

The Income of Thai-Chinese Clan Association and Thai Capitalist Economy

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Abstract

Nowadays, there are 64 members of the single surname clan associations and 6 members of the multiple surname clan associations in United Chinese Clans Association of Thailand (UCCAT). Most Thai-Chinese single surname clan associations have more than 40 years history. Annually, they obtain the donations from their members to hold the ritual of ancestral worship and other activities. This paper attempted to reveal the relationship between the development of Thai capitalist economy and the income of Thai-Chinese clan associations. It highlights crucial role of “bureaucratic-Chinese patronage system” in Thai capitalist economy. Moreover, the paper uses case-studies to describe the Thai-Chinese “rag-to-riches” success story. According to the survey and the data of the Thai-Chinese Clan Association, the paper proved that the 1997 Asian financial crisis had little effect on the income of Thai-Chinese clan associations.

Keywords: Thai-Chinese / Clan association / Thai capitalist economy / Asian financial crisis / Bureaucrat capitalists

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Introduction

Chinese Clan association in Thailand or Thai-Chinese clan association is blood organization based on same surname established by ethnic Chinese in Thailand. United Chinese Clans Association of Thailand (UCCAT) was set up in 1970 as a main Chinese clan association in Thailand. Currently, UCCAT has 64 members of the single surname clan associations and 6 members of the multiple surname clan associations. According to survey, there were fifty-one percent of single surname associations founded in 1960s and twenty-eight percent of them founded in 1970s. Therefore, almost four-fifths single surname associations founded from 1960s to 1970s. Thus, most of Thai-Chinese clan associations have more than 40- or 50-years history.

Annually, Thai-Chinese clan associations organize activities, such as, ancestral worship, awarding scholarships, respecting for the elderly and clan-related friendship activities, etc. Moreover, twenty-two Thai-Chinese clan associations have built their ancestral halls in Bangkok or around Bangkok. Some Thai-Chinese clan associations have also constructed their Shanzhuangs (cemeteries). Nonetheless, Thai-Chinese clan associations belong to non-profit non-governmental organizations. Their management organization is the council. As declaration of the constitution of Thai-Chinese clan associations, the main income of Thai-Chinese clan associations derives from the donation of members of the council.

The feature of this article is to quote a lot of first-hand information. On the one hand, some of information derived from journals of Thai-Chinese communities. Thai-Chinese communities often issue their journal at specific times or annually to introduce their character, history, organizations, important events and financial status, etc. The Lim Clansmen Association of Thailand (LCAT) writes an annual

work summary report every year. Its annual report provides a complete record of Clan members, finance, item management and activities. On the other hand, some of information came from in-depth interview. My interviews mainly included board of committee and the general secretary in the Thai-Chinese clan associations. My interviews also extended to the relevant Thai-Chinese. The support of Thai-Chinese Clan Associations' establishment, income, and events are mainly from their board of committee. The president is a representative of the board of committee. Generally, the General-Secretary and equivalent to the General-Secretary is responsible for the daily affairs of Thai-Chinese clan association. Therefore, the General-Secretary is usually the one who knows the most about the clan Association. The current General-Secretary of Lim Clansmen Association of Thailand has been working here since 1982. They are very familiar with the situation of their clan associations. From June 2015 to 2018, I frequently visited him in his clan associations. At the same time, I also interviewed relevant personnel of Thai-Chinese research, such as interviewing the Chief Editor of Sing Sian Yer Pao Daily News on October 28, 2017.

This article attempts to analyze the relationship between Thai capitalism economy and the status of Thai-Chinese economy in Thailand to explain the income of Thai-Chinese clan associations.

The tale of Thai-Chinese “rags-to riches” with “bureaucratic-Chinese patronage system”

On November 8, 1947, Phibun launched the 2nd military coup on November 6, 1947 for the second time to become the Prime Minister of Thailand during 1947-1957. Suehiro (1989, pp. 137-141) in his works of “Capital Accumulation

in Thailand 1855-1985" stressed that Chinese capitals in Thailand were tightened by Thai economy for the Thai people idea of Phibun's administration through rising state enterprises and military-involved Bureaucrat capitalists. Sng and Bisalputra (2015, p. 364) demonstrates that Bureaucrat capitalists had no ability to operate state enterprises, so, Thai-Chinese merchants were granted contracts and operating licenses to engage state enterprises and military-involved Bureaucrat business.

In September 1957, Sarit seized power from Phibun through a military coup. Chaloemtiarana (2007, p. 111) depicts, as a Thai man growing up in Isan (northeastern Thailand), Sarit believed paternalistic style leadership from Sukhothai time. Therefore, Thai administration was just like the fathers looking after their children. In addition, (pp. 206, 226) points out in Sarit political system, the Thai monarchy played important role of paternalistic program, so throne was added phokun-ship to (father-son) to insure long-term political control. Consequently, the monarchy played crucial role of "legitimizer of political power." (p. 218) Chaloemtiarana also explained the nature of Sarit's phokun-ship that it raised bureaucracy and government superiority power (p. 148). The status of the political parties and parliament of Thailand were lower than bureaucracy and government (p. 226). In other words, Thai people should obey to the planning and decisions of the top and regime programs (p. 148). Thus, gives a conclusion the "despotic paternalism" that it has continued to this day in Thailand (p. 235).

Suehiro (1989, p. 10) described the bureaucrat capitalists. Because, bureaucratic political power composed of political leaders, military leaders, and politico-bureaucrats, who were dominant position in Thailand, the Thai economy

was actually controlled by bureaucratic political power. The foreign and Chinese groups were employees for bureaucrat capitalists. In one word, if Thai-Chinese want to do business, they had to find a support from bureaucratic political power. Sng and Bisalputra (2015, p. 364) used the word “bureaucratic-Chinese patronage system” to describe the relationship between successful Thai-Chinese merchants and Thai elite class.

Most Thai-Chinese people immigrated to Thailand because of famine, war and poorness just with a piece of rag before 1949. Sng and Bisalputra (2015, p. 367) asserted dependence on bureaucratic-Chinese patronage system, which Thai-Chinese people established their commercial conglomerates. Wongsurawat (2017, p. 41) highlighted so-called the Thai-Chinese “rag-to-riches” success story depended on alliances with the central Thai elite. In other words, bureaucratic-Chinese patronage system gave opportunities to Thai-Chinese people to capture wealth in Thai society.

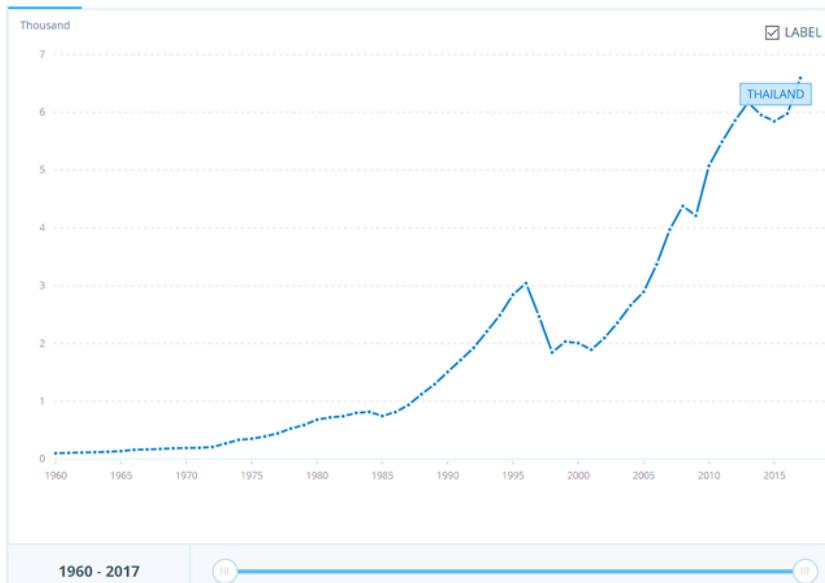
In 1959, the Board of investment (BOI) was established. BOI enacted the Industrial Investment Promotion Act in 1960. By the study of Suehiro (1989, p. 275), he deemed that Thai capitalist economy in 1960 mainly composed of three group of parts: state enterprises and military-involved firms, multinational enterprise (MNEs-large-scale international business operations), which refers to large-scale international business operations, and Thai-Chinese private domestic business group. Suehiro (1989, p. 9) explained that the Chinese groups who got Thai citizenship, live in Thailand, and are educated in Thailand are classified as domestic groups.

Comparing with his predecessor, Sarit actively encouraged the private economy. Suehiro (1989, p. 180) put forward that Sarit did not allow the state to

compete with private capital in the commercial and industrial area. The state enterprises were confined to infrastructure including electricity, water supply and transportation facilities, etc. But no matter what the economic policy of Phibun, Sarit and Sarit's successor maintained close relationship with the United States. They obtained economic and military aid from United States, loans of World Bank, and the benefits from international trade. Chris and Phongpaichit (2014, p. 143) said in August 1957 that Thailand got American US\$10 million in economic aid, as well as US\$25 million loan from World Bank and arms supplies. Meanwhile, Suehiro (1989, p. 276) illustrated that Sarit regime encouraged foreign private capital to invest directly and supply credit. The USA, Japan and Europe were mainly investors and there was a small amount of investment from Taiwan and Hong Kong. Their investment involved oil refining, natural gas, tin, auto-assembly, synthetic textile fiber, chemicals, electronics, etc.

For domestic business group, Suehiro (1989, pp. 218-219) considered that they mainly engaged import-substitution industries, the financial sector and agro-industry. Moreover, the main operators of the domestic business group were Thai-Chinese. Chris and Phongpaichit (2014, pp. 154, 165) revealed that Thai-Chinese got wealthy with the development of urban-biased economy. Certainly, Thai-Chinese merchants may forge an alliance with bureaucratic patronage.

Since 1961, Thai economy implemented the national economic and social development plan (Noraint, 2013). Thai economy entered Industrialization. From the data of the World Bank Group (2018), Thai GDP (gross domestic product) per capita increased from US\$100.768 in 1960 to 6593.82 in 2017. (See figure 1)



Source the World Bank Group (2018)

Figure 1 Thailand GDP per capita (current US\$) from 1960-2017

It can be said that the Thai economy has undergone earth-shaking changes. However, as the Mahbubani and Sng (2017, p. 170) described the unchanged politics of Thailand. From 2014 to the present, Thailand is the military government.

Wongsurawat (2019, pp. 75-92) told that Banharn Silpa-archa (Chinese name: Madexiang [马德祥], 1932-2016) was a Thai-Chinese legend of “rag-to-riches” relied on bureaucratic-Chinese patronage system. Banharn Silpa-archa was born in a family of Chinese small businessmen in Thailand in 1932 (Wongsurawat, 2019, p. 75). In 1950s, Banharnl established the patron-client relationship with Thai military. As a result, he obtained a 10-year monopoly contract with a nationwide install tap-water in Thailand, and he has made huge profits. In the 1960s, Banharn began to get involved in the construction industry.

Meanwhile, he also established a joint venture with Japan to engage in manufacturing to join the Thai industrialization and international economic development process. In 1976, he entered the Thai political arena. In 1995, he became the 21st Prime Minister of Thailand. Wongsurawat (2019, p. 11) commented that Banharn was completely loyal to the monarchy and the royal family and earned the trust of the military and bureaucratic elite.

By the data of Suehiro (1989, p. 222), in 1979, in manufacturing sector of domestic business group, 92 percent of manufacturing groups were led by Thai-Chinese people. Suehiro (1989, p. 224) concluded that so-called “domestic industrial capitalist” or “Thai industrial capitalist” could be described more correctly as “Thai-Chinese industrial capitalist.” Moreover, Suehiro (1989, p. 281) claimed that the “bureaucrat capitalist” group played a crucial role in Thailand’s economic development.

Suehiro and Wailerdsak (2004, p. 83) further studied the family business in Thailand. They stated the 220 business groups’ Ethnicity in Thailand in 1997. These 220 business groups’ total amount of sales reached 62% of nominal GDP of Thailand in 1997, which the total 194 business groups or 88.2% had Chinese ancestry. (see table 1)

Chen Hanshi (陈汉士, Thai name: Kraisorn Chansiri) (Sng & Bisalputra, 2015, p. 394), a permanent President of Chen Clangeneral Association of Thailand, is a typical representative of “rag-to-riches.” In 2018’s Forbes of Thailand’s 50 richest, his family ranked as No. 42 with net wealth \$700 million. His enterprise, “Thai Union Group, is the world’s biggest producer of canned tuna.” (Forbes Media LLC, 2018a)

From personal communication, he was born in Shantou Guangdong province, China. In the early 60s, he moved to Hong Kong. Later, he heard that the Thai government rewarded civil and commercial investment in industry and gave a variety of concessions to set up factories (Hui Gan Bai Ke, 2016). In 1963, he immigrated to Thailand. He said he brought “three Zero” -- zero education, zero knowledge and zero money to arrive to Thailand.

Firstly, he just worked as a small staff in Thailand, also experienced entrepreneurial failure. In 1977, his father's friend just ran a new company in Hong Kong. He wanted to import frozen shrimp from Thailand. He started a seafood factory with only 5 acres of land and 150 workers, generating \$1 million in the first year. In 1988, he set up Thai Union Frozen Products Co. Ltd. (TUF). At present, he has more than 10 factories with the total number of employees more than 30,000 people in the world (Thaicn.net, 2011).

Table 1 Distribution of 220 Business Groups by Ethnicity and Generation in 1997

(Unit: number of groups/families)

Type of Ultimate Owner	Total	%	First Generation	Second Generation	Third Generation and Over	Unknown or Others
Chinese	170	77.3	80	81	6	3
Thai-Chinese	24	10.9	5	11	7	1
Sub-total Chinese	194	88.2	85	92	13	4
Thai	12	5.5	4	6	1	1
Indian	3	1.4	0	2	1	0
European/American	3	1.4	0	2	1	0
Sub-total family business	212		89	102	16	5
Public Enterprise	5	2.3	-	-	-	5
Unknown	3	1.4	3	0	0	0
Total	220	100	92	102	16	10

Source Suehiro and Wailerdsak (2004, p. 83)

On the contrary, a Thai clan spoke his story to me that, about 30 years ago, he knew a high official in Thai military. The official gave him a construction project. He earned a lot of money from this project and he gave a reward of 500,000 baht to the official. The official was not satisfied with him because the reward was too low for him. So, he lost the patron of the official. He regretfully told me, if I gave him more at that time, I am now also a Zuoshan (座山) (meaning wealthy Chinese merchants).

Analyzing the words of the Thai clan, it can be thought that if the Chinese people want to be a Zuoshan in Thailand, bureaucratic-Chinese patronage system is a necessary condition. His words also validated Wongsurawat's point of view that relied on the power class in the political center of Thailand, it performed a successful rag-to-riches story of Thai-Chinese people (Wongsurawat, 2017, p. 42).

The occupation of the Thai-Chinese clan association's leader and income of Thai-Chinese clan associations

The daily funds, construction and activities of the Thai-Chinese clan associations mainly depend on the sponsorship of committee. Generally, the presidents of Thai-Chinese clan associations were mainly responsible for sponsorship. From my survey, generally, almost all presidents of Thai-Chinese clan associations' occupation are entrepreneurs. Their income came from their family's enterprises. Therefore, this study selected the presidents as a representative of committees in Thai-Chinese clan associations to explain the relationship between Thai capitalist economy and income of Thai-Chinese clan associations.

According to the journal records of each Thai-Chinese clan association and other materials, the management pattern and income sources of Thai Chinese clan associations are basically similar. Since Chinese surname of King Daksin of the Thonburi dynasty was Zheng (郑) and Tae Ngow Low (郑午楼, Udane Tejapaibul) outstandingly contributed to the Chinese community, Techasumphan Association of Thailand: TAT (泰国郑氏宗亲总会) has a great influence on the Chinese community in Thailand. From the introduction of UCCAT's staff, Lim Clansmen Association of Thailand (泰国林氏宗亲总会, LCAT) is the most well-managed clan association in Thailand. By Skinner (1957, p. 212) statistics, the first Chinese immigrant population in Thailand is Teochew, and the second is Hakka. Through my on-site investigation, the Xu Clan Association of Thailand (泰国徐氏宗亲总会, XCAT) is the largest Hakka-based Chinese Clan Association in Thailand. Furthermore, since XCAT was established in 1964, it has saved a relatively complete record.

Tachsumphan association of Thailand (TAT), Lim Clansmen Association of Thailand (LCAT) and The Xu Clan Association of Thailand (XCAT) have relatively comprehensive data and can cover almost all aspects of the work of the Thai Chinese Clan Association. Hence, these three associations were used as the sampling cases to illustrate the relationship between financial situation of their associations and Thai economy.

1. Tachsumphan association of Thailand (TAT)

Tae Ngow Low (郑午楼, Udane Tejapaibul, 1913-2007) (Suehiro, 1989) was the most important sponsor of the Tachasumphan Association of Thailand and the president of the Tachasumphan Association of Thailand for 1~6 session

of the Council. He was born in Bangkok. His ancestral home was Chaoyang, Guangdong province, China (Yuanzhang & Shenshun, 1994, p. 270).

This research tried to quote Suehiro (1989, pp. 256-257) statement in “Capital Accumulation in Thailand, 1855-1985” to briefly introduce Tae Ngow Low’s major business: He inherited the liquor business; Chun Hua Co., Ltd. In 1946, he had 15% shareholding of Sri Muang Insurance Co. Ltd. from his father. In 1950, with the help of former Minister of Finance of Thailand, he collaborated with another Thai-Chinese to open the Bangkok Metropolitan Bank; in 1956, he was 4% shareholder of Nam Fah Warehouse Co., Ltd. In 1959, Tae Ngow Low’s family was 28% shareholder of Sura Mahakhun liquor company (Sng & Bisalputra, 2015, p. 376). In 1966, his Thai Beer Co., Ltd. started production; from 1965, to set up Bangpoomai Industrial center to construct the World Trade Center in Bangkok etc.

In book of “Biography of Tae Ngow Low,” (Lisheng, 1994, pp. 120-122) it described that Sura Mahakhun liquor company in detail as well as the relationship among the Thai-Chinese clan association, the leader of the Thai-Chinese clan association and bureaucratic-Chinese patronage system Thai economy.

In 1959, the Wan Zikang distillery, which was run by the Thai government, was not well-operated. Sahas Mahakhun, the chairman of the Chinese Chamber of Commerce of Thailand, was the best friend of Sarit in Chinese community of Thailand. With the support of Sarit, Sahas Mahakhun got lease rights of Wan Zikang distillery for ten years since 1960 with annual delivery of 41 million Baht to Thai government. In order to get financial help, Sahas Mahakhun looked for Tae Ngow Low to be a partner, who had strong capital and years of liquor making experience.

Then they invited Lamsan family's Kasikorn Bank to establish Sura Mahakhun liquor company (Sng & Bisalputra, 2015, p. 376). To develop market, Liu Yanxun (劉延熏) was employed. Owing of the successful operation, each family attained huge profits. In 1970, the second contract period began. The ruling military entered Sura Mahakhun liquor company by buying shares of Tae Ngow Low family and Lamsan family. Moreover, the ruling military designated Liu to manage the company. Fortunately, students felled the Thanom military dictatorship in 1973. Sura Mahakhun liquor company also ended the cooperation with the military. The third bid in 1980, mainly depending on the contest between two sides' political context, Tae Ngow Low family defeated Liu and regained Sura Mahakhun liquor company. Liu set up new liquor factory. Since then, the competition between Tae Ngow Low family and Liu was started in liquor business. In 1986, Under the Siam Commercial Bank's mediation, Sura Mahakhun liquor company merged with Liu's liquor factory. By the time publishing the biography in 1994, their cooperation went well.

“The second information of Tachsumphan association of Thailand” (Tachsumphan Association of Thailand, 1973) provided the information of the sponsorship fund of preparations to establish the association in 1971. There were 123 sponsors to donate 1,174,000 Baht. Which the president Tae Ngow Low (郑午楼, Udane Tejapaibul) donated 200,000 Baht (Tachsumphan association of Thailand, 1973, p. 69). In the performance of commemoration of King Taksin passing away in 1973, a total of 37 people sponsored 38,600 Baht including 5000 Baht donated by Tae Ngow Low as the president.

“Special issue of the Completion of Ancestral Hall of the Tachasumphan Association of Thailand” (Tachasumphan Association of Thailand, 1983) provided the cost of construction of their ancestral hall was 63,398,858.117 Baht. The

committee sponsored 19,617,000 Baht including 4 million Baht from the president of Tae Ngow Low as well as 20,842,327 Baht from Tae Ngow Low Tae's Bangkok Metropolitan Bank Group overdraft.

2. Lim Clansmen Association of Thailand (LCAT)

Lin Bingnan (林炳南, 1922-) was one initiator of Lim Clansmen Association of Thailand. From 1978 to 1982, he served as president of Lim Clansmen Association of Thailand and director of Lim's Shanzhuang. He is currently permanent president of Lim Clansmen Association of Thailand. He was born in Chaoyang Guangdong province, China and immigrated to Thailand when he was 16 years old.

He engaged in entrepreneurship at about when he was 18 years old. Firstly, he set up Minsheng Company to operate electrical appliances and construction machinery business with Uncle of lineage. Then, he cooperated with Chin Sophonpanic as the founder of Bangkok Bank and Uncle of lineage to establish Asia Trading Co., Ltd. to win the bid of installment of running water projects in more than 40 provinces in Thailand. He was the managing director of Thailand Real Estate Mortgage Co. Ltd. under Rama VII's jurisdiction. He also set up a company in Hong Kong and Taiwan (The Lim Clansmen Association of Thailand, 2012).

“The special issue of the 50th anniversary of the establishment of Lim Clansmen Association of Thailand (1962-2012)” stated that it totally rewarded scholarship and grant 50,942,400 Baht and 19,542 students were benefited from 1979 to 2012. By 2012, which a total of 371 persons and institutions were sponsored scholarship and grant fund with a total of 67,598,916 Baht. Lim Clansmen Association of Thailand uses the interest of the fund as scholarship and grant annually. Among scholarship and grant fund, the great donor is Lin

Bingnan (林炳南) with 4,200,000 Baht (The Lim Clansmen Association of Thailand, 2012).

In 1979, Auditorium opening ceremony of Kowloon Shanzhuang (cemetery), the president Lin Bingnan mentioned in the speech Kowloon Shanzhuang total purchase of land 211 rai (337,600 m²) in Chon Buri and got the purchase of land and construction costs of 3,853,700 Baht. Lin Bingnan not only donated 30,000 Baht, but also with Lin Lai Rong donate 400,000 Baht to construct office in Kowloon Shanzhuang (The Lim Clansmen Association of Thailand, 2012).

“The special issue of the 50th anniversary of the establishment of Lim Clansmen Association of Thailand” (The Lim Clansmen Association of Thailand, 2012) illustrated that Lin Bingnan sponsored 2 million baht to build Xihe Shanzhuang (ceremony) in 1994 as well as, in order to celebrate the 50th anniversary of the establishment of the Lim Association in 2012, Lin Bingnan donated 11,000,000 Baht for the maintenance and renovation of the ancestral Hall of Lim association.

3. The Xu Clan Association of Thailand (XCAT)

Special commemoration of the 15th anniversary of Xu Clan Association Travel to Thailand (Xu Clan Association Sojourn Expatriating in Thailand, 1980) listed committee member's names from the first to the eighth council. Moreover, the list also marked the name of firm, which committee members ran. It can be seen from the name of firm that most of the committee members engaged in business activities. In other word, the income of these committee members was directly affected by Thai capitalism economy. This study mentioned the former presidents of the Xu clan association of Thailand and their main business. (see table 2)

XCAT (The Xu Clan Association of Thailand, 2008) shows Xu Hanguang (徐汉光, Thai name: Vichai Maleenont, 1919-), a permanence president of XCAT, who was born in Chachoengsao province in Thailand. He started his business at the age of 17. After World War II, he opened gas station to act as agent the Shell in Thailand. During Sarit reign, he also became a national lottery agent. Then, he set up Construction Company to engage in real estate. He built dormitory for Thai Navy, Land force and Air force. In 1967, He found Bangkok Entertainment Co., Ltd. In 1970, so his TV Channel 3 was born. Vichai Maleenont and family were ranked as the 30th richest of Thailand in 2017 by Forbus with net wealth \$890 million. Forbus called Vichai Maleenont as media baron with founder of broadcast BEC World (Forbes Media LLC., 2018b).

From the survey, the 22-23 Council Session (2007-2010)'s the president of XCAT leading the council members visited Xu Hanguang repeatedly. "Special issue of 44th Anniversary of The Xu Clan Association of Thailand namely Dong Hai auditorium completed" (The Xu Clan Association of Thailand, 2008) depicted that, behind the Xu ancestral hall, Donghai building was established in 2008. Donghai Building divided into two floors with building area of 2286 m². The first floor uses for offices, conference rooms, Chinese culture classrooms, science and technology, economy and other learning activities. The second floor named Donghai auditorium with long 60m and wide 18m. Donghai Building started construction on February 1, 2008 and completed on 30th October 2008. It cost 50 million Bath. Whole cost of Donghai building came from Xu Hanguang's donation (The Xu Clan Association of Thailand, 2008).

Table 2 The business statistic of the former presidents of the Xu clan association of Thailand

No	Council Session (time)	The president Name	Main Business
1	1-5, 7-10 (1964-1973, 1977-1985)	Xu Siheng (徐思恒)	Operating aluminum products, fiber cotton fabrics
2	6 (1974-1976)	Xu Zhuntian (徐準田)	
3	11 (1985-1986)	Xu Jinling (徐锦领)	Textile manufacturing, real estate
4	12-13 (1987-1990)	Xu Siqing (徐思钦)	Operating aluminum products, fiber cotton fabrics
5	14-15 (1991-1994)	Xu Daiwen (徐代文)	Real estate and Textile manufacturing
6	16-17 (1995-1998)	Xu Huishen (徐惠深) Chim Charoenkhjomkun	Wha Glomac Alliance Co., Ltd. (深华集团有限公司) and Real estate
7	18-19 (1999-2002)	Xu Daicun (徐代纯) Lertsak Vichitvikrom	
8	20-21 (2003-2006)	Xu Shanshu (徐善述) Adisak Vorasetthakamkij	Real estate
9	22-23 (2007-2010)	Xu Mingshuang (徐名双) Aderek Pattanapanyasat	Textile manufacturing
10	24-25 (2011-2014)	Xu Weichang (徐位合) San Chuapanyavit	Riceland Foods Ltd. Export rice industry
11	26-27 (2015-2018)	Xu Wei Zhou (徐伟洲)	Steel, fiber optic, wire, IT, clothing

Source the Xu Clan Association of Thailand (2008)

The experience of Thai-Chinese clan associations in the 1997 Asian financial crisis

On 3rd July 1997, The New York Time reported that "The central bank of Thailand's decision yesterday to devalue the currency, which caused it to tumble as much as 20% against the dollar, represents a gamble by Thai policy

makers to shore up the country's faltering economy." (Seth, 1997) The date of 2nd July 1997 became a landmark day for the 1997 financial crisis.

Suehiro and Wailerdsak (2004) surveyed ownership Pattern of Companies in Thailand in 1996 and in 2000. (See table 3) That are before and after the 1997 financial crisis. The 448 listed firms were investigated. In 1996, 48.2% (216 firms) belonged to family-owned and semi-family-owned firms. After the financial crisis, in 2000, 15 firms did not exist. 33 family-owned firms had to shift to widely-held group and foreign-owned groups. In addition, 31 firms changed their ownership from non-foreign-owned to foreign-owned. In 2000, there were 42.3% (183 firms) as family-owned group and semi-family-owned group among the left 433 firms. (See figure 3)

Table 3 Ownership Pattern of Listed Companies in Thailand in 1996 and 2000

(Unit: number of firm)

Type of Shareholders	Total 1996	%	Total 2000	%	Change
1. Family-owned (F)	150	33.5	131	30.3	-19
2. Semi-family-owned (FW)	66	14.7	52	12.0	-14
3. Widely-held(W)	160	35.7	145	33.5	-15
4. Foreigners-owned(X)	59	13.2	90	20.8	31
5. State or state enterprise(S)	13	2.9	15	3.5	2
Total listed firms	448	100.0	433	100.0	-15
Family-owned firms(F)+(FW)	216	48.2	183	42.3	-33

Source Suehiro and Wailerdsak (2004, p. 84)

Suehiro and Wailerdsak (2004) also enumerated the negative effect of financial and economic crisis on Bangkok Metropolitan Bank of Tejapaibul (Tae Ngow Low) family. The study interviewed a Thai clan who told that Tae Ngow

Low lost Bangkok Metropolitan Bank and World Trade Center in Bangkok. After financial crisis, Tejapaibul family's liquor business survived.

On the contrary, in 1997, Chen Hanshi (陈汉士, Kraisorn Chansiri) received the great opportunities his great career development opportunities. He is exporter. Before the financial crisis, the US dollar exchange rate was 1 dollar for 25 Baht. After the financial crisis the US dollar exchange rate was 1 dollar for 50 Baht. Hence, his business income and profit doubled (Chaoshang.net, 2016). Chen Hanshi (Thaicn.net, 2011) said in 1997, before the Asian financial crisis, he had an inspiration to refuse the US dollar loan of Bank. Because he did not have a loan of the U.S. dollar, while the Thai currency was devalued and his stock was appreciating, he acquired Chickew of the sea, that was the third tuna factory in the United States. In October 1997, Chen as the name of the chairman of the Thai Union Group held a grand reception to celebrate entrepreneurship of the 20th anniversary showing the promising development prospects of Thailand's export industry. In June 1998, his stocks were acquired 186,000 shares by foreign investors (Hui Gan Bai Ke, 2016).

How was the Asian financial crisis in 1997 that affected the clansmen in Thailand? How Asian financial crisis affected Thai-Chinese clan association? The General-Secretaries both in Xu and Lim Association, who have worked in their association more than 25 years, answered that there were no influence. The General-Secretary's job is responsible for the daily management of the association, so they know more about the operation of the association. Mr. Fang, a former general-secretary of Plom Samphan Assocoation of Thailand (方氏宗亲总会) gave me same answer. He tried to explain since the presidents of Thai-Chinese

clan associations have years of business experience, most of them did not suffer a big shock in the 97 financial crises.

In order to understand the actual situation of the impact of the 1997 financial crisis on Thai Chinese communities, I interviewed the chief editor of Sing Sian Yer Pao Daily News on 28th October 2017. The chief editor of Sing Sian Yer Pao Daily News was male and born in 1952 in Bangkok. He is also Thai-Chinese and his ancestral home is at Tangkeng, Fengshun, Guangdong province. He is Hakka.

“I have worked in Newspaper industry thirty-eight years. I still remembered I almost every day reported some company closed down in the Asian financial crisis time. The bankrupt companies are mostly financial and real estate companies. And the company that just did not have any experience. In reality, the majority of Chinese enterprises engaging in industrial production had little influence. The most Chinese in Thailand came from poor people. It's not easy to earn money, so they dare not take risks. They keep traditional Chinese ideas-thrift, no borrowing. Thus, the Asian financial crisis had a little influence to Thai-Chinese association.”

After the financial crisis, 56 financial institutions were closed in Thailand (Icjzx, 2013). In 1998, the average real estate market in Thailand dropped 15% to 20%. In the following four years, the construction industry in Thailand had been in a slump (International Engineering and Services, 2007).

The General-Secretary of LCAT introduced the situation of the LCAT during the 1997 financial crisis. The 1997 financial crisis had a great impact so that many people lost money. Although some clans had some economic loss, they had strong mind to sever the Clan association. They tried their best to donate

the association more than before. In addition, LCAT's income did not depend on one person, but it relies on committees of Council. It is the collective power that allows the association to spend the hardship of crisis smoothly.

1. The income of LCAT was not affected during 1997 financial crisis.

The annual conference report of LCAT provided accurate and direct information of its financial position during the financial crisis time. This study compared before and after financial crisis the main annual work of the LCAT, that is, the daily recurrent costs, the worship ancestral donation in winter, and scholarship and grant to analyze the influence of financial crisis for LCAT. Their relevant financial data in 1995, 1997, 1998, 1999 and 2000 were selected (The Lim Clansmen Association of Thailand, 1996, 1998, 1999, 2000, 2001).

The income and expense of LCAT (see table 4) before and after the financial crisis was stable as well as there was surplus every year. This shows that the daily work of LCAT went smoothly. From the financial situation, the whole work of LCAT during financial crisis time had no obvious effect.

Table 4 The income and expense of LCAT annually before and after the financial crisis (Baht)

Item	1995	1997	1998	1999	2000
Income	4,462,739	4,397,001	4,696,051	4,226,127	5,272,989
Expense	3,012,748	3,949,332	3,872,857	3,388,879	4,801,948
Balance	1,449,991	447,668	823,192	837,247	471,040

Sources the Lim Clansmen Association of Thailand (1996, 1998, 1999, 2000, 2001)

The sponsorship for the winter ancestor worship ceremony of LCAT (see table 5) also remained stable. The annual ceremony of ancestor worship was carried out smoothly without any sign of the impact of the financial crisis.

Table 5 The sponsorship for the winter ancestor worship ceremony of LCAT (Bath)

Item	1995	1997	1998	1999	2000
Sponsorship	1,639,220	1,663,930	1,598,080	1,627,940	1,716,610

Sources the Lim Clansmen Association of Thailand (1996, 1998, 1999, 2000, 2001)

2. Increased educational contributions under the influence of the financial crisis

In LCAT' (The Lim Clansmen Association of Thailand, 2000, p. 2; The Lim Clansmen Association of Thailand, 2001, p. 2) annually report of 2000 and 2001, the president wrote that although the Asian financial turmoil had hit various industries in Thailand, LCAT not only guaranteed the donation for the poor Lim's children of Thailand, but also increased the donation to the scholarship fund. The members of LCAT subscribed 1,483,000 Bath and 2,231,300 Baht in 1999 and 2000 respectively. This study provided the data of the expenditure of the scholarship and grant and the number of beneficiaries. (see table 6) It can be clearly seen that after the financial crisis in 1997, 1998, 1999 and 2000, LCAT increased scholarship spending and the number of beneficiaries. In 1999 and 2000, there were more about 100 beneficiaries than before the financial crisis. Although the expenditure of scholarship and grants exceeded the income in 1999, it did not affect the issue of scholarship and grants because the previous annual scholarships have a balance.

Table 6 The expenditure of the scholarship and grant (Baht) and the number of beneficiaries

Item	1995	1997	1998	1999	2000
Income	3,354,183	5,128,157	6,981,749	1,915,823	4,237,648
Expense	2,039,689	2,541,671	2,691,394	2,786,536	2,596,839
Balance	1,314,493	2,586,485	4,290,355	-870,713	1,640,809
Person	648	639	690	761	757

Sources the Lim Clansmen Association of Thailand (1996, 1998, 1999, 2000, 2001)

3. The operating of Shanzhuang influence by the financial crisis

LCAT (The Lim Clansmen Association of Thailand, 2012) introduces the West River Shanzhuang (cemetery) of Lim Clansmen Association of Thailand that was completed and operated in 1997. Unfortunately, it was exactly Thailand's financial crisis and the market's depression so the operation of West River Shanzhuang was affected. In order to attract customers, Lim Clansmen Association had to extend discount time.

It can be summarized that under the power of solidarity, the Thai-Chinese clan associations overcame the impact of the 1997 financial crisis. This was the embodiment of the unity role of Thai-Chinese clan association.

Conclusion

The income of the Thai-Chinese clan associations mainly depends on the sponsorship of the Council. The occupation of most members of the Council is merchant. Thanks to the development of Thai capitalist in support of the private economy started by the Sarit government from 1960, the Thai-Chinese businessmen have achieved rag-to-riches relying on the bureaucratic --Chinese patronage

system. By analyzing the income of Thai-Chinese clan associations, it illustrates that Thai-Chinese clan relied on Thai bureaucratic –Chinese patronage system's capitalist economy to survive. Therefore, Thai-Chinese clan associations have a relationship with the Thai capitalist economy through the income of the members of the council.

Although the financial turmoil of 1997 seriously impacted the economy of Thailand, Thai Chinese business ability and the strong service consciousness for clans make Thai-Chinese clan associations successfully overcome the financial crisis.

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