

Oil palm is always hungry. It eats the land, it eats the sago—and when the Marind are asleep, it eats them in their dreams. It makes the rivers run backwards, red with the blood of those it has killed. Oil palm is at once a murderer, yet also a victim, a plant that has also been colonized by man and forced to live, grow and breed in unnatural ways, away from its homeland, alone (Ch 6). While the Marind see this plant as a perpetrator, they also feel sorry for it.

Chao shows us the complicated connections that the Marind have with this plant, how it engenders betrayal amongst the elite who forsake their people and land for its promises of wealth and progress, or absorbs others who end up working in the very plantations they once abhorred. These individuals tell Chao they are creating new relationships with this oil palm, which is acknowledged as distant kin, and look towards a day when there might be new stories with oil palm as a new way of knowing and being.

At times, Chao seems circuitous and repetitive in her writing, but this is only because there are so many layers to unpack, and just like the forest—there are no straight lines in the Marind’s relationship with animal, plant and oil palm. Her writing is vivid and enthralling; her sharing of local songs, raw vignettes and lucid dreams brings the reader with her into the lives of the Marind. As dream sharing is a form of therapy for the community, Chao admits that this book is also written from a place of grief—and written “out of defiance and responsibility” (p. 24).

This was a story that needed to be told. A counter-narrative to the development agenda that promises a rosy future, without elaborating on the destruction and loss that it entails. The loss of sacred sago groves and forests dispossesses the Marind from themselves. Chao’s deeply thought-provoking and riveting tome is both theoretical and real, development economics and the anthropology of slow violence. It is a homage to an indigenous community with their own means of resistance—until they too finally fall prey to oil palm.

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DOI: 10.1355/ae39-3i

***The Economic Consequences of Globalization on Thailand*, by Juthathip Jongwanich.** Abingdon, Oxon: Routledge, 2022. Pp. 288.

This book examines the impact of globalization on Thailand, which began liberalizing its economy in the 1960s. During that period, tariffs were reduced while non-tariff barriers were used to protect sensitive products, especially agricultural goods. In Thailand, comprehensive tariff reduction policies were implemented stringently between 1995 and 1997, and again in 2003. As such, the decline in average tariff can be observed from 1995 onwards. Even though empirical studies from other developing countries on the impact of liberalization on raising Total Factor Productivity (TFP) and altering structural employment in favour of skilled labour are less conclusive, this book provides a clear answer to how globalization has affected TFP and employment in the Thai manufacturing sector.

The volume follows a sequential structure. Chapter 1 provides a useful liberalization timeline of the country. Thailand began with an import substitution policy in the 1960s, before switching to export promotion over the next two decades. Further liberalization measures incentivized many multinational enterprises (MNEs) to participate in the country’s manufacturing sector, resulting in an increase in Foreign Direct Investment (FDI) inflow, and improved production technology and management knowledge—

which ultimately contributed to greater efficiency and value-addition in global value chains (GVCs). This book also reveals the intricacies of the Thai trading strategy in which input tariff exemptions were used to promote the re-exporting industries. In addition, the country eased export procedures by reducing bureaucratic processes, which further boosted the FDI inflow. The liberalization-induced new technology of production and transferred management know-how helped raise employment in the manufacturing sector and assisted the development of backward linkage industries. The author also mentions that the level of protection put in place for the secondary sector was based on the Enterprise Resource Planning (ERP) system rather than the Network Resource Planner (NRP) approach.

Besides providing a meticulous explanation of the trade policy regime in Thailand, this publication also comprehensively covers definitions of technical terms relating to international trade regulations in both tariff and non-tariff measures. Chapter 2 provides useful insights for those interested in international trade economics. After insignificant tariff reductions in the late 1990s, the author argues that tariffs were on a declining trend in the 2000s. There was also a noteworthy halt between 2011 and 2013 due to the Global Financial Crisis and the national flood calamity. During this period, a third of the goods on the Thai product list was declared tariff-free. However, a fourth of the goods on the list was not, and was segmented into three rate tariff structure lines (0–1 per cent, 5 per cent and 10 per cent). Restrictions were particularly imposed on agro-processing products, textiles, leather and footwear. Apart from tariff measures, non-tariff strategies also played a crucial role in protecting indigenous manufacturing in the 2000s. Sanitary and phytosanitary (SPS) measures were imposed on agricultural and food imports while technical barriers to trade (TBT) were used for manufacturing products. This garnered disgruntlement from Thailand's trade partners, with Vietnam, Indonesia, Singapore and Malaysia displaying their displeasure in tandem. The coverage ratio had to be factored in and this led to an uptick in the number of unethical trade misconduct cases of detention, adulteration and misbranding.

Chapter 3 explains the rationale behind several free trade agreements (FTAs) signed by the Thai government. In recent years, substantial tariff margins have been eliminated in FTAs with Australia, New Zealand, South Korea and Japan. The focus of these agreements lies on automotive products and parts, electrical appliances, petrochemical products and processed foods tariff reductions, while Thai import tariff reductions are mainly concentrated in agricultural products and basic manufacturing intermediate products. However, the author contends that Thailand's FTA utilization rate between 2006 and 2019 was quite low. To counter this, the country has pursued more market-friendly foreign players to invest in the domestic manufacturing sector. For instance, the Board of Investment (BOI) is responsible for providing investment incentives in the form of a policy package known as Thailand 4.0. A select few industries have been targeted to serve as new and more sustainable economic growth engines for Thailand in the future.

Chapter 4 examines Thailand's involvement in global value chains. Here, Jongwanich claims that the establishment of the Eastern Economic Corridor (EEC) has fostered the supply of substantial foreign investment into the country. Since the late 1980s, labour-intensive products have dominated Thai exports, while import substitution has given way to export promotion. But the Asian Financial Crisis slowed the economy between 2000 and 2005. After a momentary recovery, the export sector again declined in 2008 due to the Global Financial Crisis. As a result, Thailand's export destinations mainly included other ASEAN members and China. Export growth rate improved in 2017, driven by FDI and the Thailand 4.0 policy. More recently, the US-China trade war has also affected the Thai economy, with investments being reallocated to other ASEAN countries. And the resultant disruptions to GVCs have been compounded by the COVID-19 pandemic.

Chapter 5 highlights the amount of FDI inflows during the late 1980s. Foreign investments in the country, however, have dropped since 2001. Although some liberalization efforts have had some positive impact on the entry of a few MNEs, no notable effects have been observed in the Thai manufacturing sector. MNE affiliates import technology from foreign partners (parent firms) instead of developing new

products in Thailand. The only exception is the automotive and hard disk drive industries, where imported technologies have led to spillovers to indigenous manufacturing. It should be noted that FDI and export activities have a more positive impact on R&D investment than tariff reduction. Exports have especially helped the Thai manufacturing sector improve its competitiveness in the global market.

Chapter 6 includes an empirical study to explain whether productivity is enhanced by industrial liberalization policy. Jongwanich finds that, while industrial policies do not correlate with an increase in TFP, lower tariff protection and investment incentives provided by BOI have positive effects on overall productivity. Likewise, firm characteristics are found to affect manufacturing productivity more than industrial policy. Companies involved in exporting and importing inputs tend to be more productive than those catering only to the domestic market. Firms that embark on R&D and hence employ more skilled workers are also more productive than those that do not.

In terms of ERP, Chapter 7 highlights how firm-specific factors affect the skilled-to-unskilled employment ratio. Internationally oriented firms generally tend to have a high skilled-to-unskilled employment ratio. In Thailand, skill premiums and employment are less associated with liberalization through tariff reduction and GVC participation. Even incentives provided by BOI do not significantly affect this ratio. The shortage of skilled workers, oversupply of unskilled workers and low unionization rate have caused the wage premium to be disassociated with the globalization process. The shortage of human capital in Thailand is a possible cause. On the other hand, factors such as firm size, ownership, and capital-to-labour ratio also affect the proportion of skilled workers. Among these factors, firm size is found to be less conclusive and its relationship with employment is nonlinear. Surprisingly, trade liberalization and tariff reduction are found not to be detrimental to unskilled workers. Similarly, non-tariff measures do not affect the demand for skilled workers, the author finds.

This book focuses sharply on the Thai economy and expounds on how international trade regimes have affected the country's manufacturing productivity, R&D, wages and employment levels. The volume is suitable for graduate-level readers who may be interested in Thailand's globalization experience relative to that of other ASEAN Economic Community (AEC) countries. The author offers readers a deep understanding of how Thailand uses both tariff and non-tariff strategies to nurture its manufacturing sector, which is expected to be the nation's growth engine in the future. Finally, this book reveals a surprising discovery that liberalization can have an adverse effect on a country's skilled labour force rather than on unskilled workers.

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