import dependency; barriers to technology; low impact on increasing employment; and exporting of surplus gained back to home countries. (Prasartset 1982, 432–33 and 440–47) The consumer side was also affected by MNC hegemony as most of the manufactured products were dominated by the three largest MNCs participating in each industry. (Suehiro 1996, 205)

The remaining group of capitalists in the accumulation process was the local capitalists. Following “dual-scale” development policies favoring capital-enriched and labor-intensive ISIs while abandoning small industrial firms, local capitalists consisted of the “comprador” class rather than middle-class technicians or engineers as in advanced capitalist countries, as they were the only group able to access support from both bankers and MNCs. (Suehiro 1996, 185–86 and 231) Access to these factors stemmed from the origin of the comprador class, mostly Overseas Chinese who accumulated wealth from foreign trade with commodities exports or foreign-made imports, putting them in contact with foreign entities. Meanwhile, some of them pooled their assets to establish commercial banks following the vacuum period during WWII to allocate resources for businesses within their networks. (Suehiro 1996, 154–57) Then, the application of the First Development Plan,

which promoted private investment through measures that penalized import merchants as imports became heavily taxed; promoted export merchants who could obtain surplus from exporting upland “miracle crops”; and protected bankers following efforts to create stability in the domestic financial system, forced these “compradors” to become either bankers, industrialists, or agro-industrialists.

The development of “non-financial” capitalists—industrialists and agro-industrialists—followed clear patterns. While agro-industrialists expanded as late as the early 1970s following the growth of commodity crops in earlier decades, both groups shared key characteristics: they were Thai-Chinese family businesses that evolved from trading firms into manufacturing through partnerships with MNCs, using funds from commercial banks. Their expansion typically focused on creating “vertical integration” within specific sectors. (Suehiro 1996, 222–23) However, through the mid-1980s, these “non-financial” capitalists primarily focused on labor-intensive import-substitution products, with few capable of export production.

Banking capitalists, on the other hand, accumulated wealth through different means. Established after World War II and benefiting from the export boom and oligopolistic competition following the license controls implemented by the Bank of Thailand in 1957, commercial banks—led by four major families: Sophonpanich of Bangkok Bank, Lamsam of Thai Farmers Bank, Tejapaibul of Bangkok Metropolitan Bank, and Rattanarak of Bank of Ayutthaya—gained paramount authority as the only players who could transform export surplus into funds needed by “non-financial” capitalists while collecting interest differentials and fees. These families subsequently used their accumulated gains to expand into non-banking activities. This incursion into the non-banking business allowed commercial banks to obtain profits and dividends from their customers in addition to serving as “credit pumps” for trade and investment, helping them maintain their status as “dominant capital” over other capitalists.

The intertwined structure of bankers-traders-industrialists, combined with protectionist measures lasting until at least the mid-1980s, facilitated continuous accumulation as these capitalist groups easily

accessed resources while enjoying oligopolistic competition. However, the changing landscape beginning in the late 1980s brought several challenges: industrial policies shifted from ISIs to EOIs, promoting heavy industries and allowing fully capitalized MNC subsidiaries with advanced technologies to invest in export production; commodities and labor-intensive products faced competition from lower-cost regimes like China; and the establishment of the Stock Exchange of Thailand (SET) in 1975, followed by financial market liberalization in the 1990s, allowed capitalists to obtain funds from capital markets. These factors led to a new breed of capitalists focused on capital-intensive, protected segments: distilleries, steel, petrochemicals, and telecommunications. Also, non-bank financial institutions that became “intermediaries” between foreign markets and domestic borrowers began to flourish. Meanwhile, these changes also contributed to the 1990s economic bubble, as all types of capitalists shifted their investments to real estate and financial markets following the classic “capital switch” that occurred after slow growth in traditional sectors. Crisis tendencies increased and finally erupted in the 1997 meltdown. (Glassman 2004, 178–87)

Regarding capitalists’ mode of accumulation, it depended heavily on connections with the state apparatus. Given their heritage as Overseas Chinese, local capitalists operated under a “unique” patronage-client relationship, “seeking aid and patronage from governmental leaders.” (Riggs 1966, 249–54) During military rule, co-habitation between capitalists and high-ranking officials took the form of board positions, new private or state firms run by Chinese managers, or reorganizing existing activities into syndicate firms with profit-sharing schemes. (Suehiro 1996, 170) The events of October 1973 disrupted this relationship and forced some capitalists to become “capitalist-politicians” who could deal directly with technocrats through the cabinet. Under the electoral system, additional competition emerged between “national heavyweights” and provincial “Chao Pho” (godfathers) over government resource allocation to benefit their businesses. However, political regime limitations made these actions effective only briefly, with minor success during the Prem government, then heightened activity under Chatichai and post-Anand governments shortly before the 1997 crisis.

Another source of influence came from business associations,

including the Thai Chamber of Commerce (TCC), The Federation of Thai Industries (FTI), and Thai Banking Associations (TBA). Before the 1970s, these “lobby groups” functioned as “subsidiary instruments” for government policy implementation. (Chenwitkarn 1979, cited in Laothamatas 1992, 31) However, from the 1980s onward, these three major associations and their sectorial members became “dealers” for government assistance and promotion schemes. The Joint Public and Private Sector Consultative Committees (JPPCCs) marked a “liberal corporatist” relationship between cabinet-level decision-makers and all three types of capitalists, where they “worked as partners of public agencies in implementing certain policies or regulations” while other groups remained able to “compete” and connect directly to different levels of the state apparatus. (Laothamatas 1992, 153–61)

The role of Inter-Capitalist Rivalry in this specific set of SSA can be described as an institution that became a “lead actor” in the accumulation process. Initially, designating private sectors as primary economic actors, combined with policies favoring capital-enriched and labor-intensive ISI, created a capitalist class of bankers, industrialists, and agro-industrialists who benefited from limited competition and protections that helped them accumulate into larger entities under banking capital’s influence. Meanwhile, “associations” were established to “represent” and “discipline” sectors to maintain accumulation levels. However, changing circumstances in the 1980s forced capitalists to become more competitive, driving them toward non-production activities that temporarily maintained accumulation rates.

The Capital-Labor Accord: Continued Oppression

The capital-labor accord can be considered an institution dealing with “class conflicts” between workers and capitalists regarding wage and profit distribution between parties. It also includes arrangements for welfare and other non-wage benefits affecting profit rates. The relationship between labor and capitalists in Thailand during this period resembled other capitalist regimes, with workers under “wage oppression” through various factors ranging from power dynamics to institutional structures benefiting capitalists.

The period between 1958 and 1972 is described as the “dark ages” for Thai labor, with reduced protections and strikes labeled as communist acts under Article 17 of the constitution. While the Labor Dispute Settlement Act of 1962 later allowed legal strikes, it involved complex procedures difficult to follow. (Mabry 1979, 47–50) Under pressure from the ILO, the Thanom government passed a new Labor Act in 1972, legalizing workers’ associations. However, national unions remained prohibited, and labor leaders underwent heavy screening. Companies frequently discouraged union formation through dismissals and refusal to negotiate. (Glassman 2004, 82; Mabry 1979, 61–62)

The Sanya government’s liberalization period saw increased demonstrations and improved labor conditions, including nationwide minimum wage increases and new labor bills based on the U.S. Labor Act of 1935. However, issues persisted, such as a lack of formal union institutionalization and failed collective bargaining. (Prizzia 1985, 32–33) The Kriengsak government later introduced new labor institutions including the National Labor Development Advisory Committee (NLDAC), a nationwide labor court, and the Labor Relations Committee. (Prizzia 1985, 33–36) Despite legal allowances for unions, forming them within private entities remained problematic due to hiring practices and weak enforcement of government measures. This led to a concentration of unions in state-owned enterprises, creating “structural imbalances” in the labor movement. (Glassman 2004, 88–90)

Structural imbalances continued through the 1980s, with state-owned enterprise unions covering 60% of workers while private unions represented only 3%. Several challenges persisted: (1) private unions remained smaller and weaker than government unions; (2) women lacked representation in labor relations organizations despite being core workers in many sectors (Anamwathana 2024, 3); (3) unions were predominantly concentrated in Bangkok; and (4) labor movements remained separated from other social movements. (Napaporn 2002, cited in Glassman 2004, 92) Nevertheless, political openness provided labor with multiple bargaining channels: existing mechanisms, tripartite committees, media publicity, lobbying politicians, rallies, and strikes. The ruling class gradually accepted “mobilized labor.” (Hewison and Brown 1994, 503–5) A significant achievement was the Social Security

Law of 1990, requiring capitalists to co-pay with the government for various worker benefits. (Schramm 2002, 2-4)

Although the junta repealed the Labor Act of 1975 and reduced union privileges following their 1991 coup attempt, some measures were restored after the return to parliamentary democracy in 1992. A dedicated Ministry of Labor and Social Welfare was established in 1993 to govern a “tripartite” system between labor, capitalists, and technocrats. (Hewison and Brown 1994, 506-11) Despite these changes, conflicts between labor and capitalists continued, particularly as manufacturing progressed to more sophisticated products requiring skilled labor. Consequently, workers remained vulnerable to oppression and unfair dismissal throughout subsequent decades.

The Capital-Labor Accord in this specific set of SSA functioned as “insurance” for capital accumulation. Capitalists secured consistent profit rates through wage oppression, made possible by multiple constraints limiting labor’s bargaining power. While capitalists could initially squeeze profits from labor, workers’ slowly accumulating bargaining power eventually gained them more benefits, reducing capitalist profits. Nevertheless, capitalists maintained advantages with bureaucratic support throughout the accumulation regimes.

Here, the summary of Thailand’s SSA of the period could be summarized in Table 2

Table 2. the pre-1997 Crisis Social Structure of Accumulation of Thailand

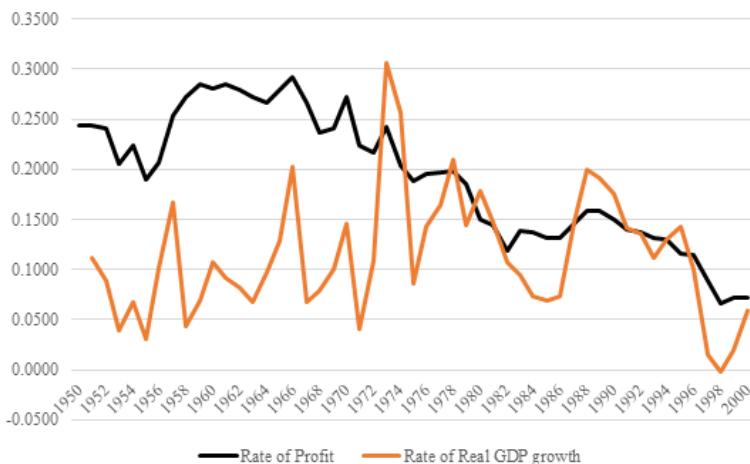
	<i>Pax Americana</i>	Capital-State Accord	Inter-Capitalist rivalry	Capital-Labor Accord
<i>Sarit-Thanom 1957-1973</i>	American dominance of “development apparatus” through KIEOs, aid programs, and institution-building in support of American “grand strategy” for Southeast Asia	A division-of-labor between military oligarchs and technocrats without any serious competitor	Commercial Bank became a “connector” between different groups of capitalists led by traders and industrialists under oligopolistic competitions	Maximum level of labor oppression for the pursuit of “wage-advantage” import-substitution policies
<i>Sanya-Kriengsak 1973-1980</i>	The fadeout of American Dominant following the “Nixon Doctrine” of the early 1970s, replaced by the Japanese who became dominant players in both ODA and FDIs	The openness of the political regime made “capitalist-politicians” gain more influence, while technocrats retained their position in macroeconomic management	The formation of “sectorial” organizations for representation and internal control. Although, the imbalance of power with commercial banks and MNCs made advantages remains.	Labor movement could influence more “liberal” and “socialist” policies, but only in a brief period following internal weakness and oppression by opposition
<i>Prem 1980-1988</i>	A combination of American KIEOs through a “structural-adjustment” program and Japanese KIEOs via a “Big-Push Policy” to sustain the process of development fueling by Japan and Asian Tigers FDIs	Competition between multiple groups of players led by technocrats and capitalist-politicians with <i>Prem</i> as moderators who remained preferred technocrats	The continuation into a system of “liberal corporatist” relationships through JPCCC and other sectorial lobby groups that allowed for competition between each other	An expansion of economic activities led to a “fragmentation” of labor force. Although, it was offset by the “Half-Baked” democracy that allowed for multiple ways of dealing with related entities
<i>Chartchai-Chavalit 1989-1997</i>	Reoccurrence of American dominance in terms of “Globalization” which led to the “extreme liberalization” policies in multiple sectors	Technocrats being forced to “play politics” with capitalist-politicians making them fractioned and lose tight control of economic governance	Change in the landscape had introduced multiple intrusions of “newcomers” which not only break the relationship, but also forced existing capitalists to accumulate via investment in “bubble economies”	Labor slowly gained influence which made them obtain more shares, while conflicts remained following changes in a macro-level production method

Source: Author

Conclusion: “Long Waves” and Thailand’s “trajectory of development”

The summary of Thailand's Social Structure of Accumulation between 1957 and 1997 could be described as the combination of four basic institutional arrangements: (1) American “capitalist” developmental ideas; (2) technocrats’ oversight of planning and macroeconomic management; (3) oligopolistic competition of the partnership between bankers-traders-capitalists; and (4) tight control over labor forces. As aforementioned, the SSA, the “long waves”, and economic growth had correlated with each other, this specific “set of institutions” then affected the rate of profit and the growth rate as shown in Figure 3.

Figure 3. The rate of profit in current terms, and rate of Real GDP growth at constant 2017 national prices in mil. 2017US\$ of Thailand from 1950 to 2000



Source: Marquetti, Miebach, and Morrone (2021b), and Inklarr and Feenstra (2021)

Following the data, the rate of profit tends to be more “stabilized” by comparison to the rate of real GDP growth, especially in the early decade, then both indicators tended to be “in sync” from the 1970s. Speaking in detail, the early phase from 1955 to 1975 marked a period

of rapid growth with a high rate of profit and positive growth rate. The following phase from 1975 to 1986 marked a declining rate of profit combined with a volatile growth rate. The final phase between 1987 and 1998 showed a “lowered but matured” rate of profit and also a lower growth rate that completely turned to a negative rate after the crisis of 1997.

Two additional conclusions can be interpreted following this figure. First, the difference between gradual changes in the rate of profit and volatile changes in economic growth explains the different “root causes” of fluctuations with structural factors for the rate of profit, and policies in combination with external shocks to GDP. Second, the occurrences of “long waves” in the rate of profit despite periods of strong GDP growth prove the existence of Marx’s “tendency of the rate of profit to fall,” the rate of profit has tended to decrease over time as the value of physical output has decreased compared to the value of capital being invested.

Those phenomena could be a “numerical” transcription for the trajectory of Thailand’s economic development of this specific period, which had begun in 1954, the year that Thailand was under the support of the U.S., while the endpoint has to be in 1998, which was the lowest point, following the 1997 Asian Financial Crisis. Here, the basis of Thailand’s economic development of this specific period was the absorption of Thailand into America’s “sphere of influence” as a “periphery” state within Washington’s Far East Strategy. It then became a major determiner that capitalist development became an only option, with “private sectors” having to play a lead role in the process of capital accumulation and government being limited under the doctrine of “minimal intervention”.

The trajectory began with the initial phase under Sarit and Tha-nom, characterized by the cultivation of capitalists under a Washington-supported authoritarian regime with strong technocratic institutions, oligopolistic markets, and labor suppression—conditions that fostered industrialization and capital accumulation reflected in higher profit and growth rates. During this period, protected import-substitution industrialization policies created strategic alliances between bankers,

traders, and industrialists, with banks playing the dominant role in capital allocation.

The following phase between 1973 and 1980 represented a response to multiple unfavorable conditions: political instability following the fall of authoritarianism, US support withdrawal after the Nixon Doctrine, oil shocks, reduced labor suppression, and the inherent limitations of ISI policies—all contributing to declining profit rates. While technocrats maintained their stabilizing role, capitalist alliances attempted to influence policies through political channels to preserve profitability.

Then, the Prem era from 1980 to 1988 initially reversed this decline through Japanese economic assistance, pro-export and liberalization policies, expanded financial markets, and abundant labor reserves, successfully transitioning from import substitution to export orientation. However, the final period from 1989-1997 ultimately fractured the banker-trader-industrialist relationship as capitalists became less dependent on banks while facing intensified competition, leading to falling profit rates that, combined with weakened technocratic oversight, drove speculative investments in the “bubble economy” until the system reached a “critical point” in the meltdown of 1997.

Here, the analysis of Thailand's developmental process between 1957 and 1997 through the theory of Social Structure of Accumulation has not only provided us with a “trajectory” of economic development but has also shown us multiple constraints and opportunities in terms of a “set of institutions” that play roles in the development process and shaped the outcome of development that lasts until today. The data available from Extended Penn World Table 7.0 helps provide a complete picture that how the dedicated arrangement of institutions affects a process of accumulation and results in statistical data in terms of the rate of profit. This could be useful as an approach in the study of the recent condition of the Thai economy considering the new set of Social Structure of Accumulation which then results in the foreseeable “wave” on the rate of profit.

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