

A Critique of Pridi Panomyong's Economic Plan

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Abstract

This paper deals with Pridi Panomyong's Economic Plan (the PEP). Published shortly after the Siamese Revolution in March 1933, the PEP was originally attacked for its alleged Stalinism, but with the rehabilitation of Pridi from the 1980s, by both left and liberal leaning scholars, the PEP was reinterpreted as evidence of Pridi's social democracy - liberalism with the soft socialism elements. For many contemporary scholars, the PEP is not a radical plan; instead, it offers a modest economic program similar to a modern welfare state. They also believe that if the PEP had been implemented it would have realized economic justice. This paper reexamines the veracity of this perception of the PEP, and argues that the PEP is much more radical than it is now

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being perceived, and that it is indefensible because it would undermine economic self-determination and the status of democratic citizenship. The PEP would turn citizens into state functionaries rather than free citizens who are able to exercise their economic self-determination, and they would need to trust a central government rather than themselves and their fellow nationals.

Keywords: Pridi Panomyong, Economic Plan, Economic Self-Determination, Democratic Citizenship, Welfare State

Introduction

In March 1933, Pridi Panomyong, one of the most leading politicians/intellectuals of modern Thai politics, published an economic plan, as known as Pridi Panomyong's Economic Plan (the PEP). Pridi and the PEP were then accused, by the monarchy and royalists, of communism. As a result, the PEP was aborted, and the law against communism was implemented for the first time in Thai politics. However, after the 1980s onwards, Pridi (and the PEP) seemed to be perceived as more liberal (and less radical) by many left and liberal Thai intellectuals. The PEP is now being understood as a liberal project with the soft socialism elements. According to this mainstream understanding, the PEP aims to guarantee everyone's welfare as a modern welfare state would do, and it also introduces several progressive economic policies, e.g., land reform, wealth redistribution, and job security. In one word, the PEP is desirable because if it had been implemented it would have realized economic justice.

However, this paper will reexamine the PEP, and argue that this prevailing understanding of the PEP is unsatisfactory. My main argument is that the PEP is not simply a liberal project with the soft socialism elements, but it should be viewed more radical than it is now being perceived. Contrary to many contemporary Thai scholars, the paper proposes that the PEP is undesirable and should be rejected because it undermines economic self-determination and the status of democratic citizenship. The paper will also argue that the prevailing understanding that the PEP is similar to a modern welfare state is misleading in several aspects.

This paper consists of 4 main sections. First, I will briefly outline how Pridi and the PEP have been understood by many contemporary Thai scholars. Second, I will discuss a conception of economic justice, in which I claim that one of the most important indicators of economic justice is economic self-determination. Third, I will briefly discuss my method of criticism of the PEP, in which I claim that we should distinguish between ends and means of the PEP, and it is sufficient to see injustice of the PEP by only looking into its ends. Finally, I will reexamine what the economy under the PEP would look like, in which I argue that it is more radical than it has been perceived. It is significantly different from a modern welfare state. I will also criticize the PEP as undesirable because it undermines economic self-determination and democratic citizenship.

1. The Prevailing Perception of Pridi's Economic Plan

As a leader of the People's Party that started the revolution that overthrew absolute monarchy in Thailand in 1932, Pridi Panomyong was undoubtedly one of the most prominent Thai politicians/intellectuals of modern Thailand. In 1933, he introduced the so-called *Economic Plan* (Pridi's Economic Plan - the PEP).¹ This once became a historical document as it caused a serious conflict between the old regime (represented by the monarchy and royalists) and the new regime

¹ Pridi Panomyong, *The Economic Plan*, (Bangkok: The Glorification of Pridi Panomyong Project for Youth, 1999). [in Thai].

(represented by the People's Party and its supporters).² For the old regime, the PEP was a communist project that should be stopped by any means. Although Pridi tried to convince everyone that the PEP was far from communism (but was only “the combination of socialism and liberalism”³), no one seemed to understand and accept the PEP.⁴ Finally, the PEP was aborted. And as a direct result of the PEP, the law against communism was implemented for the first time in Thai politics. Pridi was compelled to leave Thailand after the 1947 coup. After that, Pridi and his influence seemed to fade away from Thai politics. Even worse, during the 14th October Revolution, Pridi and the People's Party were blamed as the predecessor of the military dictators of Sarit Thanarat

² About a month after Pridi introduced the PEP, the so-called royal judgement against Pridi's Economic Plan was launched. It is unclear who actually wrote the royal judgement. But it is believed that the King Rama VII would have totally agreed with it. Since the PEP and the royal judgement were first published in 1933, they have been published very often until now. This reflects the historical importance of these two documents [See Nattaphol Chaiching, *The Desire for an Unbelievable Dream: Counter-Revolution Movement in Siam (1932-1957)*, (Nontaburi: Fadeawkan, 2021), Ch. 7. [in Thai]. Apichat and Isakul rightly commend that if the People's Party could implement the PEP, they would be able to win over the old regime because they would have controlled all (productive) land. The old regime would severely suffer from the loss of political and economic powers [Apichat Satitniramai and Isakul Unhaket, *Capital, Palace, Treasury, Feudal: Thai Political Economy Wars and the Unsettled Democracy*, (Bangkok: Matichon, 2021), 76. [in Thai]].

³ Pridi, *The Economic Plan*, Cited, 109.

⁴ Somsak Jeamteerasakul, *History That Was Just Made: Collected Articles Related to October 14 and October 6 Events*, (Bangkok: 6 October Commemoration Publishing, 2001), 4. [in Thai].

and Thanom Kittikachorn.⁵ However, from the 1980s onwards, after the fall of the Community Party of Thailand, left intellectuals had turned to admire Pridi and the People's Party.⁶ Pridi has now been rehabilitated as a liberal democrat rather than a radical socialist. Consequently, the PEP has also been reinterpreted as the modest economic project with the soft socialism elements.⁷

⁵ Prajak Kongkirati, *And Then The Movement Emerged: Cultural Politics of Thai Students and Intellectuals Movements Before the October 14 Uprising*, (Nonthaburi: Fadeawkan, 2013) [in Thai].

⁶ Somsak Jeamteerasakul, "The Problem of the Study of the Thai Monarchy," *Fadeawkan*, 11:2 (2013), 82-84 [in Thai].

⁷ For many contemporary scholars, it is wrong to interpret the PEP as radical as the communist project. Please see Chattip Nartsupha, "The Cooperative Thought of Pridi Panomyong," In Nartsupha, C. and Sopolsiri, S. (Eds.), *The Cooperative Thought of Pridi Panomyong and Pridi Panomyong and the Creation of Thai Intellect*, (Bangkok: Augsornsarn, 1987). [in Thai].; Anusorn Thammajai, "A Critique of the Economic Thought of Pridi Panomyong and the Future of Thai Political Economy," In Kortnonenok, P. et al. (Eds.), *Pridi Day* (Pathum Thani: Office of Public Relations, Thammasat University, 2012). [in Thai].; Anusorn Thammajai, "Elder Statesman Pridi Panomyong's Conception of Complete Democracy and Economic Plan," (2014), Retrieved 1 March 2018 from <https://prachatai.com/journal/2014/06/54217> [in Thai].; Anusorn Thammajai, "Elder Statesman Pridi Panomyong's Economic Plan and From Womb to Tomb (1)," (2016). Retrieved 1 March 2018 from <https://prachatai.com/journal/2016/07/66659> [in Thai].; Anusorn Thammajai, "Elder Statesman Pridi Panomyong's Economic Plan and From Womb to Tomb (2)," (2016). Retrieved 1 March 2018 from <https://prachatai.com/journal/2016/07/66717> [in Thai].; Anusorn Thammajai, "Elder Statesman Pridi Panomyong's Economic Plan and From Womb to Tomb (3)," (2016). Retrieved 1 March 2018 from <https://prachatai.com/journal/2016/07/66784> [in Thai].; Anusorn Thammajai, "Presentation. In Prachatai (Reporter.). Reading Panomyong's Economic Plan: Thammajai Points Out "Without Democracy, Without Welfare States"," (2016). Retrieved 1 March 2018 from <https://prachatai.com/journal/2016/06/66531> [in Thai].; Isariya Nitithanprapart, "Presentation. In Prachatai (Reporter.). Reading Pridi's Economic Plan: Anusorn Points Out "Without Democracy, Without Welfare States"," (2016). Retrieved 1 March 2018 from <https://prachatai.com/journal/2016/06/66531> [in Thai].

Anusorn argues that “the Pridi economy is not hostile to the capitalist economy at all; instead it is simply the soft socialist economy that respects freedom of entrepreneurship and can go along with the new globalized capitalist economy.”⁸ He also claims that some proposals from the PEP are still appropriate for solving today's economic difficulty. For example, the PEP's proposal that everyone should be guaranteed jobs is still desirable.⁹ For Anusorn, the PEP offers a program similar to the welfare state that can tackle today's economic disparity.¹⁰ Isariya insists that the PEP is not communism because it does not offer to confiscate people's land, and people are allowed to do private businesses.¹¹

Chattip¹² and Porphant¹³ argue that the PEP empowers citizens, especially villagers and local communities, because it emphasizes the importance of the cooperative system along with the economic plan of central governments. Therefore, Chattip argues, “it is unjust to say that Pridi only emphasizes the economic plan of central governments.”¹⁴

⁸ Anusorn, *A Critique of the Economic Thought of Pridi Panomyong and the Future of Thai Political Economy*, Cited, 12.

⁹ Anusorn, *Elder Statesman Pridi Panomyong's Conception of Complete Democracy and Economic Plan*. Cited.

¹⁰ Anusorn, *Presentation*. In Prachatai (Reporter.). *Reading Panomyong's Economic Plan: Thammasat Points Out “Without Democracy, Without Welfare States*, Cited.

¹¹ Isariya, *Presentation*. In Prachatai (Reporter.). *Reading Panomyong's Economic Plan: Thammasat Points Out “Without Democracy, Without Welfare States*, Cited.

¹² Chattip, *The Cooperative Thought of Pridi Panomyong*, Cited, 3-4.

¹³ Porphant Ouyyanont, *The Economic History of Thailand*, (Bangkok: CU Press, 2021), 106-107 [in Thai].

¹⁴ Chattip, *The Cooperative Thought of Pridi Panomyong*, Cited, 8-9.

Thongchai says that “Pridi never proposed that the state confiscates all private assets, private land, or even abolishes private property, but he instead proposed an cooperative system.”¹⁵ It is not clear that Thongchai refers to private productive land or private non-productive land in this context. But it is clear that, for him, the PEP is not radical; instead, it is more similar to a modest cooperative economy. Pasuk believes that the PEP would have realized economic justice in Thai society, e.g., land allocation would be more just.¹⁶

All this shows that, for many Thai scholars, the PEP is a modest economic program with only the soft socialism elements, and it is desirable as it offers the solutions to the problems concerning economic injustice we have now been facing today, e.g., income disparity, land inequality, job insecurity, unemployment, and so on. This is the mainstream understanding of the PEP. This paper disagrees with this understanding, and argues that the PEP should be rejected because it would rather cause economic injustice in some aspects.

Interestingly, from the 1980s onwards, the prevalent discourse on Pridi is constrained: if you admire him, you support democracy and economic justice, but if you criticize him, you support dictatorship and economic injustice. Those who criticize Pridi are initiatively looked as anti-democratic. Given this atmosphere, there is a little number of work

¹⁵ Thongchai Winichakul, “Interview,” In Penaek Ratanaruang and Passakorn Pramounwong (eds.), *Paradoxocracy*, (Bangkok: Matichon, 2014), 43-44.

¹⁶ Thaipublica (Reporter), “Economic Plan 1932 - 2013: Is “Land Reform” Possible?” (2013). Retrieved 20 January 2023 from <https://thaipublica.org/2013/06/economic-plan-1932-to-2013/> [in Thai].

criticizing Pridi's thought from the so-called democratic academic.¹⁷ The PEP is treated almost as the sacred text: it is right about almost everything, e.g., it offers the real solution to poverty and economic disparity; its program is not based on communism but only welfarism; its program could lead to the solidarity among citizens, and so on. This paper wants to show that one can, and should, criticize and reject the PEP without endorsing royalism or economic injustice. I hope that this paper would help undermine the status of the sacred text of the PEP in the Thai academic community.

This paper focuses on the text of the PEP and does not pay attention to other issues such as Who had actually influenced Pridi's economic thought?¹⁸ Was it Pridi's intention or had he been assigned to write the PEP in the first place?¹⁹ This paper focuses only on the PEP rather than Pridi's thought as a whole.

2. Economic Justice

What is economic justice? This is a huge philosophical question that needs much more pages than this paper would allow to discuss. And as this paper focuses on the PEP rather than discussion on conceptions of economic justice as such, it would be unnecessary to discuss economic justice at length. Nevertheless, since this paper's main

¹⁷ Somsak Jeamteerasakul is an exception. As a well-known anti-royalist scholar, Somsak also criticizes Pridi and the PEP in many aspects.

¹⁸ For those who are interested in this issue, see Tippawan Jeamteerasakul, *The Political Thought of Pridi Banomyong: The Early Years, (1900-1934)* (Bangkok: The Glorification of Pridi Panomyong Project for Youth, 2001). [in Thai].

¹⁹ For those who are interested in this issue, See Somsak Jeamteerasakul, *The Communist Movement in Thailand*, (Ph.D. Thesis, Department of Politics, Monash University, 1993).

argument is that the PEP is undesirable and unjust, some brief discussion on economic justice is needed. Many philosophers introduce several different theories of economic justice. Rawls, for example, argues that economic justice is realized only if two principles of justice must be in place: (1) the liberty principle - everyone has equal basic rights and duties, and (2) the difference principle - everyone has fair equality of opportunity, and inequalities are justified only if the least advantaged are best-off.²⁰ Nozick, on the contrary, argues that economic justice is realized only if his so-called entitlement theory of justice is respected: the only justified pattern of distribution is that “from each as they choose, to each as they are chosen.”²¹

However, my definition of economic justice in this paper is not as much specific as the examples of theories of economic justice that I have just briefly mentioned. Instead, it is based on a general idea that I believe can be supported by our intuition. It is the basic idea that citizens should be able, *to an extent*, to freely choose what and how to do for their living and what to buy (economic self-determination), and, at the same time, they should be guaranteed basic needs such as food, clothing, shelter, healthcare, education, and so on. Of course, a list of these basic needs is debatable. But detailed discussion on this is not needed here because my point is just to argue that while it is the role of governments to guarantee citizens some basic needs, it must do so without undermining citizens' economic self-determination. Well-being

²⁰ John Rawls, *A Theory of Justice*, (Cambridge, MA.: Harvard University Press, 1971), 14-15.

²¹ Robert Nozick, *Anarchy, State, and Utopia*, (Oxford: Blackwell Publishing, 1974), 160.

of citizens is impossible if they are only given certain amount of goods without being able to decide and control their economic life, e.g., if they are not allowed to choose their own occupations. And importantly, citizens not only should be guaranteed some basic needs, but these basic needs must also be of quality to some extent. It is insufficient for governments to provide citizens some basic needs with poor quality. For example, if governments abolish the competitive market economy, and become the monopoly to provide everyone basic needs (food, shelter, etc.), it is uncertain that those basic needs could be of quality as people would have no choice to buy them from other producers.

According to Nozick, economic self-determination is so demanding and imperative that even distributive taxation is viewed unjustified because such a taxation would interfere citizens about how to use their own private properties.²² And it goes without saying that, according to Nozick, the planned economy in any degree is unjustified as it also intervenes how people exercise their economic freedom. But in this paper, a conception of economic self-determination is not too demanding. It is just the general idea that citizens should be allowed, to some extent, to choose their own occupations, and to decide how to spend their money. While the market economy is an important tool for realizing economic self-determination, some distributive taxation and even the planned economy in some degree may be compatible with economic self-determination. It is possible for governments to have an economic plan without destroying economic self-determination, e.g., governments may push a country in a certain direction by using tax incentives and

²² *Ibid.*, 169.

subsidy, which do not undermine economic self-determination. In contrast, people cannot be said to have economic self-determination if they are not allowed, for instance, to choose their own occupations, to have their own productive land, means of production, and money.

Economic self-determination is also important and necessary for citizenship in democracy. For citizens to freely participate in politics and to control governments, they should have economic power independent of governments. If they must depend on governments in almost every area of life, then it would be difficult for them to freely criticize governments as they may be punished because of that. This does not mean that citizens must not depend on governments at all. Citizens need to depend on governments for basic needs, education, and so on. But this may not necessarily make citizens lack economic power necessary for democratic participation as long as they still have power to exercise their economic self-determination.

Instead, if citizens must depend on governments for almost all areas of life - only governments possess all productive land, means of production, and citizens must produce according to the order of the central governments, and governments are the monopoly of all products and services of a country, etc. - then, it is hard to believe that, in this situation, citizens could freely participate in politics. And it is also difficult for them to have a genuine sense of national solidarity that requires that they trust themselves and each other in determining their fates together. If they have to do according to the order of the central governments, and they are not allowed to exercise their economic self-determination at all, then they would be less likely to trust their own power and fellow

citizens. Thus, I conclude that any economic program would be justified only if it must meet a minimal criterion of economic justice, which is the guarantee of economic self-determination *and* basic needs (with good quality to an extent).

3. The Method of Criticism

In this section, I will touch upon my method of criticism of the PEP. I suggest that we make the distinction between the PEP's *ends* (what should the economy look like?) and *means* (how should the PEP be implemented?). I would claim that it is sufficient to look into its ends, regardless of its means, to see injustice and undesirability of the PEP. In general, if we want to judge if a particular public policy is justified, we should examine both its ends and means. We may think of four cases regarding the considerations of ends and means.

Case	Ends	Means	Conclusion
1	Justified	Justified	Justified
2	Unjustified	Unjustified	Unjustified
3	Justified	Unjustified	Unjustified
4	Unjustified	Justified	Unjustified

Figure 1 Methods of Criticism

According to Figure 1, four cases are considered. Case 1: if both ends and means of a public policy are justified, then such a policy is explicitly justified. Case 2: if neither ends nor means are justified, then it is clearly unjustified. While Case 1 and Case 2 are not difficult to reach the conclusions, Case 3 and Case 4 may be a bit more difficult

to consider. What if its ends are justified but its means are not (Case 3), and what if its means are justified but its ends are not (Case 4)? I suggest that they both should be viewed unjustified. In Case 3, in which the ends of a policy are justified but its means are not, it is probably reasonable to judge such a policy as unjustified. For example, a policy may aim to help the poor, which is justified, but it may be implemented by unjustly taking from the rich (e.g., by stealing, killing, etc.). In Case 4, in which the ends of a policy are unjustified but its means are justified, this policy is also unjustified. For instance, a policy that aims to undermine people's economic self-determination and well-being should be considered unjustified, regardless of how such a policy is implemented.

Those who support the PEP would categorize the PEP into Case 1 (both ends and means are justified). As we have seen from Section 1, many academics perceive of the PEP as merely soft socialism or a moderate economic policy in line with a modern welfare state. In contrast, Somsak criticizes the PEP by pointing out that the PEP is problematic in terms of ends and means.²³ Therefore, for Somsak, the PEP should be categorized into Case 2 (neither ends nor means are justified). However, those who justify the PEP seem to believe that the only problem people might have against the PEP lies on its means, not its ends; and that if they can only show that the means of the PEP are justified, then the PEP would be acceptable.

Although a critic of the PEP, like Somsak, discussed its ends and means, the supporters of the PEP seem rather to focus on

²³ Somsak, *The Communist Movement in Thailand*, Cited, 112. Somsak's criticism will be explored in the next section.

its means only. The debate on the justification of the PEP has been whether the PEP uses violent means or not (confiscation or consent). For example, Sarenee Achavanuntakul²⁴ and Isariya²⁵ claim that the PEP is not communism as it had been accused because it does not propose the force confiscation of people's land. Chris Baker and Pasuk Phongpaichit claim that "Pridi drafted an 'Outline Economic Plan' whose main proposal was a voluntary nationalization of all land."²⁶ Instead, Somsak argues that "Pridi's Plan, if adopted, would in effect *compel* Thai peasants, the majority of whom being small proprietors, into the collective farms. Their individual holdings would, of course, be lost ... The Plan empowered the state to buy back all land from private citizens, save only for their residential areas. *No consent from the owners was needed*"²⁷

However, the debate on the PEP so far, which focuses on its means, is misleading. The debate should primarily be whether the ends of the PEP are justified or not. If the ends are unjustified in the first place, then the PEP should be viewed unjustified, regardless of its means (whether confiscation or consent). It is often thought that if a public policy is democratically decided, that is, if it is supported by the

²⁴ Sarenee Achavanuntakul, "The Economic Plan in Economic Thought," *Thammasat University Archive Bulletin*, 14 (2010), 13.

²⁵ Isariya, *Presentation*, Cited.

²⁶ Chris Baker and Pasuk Phongpaichit, *A History of Thailand*, 3rd Edition (Cambridge: Cambridge University Press, 2014), 119.

²⁷ Somsak, *The Communist Movement in Thailand*, Cited, 112.

collective consent of citizens,²⁸ then the policy is justified. But sometimes the collective consent is insufficient to judge if a policy is justified or not. First, democratic decision is not the only source of justification. Sometimes the majority may opt for repressive policies that violate the minority rights. Second, democratic decision is unjustified if it threatens the liberty and well-being of the next generations. The consent of the current generation is not the only source of justification.

Thus, apart from the majority's decision, we need to ask if the ends of a policy are reasonable, i.e., Does a policy aim to violate the minority rights, or threaten the liberty and well-being of the next generations? If the ends of a policy are unreasonable, then it should be opposed, regardless of how it is implemented. Therefore, this paper criticizes the PEP by looking primarily into its ends, and argues that the PEP is unjustified because its ends are unjustified. Even if we would assume that the supporters of the PEP are right that the PEP uses the justified means, the PEP should still be judged unjustified as its ends are unjustified in the first place.

4. Economic Self-Determination and Democratic Citizenship Under Pridi's Economic Plan

This section will reexamine how the economy would look like if the PEP had been implemented, and will show why the economy under the PEP is undesirable. In contrary to the mainstream understanding of

²⁸ The collective consent here refers to the consent of all citizens as a whole rather than of each individual citizen. If I have freedom to vote for a public policy, but at the end my preferred policy is outweighed by other less preferred policies, then it can be said that I have given my collective consent to those less preferred policies, given that the process of voting is free and fair.

the PEP, this section will show that the PEP is much more radical than it could be called soft socialism or a welfare state. The economy under the PEP would result in the abolition of the market economy, the money economy, the labor market, and private property in productive land. As a result, the PEP economy would inevitably undermine economic self-determination and democratic citizenship, which makes the program unjustified and undesirable.

4.1 Land

It is not exaggerating to say that the heart of the PEP is state ownership (collectivization) of all productive land and the most laborers. By state ownership, it means that governments are empowered to control, plan, determine, order how all the productive land should be used, and how the most laborers should be doing. All productive land would be owned by the state, and citizens must work according to the state's order. A country would become a deeply centralized state where the most citizens are controlled by a central government. Pridi writes that "land that governments must buy back are productive land like farms, while residential land are excepted."²⁹ All citizens, therefore, would have no private property in productive land. Land reform, in Pridi's meaning, is not the redistribution of private productive land among citizens, especially among the petty peasants. Instead, it is the prevention of citizens' ownership of all productive land at all. Once all productive land are owned by governments, it is up to the government authorities to decide how to use them. Consider the following passage

²⁹ Pridi, *The Economic Plan*, Cited, 17.

“That farmers work separately would surely waste more labor than they work collectively as a certain farmer must feed his or her own buffalos, plow, sow, harvest (even if they may sometimes harvest collectively), and cook by themselves. But if they work collectively, then their labor would be spared. For instance, if they work separately, then each must feed their own buffalos, but if they work collectively, then their buffalos could be fed by some certain farmers, while the rest would be spared ... Once they work collectively, many labor would be spared and could be transferred to other economic activities. But this would be impossible if they are still allowed to work separately”³⁰

Pridi treats the whole country as if it is a single factory/field where workers/farmers work together under a certain plan, and their productivity could be increased by the principle of the division of labor, and as if governments are the single owner of all land. This is the concept of collectivism and centralization. If each individual has economic self-determination on his or her private productive land, then each would be able to decide what and how to do with their own land, and to decide whether their land are being effectively used or not. But they would be unable to decide on other people's land. But in Pridi's vision, all productive land should belong to governments who

³⁰ *Ibid.*, 11-12.

can control and decide how to use the land. The PEP does not offer to provide the petty farmers private productive land because that would make the use of land less effective and productive than all land being owned by governments.

Land reform, according to the PEP, does not promote citizens' economic self-determination. Citizens are not allowed to be independent on their own productive land, and are not allowed to make their own decision on the use of the land. Provided that governments own all land, they would treat the whole land as the single state farm, and treat the citizens as the state workers who must work according to governments' order. As the PEP states that "we no longer need to worry about the fact that farmers work only 6 months a year. Governments could make them work for another 6 months. For example, they may be ordered by the national economic plan to work on other types of agricultures or even to construct roads,"³¹ and that "we need to estimate what else citizens need in order to live their lives, and how much they need them ... After that, we need to estimate how much land, labor, and capitals must be used in order to make those means of subsistence possible."³²

Akira writes that "according to his [Pridi's] plan, the government would acquire all the land and would distribute parcels to each farmer."³³ Akira's statement is misleading. First, he should have made

³¹ *Ibid.*, 23.

³² *Ibid.*, 35-36.

³³ Suehiro Akira, *Capital Accumulation in Thailand 1855 - 1985*, (Chiang Mai: Silkworm Books, 1996), 107.

it clear that, according to the PEP, only the productive land, not all the land, would be acquired by governments. Second, it is not true that, according to the PEP, after the productive land are acquired by governments, they would be distributed to each farmer. Instead, “governments would determine exactly how each parcel should be used,”³⁴ and “when governments run the economy themselves, governments would set the regulations in which citizens who are government employees must follow.”³⁵

This idea of land reform makes the PEP much more radical than it could be called “the combination of socialism and liberalism”³⁶ or the welfare state. I agree with Garland who argues that “if the capitalist economy is a dynamic machine for generating private profits by means of competitive production and market exchange, the welfare state is a retrofitted set of gears, brakes, and distributors, designed to steer the capitalist juggernaut along a more socially acceptable course,”³⁷ and that “the welfare state is not an alternative to market capitalism or to the private family: it is an ameliorative adjunct to them.”³⁸ But the PEP would entirely replace the capitalist economy because citizens have no private property in productive land. It would be strange to say that the PEP is supportive of the capitalist economy, despite that people are not allowed to have private property in productive land.

³⁴ Pridi, *The Economic Plan*, Cited, 17-18.

³⁵ *Ibid.*, 18.

³⁶ *Ibid.*, 109.

³⁷ David W. Garland, *The Welfare State: A Very Short Introduction*, (Oxford: Oxford University Press, 2016), 9.

³⁸ *Ibid.*, 81-82.

In the welfare state, private property in productive land is respected. The welfare state would want the land to be distributed fairly and justly among citizens. If a large amount of land is owned by a very small number of people, or if it is wasted for nothing, that would surely be undesirable. But governments in the welfare state would not try to own all the land, and would not specifically order how the land must be used. It would instead use the market mechanism (e.g., land tax) to motivate citizens to use land effectively in any way they want. Citizens, in the welfare state, are still encouraged to exercise their economic self-determination on land, whereas citizens in the PEP economy are not.

Nevertheless, some might argue that there is no problem with state ownership of the (productive) land insofar as governments do not use the method of confiscation, but instead ask for the consent of the people. In fact, there is no reason to think that the PEP asks for the consent of the people. The PEP states that “land that governments must buy back are productive land like farms, while residential land are excepted,”³⁹ and that “if governments buy back those land, we believe that the farmers, the landlords, and the creditors would be quite happy.”⁴⁰ Notice that Pridi never says that governments would ask for the consent of the people at all. Instead, governments would certainly buy back their land, and simply *hope* that this would be supported by all the people. Therefore, Somsak argues rightly that “*no consent from*

³⁹ Pridi, *The Economic Plan*, Cited, 17.

⁴⁰ *Ibid.*, 16.

the owners was needed."⁴¹ The PEP does not give citizens the choice to choose whether they would want to sell the land to governments or not. Like it or not, they are all required to sell the land to governments anyway. In this sense, this land policy under the PEP is not based on a liberal idea.⁴²

However, we may assume, for the sake of discussion, that people can choose whether to join the PEP, and those who do not want to join would not be forced. Furthermore, those who are willing to join are aware that they would be deprived of economic self-determination; they not only give up their land but also their economic decisions to governments. They are also aware that they would become government employees who are supposed to work according to governments' order.

Despite of these assumptions, I would claim, the PEP is still unjustified for it violates the consent of the next generations. It is unreasonable to force the next generations to work for governments just because the current generation chooses to do so. The next generations would be unable to buy and possess private productive land once they are owned by governments, and under the PEP, governments would not sell its land once they get them. Although the next generations may want to abolish the PEP, they would be disallowed to do so because the PEP clearly says that any economic activities must be controlled and ordered by central governments and some experts,

⁴¹ Somsak, *The Communist Movement in Thailand*, Cited, 112.

⁴² Pakpoom Saengkanokkul, "Solidarism and Pridi's Economic Plan," *Aarn*, December (2014), 201.

and citizens (or public servants) must follow them. Thus, the collective consent of the current generation would destroy the collective consent of the next generations.

4.2 Market and Money

Market is an indispensable element of the capitalist economy. Governments, in the capitalist economy, may intervene into the market but they must respect the market mechanism to an extent. For example, they may use tax incentives to encourage or discourage some certain industry. But this is not what the PEP does. Instead, it empowers governments to do something much more radical: governments can entirely control the whole economy in very detail, i.e., What products are allowed and disallowed to be produced? How should a particular land be used? How long should people be made to work?, etc.

As the PEP assigns governments to provide citizens all means of subsistence,⁴³ the market system is not needed. Governments would become the only provider of means of subsistence. However, although the PEP emphasizes that governments need to improve their production in terms of qualities and quantities for the well-being of citizens, the question remains that how could we know that their products are good enough under the monopoly of central governments? According to the competitive market mechanism, we can know that products are good enough as long as several and different private companies compete each other to reduce the costs and improve the quality of their

⁴³ Pridi, *The Economic Plan*, Cited, 35-36.

products. The market competition is the condition of the possibility of the quality of products. But under the PEP, we cannot know whether products are good enough or not because its condition of the possibility is ruled out in the first place. So, we may need to ask if products and services produced by governments in this situation are of good quality or not.

The PEP not only destroys the market economy but also the money economy. Somsak rightly observes that the PEP would lead to the moneyless economy: "Pridi proposed the government administer a moneyless economy by paying salaries of its employee-citizens with basic necessities of life such as food, clothing and shelter, as the government would own the production and distribution of these things."⁴⁴ Consider the following passage from the PEP:

"To pay citizens money is to give them foods, cloths, homes, etc. Please remind that the purpose of money is to receive means of subsistence in exchange, so it can be said that money is a kind of score, and to pay citizens salary is to give them scores, in which they would exchange them for means of subsistence. In the end, citizens would receive means of subsistence such as foods, cloths, homes, etc. So, governments do not need to confiscate rich people's wealth for the source of citizens' salary. They may provide means of subsistence through cooperatives, in which governments would

⁴⁴ Somsak, *The Communist Movement in Thailand*, Cited, 105.

give citizens means of subsistence as the compensation for money. For example, if a person earned 20 baht per month and they required foods, cloths, etc. that amounted to 20 baht, then their salary (20 baht) which received from governments would surely return to governments. Citizens would receive money only if what they need is less valuable than the money they earn (salary), and this is the only kind of money that governments must provide and support with some reserves such as golds or notes. Governments may found the National Bank where citizens could deposit their money, in which the Bank would pay them by cheque as the compensation for money so that we do not need to produce and circulate a lot of notes in the economy. Thus, in order for governments to guarantee the well-being of citizens, governments need to form cooperatives to produce and distribute all means of subsistence. If governments do not provide and distribute all those means of subsistence through cooperatives, then how could governments guarantee the well-being of citizens? How could governments pay citizens?"⁴⁵

Citizens must work according to the order of central governments because citizens have no means of production (land and capital), and their amount of salary is determined by central governments rather than by the market mechanism. Their salary would be paid mostly in the form

⁴⁵ Pridi, *The Economic Plan*, Cited, 8-9.

of means of subsistence (foods, cloths, homes, etc.). They would receive salary in the form of money only if what they need from governments is less valuable than the salary they earn. In this way, citizens seem to be able to have money, and the money economy is still respected. But this may not be the case. It may be true that citizens may have money (on the condition that what they need from governments is less valuable than the salary they earn), but as long as governments are the only provider of means of subsistence, those citizens would be able to use the money they have only if they must use it to buy what governments provide. They cannot, for instance, use their money to buy things from other private companies, to buy productive lands, to accumulate capitals, to hire wage-laborers, to buy shares of private companies (investment). This is not what the money economy in the capitalist economy is supposed to be, instead citizens in the capitalist economy should be able to use their money to buy many things from other private companies.

Pridi sometimes says that the PEP would still allow someone (such as authors, lawyers, artists, teachers, and some *existing* capitalists) to continue working on their own rather than working for governments.⁴⁶ But, in reality, the existence of capitalists and private factories (companies) would be impossible under the PEP for at least three reasons. First, the PEP explicitly criticizes the economy run by private factories:

⁴⁶ *Ibid.*, 22-23.

“Anyone who supports the principle that allows private companies to own factories should be aware that they are bringing disorder and disaster into the country ... Wage-laborers and capitalists have disputed each other so much that sometimes the capitalists have to lock out the factory, and sometimes the wage-laborers have struck. They have had the disputes on wages, working time, leisure, wage-laborers' insurance. Is this not because of the fact that private companies own factories? In Siam at this time, even if there is only a few of private factories, but we have already seen that this kind of problem has happened ... But if governments run the economy themselves, then all the people, wage-laborers or any kind of public servants, would be rewarded according to their work and merit”⁴⁷

It can be seen that Pridi dislikes private factories, and proposes that governments own all the factories. This is contradictory with Pridi's claim that some existing capitalists who own private factories may be allowed to continue their business.

Second, there would be no wage-laborers left for the capitalists to hire as all citizens, except those who can prove that they can get sufficient income for their living by themselves,⁴⁸ would be recruited to work for governments. According to the PEP's standard, those who can get sufficient income by themselves are those who “earn

⁴⁷ *Ibid.*, 34.

⁴⁸ *Ibid.*, 23.

sufficient income for the whole life even when they are sick or old, and must be sufficient for raising their children and providing them education ... [and their economic status must be] stable.”⁴⁹ Given this, it is impossible that wage-laborers would get sufficient income for their living by themselves. Thus, all wage-laborers must become government employees. In the end, no one would work for the existing capitalists. Thus, governments would become the only provider of means of subsistence, and citizens would be able to spend their money to buy things from governments only.

Third, although we may assume, for the sake of discussion, that some existing capitalists can continue their work, they also are not permitted to have more new factories. To have more new factories, the capitalists would need productive land to build their new factories. But as governments would own all the productive land, how could the capitalists find those land then? This would in effect mean that they cannot build more factories. In the long term, those existing private factories would disappear, and governments would entirely own all the factories in the country.

We can see that the market-money economy is nonexistent under the PEP. This makes the PEP much more radical than a welfare state. Although the welfare state aims to guarantee the well-being of citizens, it never aims to eliminate the market-money economy. The welfare state tries to improve the well-being of citizens through the

⁴⁹ *Ibid.*, 22.

redistribution of wealth and implementation of progressive policies (e.g., land tax, estate tax, progressive income tax, basic income, state enterprises, job training, health care, and so on) without eliminating the market-money economy and running the economy itself. The welfare state like Sweden guarantees citizens the right to work and employment, but this policy is different from that of the PEP: while the former tries to do this by providing job training without eliminating the labor market in private sectors,⁵⁰ the latter aims to do this by destroying the labor market and making the majority of citizens work for governments. Welfare policies in the welfare state are meant to support citizens to live more sustainably in the capitalist society.

4.3 Labor and Citizenship

So far we have seen that, under the PEP, governments would entirely run the economy themselves; they would own all the productive land, capital, factories, and laborers. It may be true that Pridi tries to guarantee the well-being of citizens, but it is also true that he severely criticizes the most citizens for being unproductive, inefficient, lazy, and parasitic (or “social parasites” in Pridi's term).⁵¹ Pridi points out that, farmers, the great majority of the country at that time, work too little

⁵⁰ Garland, *The Welfare State*, Cited, 66.

⁵¹ Pridi, *The Economic Plan*, Cited, 10, 15. It should be noted that Pridi means to use “social parasites” to refer mainly to the farmers who are the most citizens of Siam at that time as Pridi says that “the affairs in Siam are different from that of Western countries. In Siam, the middle class (bourgeoisie) is the working people. Instead, the farmers have a lot of free time which makes them lazy, and they would do undesirable things in their free time such as drinking too much, stealing, and so on” (*Ibid.*, 139, 157).

and inefficiently. They work too little because they “only work not more than 6 months a year (including plowing, sowing, harvesting, etc.), and wastes their labors for another 6 months of a year.”⁵² Pridi believes that the well-being of citizens would increase only if these citizens are made to work for another 6 months, in which he argues that this would be impossible if they are still allowed to work separately.

He insists that “the only way to make them work for another 6 months is to empower governments to plan the national economic plan.”⁵³ For instance, “they may be ordered by the national economic plan to work on other types of agricultures or even to construct roads.”⁵⁴ Furthermore, in Pridi's perspective, even in those 6 months that these farmers have worked, they also work inefficiently because they work separately rather than collectively.⁵⁵ This is why he proposes the collectivization of all the productive land, factories, and laborers so that the central government could plan how to make citizens work collectively.

Under the PEP, citizens (government employees) are not the owner of their own labor, e.g., they do not have the right to decide what to do with *their* labor, to decide whether *their* labor is being effectively used. Pridi seems to hold that citizens belong to governments, so governments have the right to decide what to do with them, to decide whether their labor are being effectively used or not. Citizens have no right to be lazy

⁵² *Ibid.*, 11.

⁵³ *Ibid.*

⁵⁴ *Ibid.*, 23.

⁵⁵ *Ibid.*, 11-12.

or inefficient even if they choose to do so because this would waste governments' assets (labor). Because of this, Pridi is frustrated to see that the most farmers use their labor inefficiently according to his standard, and so, Pridi would argue, governments are legitimate to force those lazy and inefficient farmers to work harder and longer for the sake of the collective productivity.

In the PEP, Pridi talks about cooperatives, local communities, and villagers in many places. This makes Chattip, among others, think that the PEP “also emphasizes cooperatives as one of the economic managers. It can be said that every time the PEP talks about governments it always mentions cooperatives. So it is unjust to say that Pridi only emphasizes the economic plan of central governments.”⁵⁶ The implication of Chattip's understanding of the PEP is that villagers and local communities, through cooperatives, are also empowered to determine their economic activities. However, I would argue, even though Pridi talks about the importance of cooperatives, his idea of cooperatives is far from that of many contemporary scholars (like Chattip).

Pridi's concept of cooperatives is the idea that cooperatives are just a branch of the central government, and the role of cooperatives is simply to follow any order of the central government rather than to freely exercise their economic self-determination. One of the most important objectives of the PEP is to use the principle of the division of labor at a national level. It is impossible for cooperatives to work

⁵⁶ Chattip, *The Cooperative Thought of Pridi Panomyong*, Cited, 8-9.

independently and separately from each other, and even from the central government. Whenever the economic plan of any local cooperatives conflicts with the economic plan of central governments, it is obvious that the former must give way to the latter.⁵⁷ Villagers and local communities, through cooperatives, are supposed to follow the economic plan of the central government. They are merely the state functionaries rather than the independent organizations that can freely determine their economic activities.⁵⁸ The central government just needs the local functionaries to carry the economic plan determined by the central government. The PEP empowers the elites over villagers and local communities, and the country would become the highly bureaucratic society.⁵⁹

The PEP is also undesirable because it would undermine the status of democratic citizenship. To live meaningfully in democracy, citizens need to be able to make decisions together that determine the destiny of the community.⁶⁰ They need to govern and be governed among themselves. To be able to do this, they need to believe in themselves and their fellow nationals that they are all capable of making meaningful decisions for the community. Those who do not trust themselves and only rely on others' decisions, and those who only rely on themselves

⁵⁷ Pridi, *The Economic Plan*, Cited, 23, 30.

⁵⁸ *Ibid.*, 31.

⁵⁹ Preecha Piamponsan, "The Political Economy Thought of Dr. Pridi Panomyong," In Narong Petchprasert (ed.), *Political Economy*, 10 (Bangkok: Adison Press Production, 1999), 78.

⁶⁰ Michael J. Sandel, *Democracy's Discontent: A New Edition for Our Perilous Times*, (Cambridge, MA.: The Belknap Press of Harvard University Press, 2022), 13.

and do not trust others are both unprepared to govern themselves democratically. The former is unable to contribute to collective decisions, and the latter is unable to be governed by collective decisions. They are not citizens who are equal to each others: the former believes that they are inferior to their fellow nationals, and the latter believes that they are superior to their fellow citizens.

The PEP makes the status of democratic citizenship impossible. Instead of encouraging citizens to trust themselves and their fellow nationals as citizens who are fully capable of making crucial decisions, the PEP treats them merely as functionaries who are expected to follow the top-down control of the central government, elites, and experts.⁶¹ Citizens are not empowered to make crucial decisions that affect the fate of the community, so they would lack the sense of self-esteem. And they need to rely on governments' decisions, so they would trust governments more than their fellow citizens. In the end, they are unprepared to govern themselves together in democracy as they are made powerless to make their own decisions that determine their own fate together. They, therefore, do not live up to the ideal democratic citizenship.

It should be noted that there is no place in the PEP that states that the national economic plan controlled by the central government may be determined by democratic decision in the sense that the majority of citizens may plan how to use the land, factories, capital, labor, and so on. If the majority of citizens prefers the market economy to the PEP

⁶¹ Pridi, *The Economic Plan*, Cited, 18-20, 30-31, 35-38, 55-56.

economy, would they be able to change this? The PEP does not allow this. Pridi looked down on the majority of citizens at that time, e.g., he blames them being lazy, social parasites, and foolish (as they do not believe the advice of experts).⁶² Thus, in Pridi's view, citizens should follow the order of governments and experts, and not vice versa.

The PEP also undermines the bargaining power of citizens necessary for citizenship in democracy. The economic power is essential for citizens not only because it enables them to live a decent life, but also because it enables them to protect themselves from injustices that may be done by governments such as human rights violations, corruption, and dictatorship. The economic power, therefore, boosts the bargaining power of citizens. But the PEP undermines the bargaining power because as long as citizens have no economic self-determination, they would have to entirely depend on governments. They may fear that if they criticize governments, their jobs would be insecure. Pridi may assert that governments would be made transparent and open to criticism, but how could he or anyone else make sure that this will endure for long? Under the PEP, citizens are powerless compared to the central government.

Conclusion

This paper reexamined Pridi's Economic Plan (the PEP), and argued that the PEP is much more radical than it can be called the liberal project with the soft socialism elements as it is now being perceived by

⁶² *Ibid.*, 18, 20.

many contemporary scholars. The end of the PEP is to collectivize all the productive land, factories, and labor so that the central government could apply the principle of the division of labor to the whole country. Under the PEP economy, the market-money economy would be destroyed, and governments would become the only provider of all means of subsistence for citizens. This paper argued that the PEP is undesirable and should be rejected because it would undermine economic self-determination and the status of democratic citizenship among citizens.