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Introduction

Jirayudh Sinthuphan

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The Rate of Profit, Social Structure of Accumulation,
and Trajectory of Economic Development between 1957-1997**

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Introduction

Jirayudh Sinthuphan

This issue of *Asian Review* brings together four research articles that examine critical dimensions of political economy, governance, and institutional transformation in Southeast Asia. Each article offers a unique analytical lens on the evolving challenges, contradictions, and pathways shaping the political and administrative landscapes of Thailand and the Philippines. Together, they provide an integrated perspective on the interplay between historical trajectories, institutional arrangements, legal frameworks, and digital innovations in these countries, enriching our understanding of their contemporary governance and political development.

The first article, *Revisiting Thailand's Developmental Miracle: The Rate of Profit, Social Structure of Accumulation, and Trajectory of Economic Development between 1957–1997*, explores Thailand's economic rise through the lens of Marxist-inspired Social Structure of Accumulation (SSA) theory. It traces how specific institutional configurations — including state-led planning, labor control, and U.S. geopolitical influence — generated long-term cycles of capital accumulation and profit, while also exposing structural vulnerabilities that culminated in the 1997 financial crisis.

The second article, *Juridification, Legitimacy, and Authoritarian Survival in Thai Politics from the 2014 Military Coup*, analyzes how the military-led government in Thailand has institutionalized its authority through legal mechanisms such as the 2017 Constitution and the National Strategy. Drawing on the concept of juridification, the study shows how legal frameworks are employed not to reinforce democracy but to entrench authoritarian rule under the guise of legality, thereby filling legitimacy gaps and fortifying regime survival.

The third article, *Thailand's Party Financing Regulation: A U-Turn to Patronage System*, critically assesses the regulatory framework governing political party finance in Thailand. Through qualitative fieldwork and interviews, it reveals how despite state subsidies and the Political Party Development Fund, political parties remain heavily reliant on private donors and business conglomerates. This dependency perpetuates patronage politics, undermining the original goals of financial reform and threatening party stability and democratic development.

The fourth article, *The Philippine Digital Paradox: Challenges, Opportunities, and the Way Forward*, shifts the focus to digital governance, examining the Philippines' ongoing efforts to digitize public administration. The paper provides a systematic review of initiatives, infrastructure challenges, cybersecurity risks, and digital inclusion issues. It proposes concrete strategies to advance e-government, emphasizing that effective digital transformation must combine technical capacity, institutional reform, and citizen engagement to ensure equitable and transparent service delivery.

Taken together, these articles reflect a shared concern with how structural, institutional, legal, and technological forces interact to shape political and economic governance in Southeast Asia. They offer valuable insights not only for scholars and practitioners focused on Thailand and the Philippines but also for broader debates on state capacity, legitimacy, and reform in comparative politics and public administration. We hope this volume will stimulate further inquiry and dialogue on the complexities of governance and development in transitional and contested political settings.

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

¹ This article is part of a Master's thesis titled “Structural Analysis of Thailand's Economy during the “Developmental Era” from 1957 to 1997 using the Social Structure of Accumulation theory.” The author would like to thank Kevin Hewison and Sira Nukulkit for the comments on the preliminary drafts of this article.

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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.

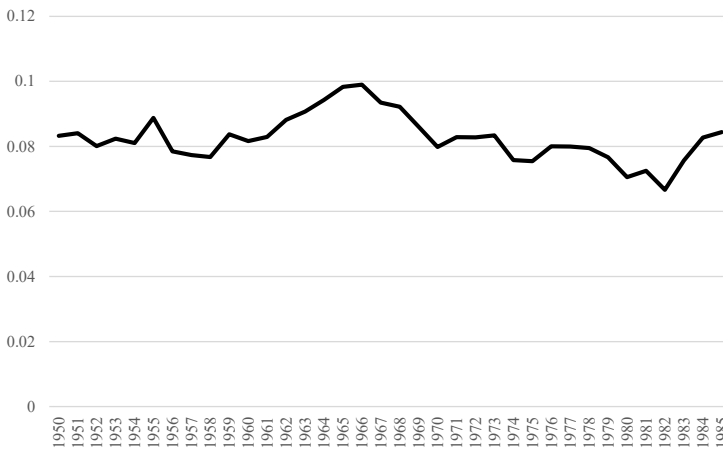
Table 1. Pre-Globalization United States Social Structure of Accumulation

	Capital-Labor Accord	<i>Pax Americana</i>	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 • Foreign competition and domestic mergers begin to affect corporations
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 • 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 take hold 	<ul style="list-style-type: none"> • Pressure of foreign competition and domestic rivalry intensifies
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"> • Citizen movements affect new fetters on business 	

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.

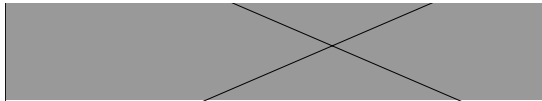
Are there “long waves” of Thailand’s Pre-1997 economy?

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 ($\frac{1}{\alpha}$), 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.

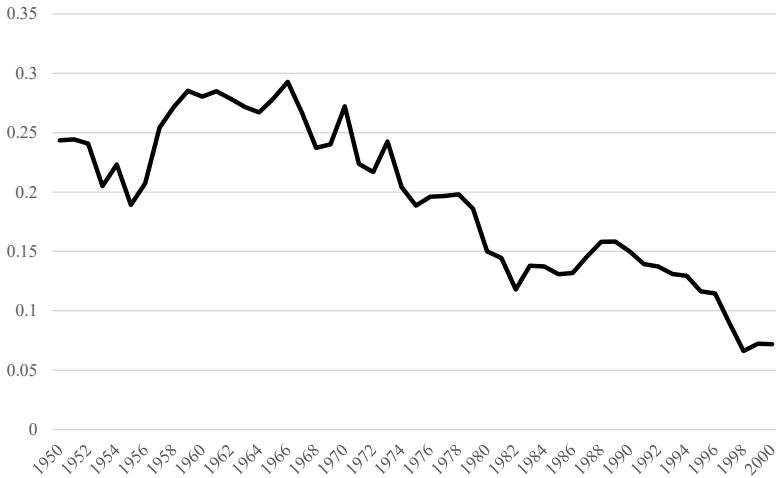
decisions made by important actors are causally decisive for the selection of one path of institutional development over other possible paths" (Capoccia 2016, 86)

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.ufgrs.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: Banker-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 Rattanakarak 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

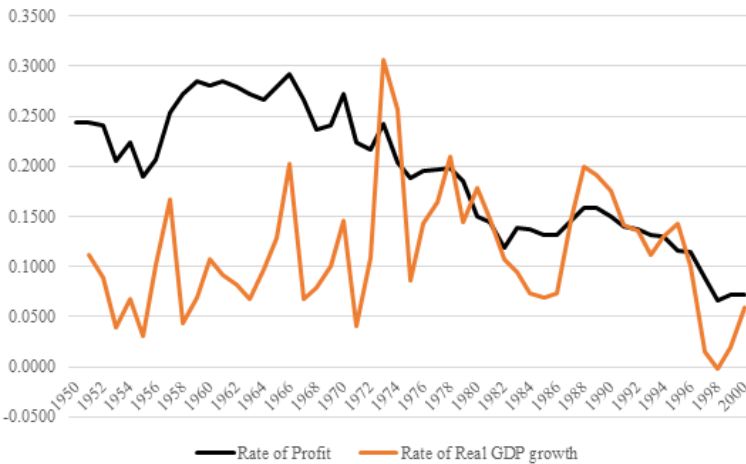
	<i>Pax Americana</i>	Capital-State Accord	Inter-Capitalist rivalry	Capital-Labor Accord
<i>Sarit-Thanom</i> 1957-1973	American dominance of "development apparatus" through KIEOs, aid programs, and institution-building in support of American "grand strategy" for Southeast Asia	A division-of-labor between 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</i> 1973-1980	The fadeout of American Dominant following the "Nixon Doctrine" of the early 1970s, replaced by the Japanese who became dominant players in both ODAs 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</i> 1980-1988	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>Chatchai-Chavalit</i> 1989-1997	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 Thanom, 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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Juridification, Legitimacy, and Authoritarian Survival in Thai Politics from the 2014 Military Coup

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ABSTRACT—This article explores the conditions under which authoritarian regimes resort to juridification as a strategy for political survival. It examines why authoritarian governments rely on legal mechanisms despite possessing coercive power. Through an analysis of Thailand's 2014 military coup and its aftermath, this study argues that juridification—defined here as the expansion of legal control into political domains—is triggered when regimes suffer from low political legitimacy. Drawing on the concepts of legality, legitimacy, and authoritarian adaptation, the article demonstrates how the military-led government in Thailand institutionalised its power through the 2017 Constitution and the National Strategy, both designed to entrench the regime's status quo under a legal framework. Rather than reinforcing democratic norms, juridification in this context functioned to consolidate authoritarian rule under the guise of legality. The findings contribute to understanding how authoritarian regimes strategically employ legal instruments to enhance durability and claim legitimacy.

Keywords: Juridification, Authoritarian Survival, Legality, Legitimacy

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Introduction

Why do authoritarian regimes abide by the law when they can break it? This phenomenon can be explained by analyzing the authoritarian regime with the juridification framework. The discussion of juridification is mainly viewed as the process of strengthening the use of law in democratic regimes and how the process could affect democracy. This study will explore the causes and conditions of juridification in authoritarian regimes and argues that while juridification is the increase in the use of law by the governing body, its characters differ according to the regime executing the process, significantly on the legitimacy factor. For example, the legal process in democratic regimes may seem more legitimate compared to the law in authoritarian regimes which tends to lack a legitimate execution. The reliance on legal measure may possibly be the mentality of authoritarianism that is attached to the value of law in a democratic regime and equates legality to legitimacy, or as Cotterrell (1995) interpreted in Weber's explanation of legal domination that a regime may derive its legitimacy from and within the law's framework, regardless of its content. Hence, an authoritarian regime that lacks political legitimacy will rely on legal measures to appear legitimate in securing its political power and status quo over the fear of losing control over political power and political order.

Framework on juridification and legitimacy in authoritarian regime

This article aims to analyze the causes and conditions that lead authoritarian regimes to rely on juridification. It hypothesises that an authoritarian regime with low political legitimacy relies on juridification to preserve the political structure with the regime's status quo for its survival. While authoritarian regimes could rely on various means to secure their power, such as the use of force or political repression, regimes with low legitimacy rely on the use of legal measures to fulfill the legitimacy gap, which is the weakening factor of the regime.

Juridification in this paper refers to the expansion of legal control into political elements to secure authoritarian power. It has a common feature among the various definitions, as the process in which the role of law or legal institution expands into realms of democratic societies.

Juridification is defined as ‘the process where norms constitutive for a political order are established or changed to the effect of adding to the competencies of the legal system’ (Blichner 2008, 39), where law expanded to ‘instances where an activity not legally regulated within a legally regulated area becomes regulated (Blichner 2008, 43).’ The term is also closely associated with the rule of law as the symbol of advanced democracy on the one hand and the process that could undermine democracy in the form of legal domination on the other (Blichner 2008, 36-37).

Some similar but different phenomena to juridification are the judicialisation of politics and abusive judicial review. While juridification looks at the expansion of law, judicialisation of politics and abusive judicial review looks at the role of the court in enforcing the law. Scholars define judicialisation of politics as the increase in the judiciary’s role in addressing political issues (Hirschl 2011, 1-2; Ferejohn 2002, 41-42; Dressel 2012, 6) or when the decision-making rights are transferred from the executive and legislative to the judiciary (Vallinder 1994, 91). This study views the concept of juridification as the expansion of legal control, i.e., the increase in the number of laws to regulate more aspects of politics, may better contribute to the understanding of political development at its foundation. Though the courts may involve in the law-making process in some judicialisation of politics definitions, as the case study will show, the role of legal expansion in Thai politics from the outset of the 2014 military coup was mainly the task of the military, rather than the judiciary.

The concept of abusive judicial review by Landau and Dixon (2019) presents a clear argument with comparative cases in how the courts have played an important role in strengthening authoritarian rule, in contrast to the general character of preserving democratic order (Landau and Dixon 2019, 1313). This concept focuses on the role of the courts in intervening in politics under the illiberal regime and where ‘judges intentionally take aim at the democratic minimum core’ (Landau and Dixon 2019, 1326). In the Thai case, for example, the authors observed that the Constitutional Court’s decision to dissolve political parties helped justified the military rule in Thailand’s 2006 and 2014 military coups (Landau and Dixon 2019, 1329). Scholars of

Thai politics have also noted that the Thai Constitutional Court has played a significant role in undermining and being biased against the Thai democratic government (Mérieau 2016; Dressel and Tonsakulrungruang 2018).

Indeed, the two concepts discussed a critical actor from the legal perspective: the court that adjudicates (political) matters in accordance with the law. However, the courts' decisions that affect the political outcomes are derived from the existing laws, or laws to be created by the legislative in the democratic regime or the holder of the sovereign power in other regimes. Building on this logic of the causal chain, it might be more constructive to understand the creation of the law that will be used as the tool to secure political power for a regime by the judiciary.

While there are studies on the various definitions and characters of juridification, the causes and conditions or pre-conditions that initiate the process have not been the main discussion. The previous literature observed that the increase in the reliance on law and legal measures are the general characteristics of juridification in world politics. A state may employ legal processes and jurisdiction power in domestic politics as influenced by the structure of laws and norms governing the international system (Sieder 2020, 2). Blichner (2008) argued that juridification occurred since the establishment of formal legal order (Blichner 2008, 39) or when conflicts in society are increasingly solved by reference to law (Blichner 2008, 44). Similarly, Magnussen (2013) proposed that juridification is a circumstance when there is an increase in formal public rules, regulations, and judicial institutions (Magnussen 2013, 326). Sieder (2020) argued that juridification is a state where people in a society increasingly rely on legal mechanisms to defend their interests (Sieder 2020, 2). The previous literature has defined juridification, but has yet to discuss the factor that triggers juridification, in other words, what makes the state reach a point of relying more on legal measures to secure political power. This study will explore the missing gap in understanding the political conditions leading to juridification and its effect on the juridification process to add to the discussion of the use of legal mechanisms in authoritarian regimes.

There are various methods the authoritarian regimes could employ

to secure their political power and survival, with legality and legitimacy as part of the important factors in accommodating such power. Political elites in authoritarian regimes may work together in the 'protection pact' that manages power and resources among them to heighten the state's capacity and increase the authoritarian control to enhance the regime's durability (Slater 2010, 4-6). Even an authoritarian regime that seems to rely on the use of force for regime survival still needs to seek legitimacy, and the lower the legitimacy, the more the coercion (Dogan 1992, 117-120). A recent study also found that the trend of authoritarian survival is leaning toward 'adaptive authoritarian,' which refers to the authoritarian regime that uses some democratic characteristics in the regime but still controls some aspects of politics to stay in power (Maerz 2020, 81). It is not necessary that an authoritarian regime will choose one method over the other, but the use of the law is assumed to be the factor that helps increase the legitimacy of the operations.

The political legitimacy in this study refers to the legitimacy of the government's access to power as the base of its right to rule. In general, scholars agree with the definition of legitimacy as the right to govern and present the idea of the power relation between the governor and the governed in a particular society. It may include justifying factors, such as the consent or the recognition of the governor's right to govern (Coicaud 2002, 10), the moral authority to balance off the de facto power (Beetham 2013, 57), or the legality factor to justify a regime's power (Coicaud 2002; Schmitt 2004; Beetham 2013). A democratic government will earn legitimacy when it accesses power through a free and fair election. On the other hand, an authoritarian government, such as a military coup, may not have the same level of political legitimacy as a popular-elected government. A military coup may justify itself as the representation of the people to overthrow a sitting government for particular reasons, but it does not constitute the legitimacy of the military coup to assume the right to rule. Beetham (2013) proposed that the legitimacy of a political regime consists of three factors; the source of authority, the capacity of the government, and a mechanism for regular consent expression. The military coup government can only manage the capacity factor, as they are not the representative of the people, nor do they offer a channel for consent expression. It is the fundamental weakness of the military regime in securing legitimacy, that is, its weakness

to justify its power (Beetham 2013, 231-235). Hence, the authoritarian regime needs to secure and justify its right to rule for its survival and to compensate for the lack of legitimacy in accessing power.

The government needs political power and political legitimacy to stay in power. Authoritarian regimes, like other regime types, seek political legitimacy for their survival as they cannot only rely on repression to stay in power (Göbel 2010; Ginsburg and Simpser 2014). This study views that a strong regime consists of strong political power, such as the legitimate access to power through free, fair, frequent elections in democratic regimes, combined with other factors that support the government's survival, such as high economic performance, the capacity to provide material needs to the citizen (Beetham 2013; Maerz 2020, 80), or combined with nationalism and cultural legitimacy (Nathan 2020, 161-162). Hence, a strong regime is one that establishes power based on people's moral acceptance or the government's performance. A regime with low political legitimacy or low performance, on the other hand, harvests political legitimacy through the threat to use or the use of force, political repression, or the enforcement of the law. The authoritarian regime will seek to fulfill political power and political legitimacy according to its performance and political situations that affect its survival (Turner 1990).

Legality is an important part of political legitimacy, as it affects the strength of a regime's political legitimacy discussed in this paper. While the law can establish power for a regime, it does not necessarily justify the regime's political legitimacy. This paper views that the law which establishes the rule and power for a regime must be derived from a legitimate source, such as a democratic constitution, as it is the ground to establish a legitimate government from the recognition and the consent of the governed, of its right to rule. The recognition of a regime's right to rule is based on the legitimacy of the law, that is, the public's consent to conform to the law that reflects and corresponds to the public will (Coicaud 2002; Beetham 2013). The constitution is a good start to analyse the political and legal legitimacy as the constitutional order reflects a state's ideology, and the rules established in the constitution are based on those values. For the constitutional order in popular sovereignty to be legitimate, it must serve to accommodate the

interest of both the governor and the governed, for when the interest of the governed is not recognised by law, the power relation is not legitimate (Beetham 2013, 59, 126-129). A law that is promulgated by illegitimate sources or procedures must not be counted as the legitimizing factor for a regime but instead reveals a regime's attempt to gain legitimacy through a legal framework.

This study proposes that an authoritarian regime with low political legitimacy will rely on juridification to preserve the status quo and secure its power for the regime's survival. The level of political legitimacy determines the regime's policy choices to secure its political power. A strong regime may possess a high level of political legitimacy through the established and accepted mean of power accession, combined with high economic performance or societal factors such as nationalistic drives, providing the government with wider policy options. For example, it may not use or rely on force to ensure its survival. The regimes with low political legitimacy or low performance may possess lower legitimacy and be left with fewer policy choices. The strength or weakness of the regime's political legitimacy will directly affect the regime's status quo and its survival.

Political Actors and Political Dynamics Since The 2014 Military Coup

This article looks at the goals of the 2014 military coup as the military's attempt to secure political power for authoritarian survival. Thailand's political landscape since the 2014 military coup has been shaped by a consolidation of power among a ruling elite composed of the military, monarchy, judiciary, and technocratic networks. While the coup was publicly framed as a measure to restore order, it also aligned with the interests of conservative elites and royalists who sought to limit the influence of the Shinawatra political camp. The National Council for Peace and Order (NCPO), led by General Prayuth Chan-o-cha, seized control following anti-government protests by The People's Democratic Reform Committee (PDRC) in 2013–2014, against the then Yingluck Shinawatra administration's attempt to pass the blanket amnesty bill that would pardon political sentences to those involved in political protests that occurred from 2006, likely to include the former

prime minister, Thaksin Shinawatra, Yingluck's brother (Prasirtsuk 2015, 201-204). The fever of Thaksin-phobia originated from the military coup in 2006 when Thailand's color-coded politics began. Thaksin was viewed as a corrupted politician and disloyal to the monarchy as the conservatives, ranging from privy councilors to military officials and the political elites, perceived him to have undermined the monarchy in various ways (Pathmanand 2008, 130). The accusation of disloyalty to the monarchy greatly undermines the political legitimacy of 'bad politicians' whose practice opposed the monarch's widespread teaching not to let 'bad people' govern the country (Office 2019). The PDRC used the accusations of Yingluck's corruption and the attempt to bring back Thaksin to mobilise a stratum of conservatives to political sanctions and the street protest in November 2013. The protest lasted until May 2014, when the military intervened and staged a coup to take control of the politics, legitimizing its action to end the political crisis caused by the protest and restore peace and order to society from political chaos. The enforcing 2007 Constitution was suspended and replaced with the military's 2014 Interim Constitution.

The judiciary, particularly the Constitutional Court, has played a central role in protecting the post-coup political order and systematically constraining electoral opposition. In practice, the judiciary operates as an extension of military-monarchical authority by resolving political disputes in favor of regime-aligned interests. This phenomenon has become a primary mechanism of authoritarian durability. High-profile rulings include the dissolution of the Thai Raksa Chart Party in 2019 for nominating a royal family member as prime minister (Royal Thai Government, 2019), and the disbanding of the Future Forward Party in 2020 over alleged financial improprieties (Royal Thai Government, 2020). Most recently, in 2024, the reformist Move Forward Party was dissolved on the grounds that its proposal to amend the *lèse-majesté* law threatened the monarchy (Royal Thai Government, 2024), further signaling the centrality of the monarchy in legal and political discourse.

The military's role in the 2006 and 2014 coups focused on the goal of securing the monarchy's power, which was reflected in the duration and intensity of the military's political control. The military coup

in 2006 stayed in power until 2007 when it transited its power to a newly appointed government, which finished the process of drafting and promulgating the new constitution in 2008. However, the coup was unsuccessful in eliminating Thaksin's presence from politics, as the new constitution could not prevent Thaksin's successive political parties from winning general elections (Winichakul 2016, 27). After the military coup in 2006, which aimed to eliminate Thaksin's presence in politics, Thaksin's successive political parties still won all general elections prior to the military coup in 2014. The series of Thaksin camp's success in general elections owes very much to his populist policies that have significantly gained support from the grassroots, which is the strong popular base of Thaksin's parties (Phongpaichit and Baker 2008, 65-67). Thaksin's popularity was perceived as one of the reasons the military coup in 2006 took place, as he was thought to be in a popularity race with the monarchy, which has the poor in the countryside as the same popular base (Kitirianglarp 2011, 208).

The military coup in 2014 learned from the failure of the rapid transition and stayed in power longer, with the length of five years, until 2019, when the general election took place. The military had to secure its political power to act as the guardian of the monarchy. The process of drafting a new constitution and the election rules stated within it was closely controlled by the military, which, when combined with the military's tactics to buy ex-Thaksin camp politicians into the military party, helped to facilitate its return to parliament after the general election and to accommodate them to stay in power for at least another eight years.

Despite constitutional constraints and judicial repression, electoral politics remain an important battleground. The 2019 general election, held under the 2017 Constitution, marked the return of electoral competition but within a framework tilted heavily in favor of the military-backed Palang Pracharath Party (PPRP), which nominated Prayuth as prime minister. The Senate's appointed bloc played a decisive role in confirming his return to power. However, newer political movements, such as Future Forward (2018–2020) and its successor, Move Forward Party, captured substantial youth and urban support, reflecting public disillusionment with military rule. The 2023 general election produced a landslide win for Move Forward, making it the largest party

in the House of Representatives. Yet, its leader was blocked from becoming prime minister by the Senate and later banned from politics as the party's leader, reinforcing the structural limits of electoral legitimacy under the current system. These cycles of popular mobilisation followed by elite pushback demonstrate the tension between growing democratic aspirations and institutionalised authoritarianism.

Juridification and the 2014 military coup: bridging the legitimacy gap

Juridification is discussed as the process of power transition to the jury in democratic regimes regarding the rule of law, the increase of the citizens' basic rights, or the reliance on the legal process to solve social and political issues (Blichner 2008, 38-39). This study applies juridification to explore the scopes and extent of authoritarian regimes that lend democratic elements, such as the constitution, or holding elections with political parties to legitimise the regime and control political activities for its survival or to achieve its political goals. In contrast to the juridification in the democratic regime posited in previous literature as the outcome of the development of the rule of law, juridification in an authoritarian regime assists it to rule by law as the law execution process is illegitimate, not free, and not inclusive.

According to Asian Barometer survey data (Table 1), the surveys showed declining satisfaction and trust towards the military government and showed higher tendencies of opposition to authoritarian rule. The data to be analyzed here was collected in August – October 2014, which is the beginning of the military coup government, and December 2018 – February 2019, which were the final months of the military government. The data showed that the public is becoming less content to live under the Prayuth administration, as the will of the people to live under the Prayuth regime dropped from 81.40% in 2014 to 74.30% in 2019, as well as the drop of pride of the governing system that dropped from 79.00% in 2014 to 71.10% in 2019. Moreover, the trust in the military also dropped from 86.00% in 2014 to 74.20% in 2019, and the rate of people's acceptance of the military's role in politics has significantly dropped from 47.90% in 2014 to 10.50% in 2019. The people's perception toward the effectiveness of democratic rule has increased from

50.80% in 2014 to 66.30% in 2019, and showed less favor to the authoritarian rule, as the preference rate dropped significantly from 26.20% in 2014 to 12.60% in 2019. Democracy was deemed more effective in solving the problem of the society, as the percentage rose from 57.30% in 2014 to 69.30% in 2019, and the negative perception toward democratic capabilities dropped from 24.80% in 2014 to 12.50% in 2019.

Table 1 Percentage of variables on the people’s perceptions towards the government, the military, and preference towards democratic and authoritarian government from Asian Barometer Survey project’s wave 4 and 5.

Variables	Percentage		Changes from 2014 to 2019
	August - October 2014 (Wave 4)	December 2018 - February 2019 (Wave 5)	
How satisfied are you with the current president/government?			
Satisfied	80.60%	56.00%	-24.60%
Dissatisfied	8.80%	33.20%	-24.40%
Trust in the military			
Trust	86.00%	74.20	-11.80%
Distrust	9.80%	18.30	-8.50%
In general, I am proud of our system of government			
Agree	79.00%	71.10	-7.90%
Disagree	12.50%	18.70	-6.20%
I would rather live under our system of government than any other that I can think of			
Agree	81.40%	74.30	-7.10%
Disagree	10.10%	12.60	-2.50%

Which of the following statement comes closest to your opinion?			
Democracy is always preferable to any other kind of government	50.80%	66.30%	-15.50%
Under some circumstances, an authoritarian government can be preferable to a democratic one	26.20%	12.60%	-13.60%
For people like me, it does not matter whether we have a democratic or nondemocratic government	7.70%	4.90%	-2.80%
Which of the following statements comes closer to your own view?			
Democracy is capable of solving the problems of our society	57.30%	69.30%	-12.00%
Democracy cannot solve our country's problems	24.80%	12.50%	-12.30%
The army (military) should come in to govern the country			
Agree	47.90%	10.50%	-37.40%
Disagree	40.40%	69.50%	-29.10%

The reliance on law and legality as the source of political legitimacy, rather than the regular use of direct military power is because it is less likely to have a similar political condition to justify the military coup as it did in 2006 and 2014, and public perception towards the military has shown some significant decline. In this case study, the cre-

ation of Thailand's 2017 Constitution and the National Strategy will be discussed as the crucial step of the juridification process to secure authoritarian political power, which will increase political power and political legitimacy for authoritarian power.

The 2017 Constitution

The juridification in the 2014 military coup can be argued to have taken place since the beginning of the power seizure and reflected the military's effort to use law and legal measures as a tool to secure its power. Hirschl (2004) argue that political elites may reform the constitution content or shift power from the political representatives to the judicial bodies to preserve their status quo (Hirschl 2004, 72-73, 105). Besides the royal proclamation that appointed General Prayuth Chan-O-Cha, the head of the military coup, as the prime minister (Royal Thai Government 2014), the military government based its legitimacy on the 2014 Interim Constitution as a constitution was recognised as the most prestigious law, and any action carried out under the constitution was deemed lawful. The military regime used this legal power to expand its political control in terms of legality, and to force suppression of its political opponents and protestors. Politicians, academics, and protestors were forced to report themselves to the military during the first weeks of the coups, with many being detained and arrested in the series of political protests throughout the military regime, with frequent intimidation and use of force by the government (Haberhorn 2018, 936-937). Hence, law and legal measures were effective tools for the military regime to legitimise its action and expand its control over politics to secure its power.

After establishing its power in the interim constitution, the military continued the juridification process for political control by drafting a new constitution. The military government initiated the national reform scheme consisting of five actors; The National Councils for Peace and Order (NCPO), The National Legislative Assembly, the government, the National Reform Council, and the Constitution Drafting Committee (Prasirtsuk 2015, 203-204). These actors were

systematically controlled by the military government and contributed to the execution of the constitution and laws to accommodate the military's domination in post-coup politics. The NCPO and the government, both chaired by Prayuth, appointed the National Reform Council members to prepare the National Reform Plans, which later would be developed as the National Strategy. The National Reform Council members also select the Constitutional Drafting Committee members to prepare the new constitution (Royal Thai Government 2017, 5). The new constitution passed through a tightly controlled referendum as required by section 5 of the 2014 Interim Constitution (First Amendment 2015) (Office of the Council of State 2015, 2), legitimizing it as the constitution that the people have accepted. The new constitution was promulgated as Thailand's latest constitution in April 2017, serving as the first step of the military's attempt to control politics through legal measures.

The 2017 Constitution is important to the military regime as it serves to secure the military, which will allow them to secure the monarchy's political power. It accommodates the military regime to return to power after the general election as it allows the NCPO-appointed senators of 250 to vote for the prime minister (Office of the Council of State 2017, 112) in addition to the 500 elected members of the house of representatives, which left the military-backed political parties to compete for only 125 seats in the election to form a government with the majority of the vote from both houses combined. The constitution also opens a channel for the parliament to vote for an 'appropriate person' to become the prime minister without being a member of the house of representatives (Office of the Council of State 2017, 112). Since this constitution was the source of political power for the military regime, it was designed to be almost impossible to amend while the military or the NCPO-appointed senators remained in politics. The motion to amend the constitution must get approval from the majority of the parliament, with one-third approval from the senators as stated in Section 256 clause 3 of the constitution (Office of the Council of State 2017, 97). Hence, any law stemming from this constitution can be interpreted to be set in stone.

Thailand's National Strategy

One of the laws that would accommodate the military regime to secure its political power and achieve its goals when staging the coup is the National Strategy. According to Blichner (2008), Thailand's National Strategy could be one of the conditions of juridification where law expands to control more aspects of society by dividing one law into two or more laws (Blichner 2008, 42). Thailand's National Strategy is the first national development law, as its existence is mandated in section 65 of the 2017 Constitution (Office of the Council of State 2017, 21). It was first drafted by the NCPO-appointed National Reform Council, whose duties were to examine the draft of the new constitution and create the national reform plans. The National Reform Council was dissolved when its main function in approving the constitution draft was done in 2015, but the national reform plans were carried on by a new military-appointed committee called the National Reform Steering Assembly. The reform plans later became Thailand's National Strategy promulgated under the 2017 Constitution. Given the priority and significance of the national reform plans, it can be argued that the military had planned to use the National Strategy to grasp political control in post-coup politics since the coup started and legitimised it with the 2017 Constitution that is claimed to be approved by the public.

The National Strategy was formulated under many laws, which helped secure its legal status in various ways. It was initiated and executed under three main laws; the 2017 Constitution, The National Strategies Preparation Act 2017 ("Preparation Act"), and the National Strategy itself. The National Strategy has its legal status from the Preparation Act, which was promulgated as a part of the mandate to create the National Strategy in the 2017 Constitution, which stated in section 5 that the National Strategy must be promulgated as the royal command (Royal Thai Government 2017, 2). The requirement to have the National Strategy be promulgated as the royal command can seem to have political symbolism rather than practical reason, as it has the same hierarchy as promulgating it as an act. Furthermore, the Preparation Act also stated in section 25 that any government agency that failed to comply

with the National Strategy would be considered intentionally committing an offense and may be subject to suspension from, temporary, or permanently discharged from public office (Royal Thai Government 2017, 11). The compliance of the government agencies' acts will be examined by the National Strategy Committee, whose members consist of the prime minister, the speakers of the House of Representatives and the Senate, representatives from economic-related sectors, and the commanders in chief of the armed forces and the police (Royal Thai Government 2017, 5). The security personnel make up seven out of 17 committees. The high number of security personnel and the National Strategy's legal status and possible punishment would help the military to maintain its existence and control in post-coup politics, leaving its mark and opening the channel to legally influence the politics even if they did not win the general election in 2019.

Conclusion

This article set out to examine the conditions under which authoritarian regimes engage in juridification as a strategy for political survival. While juridification has frequently been discussed in democratic contexts as an expansion of legal control and judicial power, this study investigated how and why similar processes unfold under authoritarian rule. The central question asked why regimes with coercive power still invest in legal mechanisms to sustain authority. Through a theoretical framework linking juridification to political legitimacy, this study argued that authoritarian regimes turn to juridification when they lack the normative and procedural legitimacy typically derived from electoral mandates or popular consent. In such cases, legality substitutes for legitimacy. Legal frameworks are not used to limit state power but to institutionalise it under the guise of constitutional order. This interpretation challenges normative assumptions about the neutrality or democratizing function of law, and situates juridification as a political act designed to stabilise authoritarian rule.

The case of Thailand's 2014 military coup illustrates this dynamic in concrete terms. The military regime, having seized power without democratic consent, lacked the legitimacy to govern in the traditional sense. Rather than relying exclusively on repression, the junta under-

took a deliberate juridification process to entrench its rule. The 2017 Constitution and the National Strategy served as core legal instruments through which the regime formalised its political control and constrained the space for democratic opposition. These documents enabled the military to reconfigure political authority, maintain indirect influence over successive governments, and present its dominance as a lawful and stable political order. The evidence drawn from constitutional design, legislative processes, and public opinion data supports the argument that juridification in Thailand was neither incidental nor technical. It was a calculated political strategy, rooted in the need to bridge a legitimacy gap and ensure regime continuity under legal form.

This study finds that juridification in authoritarian contexts functions as a survival mechanism triggered by legitimacy deficits. It offers a clear answer to the research question: authoritarian regimes resort to juridification when they cannot rely on democratic legitimacy and must instead manufacture it through legal instruments. By expanding legal control into political and social domains, such regimes neutralise contest while appearing procedurally compliant. These findings carry broader implications for understanding authoritarian resilience in contemporary politics. As legal formalism becomes increasingly central to authoritarian governance, scholars and practitioners must interrogate critically the political uses of law beyond its normative ideals. Recognising the strategic function of law in non-democratic regimes is essential for assessing the deeper logic of institutional design under authoritarianism.

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Thailand's Party Financing Regulation: A U-Turn to Patronage System

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ABSTRACT—Money is important for the development of political parties. To support the development of parties along with preventing overt corporate influence over them, the Thai state allocates subsidies from the Political Party Development Fund (PPDF) to eligible party organizations. Beyond the limited PPDF budget, political parties are also allowed to seek their own revenues from other sources such as merchandise sales, fundraisers, and private donations, with the maximum of 10 million baht per donor. Based on qualitative analysis, a series of six focus groups were conducted with party branch members, party MPs, candidates, party staff and ECT officers in the following provinces: Bangkok, Trang, Phuket, Udon-thani, Khon Kaen and Nan. Interviews were conducted with multiple politicians, electoral candidates, party staff, scholars, and ECT officers regarding their views on the pros and cons of current regulations on party finance and PPDF. The result show that many restrictions in party law regulations create an environment where parties often turn to business conglomerates and private donors that can then influence party organizations, which runs counter to the original intent of the 2017 law, designed to prevent parties from becoming subject to patronage. In addition, party reliance on private contributions may lead to compliance mistakes, resulting in punishments such as party dissolution, as seen in the case of the disbanding of the Future Forward Party in 2020.

Keywords: party finance, political parties, Thai politics, Election Commission, elections

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Introduction

To prevent corruption and curb the prevalence of patronage relations between political parties and business conglomerates, Thailand, for the first time, introduced state subsidies to political parties in 1997, calling the new program the Political Party Development Fund (PPDF) (Sirivunnabood, 2019, 2023, 2024; Waitookiat and Chambers, 2015; and see also Garcia Vinuela and Gonzalez De Aguilar, 2011). Lawmakers hoped that state subsidies would replace private sponsors as the main mechanism for political finance (see also Nassmacher, 1993: 234; Fisher and Eisenstadt, 2004: 621; and Van Biezen, 2004). Since its adoption, the PPDF law has been revised seven times (Sirivunnabood, 2023). PPDF funds, however, are not adequate for parties' spending needs, particularly during the election campaigns. Thus, the recent party law implemented in 2017 does allow political parties to generate their own income from other sources such as selling party products, organizing fundraising events, and accepting private donations. These funding opportunities, though, allow business conglomerates or private donors to continue influencing political parties.

To understand how Thai parties manage and secure their financing, this paper will explore the role of private sources of funding for political parties. It will examine whether or not legal private funding routes are sufficient for parties' campaign spending and organizational development. Do current regulations in the 2017 law facilitate party income or do they hinder party capacity to garner revenue? More importantly, do these financial regulations support the development of party organizations in the long term? This paper addresses these questions in the light of regulations outlined in the 2017 Constitution. It also outlines the ways in which obstacles arise from the regulations, and it discusses the 2020 dissolution of the Future Forward Party over a loan it received from its party leader. Finally, this paper will conclude by recommending possible legal amendments necessary to support political parties, allowing them to survive after elections.

State Subvention and the Cartel Party Model

Money is an important element in politics. Historically, political parties in developed democracies primarily depended upon private

donations or membership fees to support their political activities (Van Biezen, 2004: 701-702). Katz and Mair (1995) describe the evolution of political parties from the mid-19 century to the present day into four different types based on the relationship between the civil society and the state, which includes a discussion of how the funding to support political parties impacts parties. Katz and Mair (1995) first examine the cadre party model is formed by a group of people who share similar public interests or private interests. They constitute a cluster of local elites wielding authority over resource distribution and have power to place their members in the government. The people who play a political role in civil society and the people who occupy political positions in government are frequently connected by family ties. When these two groups are linked, their relationships are profoundly interconnected. The funding required for elections thus comes from local level either from wealthy individuals or donations from business conglomerates.

As the countries became more industrialized and more people met the universal suffrage requirements, working-class organizations became a crucial component of liberal democracy. Preventing the working class from participating in the political arena became untenable, paving the way to the evolution of the classic mass-based party. These branch-based organizations replaced the caucus-based organizations of the cadre or elite-based party in many European states (Mair 1997: 35). The mass party model was organized on mass membership, formal structure, and incomes from fees paid by their members or donations from affiliated trade unions (Van Biezen 2004, Alexander, 1989 and Hopkin 2004). This structure divides the relationship between the mass-based party from a group of people who govern the state. Instead, this type of party forms a tightly knit connection with civil society, making the mass-based party serve as an intermediary between civil society and the state. Thus, while the cadre party relied on the wealthiness of supporters for their organization management and election, the mass-based party relied on a large number of members and membership fees from social classes for party management and survival (see also Duverger, 1967). In addition, the mass party based on societal segments and branches is a more modern or superior form of organization compared to loosely organized cadre parties, based on caucuses of locally prominent individuals (Koole 1994 and Katz and Mair 1995).

The cadre and mass-based parties were challenged by the evolution of society, including the expansion of voting rights from thousands to millions, the inability of informal party networks to link parties to voters, and the development of mass media (Katz and Mair 1995: 11). Thus, both types of parties, cadre and mass-based parties, were forced to adapt to these new changes to survive. Otto Kirchheimer (1966) described the emergence of the catch-all party, or Volkspartei, as an ideal type for political parties in the 1960s, which would later become one of the most well-known and widely debated concepts in political science. Katz and Mair (1995) examine the emergence of the catch-all party model as a new type of political party that emerged as cadre and mass-based parties struggled to adapt their internal structure to mobilize political support across social strata.

Cadre party leaders could not accept the idea that political parties should represent specific segments of society such as farmers, labor and industrialists. Such influence of social groups would potentially reduce cadre party influence in politics. As such, they preferred to establish parties to be more independent from those social classes. In addition, as mass-based parties would represent interests of social classes, they could potentially garner their own financial support from party members. In contrast, leaders of the cadre party model did not need to rely on material resources from those social groups in order to mobilize electoral support. Once they joined the government coalition, cadre party leaders could also seek resources of the state for their own advantages. As a result, the cadre party tended to access resources through other non-partisan channels, instead of sourcing support and resources from large societal groupings.

In the case of the mass-based model, parties declined due to decreasing membership numbers. More importantly, the growth of mass media allowed political parties to directly link to the people (Katz and Mair 1995: 12). Parties no longer served as intermediate between people and the state. The mass-based party structure became weaker when the party leaders won the election and gained power on their own. Those leaders of the original mass parties wanted to maintain their victory. They become more interested in expanding their electoral appeal across social strata to ensure electoral success (Katz and Mair 1995: 13). Thus,

they were attracted to the model of the catch-all party.

To survive in politics, these two types of party model, elite-based and mass-based parties, adapted themselves to catch-all parties to broaden their appeal across social classes. They recruited their members based on policy agenda instead of social identity. They delivered their political information and agenda directly to their electoral supporters via mass communication, particularly television, rather than local branches or core supporters. They gained funding from individual supporters in general or business donors, instead of a particular social class, or trade unions. The existence of a catch-all model also changed the relationship between parties and the states in which “parties are more like a broker between civil society and the state” (Katz and Mair 1995: 13), delivering demands from civil society to the government.

Katz and Mair (1992) and Mair (1994) argued that during the 1970s, there was a decline in the level of political participation and involvement in political activities among citizens in many democracies. This resulted in a decreasing number of fee-paying members of political parties, which forced parties to seek other sources of funding. Some parties turned to seek financial resources from the state. When in power, those parties drafted regulations to allocate state funds to their party organizations. Such state subvention regulations for political parties varied from country to country, but they became a major resource for parties to draw on as they conducted electoral campaigns, managed internal operations, and accessed media for both elections and the organizing of political activities. This relationship between political parties and the state led to the emergence of a new type of political party, which was called the cartel party. These parties collude with one another to ensure state support for party activities continues, whether they lose an election. Other types of parties may lose their financial support if they cannot win parliamentary seats. The cartel party model, however, enjoys financial security by cooperating with other parties to ensure state resources flow to their party organization.

The existence of cartel parties, however, does not replace other party models. The elite party, mass-based party and catch-all parties continue to co-exist along with the cartel parties. Each model of party often endures in the situation that has facilitated their survival, including

the pattern of electoral competition, the character of party membership and the relations between the party members and the party leadership, the resource distribution, and the goal of politics (Katz and Mair 1995: 19-20). Parties have thus adapted themselves and formed their structure around those components. In the case of the cartel model, the emergence of state subvention to political parties was an essential element to influence a party adaptation. Parties began to campaign on a similar policy platform and politics was recognized as a full-time career. Thus, politicians view their opponents as “fellow professionals who are driven by the same desire for job security...” (Katz and Mair 1995: 23), rather than their competitors. They view state subvention as their source of income that can support their campaigns and political survival. Relying on state subvention, parties did not need to compete with each other to favor specific social classes or a group of voters for their financial resources. This pattern of relationships allows for cooperation regardless of which coalition holds office. None of the major parties will be excluded from the funding system. Stability in their political career became more important than winning an election. This, however, would weaken the degree of competition among parties and their politicians in politics.

The party typologies described earlier have relevance to Thailand’s political party system. The Thai state provides subsidies to all eligible political parties. The state funds, or PPDF, were distributed to parties in the hope of providing sufficient funding for parties to curb the traditional patron-client structure of party financing and diminish the influence of business conglomerates over parties (McCargo 1997 and Ockey 2020). In practice, however, those subsidies allocated to political parties were not adequate to cover parties’ expenses, including expenditure for their administration, political activities, and electoral campaigns, which led parties to continue relying on private contributions. Although the 2017 law on political parties includes many sections to control private funding flowing into parties, these regulations do not eliminate the influence of private donors or business conglomerates over party organizations. Thus, parties are trapped in the same political circle as before. In addition, the rules to curb the influence of the business sector over political parties also become obstacles for parties as they seek legal income.

Methodology

This study was conducted based on a series of six focus groups that were conducted with party branch members, party MPs, candidates, party staff and Election Commission of Thailand (ECT) officers in the following provinces: Bangkok, Trang, Phuket, Udon-Thani, Khon Kaen and Nan. Thirty interviews were conducted with multiple politicians, electoral candidates, party staff, scholars, and ECT officers, regarding their views on the pros and cons of current regulations on party finance and PPDF. I also carried out non-participatory observation by shadowing the political activities of parties in specific provinces, as well as ECT events related to party finance. This approach allowed me to gain insights into how political parties utilized funds from the PPDF for their activities and how effectively the ECT provided education on party finance regulations and management.

The Evolution of State Subsidies: A 26-Year Retrospective (1997-2023)

After the political reform in 1997, Thailand, for the first time, introduced a Political Party Development Fund (PPDF) in 1998 under the Organic Law on Political Parties. Political Parties that meet the requirements according to this Law would receive subsidies from the Election Commission of Thailand (ECT) (Waitoolkiat and Chambers, 2015 and Sirivunnabood, 2023). State subsidies were also provided as financial assistance for small and new parties without parliamentary seats to establish and strengthen their organization so that they can survive successive election cycles (Sirivunnabood 2018). The PPDF was allocated to eligible political parties based on four criteria: the number of parliamentary seats obtained through the constituency system, the number of votes obtained in the party-list system, the number of local branches, and the number of party members. During the early period of adoption, the PPDF allocation formula weighed each of the four eligible categories at 25 percent. The percentage for PPDF distribution and its calculation method, however, were revised multiple times to limit the allocation of funds to inactive parties, particularly those small and new parties without parliamentary representation.

In 2017, the law on state subsidies to political parties was revised again by the constitutional drafters appointed by the military government. The lawmakers amended the calculation formula, utilizing three primary criteria: the total amount of annual membership fees (with 40 percent weighting in the determination of subsidies from the PPDF), the number of votes won in elections (40 percent weighting) and the number of party branches (20 percent weighting). In addition, parties receive financial support based on the third measure only during election years. During the interval period of election, the ECT allocates subsidies based on the donations that parties receive each year, rather than on the basis of votes received, along with the number of party branches and the total membership fees paid (Sirivunnabood, 2023 and 2024). Table 1 shows the revisions in PPDF allocation formula from 1999- 2017.

Table 1 shows the revisions in PPDF allocation formula from 1999- present

Measure	Weight	assigned	to measure	2017-Present	
	1999	2000-2006	2007-2014		
number of party list votes won	25%	30%	40%	Number of votes or annual donations*	40%
number of district seats won	25%	35%	40%		
number of party members	25%	20%	10%	Membership fee	40%

number of lo- cal branches	25%	15%	10%	Local branches	20%
Total	100%	100%	100%		100%

Note: * During the interval period of elections, the Election Commission of Thailand would allocate subsidies to political parties on the basis of the donations that parties receive each year, rather than on the basis of votes gained in the general election, along with the number of local branches and membership fees paid. Source: Data adapted by the author from the Election Commission of Thailand's Announcements on the Political Party Development Fund, 1998, 1999, 2000, 2011 and 2018 and the 2017 Political Party Act.

By implementing this formula introduced in 2017, political parties received funding from the PPDF in 2023 as shown in Table 2. Move Forward Party received the largest subsidy. Other major political parties, including Phuea Thai, Democrat and Phalang Pracharat were also allocated PPDF subsidies during the election year. Prior to the 2017 Constitution, many political parties received a large number of subsidies based on the number of their local branches (Sirivunnabood, 2013). In 2017, however, parties received more subsidies based on their tax-refund donations from taxpayers. Taxpayers may choose to donate up to 500 baht (approximately USD 14) from their annual tax return form to a political party of their choice from the list of all parties eligible to receive donations. The Revenue Department then compiles the list of parties selected by taxpayers and the donations received by each political party and transfers the total donations from tax-share to the ECT. The ECT later allocates these donations alongside funds from the PPDF to political parties (Sirivunnabood, 2023). This method does not only allow political parties to gain more funding from voters and the ECT but also encourages people to be affiliated with political parties and participate in politics more.

Table 2: PPDF Subsidies Allocated to Major Political Parties in Million Baht in 2023

Political Parties	Branches	Allocation for branches* (20%)	Membership fee	Allocation for membership fee (40%)	Tax-refund donation	Allocation for tax-refund donation (40%)	Total
Democrat	21	0.69	15.7	3.7	3.4	2.4	10.2
Move Forward	8	0.26	2.9	0.68	27.5	19	47.4
Phuea Thai	4	0.13	4.6	1.08	2.9	2.01	6.1
Phalang Pracharat	5	0.16	4.4	1.05	1.2	0.893	3.4
Seri Ruam Thai	4	0.13	2.9	0.70	0.97	0.66	2.4
United Thai Nation	5	0.16	0.08	0.18	0.08	0.06	0.49
Thai Sang Thai	6	0.19	3.7	0.89	0.19	0.13	1.4
Bhumjai Thai	4	0.13	14.06	3.3	0.20	0,14	3.8
Chart Thai Pattana	4	0.13	1.9	0.47	0.10	0.06	0.77

Note: USD1 = 37 Thai Baht as of July 2024 and Data in this Table are based on the electoral results in 2023 general election. Parties received this budget in January 2023. Source: Developed by the author from data of the office of the Election Commission of Thailand

According to the 2017 Constitution, political parties and candidates were limited on campaign spending based on ECT determinations prior to each election. In the 2019 general election, the ECT announced that candidates could spend THB 1.5 million (USD 45,000) and political parties could spend THB 35 million (USD 1 million) (iLaw, 2019) for their electoral campaigns. In the 2023 election, however, these amounts were changed. The ECT announced that candidates could spend THB

1.9 million (USD 54,000) and parties could spend THB 44 million (USD 1.3 million) for their electoral campaign (*ThaiPBS*, 2023a). The total amount may be varied in each election, depending upon the level of economic development and financial situation of Thailand during the election year.

Although major political parties received funding from PPDF, those subsidies were not adequate for party needs, particularly during the 2023 electoral campaigns (*ThaiPBS*, 2023b). According to the ECT report on party spending, the United Thai Nation Party spent 40.6 million baht on their campaigns, Phuea Thai Party used THB 40.2 million, the Democrat Party spent THB 34 million, and Phalang Pracharat Party spent THB 24 million (*ThaiPBS*, 2023c). These campaign expenditures exceeded the PPDF subsidies that the parties had received. These major parties regularly report their campaign spending to the ECT, and it is apparent that parties spend more money in electoral campaigns than the subsidies they receive from the PPDF. In the 2023 election, parties reported spending around 10,000 million baht for both physical and online campaigning (*MGR Online*, 2023). Analysts further estimate that more than THB 120,000 million was spent during the election campaign (*ThaiPBS*, 2023b). According to the author's interviews with party officers from major political parties, one of those officers from major parties pointed out that

It is difficult for parties to spend money in electoral campaigns less than the amount required by law. Imagine, if we have to organize rally events in major provinces, it costs a lot. Also, for the party candidates, it is difficult for them to spend on their campaign less than THB 1.9 million (USD 54,000). Everything is so expensive during election time, including producing a candidate's banner, hiring vans to promote candidates, hiring campaign assistants, or organizing rallies. They are all costly. (an author's interview with an officer from a major political party, Bangkok, 26 June 2023).

To illustrate this argument, Table 3 shows the comparison subsidies parties received in the year of the election to parties' spending on electoral campaigns reporting to the ECT.

Table 3: Parties' spending for electoral campaigns in the May 2023 Election

Political Parties	Subsidies from PPDF (in million Thai Baht)	Spending on elec- toral campaigns (in million Thai Baht)
Democrat	10.2	34.4
Move Forward	47.4	40.9
Phuea Thai	6.1	40.2
Phalang Pracharat	3.4	24.2
Seri Ruam Thai	2.4	26.6
United Thai Nation	0.49	40.6
Thai Sang Thai	1.4	20.9
Chart Thai Pattana	0.77	29.6
Bhumjai Thai	3.8	38

Source: Election Commission of Thailand 2023.

From Table 3, the budget parties received from the PPDF was not sufficient to cover their political activities and campaign spending. After the year of the general election, political parties have continued to receive subsidies from the PPDF for their administration, political education, and political activities in January 2024. Move Forward Party (MFP) received the largest amount of subsidies from PPDF, totaling 52 million baht as shown in Table 4. Its subsidies are primarily from the number of votes the party won in the election. Due to the election year, the ECT did not subsidize more funding to the parties along with their tax-refund donation. This year, Phuea Thai Party received 16 million and the Democrat Party, the oldest political party in Thai politics, received 6.7 million.

Table 4: PPDF Allocation to Parties in January 2024

Political Parties	Allocation for branches (20%)	Allocation for membership fee (40%)	Allocation for Number of votes(40%)	Tax-refund donation	Total
Democrat	777,476	2 million	3 million	4.2 million	6.7 million
Move Forward	194,000	2 million	13 million	37 million	52.5 million
Pheu Thai	194,000	1.2 million	10 million	4.6 million	16 million
Phalang Pracharat	155,000	1 million	491,000	353,000	2 million
Seri Ruam Thai	155,000	759,000	321,000	1.3 million	2.6 million
New Democratic	544,000	1.3 million	250,000	3,900	2 million
Bhumjaithai Party	155,000	878,000	1 million	344,000	2.4 million
United Thai Nation	816,000	1.3 million	4.3 million	4.1 million	11 million
Prachachart	233,000	1.8 million	550,000	129,000	2.7 million

Note: USD 1= 37 Thai Baht as of July 2024 and Data in this Table are based on the electoral results in 2023 general election. Parties received this budget in January 2024. Source: Developed by the author from data of the office of the Election Commission of Thailand, 2024.

These subsidies may not be sufficient for parties' expenditures. Thus, the 2017 Law on Political Parties allows political parties to seek incomes from other sources beyond state funding or PPDF so that they can manage their organizations and survive elections. This new regulation, though, introduced numerous provisions aimed at restricting and regulating political parties' freedom in generating income, leading to the persistent pursuit of loopholes by political parties to increase their

revenues. Although new regulations allow parties to generate more income, these practices allow private actors or business conglomerates to influence political parties. This is contrary to the original purpose of state subvention, which aims to curb the role of the private sector in influencing party affairs. In addition, imposing austere regulations on party incomes from private sources may also limit the parties' ability to acquire adequate funds for their political endeavors. Breaching these income-related laws may lead to the dissolution of political parties as seen in the case of the dissolution of Future Forward Party, a popular progressive party famous for pushing various major reforms in the country. The following section will examine regulations on political party income from private sources and the effect of those limitations on party development.

Sources of Party Revenues under the 2017 Constitution

The 2017 Organic Law on Political Parties enumerated other sources of party revenues, including membership fees, seed capital from co-founders, donations from individuals and corporations, the sale of goods and services at the party official shops, fundraising events, and interest and income from party assets and investments (Section 5 in the Kingdom of Thailand 2017 Organic Law on Political Parties). Political parties could use these incomes for their electoral campaigns and political activities (Sirivunnabood, 2023). The Law, however, also imposes multiple strict regulations on how parties could gain money from those activities and how to report those revenues to the ECT. These regulations are a double-edged sword. They allow parties to accumulate resources necessary for operation, but they also control party activities. Violating these regulations may result in party dissolution.

Donations for Parties' Activities

According to the 2017 Organic Law on Political Parties, parties can source funds from private donations both from individuals and corporations. In Thailand, individuals or entities can donate up to THB 10 million (USD 300,000) per year to political parties. This amount can be

given to a single party or distributed among multiple parties. According to the author's interviews with the ECT officers, Thai conglomerates often contribute to multiple parties to maintain balanced relationships with all the major political entities (Sirivunnabood, 2023). In addition, Thai law prohibits political parties and candidates from accepting donations from foreign nationals, foreign corporations, or companies with over 90% foreign ownership. Additionally, entities receiving financial support from sources outside Thailand are also ineligible to contribute. State agencies or agencies in which the state holds a majority stake and religious organizations are banned from donating to political parties too (Sirivunnabood, 2023). Violating these regulations may result in party dissolution (See Article 74(1) in the Kingdom of Thailand 2017 Organic Law on Political Parties).

Parties are also required to submit their donation reports to the ECT. For any donation above THB 1,000 (USD 29), political parties must report the name of the donor to the ECT. Parties must also publicize donor information for any donation of over THB 5,000 (USD 143) received every month on the ECT's website (the Kingdom of Thailand 2017 Organic Law on Political Parties: section 87). Table 5 shows the total amount of donations political parties received in the year of the general election in 2023.

Table 5 Donations to Political Parties in 2022 and 2023

Political Parties	2022	2023*
Democrat	63 million	2 million
Move Forward	45 million	59 million
Phuea Thai	61 million	37 million
Phalang Pracharat	50 million	7.5 million
Seri Ruam Thai	4 million	42 million
United Thai Nation	7 million	96 million
Thai Sang Thai	60 million	57 million
Chart Thai Pattana	39 million	27 million
Bhumjai Thai	125 million	11 million

Note: *Data is available until October 2023. Source: Author's compilation from ECT reports access on 23 January, 2023 available at: https://www.ect.go.th/ect_th/th/db_119_ect_th_download_22

By allowing business conglomerates and private sectors to donate, political parties could be influenced by business conglomerates or wealthy families. As seen from the ECT's donation reports, during the year of the 2023 election, many companies donated to major political parties such as Phalang Pracharat, Phuea Thai and United Thai Nation from January to April 2023 (Election Commission of Thailand, 2023 and see also Thansetthakit, 2019). Family members of Chart Thai Pattana's party leader also donated 16 million in December 2022 and January 2023 (Election Commission of Thailand, 2022 and 2023). Their large donations may have allowed those donors, for instance, to be listed in the top number in the party's party list or to influence parties' policy and cabinet appointments after the party was elected.

Earning Money

While some countries permit political parties to generate revenue through commercial ventures, 41% of countries worldwide, such as Brazil, Poland, Jordan, and South Africa, have laws prohibiting such activities (Sirivunnabood, 2023 and International IDEA, 2024). Within Southeast Asia, only Indonesia and Timor-Leste have explicitly prohibited

political parties from engaging in commercial activities.

In Thailand, in Article 62 in the 2017 organic law on political parties, political parties are permitted to sell goods and souvenirs, but only at designated locations such as their official party offices or at the sites of their political events. Political parties are prohibited from selling their merchandise and souvenirs on any online platform. Although, the law on political parties permits political parties to raise funds through the sale of goods, there is a restriction that each item cannot exceed THB 3,000 (approximately USD 90) in price.

In accordance with Articles 62 and 64 of the 2017 Organic Law on Political Parties, parties may conduct fundraising activities. These events must be transparent, with clearly stated objectives. All income generated from fundraisers must be reported to the Election Commission of Thailand (ECT) within one month of the event and publicly disclosed. In 2019 major parties such as the Democrat Party and the pro-military Phalang Pracharath Party organized a dinner reception to raise funds for elections. During the Phalang Pracharath's fundraising event in 2019, 200 tables, each seating 10 attendees, were set up at a banquet hall (Isra News 2018 and Posttoday, 2019). Invited guests paid at least THB 300,000 (USD 9,000) each to attend the event, with some guests making an additional donation. The banquet enabled the party to exceed its fundraising goal of THB 600 million (USD 17.5 million) by nearly 10% (Kotani, 2018 and ThaiPBS, 2018).

During the period of the 2023 general election, all major parties also organized fundraising events to prepare for the election. Move Forward Party organized an event called "Be the Change" to raise funds in October, 2022. Phalang Pracharat organized an event in January, 2023, which raised THB 510 million (USD14 million) (Thansettakij, 2023). For the Democrat party, THB 200 million (USD 5.5 million) was raised by organizing the "Go Together Go Future" dinner talk event in March 2019 (Thaipost, 2023). These fundraising events allowed parties to attract donations from the private sector or individual supporters (Prachachart, 2022). These donations from the fundraising events are more than subsidies parties received from the PPDF, and parties rely on these funds during the election. Most fund-raising events are held in the lead-up to the general election. One unfortunate side-effect

of accepting these donations is that parties are often believed to rely on business conglomerates and individual donors from rich families, which limits their ability to be seen as independent (Waitoolkiat and Chamber, 2015).

Tax share donations: Supports from Voters to a Party

The 2017 organic law on political parties, in addition to private donations, established a new mechanism for party funding. Taxpayers are now permitted to allocate up to THB 500 (USD 14) of their annual tax refund to a political party of their choosing from the list of eligible recipients. Voters can specify a donation amount of up to 500 THB in their tax return rather than merely checking a box, as was the case in the past. Voters who are entitled to receive a tax refund valued at less than 500 THB are allowed to donate only the maximum value equal to their tax refund (Sirivunnabood, 2023). The Revenue Department subsequently transfers the donations received by each political party to the ECT. The ECT incorporates the amount of party donations derived from income tax refunds into the overall calculation of party donations. This total donation amount then determines the level of subsidies distributed to each party during non-election years. Table 6 shows the amount major parties received from tax share donations and extra subsidies as indicated in Article 83 (3) in the 2017 organic law on political parties. In 2024, however, parties did not receive subsidies from this item. The ECT calculated subsidies allocation based on the number of votes parties won.

Table 6 Donations from tax-share to political parties in 2022 and 2023 (in million baht)

Political Parties	2022		2023	
	Tax Share	Subsidies from the PPDF	Tax Share	Subsidies from the PPDF
Democrat	3.2	4.2	3.7	2.3
Move Forward	12	16	27	19

Political Parties	2022		2023	
	Tax Share	Subsidies from the PPDF	Tax Share	Subsidies from the PPDF
Phuea Thai	1.4	1.8	2.9	2
Phalang Pracharat	2.03	2.6	1.3	0.9
Seri Ruam Thai	0.5	0.6	0.9	0.7
United Thai Nation*	n/a	n/a	0.08	0.06
Thai Sang Thai*	n/a	n/a	0.19	0.13
Chart Thai Pattana	0.06	0.07	0.1	0.07
Bhumjai Thai	0.18	0.25	0.2	0.14

Note: *The United Thai Nation and Thai Sang Thai Parties were established in late 2022. Thus, the name of these parties was not included in the list for donations in the tax return form in 2022. Source: Author's compilation from the Election Commission financial reports in 2022 and 2023.

Allowing voters to donate to political parties through their tax filings could be an effective strategy to enhance party affiliation among voters. Major parties received significant amounts from tax-share donations; for instance, Move Forward Party received 28 million baht in 2022 and in 2023 the party received 46 million baht. The Democrat Party used to receive the largest amount from tax-share donations before the 2014 military coup (MGRonline 2012); but in 2022, the party received 5 million and in 2023, they received almost 6 million baht, respectively. Unfortunately, political parties are subject to a strict one-year spending deadline for these donations. Savings for future use are prohibited, as are any attempts to generate additional income through investments. Any unspent funds at the end of the year must be returned to the ECT. Additionally, the Revenue Department transfers the donations from income-tax refunds to the ECT rather than directly to political parties. Thus, parties have little discretionary access to direct donations from voters. Rules governing these expenditures prevent parties from raising their own savings that would benefit their members and promote their organizational development.

Membership Fees and Party Finance Laws

Under the 2017 Organic Law on Political Parties, parties can collect membership fees, with the minimum annual membership fee as required by law set at THB 100 (USD 3). Members can also apply for lifetime party membership for a minimum fee of THB 2,000 (USD 60). However, the membership fee regulation was revised in 2023 to THB 20 for annual membership fee and THB 100 for lifetime party membership respectively. According to the author's interviews with party branch members in Phisanulok and Kamphangphet provinces in March 2023, for many Thais in rural areas, THB 100 is relatively high to pay for a party membership fee. Although the membership fee was reduced to THB 20, many voters still preferred not to become party members. As of July 2024, Move Forward Party has the largest number of party members with 98,181 members. Other major political parties have smaller numbers of members such as Phuea Thai Party with 37,735 members, Bhumjai Thai Party with 61,948 members and the Democrat Party with 75,784 members, respectively. These membership numbers are lower than major party membership numbers before the 2014 military coup (Sirivunnabood, 2012). To encourage membership growth, the ECT has established regulations that allocate subsidies based on the amount of membership fees a party generates within a year. This provision is designed to ensure that members are willing to support their party financially and enhance the sense of party ownership among members. In practice, however, the subsidies parties received from this category is quite low. As seen from Table 4, the Democrat and Move Forward Parties received THB 2 million in 2024. Other major political parties received less than THB 2 million. This evidence shows that a small number of voters prefer to become a party member, despite the reduction in membership fees. This also resulted in an inadequate amount of subsidies along with membership fees that parties had on-hand for their organization management, political activities, and electoral campaigns.

While the Thai state provides subsidies to political parties, the funds are insufficient for parties to operate their internal organization and conduct political activities as well as electoral campaigns. This financial shortage encourages political parties to seek additional income

streams, allowing business conglomerates and rich families to influence party organizations. Ironically, while the ECT motivates political parties to find other sources of income, as an interview with one of the ECT officers states that “PPDF financing should not be a major source of income for political parties; instead, they should be able to raise their own funds to support their organization and manage political activities rather than relying on state subsidies” (Author’s interview, Bangkok, 18 September 2022), there are regulations to strictly control political parties on their financial engagement. Pursuing their own funds parties may unintentionally fall foul of the law and face severe penalties, as seen in the case of the dissolution of Future Forward Party in 2020 and other small parties such as the People Debt Release Party or Phak Khon Khao Prod Ne (ThaiPBS, 2020). Allowing parties to earn their own revenue, however, is a double-edged sword.

Future Forward Party, Party Finance and Dissolution

In 2019, Thailand held its first election in eight years, a period that included five years of military government. Many new political parties were founded such as Phalang Pracharat, a party supported by the military regime, comprised of many former members of parliament (MPs) who had been members of other political parties in the past (Sirivunnabood, 2019 and Ockey, 2020), Seri Ruam Thai Party (Thai Liberal Party) led by Pol. Gen. Sereepisuth Temeeyaves, a former Commissioner of the Royal Thai Police, and Future Forward Party founded by Thanathorn Juangroongruangkit, the billionaire scion of the Thailand’s largest auto parts manufacturers. To establish a new type of political party, Thanathorn, in collaboration with an anti-junta professor from Thammasat University, Piyabutr Saengkanokkul, sought to avoid the traditional politics of patronage and factional politics in Thailand by refusing to recruit former MPs or prominent politicians into the party. Rather, the party directly targeted recruiting younger Thais to join the party. Thanathorn was convinced that former politicians were too entrenched in the patronage system. To prevent them from entering politics he sought new faces for this party. As he said, “We cannot rely on the existing politicians. You need a new force that is outside of this circle” (Kendall, 2019). Thus, the party consisted of members from different backgrounds such as farmers, a textile union

leader, human rights activists, and members of minority groups like the LGBTQ community (McCargo and Chattharakul, 2020 and Ockey 2020). The party adopted a policy platform that included promises new to Thai politics, such as policies on military reform, promoting a welfare state, and abolishing monopoly capital. In the 2019 election, Future Forward surprisingly won third place in parliament, after Phuea Thai and Phalang Pracharat Parties, with 80 seats despite only a year in existence and a few months of electoral campaigning.

As a new political party, Thanathorn and Future Forward's party leaders hoped to fund the party from small member donations rather than pursue large donations from party leaders or business conglomerates. This practice aimed to prevent business influences over the political party. Aside from member donations, the party also tried to find new sources of income, such as from membership fees, merchandising sales, and organizing fundraising events (McCargo and Chattharakul 2020; Ockey 2020). Revenue from these sources, though, was insufficient. With the 2017 law capping individual donations to parties at 10 million, Thanathorn together with his wife had already donated 10 million and 7.2 million to the party in 2018, respectively. In order to access funding, Thanathorn loaned another 191 million baht to the party in preparation for the upcoming electoral campaign (MGR online, 2019). However, following the 2019 election, the constitutional court ruled in 2020 that the loan of 191-million-baht (approximately 6 million USD) Thanathorn made to the party, violated election laws. The courts decided that Thanathorn's loan was an attempt to circumvent Article 66 of the 2017 party law that limits a person's financial contribution, or "other benefits" extended to a political party at 10 million baht a year. The court thus saw Thanathorn's loan to the party as a donation that allowed him to influence the party. Therefore, it was ruled illegal, and the party was later disbanded over this loan case.

This is one clear example of the challenge Thai parties face. While the Thai state has attempted to curb the business influence over political parties, it does not provide a sufficient budget for the survival and development of political parties. Parties could not rely on state funding as seen in the case of the cartel type of political parties in western democracies. Rather, to compete in elections and to survive

politics, parties have continued to depend upon contributions from private sectors or rich families. Despite an awareness that subsidies are insufficient, the state imposes very strict regulations to control parties as they pursue additional resources. Violating these regulations can result in severe consequences, such as party dissolution. This practice of state intervention in political parties does not only constrain the survival of party organizations, but it also curbs the development of democratic politics in the long term.

Conclusion: Challenges to the Party Finance and Party Development in Thailand

Applying the cartel party model, wherein the state provides subsidies to political parties, fails to suppress the patronage system between political parties and business conglomerates in Thai politics. This is partly due to an inadequate PPDF budget allocated to parties. The shortage of funds, particularly during election years, encourages political parties inevitably to rely on private contributions. Ironically, while the state allows parties to seek other sources of income, party finance regulations on private funding include rules that are obstacles for party management and development. In some cases, these regulations can become political tools to disband political parties.

In democratic states, political parties should not be dissolved for relatively minor mistakes such as violating laws on party finance. The laws should focus on penalizing specific politicians or individuals who break the rules, rather than disbanding entire organizations. Party institutionalization is a long process. Disbanding parties affects democratic stability and weakens the entire party system. Thus, political parties should not be dissolved or made extinct based on court rulings over minor faults; parties that die should do so because of a lack of popular support.

In addition, while the law on private funding allows political parties to seek their own revenues from other private sources, the ECT limits parties' spending during the electoral campaigns. These practices, however, work in opposition to each other. During elections, political parties spend much of their budget for campaigns, which, in many districts, exceeds the 44-million-baht cap set by the ECT. According

to media interviews with party candidates, spending in some districts can exceed more than 1,000 million baht to ensure electoral victory (the Momentum, 2023). In cases where ECT limits are considered inadequate, both parties and candidates seek to hide their real expenses from oversight.

While the ECT allows parties to seek their own revenues from other sources, it should also allow parties and candidates flexibility in their campaign budgets to respond to the political environment. The ECT, therefore, should consider other factors to determine the amount parties should spend during campaigning, based on the economic and political environment. Such an amendment to electoral law would reduce illegal practices of parties and candidates that may result in party dissolution.

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The Philippine Digital Paradox: Challenges, Opportunities, and the Way Forward

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ABSTRACT—The rapid growth of digital technologies is reshaping public governance. This paper examines the challenges and opportunities of digital transformation in Philippine public administration. While digital technologies offer significant benefits, such as streamlined services, enhanced transparency, and improved citizen engagement, the Philippines faces critical barriers, including infrastructure gaps, cybersecurity risks, and a persistent digital divide. Through a systematic review of academic studies, government reports, and policy documents, the study identifies key strategies for advancing e-governance, such as infrastructure development, cybersecurity reforms, and digital literacy programs. The paper highlights successful local and national initiatives, including the Philippine Identification System (PhilSys) and e-government platforms, while addressing implementation challenges like uneven internet access and institutional resistance. The study integrates international models with local context to outline strategies for building inclusive and effective digital governance in the Philippines, targeting service delivery gaps and promoting equal access to digital opportunities.

Keywords: Digital Transformation, Good Governance, Digital Era

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Introduction

The digital revolution has significantly impacted various aspects of our lives, including work, social interactions, and global connections. The landscape surrounding public governance is changing (Ong 2011; Robinson 2015). This transformation extends to public services, with governments increasingly relying on digital technologies to deliver services and interact with citizens and businesses (Millard 2023). Traditional methods are often seen as inefficient and outdated, highlighting the need for digital transformation in the public sector. By integrating technology into political and administrative systems, governments can achieve e-government, an advanced form of governance that leverages technology for efficient operations. Many developed countries have already embraced this trend, using modern technology to streamline public administration (Liu and Yuan 2015; Thomas 2024). This research builds on existing studies that demonstrate the benefits and challenges of digital transformation for governments. While the potential of digital transformation for the Philippine government is recognized, there is a gap in understanding the specific strategies needed to overcome existing challenges and ensure successful implementation. This study aims to address the gap by identifying and analyzing key strategies for a sustainable digital transformation journey in the Philippines.

This paper will utilize systematic literature review to examine existing literature, government reports, articles and policy documents related to digital transformation in the Philippines. By analyzing these sources, the paper will identify and explore key strategies to successfully implement Digital Transformation. It is expected to contribute valuable insights for policymakers and government agencies working towards digital transformation in the Philippines. The identified strategies can be used to develop a comprehensive roadmap for a successful digital government transformation, leading to improved service delivery, increased citizen engagement, and a more efficient and transparent public sector.

Benefits of Digital Transformation

The simplification of government procedures is among the digital

transformation's most important benefits. Conventional, paper-based procedures can be time-consuming and laborious, which causes delays and irritates citizens. Online apps, data management programs, and e-governance platforms can all greatly enhance service delivery. Imagine a world where digital transformation has made it possible for residents to pay taxes, register businesses, and renew passports online. In addition to saving citizens a great deal of time and work, this also frees up government funds for more important projects.

The government's commitment to digital transformation is evident in initiatives like the Broadband ng Masa program, formerly known as the National Broadband Plan. Launched in 2017, this program aims to expand internet access across the country, bridging the digital divide. The Government Network Project (GovNet) has successfully connected around 1,000 government agencies, streamlining operations and improving service delivery. Additionally, the Free Wi-Fi for All in Public Places project has established 4,563 live sites, providing free internet access to the public in various locations (Department of Information and Communications Technology 2022).

Another essential component of good governance is transparency in government transactions and service delivery, which may be effectively attained through digital transformation (Matheus et al. 2023). This claim, along with other potential benefits of digital transformation in governance, is supported by numerous scholars (ElMassah and Mohieldin 2020; Millard 2023). More public access to government information is made possible by programs like open data portals and online citizen feedback mechanisms (Mountasser and Abdellatif 2023). Budgets are easily accessible to the public, who may also monitor project development and hold public servants responsible. Governance benefits from digital transformation by promoting transparency, evidence-based policy decisions, and institutional accountability (Castillo and Gabriel 2020). Governments can ensure transparent and immutable record-keeping, particularly in critical areas such as identity management, property registries, and procurement, by leveraging blockchain technology. The government's relationship with the people it serves is strengthened and digital platforms foster trust as a result.

Moreover, the digital transition holds promise for empowering

citizens and improving their involvement in the democratic process (Suherlan 2023). Interactive web forums can promote debates on policy matters and public participation in the decision-making process. Platforms for e-government give citizens a way to contribute their opinions, express proposals, and participate in policy discussions. Governments use social media and digital communication channels as platforms to spread information, get public opinion, and encourage communication between residents and public authorities. It can also be used to distribute announcements and public information more effectively and specifically. Governments may enhance democratic processes, foster a feeling of citizen ownership, and foster trust through digital platforms.

In the field of education, digital transformation has accelerated learning innovation. E-learning platforms, digital classrooms, and mobile education technologies enable continuous learning, especially during disruptions. This transition supports flexible learning pathways and lifelong learning opportunities. The Philippines' Department of Education introduced blended and modular learning during the pandemic, catalyzing long-term reforms in digital education delivery (Ignacio 2021). Digital technologies support individualized learning, increase student involvement, and help cultivate essential modern competencies, including analytical thinking, technological fluency, and teamwork (Kalyani 2024).

From a workforce perspective, digital transformation equips citizens with future-ready skills, increasing employability and economic participation. Programs such as JobsNext, launched by the Philippine Business for Education (PBE), aim to develop in-demand skills among young Filipinos to prepare them for high-value jobs in the digital economy (Philippine Business for Education 2023). Developing digital competencies is key to narrowing the gap between what the education system produces and the requirements of the job market.

Beyond increased effectiveness, openness, and participation from the public, digital transformation opens the door for better government decision-making. Government organizations can use citizen data to their advantage by utilizing data analytics tools to extract insightful information that helps them customize services and programs to the individual requirements of their people (Mountasser and Abdellatif

2023). This data-driven strategy promotes evidence-based policymaking, guaranteeing that funds are distributed wisely and that initiatives have the desired effect.

Importance and Examples of Technology in National and Local Public Administration

Biometric Technology as Attendance for Government Workers

Biometric technology is increasingly used in Local Government Units (LGUs) to monitor employee attendance, aiming to improve accountability, reduce time theft, and enhance service delivery (Villaroman et al. 2018). By replacing manual tracking methods, biometric systems provide verifiable audit trails and real-time updates to records, aligning with democratic values of transparency and accountability (Maggay 2017). Despite these benefits, the technology faces critical challenges. System vulnerabilities, including tampering, fraudulent enrollments, and weak enforcement mechanisms, threaten data integrity and undermine reliability (Abdullahi et al. 2024; Alaswad, Montaser, and Mohamad 2014, 947-958). These issues expose gaps in oversight and emphasize the need for stronger regulations to safeguard biometric data and ensure the technology fulfills its intended role in public administration.

Philippine Government Electronic Procurement System (PhilGEPS)

Republic Act No. 9184, or the “Government Procurement Reform Act,” was enacted in 2003 to modernize public procurement in the Philippines, aiming to eliminate collusion, improve transparency, and enhance accountability in government contracts. The law established the Government Procurement Policy Board (GPPB) and introduced the Philippine Government Electronic Procurement System (PhilGEPS) to streamline the process (Bombay 2011). It applies to all government agencies, local government units, and other public entities. Although PhilGEPS aims to improve transparency in public procurement, major challenges remain. Furnas (2013) highlights barriers such as poor compliance, incomplete records, and bureaucratic restrictions that hinder public access to procurement data. Navarro (2023) adds

that delays, flawed bid designs, declining competition, and corruption persist despite digital reforms. These issues point to both technical limitations and institutional weaknesses. While Furnas advocates for stricter compliance, Navarro recommends capacity-building and anti-corruption strategies. Their findings underscore that digital platforms alone are insufficient; effective e-governance requires broader reforms in enforcement, institutional accountability, and bureaucratic behavior to achieve meaningful transparency and efficiency to address issues such as bid rigging and favoritism.

Philippine Identification System Act (PhilSys)

The Philippine Identification System Act (PhilSys) was enacted to create a unified national ID for all citizens and resident aliens, aiming to simplify transactions in both public and private sectors and support digital transformation (Abesamis 2021). The system prioritizes inclusive coverage, particularly for marginalized groups, and integrates advanced technologies to ensure privacy and data security (National Economic and Development Authority 2018). It is designed to improve access to public services and enhance service integrity by reducing fraud and improving identity verification (Nomura et al. 2020; Magcope et al. 2023). However, the system has faced implementation challenges, including delays in ID distribution and limited acceptance of the digital ID by institutions, which undermines its effectiveness (Dhararaj 2024; Respicio 2024). These setbacks have reduced public confidence in PhilSys, highlighting the need for improved operational efficiency and broader institutional adoption for it to achieve its goal of enhancing digital governance.

E-Government: Transformation to Digitalization

The Philippine government, through the Department of Information and Communications Technology (DICT), has launched several e-government projects to improve digital infrastructure and public service delivery. These include platforms such as eLGU, eTravel, eGovPay, eGovCloud, eReport, and the eGovPH app. eLGU centralizes local government services, eTravel streamlines travel declarations, and eGovPay facilitates digital payments for government fees (Caliwan 2023; Department of Information and Communications Technology 2023;

Bangko Sentral ng Pilipinas 2022). The eGovCloud supports cloud computing for efficient data management, while eReport allows citizens to report issues (Montemayor 2024). Additionally, the implementation of eGovPay aims to standardize government payment channels, ensuring seamless transactions with reasonable fees (Philippine Payments Management Inc. 2019). Despite successes, only eTravel and eGovPH have been fully implemented. The eGovPH app integrates services such as PhilSys ID and SIM card registration, improving convenience and reducing the need for in-person visits (Jou et al. 2024). Full integration across platforms to strengthen digital governance, remains ongoing.

Online Services for Government

The Philippines has advanced significantly in e-governance, enabling citizens to access a range of public services online (OpenGov 2019). The Social Security System (SSS) allows online benefit claims and loan applications, while the Philippine Statistics Authority (PSA) provides access to civil documents and PhilSys registration. The Bureau of Internal Revenue (BIR) supports online tax filing and payments. Pag-IBIG Fund enables members to manage contributions and apply for housing loans through its portal. PhilHealth offers digital services for health insurance registration and claims. The National Bureau of Investigation (NBI) has streamlined clearance applications online. The Land Transportation Office (LTO) uses its LTMS platform for license renewals and vehicle registrations. The Department of Foreign Affairs (DFA) allows passport appointments through its website, and the Department of Trade and Industry (DTI) facilitates online business name registration. These digital services save time and reduce bureaucracy, although challenges such as poor internet access and limited digital literacy remain barriers to full inclusion.

At the local level, several cities have implemented innovative digital governance solutions. Quezon City introduced an integrated e-government program featuring digital business permits, tax collection, and disaster response systems, improving service efficiency and increasing revenue (Quezon City Government 2024, 75). Cebu City modernized its traffic system through real-time monitoring and smart technology. This initiative improves public safety, reduces congestion, and supports economic activity by minimizing transportation delays

(Lorenciana 2021).

Cagayan de Oro City enhanced its public health delivery with the Smarter and Integrated Local Health Information System for Cagayan de Oro City (SmILHIS CDOC). The system incorporates electronic medical records (EMRs) through the eHATID platform, improving data accuracy and reporting to the Department of Health. Developed by Ateneo de Manila University and supported by the Department of Science and Technology – Philippine Council for Health Research and Development (DOST-PCHRD), the project strengthens data-driven decision-making and aligns with national healthcare policies (Department of Science and Technology 2021).

Iloilo City promoted financial inclusion through the Paleng-QR Ph Plus program, which enables cashless payments in public markets and transportation. Led by the Bangko Sentral ng Pilipinas (BSP) and Department of the Interior and Local Government (DILG), the initiative facilitates safer, more efficient transactions using QR codes (Land Bank of the Philippines 2023). It supports the National Strategy for Financial Inclusion 2022–2028 and contributes to the city’s economic modernization (Bangko Sentral ng Pilipinas 2023).

These examples highlight the critical role of local government units in driving digital transformation. Their success shows the importance of decentralized governance, policy support, technical expertise, and consistent funding. Localized initiatives provide direct, tangible benefits and demonstrate how digital technology can improve public service delivery at the grassroots level.

Challenges of Digital Transformation

The Philippines’ archipelagic nature poses a significant challenge in delivering government services to its citizens, especially those residing in rural areas (Esteban and Cruz 2021). One of the primary challenges is the country’s inadequate digital infrastructure (World Bank Group 2024). Due to factors such as a lack of digital infrastructure, gaps in access to digital technologies persist (Kanehira, Abdon, and Mirandilla-Santos 2024). According to a discussion paper by Albert et al. (2021), the 2019 NICTHS revealed a significant digital divide between urban

and rural areas in the Philippines. Only 5% of barangays (the smallest administrative division in the Philippines, similar to a village or neighborhood) had full access to broadband infrastructure, with 89% of these located in urban areas. Key services such as fiber optic cables, telecom towers, internet providers, and free Wi-Fi were concentrated in cities. For instance, only 11.9% of rural barangays had fiber optic access, compared to 53.3% of urban barangays. The World Bank report highlights the Philippines' lower internet penetration rate compared to its regional neighbors (Kanehira et al. 2024). Limited access, particularly in rural regions, hinders Filipinos from fully engaging in the digital economy. While urban areas generally have better access to communication infrastructure, rural areas face significant challenges due to the absence or high cost of connectivity (Ramos 2008). Inconsistent and poor internet speeds impede the smooth functioning of online platforms and services (Tinam-isan and Naga 2024; Mioten 2021) and a significant digital divide exists due to socioeconomic disparities (World Bank Group 2020). Low-income households often lack access to digital gadgets and internet connectivity. The Philippine Statistics Authority's (2021) research underscores this disparity between urban and rural areas. This gap prevents many from reaping the benefits of the digital revolution, hindering inclusive progress. According to the report of the World Bank Group (2024), inadequate internet services pose serious obstacles for the nation, despite the report's recognition of digitization as a top goal for increasing production and efficiency across businesses and sectors. Outdated policy frameworks are one of the main reasons for the nation's inadequate broadband infrastructure. The Philippines' broadband market is essentially a duopoly, creating an uneven playing field that discourages new investment and hinders competition. Important regulatory flaws have also been identified, including as the absence of contemporary spectrum regulations and obstacles to market entry. The Philippines is the only country in the world that still requires a legislative franchise to establish and operate networks (International Trade Administration 2024; Kanehira et al. 2024).

Cybersecurity concerns pose a significant challenge. The Philippines ranks fourth globally in cyberattacks, according to Kaspersky Security Network (Philippine News Agency 2022). Despite this, many businesses lack the necessary security infrastructure to protect them-

selves from threats. Malware infections have surged, with a substantial portion targeting businesses and home users. Additionally, high-profile incidents such as the hacking of the Philippine Voter's Database and cyber espionage attempts highlight the severity of the issue (National Privacy Commission 2017). While the government has established the Department of Information and Communications Technology to address cybersecurity, more comprehensive measures are needed to safeguard the country's digital landscape. The Bangko Sentral ng Pilipinas' (2022) report indicates a rise in cybercrime incidents. Data breaches and financial losses threaten individuals, businesses, and government agencies that lack robust digital security infrastructure and cybersecurity awareness. Cyfirma (2023) reports that the Philippines faces escalating ransomware threats, aligning with the National Privacy Commission's (2024) warnings about growing data privacy risks and cyber threats. The Philippine government has been sluggish to put in place the controls and protections that are required in Philippine cyberspace so that the public can conduct business and learn more online without worrying about being compromised. In a 2023 survey, the FBI's Internet Crime Complaint Center (IC3) ranked the Philippines as the thirteenth most attacked country globally (Federal Bureau of Investigation 2023).

Additionally, the workforce's lack of digital skills may impede digital change (Nikou, De Reuver, and Mahboob Kanafi 2022). While the Philippines' existing workforce's abilities are above the regional average, the nation lags behind its neighbors in terms of preparing for the workforce of the future. According to the World Bank Group's (2020) report, the assessment highlights a shortage of skills in areas like cybersecurity, data analysis, and digital literacy. This skills mismatch hampers the effective utilization of digital technologies and hinders the filling of vacancies in the digital industry. The rapidly evolving regulatory environment for digital technologies in the Philippines presents another challenge (Dadios et al. 2018). Businesses struggle to keep pace with the changing legislation, creating uncertainty and discouraging investment in digital solutions. A more efficient and stable regulatory environment is crucial to foster innovation and digital entrepreneurship. Moreover, cultural factors play a significant role in the adoption of digital transformation (Meijer 2015). A substantial portion of the population prefers in-person interactions with government agencies

and financial institutions. Building trust and promoting digital literacy through government programs are essential to encourage wider adoption of internet services (Chetty et al. 2018).

A key aspect often overlooked is the role of education in ensuring long-term digital competency. The Philippines lacks a nationwide curriculum that prioritizes digital literacy, cybersecurity, data science, and emerging technologies such as artificial intelligence and blockchain (Mangarin and Climaco 2024). The Department of Education (DepEd) and the Commission on Higher Education (CHED) must introduce structured programs to equip students with essential digital skills, starting from primary education. Without this foundational shift, the country will continue to face a skills mismatch, limiting its ability to sustain digital transformation efforts.

Strategies to Successfully Implement the Digital Transformation

Digital transformation in public governance has been widely studied, with various nations implementing policies that have successfully bridged the digital divide, strengthened cybersecurity, enhanced digital literacy, and fostered public-private innovation. For instance, broadband expansion initiatives in Indonesia, Malaysia and Thailand have demonstrated significant improvements in digital inclusion through regulatory reforms and infrastructure investments (Wismadi and Iftikhar 2019, 25). The Philippines must adopt a similar approach by revising outdated policies that restrict market competition and implementing shared infrastructure projects to accelerate connectivity in remote areas.

Estonia's comprehensive cybersecurity strategy provides a robust model for the Philippines to strengthen its own approach to deterring cyber threats and enhancing its cybersecurity resilience. The Estonian approach is built on a whole-of-society strategy, which combines both military and non-military elements in cybersecurity. This framework integrates national and allied deterrence actions, emphasizing a cross-domain deterrence model that blends cyber, military, and non-military tools to address cyber threats. By leveraging a coordinated mix of deterrence, prevention, and response mechanisms, Estonia has created a multi-layered defense against cyberattacks, which includes significant involvement from both the government and private sectors (Pernik 2021).

For the Philippines, adopting a similar approach could significantly improve its ability to manage and mitigate cybersecurity risks. Estonia's whole-of-society approach emphasizes that cybersecurity is not solely the responsibility of government agencies or military forces but should involve all sectors, including citizens, businesses, and other stakeholders. This would foster a collaborative environment for addressing cybersecurity issues, ensuring that all sectors are prepared to respond to threats.

The importance of digital skills development is another critical area where policy interventions are needed. Studies indicate that countries that integrate digital literacy into early education experience higher workforce adaptability and innovation levels (Chanda et al. 2024). Estonia and Singapore exemplify distinct yet complementary approaches to embedding digital literacy in education (Thian 2024). Estonia's curriculum prioritizes hands-on technological immersion, mandating robotics instruction from age seven and integrating virtual reality into STEM subjects to cultivate problem-solving and entrepreneurial skills (Liive 2022). In contrast, Singapore's EdTech Masterplan 2030 adopts a structured framework, systematically training students in digital safety, computational thinking, and coding to align with industry demands (Ministry of Education of Singapore 2024). While Estonia emphasizes early exposure to advanced tools, Singapore focuses on scalable skill development tailored to economic needs. This initiative ensures that students are well-equipped to navigate an increasingly technology-driven future. The Philippines must take a similar approach, institutionalizing Information and Communication Technology (ICT) integration in all learning areas, from elementary through senior high school, supported by regular teacher training and curriculum updates.

To adapt Estonia's centralized cybersecurity model and Singapore's EdTech Masterplan 2030 to the Philippines' archipelagic and duopoly-constrained context, localization strategies must prioritize decentralized, hybrid, and community-driven approaches. Estonia's cybersecurity framework, reliant on centralized threat intelligence, could be reconfigured into regional cyber-response units under the Department of Information and Communications Technology (DICT), enabling localized threat monitoring while maintaining national coordination—

critical for an archipelago with fragmented connectivity. Singapore's EdTech integration, which assumes widespread connectivity, must be reimagined through offline-first solutions, such as pre-loaded tablets with localized e-learning modules in regional languages, distributed via mobile libraries or boats to remote islands. To counter the telecom duopoly, the government could mandate "educational bandwidth" discounts for schools under the Universal Access to Quality Tertiary Education Act, while incentivizing tower-sharing agreements and satellite internet partnerships to reduce costs. Culturally, programs should engage indigenous leaders and barangay councils as digital literacy trainers, blending tech adoption with trust-building in communities wary of centralized systems. By decentralizing infrastructure, leveraging hybrid technologies, and embedding reforms within existing policies (e.g., the National Broadband Plan), the Philippines can bridge its unique geographic and market barriers, ensuring global models serve local realities rather than replicating their limitations.

In addition to improving the education system, targeted workforce development programs are essential to help adult workers acquire new skills. Initiatives such as JobsNext have been effective in providing training in high-demand digital fields such as digital marketing, graphic design, and e-commerce (Philippine Business for Education 2023). Expanding these programs to reach a wider audience and aligning training with industry needs will help workers transition into digital roles and enhance their employability. The private sector can play a significant role in this effort. Companies should invest in digital upskilling programs for their employees, particularly in fields such as cybersecurity, data analytics, and cloud computing. Initiatives like Accenture's Skills to Succeed initiative, launched in 2009, has equipped over 1.2 million individuals with essential workplace and entrepreneurial skills, aiming to prepare them for the global economy (Olphert 2016). Similarly, Google's Digital Skills for Africa program, aims to train millions of young Africans in digital competencies to thrive in the evolving job market (Africa News Agency 2024). These industry-led training programs have demonstrated significant positive impacts, and local companies, particularly in the BPO and tech sectors, are encouraged to collaborate with educational institutions to offer digital skills training aligned with market needs.

Lastly, fostering innovation through public-private partnerships has been a cornerstone of successful digital economies, as evidenced by Singapore's Smart Nation initiative, which leveraged collaboration with tech firms to develop digital services (Smart Nation and Digital Government Office 2018). By aligning with global best practices and incorporating these policy insights into strategic recommendations, the study can provide a more robust framework for digital transformation in the Philippines.

Conclusion

The digital revolution has irrevocably transformed the landscape of governance, demanding a paradigm shift in the way public services are delivered. The Philippines, like many nations, stands at a crucial juncture, poised to harness the power of digital transformation to address long-standing challenges and propel itself into the future. Digital transformation has the potential to revolutionize various aspects of society, including how we work, learn, and interact with each other. The Philippines is actively striving to fulfill its commitment to digital transformation.

While the Philippines has embraced technology, significant challenges remain. Many Filipinos, especially those in rural areas, still lack access to reliable internet and affordable devices. This digital divide can hinder economic growth and social progress. Additionally, cybersecurity threats and data privacy concerns are growing, making it crucial to protect sensitive information. The Philippines must overcome obstacles to realize the full potential of digital transformation. By investing in robust digital infrastructure, promoting digital literacy, strengthening cybersecurity, fostering innovation, and streamlining government processes, the Philippines can build a more inclusive, efficient, and prosperous digital society.

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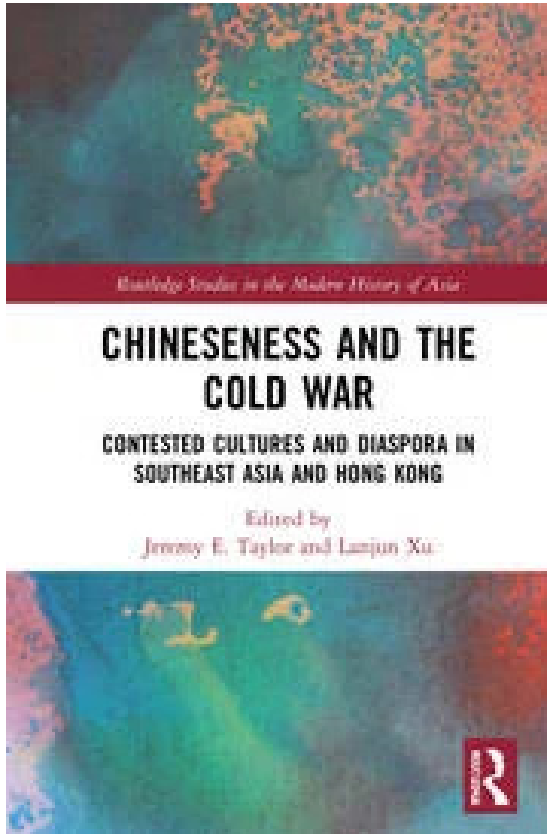
BOOK REVIEW

Chineseness and the Cold War: Contested Cultures and Diaspora in Southeast Asia and- Hong Kong

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Comparing academic books related to the Cold War as TV series, it is undeniable that most of them are mainstream Euro-centric TV series which commonly narrate the dramatic power and ideological struggle between the US-led Free World camp versus the communist Soviet Union's (USSR) and its allies. The climax scene will inevitably capture the thrilling situations such as the Containment policy of the Cuban Missile Crisis (1962), and the dramas will end up with the episode of the losing of protagonists like the Fall of Berlin Wall (1989) or the Collapse of the Soviet Unions (1991).

Shifting Perspectives: From Euro-Centric to Sino-Centric

Deviating from that mainstream and rethinking the Cold War within Asian historical contexts, *Chineseness and the Cold War: Contested Cultures and Diaspora in Southeast Asia and Hong Kong*, edited by Jeremy E. Taylor and Lanjun Xu, can be recognized as an extraordinary TV series which offers a significant shift from the traditional Euro-centric perspectives on Cold War studies. Instead, it provides a groundbreaking Sino-centric viewpoint that explores the complex and contested notions of "Chineseness" in Southeast Asia and Hong Kong during the Cold War period.

Apart from focusing on geopolitical or military confrontations as usual, this book delves into the cultural and social dimensions of the Cold War, specifically through the lens of the Chinese diaspora in Southeast Asia and Hong Kong. It also explores how "Chineseness" was a contested and dynamic identity influenced by the ideological battles of the time.

To understand dynamics of the "Chineseness", this book in-

vestigates how cultural artifacts and institutions, such as films, sports, literature, and religious activities - the so-called “Chinese cultural Cold War”, became arenas of ideological conflict. Analogous to TV series, this edited book has 3 sections of the main plots which are divided into 9 chapters of various case studies from Hong Kong, Singapore, Malaya, Thailand, Indonesia, and Vietnam. The main theme of the book is to illustrate how different ideas about Chinese identity were pivotal ideological factors in the region from three perspectives - Chineseness and “New China” in Cold War Southeast Asia, Anti-communist Chineseness in Cold War Asia, and Border-crossing “Chineseness” in Asia.

Sino-centric cultural approach: Compare with Matthew Phillips’ *Thailand in the Cold War*

The methodologies of this edited book, *Chineseness and the Cold War*, remind me of the interesting book by Matthew Phillips *Thailand in the Cold War* (2016). The main point of Matthew Phillips’ book is that while Thailand’s political leadership was keen to maintain the country’s independence and establish its credentials as staunchly anti-communist, Thailand was closely embedded in the US camp. The similarity between these two books is how they analyze the Cold War in Asian contexts by examining socio-cultural aspects, not conventional methods like politics or military. The importance of localization and what is the national identity, such as Malayan identity and Thainess, is the main focus for both books.

While *Chineseness and the Cold War* explores how cultural aspects like cinemas and music became battlegrounds for ideological influence among the Chinese diaspora, Phillips’ work discusses how Thai culture was influenced by and responded to American and communist ideologies, which shaped the notions of ‘Thainess’ until today. These contexts help us understand the broader regional dynamics that influenced the experiences of the overseas Chinese in neighboring countries. Also, comparing the cultural and ideological strategies in Thailand with those detailed in *Chineseness and the Cold War* can provide the analysis of how different Southeast Asian nations navigated the Cold War.

Conclusion: Shaping “Chineseness” and rethinking the Cold War in Asian Contexts

Chineseness and the Cold War: Contested Cultures and Diaspora in Southeast Asia and Hong Kong is a vital contribution to Cold War studies with a culturally rich perspective that deviates from traditional Euro-centric narratives. The concept of “Chineseness” during the Cold War, which was defined and redefined alongside the changes of geopolitics, cannot be seen from a monolithic view. It was shaped by various cultural, political, and social forces, as the diverse experiences of Chinese communities in Singapore, Malaya, Thailand, Indonesia, and Vietnam.

Ultimately, the Cold War’s ideological battles were not just between Western powers and the Soviet Union, but also involved the situations in Asian countries. Likewise, the Cold War also impacted decolonization, nation-state building, and the concepts of who ‘we’ are in Southeast Asia. Therefore, this book is one of the recommended ‘TV Series’ for anyone who wants to learn about the new dimension of how cultures can influence and be influenced by the notions of ‘Chineseness’ in Southeast Asia during the Cold War.

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