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Limits to neoliberal authoritarianism in the politics of land capitalization in Thailand: beyond the paradox

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Limits to neoliberal authoritarianism in the politics of land
capitalization in Thailand: beyond the paradox

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Abstract

Thailand presents a number of apparent paradoxes that complicate linear assumptions about the
capitalization of land and consequent processes of accumulation, dispossession and concentration.
These become particularly apparent when current conundrums are understood in their longer-term
historical and wider regional contexts. Historically, capitalization through market-oriented
intensification and commercialization, through establishment of transferable property rights in land
and through financialization have been tempered both by state policy and by space for counter-
movements that have helped maintain a largely smallholding pattern of agriculture. Geographically,
Thai capital has invested in large scale land deals across borders rather than within its own territory,
both in response to the above limits within Thailand and to opportunities established in neighbouring
countries whose authoritarian regimes follow post-socialist neoliberal development paths. The
present situation of land capitalization and accumulation within Thailand is complicated by a
resurgence of authoritarianism and a complex pattern of competitive populism emanating from
different quarters, as well as by the gap between partial de-agrarianization, on the one hand, and a
rural identity politics that is central to the current political impasse.

Keywords: land, capitalization, exclusion, regionalization, neoliberal authoritarianism
1 Introduction: Thailand’s land paradoxes

In May 2014, a military coup brought an end to the most recent period of parliamentary politics in Thailand. The coup also ended months of street turmoil between groups loosely associated with Thailand’s conservative urban elite (yellow shirts) and the largely rural-based red-shirt movement with a strong regional support base in the country’s North and Northeast. The red shirts lent support to former Prime Minister Thaksin Shinawatra, who had been ousted in an earlier coup in 2006 and self-exiled in response to conviction on corruption charges, and his sister Yingluck Shinawatra, who had been Prime Minister after Thaksin’s Pheua Thai party swept back to power in 2011, following street violence the previous year when the red shirt occupation of city streets in Bangkok was put down with deadly force by the military. The anti-Thaksin/Yingluck groups accused their parliamentary party of irresponsible populism and of duping gullible uneducated rural voters. These groups also employed symbols that claimed the patriotic and royalist ground associated with an alternative populist and traditionalist discourse that drew on the late King Bhumibol’s sufficiency economy concept, which brought with it expectations of limited wants among a rural populace expected to live within its limited means. Implicitly, this discourse also reinforces expectations of limited economic and political aspirations among the less educated rural poor. Former leftist were found on both sides of the red/yellow divide. During the three and a half years since the coup, the regime has cracked down on rural unrest and put through a number of policies that revive programs of dispossession in support of state programs and corporate projects that had faced opposition in a more open political environment.

The purpose of this paper is to unpack the political complexities and non-linearity of dispossession in Thailand, with reference to the “turning of land into capital” within the country and across its borders. While not a BRICS country, Thailand is a middle-income country whose internal and external land relations suggest a number of basic paradoxes. There is the paradox of Thai companies having a key regional role in land accumulation and dispossession through land-based investments in low-income neighbouring countries (Cambodia, Laos and Myanmar), despite Thailand being a country within whose own borders there are significant limits to fully capitalized land relations. Within Thailand, there are contradictions between extreme inequality in landholding, on the one hand, and a continuing mainly smallholder-based agrarian structure on the other. At the societal level, there is a tension between the continuing significance of agrarian identities and the reality of partial de-agrarianisation and diversification of livelihoods. This in turn is manifested in the resonance of populist politics with such identities among a rural populace alternatively characterised as “political peasants” (Walker, 2012), “flexible peasants” (Santasombat, 2008) or “cosmopolitan villagers” (Keyes, 2014). Finally, there is a current paradox of a military regime that has suppressed resistance in most areas of political life while framing some of its rural programs in populist terms, yet being challenged perhaps most strongly of all by resistance to new and more subtle forms of dispossession.

To understand current processes of, as well as limits to, dispossession under the current authoritarian military regime in Thailand’s neoliberalised economy, this paper first sets capitalised land relations in their longer historical and wider regional contexts. The paper finds value in Schoenenberger, Hall, & Vandergeest’s (2017) analysis that “highlights the role of historically contingent, deeply rooted processes, suggesting these may have more explanatory power than global political-economic dynamics in determining the [region’s] trajectories of agrarian change since the early 2000s”. The global land grabbing narrative that requires a great deal of unpacking when applied to Southeast Asia – and to Thailand in particular. The paper thus commences with a political-economic history of land capitalization. Capitalization is understood in terms of investment in agricultural land productivity, the turning of land into a commodity through titling and the progressive commodification of private land, and the emergence of land as a financial asset. This history shows how Thailand has established the World Bank “model” for smallholder-based property rights in land. Nevertheless, Thailand’s experience also shows the limits of land capitalization that lie behind the paradox of a highly unequal rural society growing on the basis of a still largely smallholder-based agriculture, and how counter-movements in various guises have placed limits on large-scale accumulation through dispossession on such land. The paper then considers the evolving role of capital on public land occupied by or
distributed to smallholders, particularly in land reform areas, and the debates and dilemmas surrounding “turning land into capital”. Partly in response to limits on accumulation within Thailand’s own domestic periphery, the paper goes on to discuss the role of cross-border investments by Thai capital in land-intensive ventures in plantations, contract farming and hydropower in neighbouring countries within the regionalization agenda of the Greater Mekong Subregion.

Following this context-setting, and bringing the discussion to current conundrums, the paper outlines several present-day contexts of dispossession that show the complex ways in which exclusionary processes play out in an increasingly post-agrarian middle income country that finds itself still wedded to neoliberal growth but under the most authoritarian regime experienced in nearly half a century. These processes include the ways in which green agendas provide pretexts for eviction, special economic zones take advantage of the regional economic integration agenda to create insecurity among smallholders, privatized infrastructure licensing arrangements short-circuit safeguards and facilitate dispossession, and both urbanization and peri-urbanisation create new values in land that precipitate exclusionary pressures.

These historical and contemporary paradoxes in Thailand’s land relations are reviewed conceptually with reference to a complex politics of rural populism. The paper shows that both the capitalization of land and counter-movements have employed populist approaches to further their ends, in ways that cannot neatly be placed along a “left to right” populist spectrum. The concluding discussion suggests that the theme of legitimation, a key concept in Hall, Hirsch and Li’s 2011 Powers of Exclusion framework, helps to nuance the understanding of quasi-populist land politics in Thailand’s present conjuncture of neoliberal authoritarianism. It argues that despite the rolling back of counter-movements under a pernicious military government that is closely allied to elite capital, there remain significant limits to wholesale dispossession within the country’s borders. At the same time, Thai capital continues agro-extractive practices in neighbouring countries, in part as a response to these very limits.

2 A political-economic history of land capitalization in Thailand

“Turning land into capital” has become a motif both for the proactive neo-liberalizaton of land in order to release “dead capital” as a poverty alleviation measure (de Soto, 2000), and for critique by those who see the treatment of land as a fungible commodity as a quick route to dispossession of the many in favour of accumulation by the few (Baird, 2011). In some respects, adding value to land and its progressive transformation into a capitalized asset is nothing new, as both annual and perennial investment in land has been integral to the longstanding commercial development of agriculture in Thailand as elsewhere. On the other hand, the increasing depth of capital’s place in land relations and their associated re-spatialization require a nuancing of the term “land capitalization”.

The case of Thailand reveals a historically progressive deepening of capitalization of land. First, with the move from the mid-nineteenth century onwards from subsistence-oriented food production to commercial farming of rice, and later field crops, capital progressively became an essential factor of agricultural production. This followed the Bowring Treaty of 1855, which opened up and led to the commercialisation of Siam’s rice economy. This in turn promoted investment of fixed capital in land development, most notably through the access, irrigation and drainage afforded by the expansion of the Rangsit scheme by the Siam Canals, Lands and Irrigation Company in tandem with land grants (Brummelhuis, 2007) and a more general expansion of the commercial agricultural land frontier (Johnston, 1975). Later development saw improvements in the form of machinery that enhanced the labour efficiency and productivity of agriculture, and of annual inputs in the form of fertilizer, pesticides and improved seed varieties. By the 1960s, Thailand was the world’s largest rice exporter, and it kept that status for the next half-century. At the same time, rapid development of non-rice annual crops (field crops) took cultivation into the country’s forest reserves, such that rates of deforestation were among the highest in the world from the 1960s to 1980s (Hirsch, 1988).
Capitalization of Thai agriculture more often than not required borrowing for short as well as longer term investment, incurring debts that become integral to land relations both within and beyond village social arrangements. As early as the 1930s, Zimmerman recorded significant levels of rural indebtedness in central Thailand, particularly among farmers producing for the market (Chankrajang, 2016; Zimmerman, 1931), although the debt burden was less than in either Burma or Vietnam (Brown, 1986). While capitalization of land for productivity gains can occur both under smallholder-based agriculture and in a pattern of accumulation by agro-industrial investors, the dominant pattern of agricultural growth in Thailand through most of the twentieth century was on family farms. There has been relatively little accumulation of land in plantation-style arrangements or through agrarian proletarianization of the labour force. More recently, mechanisation and contract farming arrangements have brought capital into agricultural production on smallholder farms, but under arrangements whereby land at least nominally has remained mainly in the hands of own-account farmers. Figure 1 shows that 85 per cent of farm operations in Thailand are on plots less than 40 rai (about 6 hectares) in area.

![Figure 1: Agricultural land holdings in Thailand by size (in rai). 1 ha = 6.25 rai. Source: National Statistical Office](image-url)

The second notion of land capitalization is the tendency for land itself to be held, bought and sold as a commodity in its own right. The Land Code of 1954 extended the geographically limited extension of transferable title to cover non-state land across the whole country. It was based on the Australian Torrens system of titling by registration and continues, in an amended form, to serve as the basis for Thailand’s private land ownership. The Land Code creates several classes of private land, from reserve certificate (bai jong, or NS2) to utilisation testimonial (nor sor saam, or NS3 and NS3K, the latter involving physical measurement of the land), to full land title (chanood, or NS4). NS3 and NS4 are fully tradeable and mortgageable. Another category, SK1, was granted if landholders could prove pre-1954 occupation and productive use of land. Under this system, land as a tradeable or mortgageable asset is based on the idea of its equivalence with other assets, the value of which can be realized most readily if individualized and state-recognized property rights are held. Land titling is thus an integral part of land capitalization in this sense. The spatial implication of land as a tradeable and speculative commodity is to delocalize landholding from its basis in proximate social relations.

Thailand is often held up by the World Bank and others as the model of land titling, based on a program supported by the Bank and the Australian government for 20 years from 1984, and its results are claimed to have shored up agricultural productivity (Feder & Nishio, 1998; Feder & Onchan, 1987). In the early 1980s, only six percent of agricultural land and 15 percent of private land was titled due to the very limited capacity of the Department of Lands to keep up with the expansion of Thai agricultural holdings. The success of the World Bank program has been in the rapid extension of
coverage, so that at present, the great majority of private land has full land title (Rattanabirabongse, Eddington, Burns, & Nettle, 1998). Nevertheless, approximately one-quarter to one-third of farming takes place on land that remains in the public domain (Chankrajang, 2015).

In fact, Thailand’s land titling program is based on the country’s adoption of the Australian Torrens system of title by registration that goes back to Siam’s 1901 Land Title Deed Act and the establishment of the Department of Land in the same year. On the face of it, the establishment of fully transferable property rights in land was a response to the demand created by commercialisation (Feeny, 1984, 1995), but the Siamese state’s motivations may have been more complex. Larsson (2012) argues convincingly that land titling in Thailand has been driven more by security concerns – initially during the colonial period during which Siam maintained its formal independence to hold at bay the extraterritorial rights of foreigners to own and hence accumulate land, and during the Cold War to pre-empt communist mobilisation of the peasantry around issues of land insecurity. In taking us back to the post-Bowring period of the late nineteenth century, and the start of Torrens-style titling by registration during the late fifth-reign reforms, and then to the Cold War period in the Indochina context, Larsson goes on to place land titling, and land capitalization within much wider political-economic and geopolitical frames of reference than those of agricultural economics or peasant studies (see also Larsson, 2007). Vechbanyongratana (2014) suggests that security and productivity are not necessarily competing or mutually exclusive explanations for the establishment of transferable property rights in land in Thailand.

An econometric study by the World Bank carried out 15 years after the commencement of the Bank’s land titling project in Thailand suggested that land registration has had positive effects in supporting the country’s financial development. This is a result both of the increase in the capital base for collateral underwriting investment, and the “unlocking” of capital that allows banks to mobilise financial resources with reduced supervisory costs (Byamugisha, 1999). The second progressive degree of capitalization of land thus overlaps into the third.

The third degree of capitalization is financialization of land. Gunnoe defines such financialization in terms of institutional ownership of land “by a broad array of financial actors, including pension funds, endowments, sovereign wealth funds, hedge funds, and private equity firms, among others” (Gunnoe 2014: 479), emphasising the difference between such actors and agrarian capitalists whose investment in agriculture is directly linked to their role in extracting value from farming profits. Certainly in Thailand there has been a large scale investment in land as part of wealthy corporate portfolios. These are mainly concentrated in the hands of family business empires owned and run by Sino-Thai tycoons, notably Charoen Sirivadhanabhakdi and Dhanin Chearavanont, who own 101,002 ha and 30,000 ha respectively through their financialized investments in land, and by the Crown Property Bureau that holds land in the name of the royal family and is estimated to own 6560 ha (Crown Property Bureau, 2014: 11). Significant parts of all these holdings are prime real estate in Bangkok and provincial cities such as Chiang Mai, and in some cases they provide leverage for land-based investments in neighbouring countries as well as under-writing diverse investment portfolios.

The prime value of land as a portfolio investment item, in what Harvey refers to as a pure financial asset, becomes as an item of “fictitious capital” that is “bought and sold according to the rent it yields” (Harvey 2006: 347). The value of land as a portfolio asset is in its potential for speculative as well as productive gains, of course with the risk of busts as well as booms in land prices. At a wider societal level, the speculative investment in land by buyers during the late 1980s through the mid-1990s created a financial bubble that burst in the 1997 financial crisis, showing the extent to which Thailand’s economic fortunes had become tied up with the financialization of land (Bello, Cunningham, & Poh, 1998).

Nevertheless, short-term instability in land markets and their prone-ness to crashes such as those of 1997 and again of 2008 may be subsidiary to at least two longer-term supports for land as a financial
asset. First is the absolute nature of land scarcity, unlike many other commodities whose scarcity can be produced or alleviated by economic decisions. Second is the long-term outlook on food production and living space relative to population growth and demands on land as consumption patterns change, an outlook that was brought into focus by the 2008 global food price spikes. As Fairbairn (2014) points out, the fact that farmland is simultaneously a productive and a financial asset makes it attractive to financial institutions who may base their investments on expectations that at least half of their returns are through capital appreciation rather than rent (ibid: 785). Ever-increasing sophistication of the institutional architecture of financial institutions produce a widening societal stake in land financialisation, from superannuation funds to large corporate players to wealthy individual investors in the hedging products that are part of the financialised 21st century globalised capitalist economy (Martin et al., 2015). Financialization can also be a back-door means for globalised financial institutions to circumvent direct foreign ownership restrictions (Fairbairn, 2015), but this has been more a feature of Thailand’s outgoing rather than incoming investment in land. Foreign ownership and long term leases of land in Thailand continues to be highly restricted, but there are regular pressures to liberalize relevant legislation (Chantanusornsiri, 2017a).

As an outcome of land capitalization through investment, titling and financialization, landholding in Thailand has become highly unequal, despite the continuing basis of agriculture predominantly on a pattern of smallholding. Laovakul (2016: 33) measures the Gini coefficient of wealth concentration in land at 0.89, an extreme measure that outclasses most other measures of inequality in a country known for its extremes of wealth and poverty (Phongpaichit & Baker, 2016). In some respects, this follows the agrarian differentiation logics associated with political economic analysis of intensification under marketized relations of production generally (Hall, Hirsch, & Li, 2011: Ch5; White, 1989) and in Thailand in particular (Ganjanapan, 1984; Hirsch, 1990a). However, figures on extreme inequality in land holding need to be qualified by at least two important caveats. First, despite the fact that three-fifths of all land is owned by ten per cent of landholders, only 359 individual landholders own more than 1000 rai (160 ha) (Laovakul, op. cit.). Admittedly, some of these own a great deal indeed, notably the Sino-Thai tycoons mentioned above. But the main part of Thailand’s land inequality is between owners of much smaller plots. Second, the measure of inequality only relates to fully titled land, and as such includes the owners of urban housing plots but misses the one-quarter to one-third of farmers who work land that is under public jurisdiction of one type or another. If household plots are excluded and land reform or other state administered farmland is included, the level of inequality is still significant but much less extreme than reported in the most comprehensive study of land inequality in Thailand to date.

3 Counter-movements

Despite the longstanding capitalization of land in Thailand, especially in comparison with neighbouring countries whose various experiments and experiences in socialist agrarian reform and revolution truncated such capitalization at key periods, there are nonetheless significant limits on land accumulation. Article 58 of the 1954 Land Code prohibits registration of more than 50 rai (8 hectares) of land without express permission from the Provincial Governor, who heads the Provincial Land Committee. While this has not stopped the subsequent accumulation of land by sales, and it has been circumvented by family registration of multiple plots, it has probably served as an effective barrier to the large scale “grilagem” type land acquisitions found in Brazil and elsewhere in Latin America. Indeed, Larsson suggests that the provisions of the Land Code were geared primarily to pre-empt leftist rural unrest by ensuring a relatively broad spread of land ownership.

More deliberate State-imposed limits on accumulation have occurred through policy on public land. During the relatively open political era of the mid-1970s, there were two important mobilisations that helped set these in train. The first was the Peasant Federation of Thailand’s campaign against excessive sharecropping land rents in northern Thailand, leading to a legislation that capped the shares
landlords could charge tenants. This mobilisation and implementation of the legislation was caught up in political polarisation and led to assassination of more than 20 peasant leaders, but it brought exploitative tenancy relations into the political arena (Haberkorn, 2011; Turton, 1978).

The second and more lasting mobilisation during the 1970s was for land reform. The Agricultural Land Reform Act of 1975 and the establishment of the Agricultural Land Reform Office (ALRO) in response to this mobilisation was initially conceived as a pathway towards redistribution of land to land-short or landless farmers. In some ways this emulated the pre-emptive land reforms of the Nguyen Van Thieu regime in South Vietnam and the Marcos regime in the Philippines (Hirsch, Mellac, & Scurrah, 2015; Kerkvliet, 1974). However, much of the subsequent “allocation” of land to poor farmers was actually achieved through follow-on formalization of partial land rights on public land that had been occupied by pioneering small farmers during the 1960s, 1970s and 1980s. Some of this public land was unspecified vacant land, but much of it had been gazetted as forest reserve or preparatory forest reserve following the National Forest Reserve Act in 1964 (Chankrajang, 2015; Hirsch, 1990). During the 1980s, the Royal Forest Department recognised such occupation through partial titles issued under its own jurisdiction in the form of Utilisation Rights (Sithi Tham Kin or STK) documents. These documents were highly restrictive, both in terms of the area allocated and the requirement to keep or replant trees on a portion of the plot. During the 1990s, large areas of forest reserve land were transferred from the jurisdiction of the Royal Forest Department to that of ALRO under less restrictive conditions, hence legitimising usufructory title for smallholders. In principle, such title is restricted in its transferability, hence mortgageability, and ceilings typically of two to four hectares per family are placed on ownership. As such, this entrenching of smallholding as a basis for occupation of recently cleared lands mitigates against the large-scale accumulation and plantation-style agriculture found in other countries. In Polanyian terms, this can be seen as a countermovement in its express prohibitions on commodification of the land title.

Yet, as in many cases of counter-movements within a marketized economy, there are strong pressures in the other direction toward continuing accumulation and commodification of land. These pressures operate both at the level of actual practice and of policy reform. At the level of practice, there is a rather loosely enforced prohibition on land transfers in land reform areas, so that an effective land market exists even on public land. Typically land prices are lower than concomitant land with full private title, but this has not prevented transactions. There have also been numerous scandals on the allocation of ALRO land titles (sor por kor) to wealthy individuals and their relatives, particularly in tourist-oriented and other locations where land values are a quantum difference ahead of those based on agricultural returns.

Irregularities in the granting of full land title on public land have also become high profile cases (e.g. Bangkok Post, 2016). Furthermore, since farmholdings on public land tend to be cultivated mainly for commercial crops that require investment in tillage and annual inputs of seeds, fertiliser and pesticides to a greater extent than does wet rice grown in longer established areas that have full land title, there is an acute demand for access to credit from institutional sources. At the policy level, there have been regular moves to ease or remove restrictions on transferability and hence mortgageability of ALRO titles. In particular, during the early 2000s the government of Thaksin Shinawatra drew openly on the ideas of Hernando de Soto of turning land into capital, proposing – but ultimately never getting round to legislating – the mortgageability of ALRO titles (Phongpaichit & Baker, 2009: 117). There has been a de facto recognition that many ALRO titles have been transferred illegally and that land has been converted to non-agricultural uses illegally, for example in the case of resorts at Wang Nam Khieo in the mountains northeast of Bangkok (Tangprasert, 2016). Few prosecutions have resulted, and compromise solutions are often sought with investors in such areas (Bangkok Post, 2016b). Elsewhere, the issue is dubious issuance of land titles on land previously gazetted as forest reserve, for example for resorts in the hills near Chiang Mai (Wipatayotin, 2016).

The State is, of course, not the only source of counter-movements with respect to land. While the Communist Party of Thailand (CPT) never built its support on land-to-the-tiller campaigns in the same
way as the Viet Minh in Vietnam from the 1950s, the NPA in the Philippines from the 1960s or the Communist Party of China had done prior to 1949, the armed struggle by the CPT during from the 1960s to 1980s left a legacy of occupation of state land by the rural poor. In part this arose with the reluctance, or inability, of the state to alienate and evict smallholders from untitled lands, and in part it resulted from the pro-active movement by the military of landless farmers into forest reserves to serve as a first line of defence against the forest-based insurgency. Ironically, these moves set the context for counter-movements long after the end of the CPT armed struggle in the early 1980s.

During the 1990s, there were moves to clear landless farmers out of national forest reserves, irrespective of how long they had been farming their land (Hirsch, 1993). An ill-conceived and short-lived initiative by the military to resettle up to a million families galvanised strong opposition, led by the movement of emergent non-governmental organisations. This opposition was framed in part through a nascent environmental movement, in part because of the lingering sensitivities of direct confrontation through leftist agendas such as land-based grievances. For example, the opposition to the leasing of forest reserve land from which poor farmers were threatened with eviction in favour of large scale eucalyptus concessions to be granted under very favourable terms to companies owned by well-connected politicians was framed in terms of the impact of this Australian tree on soils, neighbouring vegetation and the water table, but was at its base largely a land issue (Lohmann, 1991). Such concerns raised by environmental NGOs on behalf of farmers further consolidated into a nationwide grassroots-based campaign that networked multiple land-related grievances under the auspices of the Assembly of the Poor, bringing together evictions, other land disputes and protests around dams (Missingham, 2003).

4 Thailand’s regional role in land dispossession

The restricted opportunities for agro-capital to secure access to large scale landholdings has had two main strategic effects. First, companies such as Charoen Phokapan (CP), owned by the Chearavanont family referred to above, have made most of their profits in agriculture through contract farming and associated upstream supplier relationships with farmers as well as downstream agro-processing and retailing rather than through agro-industrial production in their own right (Delforge, 2007). Much of the company’s land portfolio is in real estate and is a more recent part of corporate financialization than the longer-term investment through vertically integrated agriculture in which farmers maintain at least nominal control over their land.

Second, and most pertinent to the first of the paradoxes outlined at the beginning of this paper, is the accumulation of land in long-term leases in neighbouring countries. Figure ... shows the extent of Thai corporate landholding in Laos and Cambodia. In Myanmar, investment has tended to follow the contract farming model, illustrated by CP’s involvement with maize farmers in northeastern Shan State (Woods, 2015). In Laos and Cambodia, on the other hand, investments have followed a large-scale plantation-style pattern of operations quite different to those found within Thailand itself.

To understand the spilling over of Thai capital into agro-industrial investments in Cambodia and Laos, and in a different mode in Myanmar, it is important to consider not only the strategic considerations of the corporations involved, but also the agrarian context in which the investments have been taking place. What all countries in the Mekong Region have in common is experiments with socialised agriculture. Each country has a somewhat different experience, but the spaces created by post-socialist market reforms and strategies to turn land into capital help to explain the making of land available to agro-capital, most of which comes from neighbouring countries. In Cambodia, the extreme collectivisation under the Khmer Rouge regime and the decade of socialist land relations following its demise has meant that land has been substantially reterritorialized since the early 1990s. This process has allowed large scale land concessions to be granted both to domestic interests, mostly through cronyism and patronage related to the ascendant power of the Cambodian People’s Party under Hun Sen’s strong-man leadership, and to investors from Vietnam, China and Thailand.
Approximately 2.5 million hectares are now under such concessions (Scurrah & Hirsch, 2015). In Laos, the continuing one-party rule under the Lao People’s Revolutionary Party has combined with outward looking market reforms since the late 1980s that have sought to modernize the country based on the turning of its land and related resources into capital. This strategy has included the granting of more than one million hectares in land concessions, an area greater than that under smallholder wet rice cultivation, to agro-investors (Schönweger, Heinemann, & Epprecht, 2012).

The land granted to agro-investors in both Laos and Cambodia is in principle vacant land held by “the people” under state management. In practice, much of this land is farmed by smallholders who are displaced by the large-scale concessions. Accumulation by dispossession is nowhere so blatant in mainly Southeast Asia as in these cases. They include sugar plantations in Cambodia’s Ouddar Mean Chey Province and Laos’ Savannakhet Province by the Thai sugar giant Mitr Phol, and in Koh Kong Province by Khon Kaen Sugar. The latter has been the target of an international “blood sugar” campaign against Tate and Lyle and other multinational buyers (ADHOC, 2014) and an action brought before the National Human Rights Commission of Thailand (King, Harris, & Vuthy, 2015).

In some respects, the overflow of Thai capital into land concessions in neighbouring countries is analogous to earlier investments by Thai loggers and dam builders, in the sense that they are a response both to openings in previously relatively close economies and land/natural resource sectors of Thailand’s neighbours, and to the eco-political limits within Thailand itself. The logging ban of 1989 and the experience of campaigns against the Nam Choan and Pak Mun Dams in the late 1980s and early 1990s both closed off continuing opportunities for natural resource exploitation within Thailand’s borders, just as the regional expression of détente and perestroika was opening up opportunities for Thailand to follow its “battlefields to marketplace” strategy in the regional resource economy (Hirsch, 1995). In the same vein, Thailand’s particular history of capitalization and counter-movements has set the limits to accumulation by outright dispossession within the country’s borders, while its neighbours’ legacy of socialist land relations and post-socialist modernization have provided openings for capital from Thailand, Vietnam and China. At the same time, Thailand’s role in several large-scale hydropower projects in Laos and Myanmar, in the deep-sea port of Dawei and in other infrastructure projects magnify the impact on land accumulation at the expense of smallholders in those countries, as does the deepening of Thai capital involvement through less direct means within agriculture such as contract farming.

5 Competitive agrarian populism and limits to authoritarian neo-liberalism

The term “populism” (prachaniyom) in Thailand is most immediately associated in public discourse pejoratively with the former Thaksin and Yingluck regimes, and most recently with the rice price support policy whose aftermath led to Yingluck’s dramatic flight into exile a day ahead of her Supreme Court appearance on charges of malfeasance in August 2017. Nevertheless, agrarian populism has different provenances in Thailand and takes many forms. The discourse of Thai farmers as “backbone of the nation” is longstanding. Following the demise of the CPT in the 1980s, the rise of alternative challenges to mainstream statist development by non-governmental organizations saw a significant rift emerging between a political economy (settasat kaamneuang) approach that sought critique through class and state analysis and associated systems of power, on the one hand, and the “community culture” (wathanatham chumchon) school that took a neo-populist approach to analysis of rural problems and their solutions (cf Phongphit, 1986). With respect to land, NGOs have been critical of wholesale land titling on the basis that it facilitates the sale – and hence intergenerational loss – of land by small farmers to moneyed interests who accumulate land for speculative purposes.

Depending on the standpoint of the observer, Thaksin’s brand of parliamentary populism could be interpreted in different ways. For his detractors, populist policies were based on fiscally irresponsible and cynical exploitation of voter gullibility to collective bribes in the form of the one-million baht village fund, the one-tambon-one-product support program for local cottage industries, the 30-baht
universal healthcare scheme, and later the massive subsidy of rice prices through exploitation of the longstanding paddy pledging scheme. For those more sympathetic, the policies involved a substantial shift in the way in which public welfare provision was carried out, in a manner that was more responsive than hitherto to aspirations of the rural populace, more business-focused and hence economically sustainable, hence contributing not only to resource transfers to rural areas and a better standard of living, but also in giving Thaksin’s rural supporters a sense of place in the governing of the country. From Thaksin’s standpoint, the turning of land by smallholders into capital following de Soto’s principles is a key plank in support of rural entrepreneurship. In this respect, Thaksin-style populism is quite different from the traditionalist populism of many civil society organisations. Andrew Walker writes of Thailand’s “political peasants” (Walker, 2012) who could no longer be taken for granted by any side of politics.

Whatever the interpretation, the success of Thaksin’s brand of populism can be seen in the continuation of many of his rural policies even after the coup that ousted him in 2006 and the subsequent ascendancy of the Democrat Party to the Prime Ministership after a “judicial coup” against Thaksin’s successor in the first post-coup election. Even the military junta that ousted the Yingluck government has maintained many of the rural welfare policies established under Thaksin. However, there has also been a slide back into welfarism with the restriction of many benefits to those who can show themselves to be poor, with all the deference and two-tier provisions of services that accompany such means testing.

The key populist innovation of the military junta is the Pracharat (civil state) program that in principle brings together state, business and civil society sectors in key initiatives. Pracharat has a connotation of forging unity among sectors and healing – or papering over – the divisions that have riven Thai society and politics in recent years. From the perspective of land capitalization, one of the most interesting – and to some alarming – of these is the alliance between several large agribusiness companies, including CP and Mitr Phol, in an agricultural zoning program that gives priority access to these businesses in achieving control over land through capital inputs in preferred crops through monopsonistic contract farming arrangements.

An irony in the representations of distinct rural interests with agrarian motifs is that these are being made at a time when livelihoods in Thailand are decreasingly tied to agricultural production. Approximately one third of Thailand’s workforce identifies as primarily agricultural, down from … per cent in … and … per cent in the early 1960s. But many of those who identify farming as their primary occupation have household incomes in which farming is subsidiary to industrial and service sector occupations. Less than ten per cent of gross domestic product in Thailand now comes from the agricultural sector. There is thus a gap between the identity politics of the rural, on the one hand, and both the reality of rural livelihoods and the aspirations of the majority beyond agriculture.

While rural and agrarian interests have been an important part of recent populism in parliamentary politics and in civil society counter-movements against the more egregious forms of dispossession, the return of authoritarianism has facilitated the return of a number of exclusionary pressures affecting smallholders. Several of these have been directly favourable to capital under the military regime at the expense of those with the least secure land rights in the country.

The largest scale dispossession occurring under the military regime is the “reclaim the forest” program, which seeks to increase forested area from 102 million to 128 million rai by 2027. These include three million rai of rubber plantations (Bangkok Post, 2017b). The program in principle is to evict larger encroachers on forest reserve land first, but many reports suggest that the authorities are actually evicting weaker groups first in response to province-level reclamation targets set from the centre (Mekong Commons, 2015). The evictions have also been associated with violence against poorer villagers asserting their land rights (Bangkok Post, 2016a) and with enforced disappearances and arrests of those campaigning for land rights (Ekachai, 2017). Meanwhile, there are many suggestions of double standards that allow wealthier encroachers to avoid custodial sentences, in
contrast to the rural poor (Bangkok Post, 2016d). In many respects, this crackdown takes advantage of the authoritarian regime to pursue longstanding agenda to evict poor farmers from state land (Vipoosanapat, 2016).

While evictions from protected areas are a longstanding issue, “green governance” has also entered the land agenda in new ways. One is the question of whether ALRO land can be used for environmentally-related non-agricultural investment purposes if rents are paid to farmers who hold usufruct sor por kor title. The establishment of wind farms in Chaiyaphum became a test case, initially challenged in the courts by those who claimed that ALRO land use was restricted to farming. A later ALRO decision ruled in favour of wind farms, so long as rents are paid to the ALRO title holders (Bangkok Post, 2017a).

Under the military junta, a number of projects favourable to large scale capital have been pushed forward or revived that had previously been the target of opposition by local communities and those campaigning on their behalf (Prachathai, 2017). These include potash mining, gold mining, coal-fired power plants and other projects that have both displacement and polluting effects on rural livelihoods. The National Council for Peace and Order under the military government has employed an executive decree provision under the revised constitution, Section 44, to short-circuit environmental impact assessment for major projects such as construction of new large coal-fired power stations. Many of these projects have been contested by local communities and environmental groups for a number of years, but another NCPO order prohibits gatherings of more than five persons that are deemed political, significantly constraining vocal opposition. Section 44 has also been mooted to push ahead with road, rail and other projects that would otherwise require more time for approval under the Agricultural Land Reform Office requirements for conversion of land reform land to non-agricultural purposes (Bangkok Post, 2016b). It has also been used to repurpose ALRO land, short-circuiting existing legislation (Bangkok Post Opinion, 2017). Furthermore, there has been a spate of defamation suits issued by companies under the spotlight against their detractors (sometimes referred to as SLAPPS, or strategic lawsuits against public participation).

A further act by the junta with significant implications for land dispossession in favour of capital has been the establishment of ten Special Economic Zones at a number of border locations around the country. Five of these have been pushed forward as pilot projects. They involve a number of deregulation measures concerning land use, tenure and transfer over much wider areas than those required for industrial estates, customs posts and other infrastructure that is supposed to support industrial development in these areas (Chantanusornsiri, 2017b). Typically, several subdistricts in two or three districts are declared as under the jurisdictional authority of the SEZ in question, and within these areas a number of provisions serve to exclude smallholders. One is the lifting on restrictions for use and transfer of land reform land. Another is the issuing of full land title to the Crown Property Bureau on land previously classified as state land and often occupied informally by smallholders. Section 44 has been applied to shortcircuit procedures for such transfer. A third, less direct power of exclusion is the rapid increase in land prices in areas declared as SEZs, which is largely a speculative effect in the expectation of road and other infrastructure as well as the possibility of land conversion to commercial and industrial use.

At the same time as these regressive measures are being implemented by the authoritarian military government, a number of more progressive land agendas continue to be pushed forward. Provision for community land title, a longstanding demand of NGOs, has provided a point of leverage by communities protesting against land grabbing in areas such as Rawai Beach in Phuket (Bangkok Post, 2016c). A Land Bank has been established with the aim of purchasing private land for redistribution to poor rural families, but with a capitalization of only 600 million baht (about US$18 million), this promises only marginal opportunities to redress problems of landlessness among small farmers. Similarly, a fund has been established under amendments to Agricultural Land Reform Office legislation to buy back land from ALRO plot holders who no longer wish to farm, with a view to re-allocate such land to landless farmers (Bangkok Post, 2016e). In principle, the Land Bank is designed
to be self-sustaining from revenues derived from a third measure, progressive land tax, but this tax has become bogged down in debate over restrictions to those with properties worth over 50 million baht (about US$1.5 million), which would limit payment to just the very top echelon of individuals and enterprises (Bangkok Post, 2016f; Siripunyawit, 2014).

Despite these restrictions, there continue to be reactions against the junta’s pushback against countermovements. Concern has been expressed by non-governmental organisations such as LandWatch over the use of Section 44 for declaration of SEZs (Prachathai, 2016), and a proposal to lease land to foreign investors for up to 99 years attracted criticism by supporters of the anti-junta Pheua Thai Party (Sattaburuth, 2016). A number of protests and mobilisations over land rights have implicitly challenged the junta’s prohibition on gatherings of more than five persons for political purposes, for example in demands by 23 communities for land rights to be granted or recognised in Phuket, where land issues are fraught in the context of rapid rises in land prices, death in custody of a land official associated with past corrupt issuance of land titles (Prateepchaikul, 2017), and displacements following the 2004 tsunami (Bangkok Post, 2017). Mobilisation against evictions have also been held by the NGO P-Move and the Northern Peasant Federation (Wangkiet & Jikkham, 2015). More generally, there are regular expressions of disappointment and anger in the media, among NGOs and groups of affected people that the junta has gone back on many of its land-related populist promises (Ekachai, 2016).

6 Conclusion

Thailand’s land paradoxes are best understood with reference to the history of smallholding as the basis for the country’s agricultural development and the confounding of expectations that a long-commercialised market economy would see large-scale accumulation of land at the expense of small farmers. In part, this is explained by the alternative opportunities for accumulation within the rural sector other than direct ownership and management of plantation-style enterprises, for example through contract farming (Sriboonchitta & Wiboonpoongse, 2008). Ironically, in part this may be also explicable by the low returns to capitalized agriculture and the advantage that small farmers have in self-exploitation. In turn, the continuity of smallholding is in part explicable by public policy. On private land, this has involved land titling and other tenure arrangements that have mitigated against large-scale land acquisition but not necessarily against more localised accumulation. On public land, the restrictions on land transfer and mortgaging have put a partial break on accumulation, despite many abuses of legal provisions.

One response of Thai agro-capital has been to invest in neighbouring countries, particularly during the post-socialist period since the early 1990s. This period has seen the governments of Cambodia, Laos and Myanmar take a more open approach to economic engagement with their neighbours, notably Thailand but also China and Vietnam. At the same time, the legacy of socialist experiments in collective production has placed large areas under state jurisdiction, in turn opening them to large-scale leasing arrangements irrespective of their de facto occupation and cultivation by smallholders. This has been a recipe for dispossession through expropriation in favour of big capital from Thailand and other neighbouring countries.

Meanwhile, in Thailand the dialectic of Polanyian double movement has found a new iteration under the authoritarian military regime run by the National Council on Peace and Order (NCPO). Close relations between Thailand’s largest landholders and the NCPO are reflected in neo-populist moves, notably the Pracharat initiative. This is despite the conservative populist lionising of traditionalist small-scale farming practices that follow the late king’s sufficiency economy principles. Meanwhile, repressive and exclusionary measures provide space for interests of capital, previously stymied in their investments by more open civil society opposition, to push forward with infrastructure and other exclusionary projects. In turn, some of the most active areas of opposition to the regime have come from those directly affected by these regressive moves.
Perhaps the most interesting and important avenues for research on land capitalization and populism in Thailand, under an authoritarianism that seems set to stay for some time, lie in the politics of legitimation. In particular, the disenfranchised rural populace of Thailand’s North and Northeast continue to mobilise around instances of perceived injustice, both those associated with inclusion in or exclusion from the country’s political affairs and those closer to home and related to land and persistent rural identities. With the competitive populisms of the Thaksin legacy, the military-royal elites and non-governmental organisations, legitimation is a useful lens through which to study the discursive as well as material politics of accumulation and dispossession, inclusion and exclusion.

More widely, the strategic positioning of Thailand’s new agro-capitalist enterprises within the country, and their association with the current regime in programs such as Pracharat, warrants scholarly attention. Looking at the role of Thai capital beyond Thailand’s borders, there is considerable scope for research that addresses corporate strategies and interactions with the regimes of neighbouring countries, as well as the more local implications for agrarian relations and evolving modes of dispossession.

References


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Thailand is a middle-income country whose land relations reveal a number of basic paradoxes. There is the paradox of a country with a key regional role in land accumulation and dispossession through cross-border land-based investments in low-income neighbouring countries (Cambodia, Laos and Myanmar), yet one within whose own borders there are significant limits to fully capitalized land relations. Within Thailand, there are contradictions between extreme inequality in landholding, on the one hand, and a continuing mainly smallholder-based agrarian structure on the other. At the societal level, there is a tension between the continuing significance of agrarian identities and the reality of partial de-agrarianisation and diversification of livelihoods. This in turn is manifested politically in the resonance of populist politics with such identities among an increasingly “cosmopolitan peasantry”. In a wider regional context, there is an irony in the country with the longest standing capitalised relations in agriculture and land maintaining the most significant limits to accumulation by dispossession through large scale land deals. At the same time, many of these land deals are done in neighbouring countries by Thai capital. Finally, there is a paradox of a military regime that has suppressed resistance in most areas of political life being challenged perhaps most strongly of all by resistance to new and more subtle forms of dispossession.

To understand current processes of, as well as limits to, dispossession under the current authoritarian military regime in Thailand’s neoliberal economy, this paper first sets capitalised land relations in their longer historical and wider regional contexts. The paper commences with a political-economic history of land titling and the progressive capitalization of private land in terms of investment in agricultural production, land as a commodity and land as a financial asset, showing how Thailand has established the World Bank “model” for smallholder-based property rights in land. Nevertheless, Thailand’s experience also shows the limits of land capitalization that lie behind the paradox of a highly unequal rural society growing on the basis of a still largely smallholder-based agriculture, and how counter-movements in various guises have placed limits on large-scale accumulation through dispossession on such land. The paper then considers the evolving role of capital on public land occupied by or distributed to smallholders, particularly in land reform areas, and the debates and dilemmas surrounding “turning land into capital”. Partly in response to limits on accumulation within Thailand’s own domestic periphery, the paper goes on to discuss the role of cross-border investments by Thai capital in land-intensive ventures in plantations, contract farming and hydropower in neighbouring countries within the regionalization agenda of the Greater Mekong Subregion.

Bringing the discussion to current conundrums, the paper outlines several present-day contexts of dispossession that show the complex ways in which exclusionary processes play out in an increasingly post-agrarian middle income country that finds itself still wedded to
neoliberal growth but under the most authoritarian regime experienced in nearly half a century. These processes include the ways in which green agendas provide pretexts for eviction, special economic zones take advantage of the regional economic integration agenda to create insecurity among smallholders, privatized infrastructure licensing arrangements short-circuit safeguards and facilitate dispossession, and both urbanization and peri-urbanisation create new values in land that precipitate exclusionary pressures.

Conceptually, the paper employs Hall, Hirsch and Li’s 2011 Powers of Exclusion framework to nuance the understanding of land politics in Thailand’s present conjuncture of neoliberal authoritarianism. It argues that despite the rolling back of counter-movements under a pernicious military government that is closely allied to elite capital, there remain significant limits to wholesale dispossession within the country’s borders. At the same time, Thai capital continues agro-extractive practices in neighbouring countries, in part as a response to these very limits.
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