

of the country's wage policies since the 1960s. Chapter 8 uses five cases to discuss Winsemius' policy recommendations that are related to the environment. Obviously, other interesting cases could have been added to the book such as public housing (i.e., HDB) and infrastructure (i.e., MRT and Changi Airport). Perhaps future editions would include this wish list.

For historians of economic thought, the early chapters of the book—Chapters 1 and 2—provide useful insights into how Winsemius' earlier experiences could have influenced his approach to policy advice. In his prior incarnation as a policymaker in the Netherlands, Winsenmius was involved in the planning and implementation of industrialization in the country. Some of the subsequent key policy recommendations for Singapore—such as tripartite labour negotiations—appear to have originated from his earlier policymaking experiences in the Netherlands. Winsemius was also unique in the sense that he was a policy activist. His contributions were not confined to merely giving policy advice as he was also personally involved in persuading multinational firms to invest in Singapore. This aspect can be traced back to his experiences in the Netherlands where he was instrumental in persuading businesses to set up new factories in the country. Clearly, one important contributing factor to Winsemius' role as a policy activist is his own experience in the private sector after he retired from civil service in the Netherlands. The combination of his experiences in the public and private sectors is likely to have also shaped his understanding of the role that state intervention and market forces can play in economic development.

Overall, the book is an important contribution to the literature on the history of economic development in Singapore. Current and future generations of scholars and policymakers will benefit from reading this book.

CASSEY LEE

*Senior Fellow and Coordinator of the Regional Economic Studies Programme,
ISEAS – Yusof Ishak Institute, 30 Heng Mui Keng Terrace, Singapore 119614
email: cassey_lee@iseas.edu.sg*

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***Business Groups and the Thailand Economy: Escaping the Middle-Income Trap*, by Natenapha Wailerdsak. Routledge, 2023. Pp. 280.**

Natenapha Wailerdsak's *Business Groups and the Thailand Economy: Escaping the Middle-Income Trap* provides a comprehensive and incisive analysis of Thailand's industrialization journey and its persistent struggle to escape the middle-income trap. The book offers a synthesis of theoretical frameworks, policy critiques and empirical evidence, aiming to provide actionable insights for policymakers, scholars and business leaders navigating similar challenges in other emerging economies. By focusing on the pivotal role of business groups, Wailerdsak illuminates structural, governance and socio-cultural barriers that hinder Thailand's progress while proposing pathways for transformative economic growth. This interdisciplinary work stands as a valuable resource for those seeking to understand the complexities of economic development and governance reform in Thailand.

The book is structured into three sections—theoretical foundations, policy evaluation and case studies of Thai business groups—each contributing to an overarching narrative on how Thailand can transition toward a high-income economy.

The first section of the book revisits key economic theories—catch-up industrialization, dependency theory and the developmental state model—to provide a framework for understanding Thailand's development trajectory. Wailerdsak critiques these frameworks with a balanced approach, highlighting

both their contributions and limitations. For instance, she explores the concept of the “advantages of backwardness” (p. 16), showing how latecomer nations like Thailand can adopt advanced technologies to leapfrog development stages. However, she underscores that such opportunities are frequently undermined by governance challenges, structural inefficiencies and socio-cultural constraints. In her critique of dependency theory, Wailerdsak argues that it overemphasizes external dominance while insufficiently addressing domestic issues, such as limited innovation capacity within Thailand’s family-owned businesses. The “family business trap” discussion is particularly insightful, illustrating how concentrated ownership and lack of professional management hinder technological advancement and economic diversification. While this theme is expanded further in the third section of the book, the first section establishes it as one of several critical factors that collectively contribute to Thailand’s struggles in escaping the middle-income trap.

The second section evaluates Thailand’s industrial policies, with a particular focus on the Eastern Economic Corridor (EEC). While the EEC aims to integrate Thailand into global value chains and attract significant foreign direct investment (FDI), Wailerdsak critiques its over-reliance on foreign capital and inadequate focus on fostering local innovation. She argues that monopolistic practices, low R&D investment and the dominance of family-owned business groups stifle the development of a high-tech industrial base. This section balances optimism about policy potential with realism about structural constraints. Wailerdsak’s critique of the limited separation of ownership and management within Thai businesses aligns with the broader governance challenges highlighted in the book.

Moreover, the book’s comparative analysis of business group governance models in countries like China and Japan adds depth to the discussion. For example, Japan’s transition to managerial capitalism and China’s focus on aggressive technological innovation offers valuable lessons for Thailand. These examples underscore the need for state-business collaboration and governance reform to drive sustainable economic growth.

The final section employs detailed case studies to explore how Thai business groups navigate domestic and international markets. Wailerdsak introduces the concept of the “family business trap”, highlighting governance challenges such as concentrated ownership, a lack of professional management and limited innovation capacity. By analysing Thai conglomerates’ strategies—including mergers, acquisitions and foreign alliances—she provides a granular understanding of their strengths and limitations. The book concludes by emphasizing that while business group governance was effective during Thailand’s industrialization phase, it now hinders innovation and technological advancement. Wailerdsak advocates transitioning from family capitalism to managerial capitalism, recommending that Thai businesses adopt practices such as ownership dispersion, professional management and stronger corporate governance. These steps, she argues, are essential to escaping the middle-income trap and achieving sustainable economic development.

One of the significant strengths of the book lies in its comparative analysis of business groups in Korea and Japan. It illustrates how the separation of ownership from management, coupled with an emphasis on professional governance, has enabled these nations to overcome periods of stagnation and promote sustained growth. Wailerdsak posits that Thailand must transition from a model of family capitalism to one of managerial capitalism, advocating for governance reforms that augment innovation, competition and sustainability. Historically, Thailand’s reliance on business group governance facilitated capital accumulation and industrial expansion; however, this also led to stagnation due to monopolistic practices and a lack of managerial professionalism. In contrast, Japan’s post-war corporate governance reforms dissolved the *zaibatsu* conglomerates, thereby fostering a model of managerial capitalism that incentivized innovation. Thailand’s ongoing dependence on family-owned business groups prevents similar advancements, which is evident in the weak protections afforded to minority shareholders and the persistent structures of cross-shareholding. By incorporating real-world case studies, Wailerdsak

effectively demonstrates how strategic alliances with multinational corporations (MNCs) influence the modernization of industries. Thai businesses are increasingly engaging in partnerships with Chinese firms, particularly in the domains of electric vehicles, biotechnology and finance. A notable example is the SAIC-CP joint venture established in 2012 between CP Group and Shanghai Automotive Industry Corporation (SAIC), which initiated domestic automobile production under the MG brand. Although these collaborations enhance industrial capabilities, Wailerdsak contends that Thailand must maintain control over the development of technology rather than remaining dependent on foreign expertise. Her policy recommendations emphasize investments in research and development, workforce training and corporate governance reforms aimed at bolstering innovation, transparency and competitiveness.

In conclusion, this book significantly enriches the discourse on economic development and industrialization by providing a nuanced analysis of Thailand's challenges and opportunities in escaping the middle-income trap. Wailerdsak adopts an interdisciplinary approach, emphasizing the critical roles of governance, innovation and the evolution from family capitalism to managerial capitalism. The book highlights how structural reforms and effective engagement with business groups can drive sustainable growth by combining theoretical rigour with practical insights. As Thailand and other emerging economies navigate globalization, technological disruptions and shifting economic paradigms, Wailerdsak's work offers a comprehensive framework for fostering transformative change. The emphasis on addressing governance deficits and enhancing innovation systems positions the book as a valuable resource for policymakers, scholars and private sector stakeholders aiming to reimagine pathways toward equitable and high-income status.

RUANGRONG SUWANKARN

*Department of Economics, School of Business and Communications Arts,
University of Phayao, 19 Moo 2 Tambon Maeka, Amphur Muang Phayao 56000 Thailand
email: Ruangrong.su@gmail.com*
