

André Ufer

Rethinking Good Governance in Developing Economies

Institutions, Governance and Development in Thailand



Nomos

Table of Contents

Preface	5
Table of Contents	7
Abbreviations	11
List of Figures	13
List of Tables	14
Thai Prime Ministers 1947 – 2006	14
1. Introduction	17
1.1 Good Governance and Economic Development: Key Issues, Problems and Suggested Improvements	17
1.2 Methodology and Structure	19
2. The Good Governance Approach in Theory and Practice and Governance in Thailand	27
2.1 The Origins and Economic Rationale of Good Governance	27
2.2 The Emergence of Good Governance Reform in Thailand after 1997	31
2.3 The Changing Role of Governance in Thailand	35
3. Governance and the Process of Transformation and Structural Change	41
3.1 Economic Development and Governance in Contemporary Theory	42
3.1.1 Foundations of Market-Liberal Thought: Unrestricted Markets as the Tool for Development and Growth	43
3.1.2 New Political Economy	45
3.1.3 New Institutional Economics	49
3.1.4 Good Governance on the World Bank Agenda	53
3.2 Class Structure, Rents and Collective Action Problems	57
3.2.1 Governance, Class Structure, Institutional Change and Development	57
3.2.2 Governance and the Economics of Rents in the Transformation Process	70

3.2.3	Governance of Structural Change and Microeconomic Coordination Problems: Problems and Costs of Acquisition of Technology	73
3.2.3	Governance of Structural Change and Microeconomic Coordination Problems: Information Failures and Low Level Equilibrium Traps	78
3.3	Evaluating Governance in the Transformation Process and Improving the “Good Governance” Consensus	82
4.	The Political Economy of Thailand: Governance of Development from 1947 to the Advent of Democracy	85
4.1	Conditions for Institutional Change and Development: Push and Pull Signals	85
4.2	State and Capital after 1947: Governing the Foundations of Thai Capitalism	89
4.3	Institutions for Transformation: State, Capital and the Politico-Financial Axis	94
4.3.1	The Politico-Financial Axis	94
4.3.2	The Financial Sector and Manufacturing Groups	98
4.3.3	The Patronage System, Governance and Economic Development	101
4.4	The Macro Agencies	106
5.	Institutional Change, Governance and Development in Thailand from 1973 to the 1990s	109
5.1	Rural Capital and the New Political System in Thailand after 1973	113
5.2	Parliamentary Rule and New Conflicts of Distribution: Governance, Corruption and Political Stability	118
6.	The Clientelist Structure and the Open Economy: Collective Action Problems and the Contradictions of Thai Development in the 1980s and 1990s	127
6.1	The Institutional Structure of the Open Economy	127
6.2	Domestic Implications of the Export Industry	131
6.2.1	The Political Economy of the Trade Regime in Thailand	131
6.2.2	The Consequences: Contradictions and the Impasse of Sustained Development in Thailand	136
6.2.3	The Consequences: The Crisis of Technology and Declining International Competitiveness	145

7. Failed Governance of Liberalization and Collective Action Problems in the 1990s	155
7.1 The Situation in the Early 1990s	155
7.2 The Era of Liberalization	156
7.2.1 Liberalization and Rent-Seeking	158
7.2.2 Liberalization and Politization	163
7.2.3 Liberalization, Patron-Client Networks and Distributive Conflicts	166
8. Conclusion: Governance and Reform in Thailand	171
8.1 Rethinking Good Governance	178
8.2 State, Capital and Governance in the Thaksin Era and Beyond	180
8.2.1 The Economic Performance under Thaksin	186
References	189