



Book Review of Thai Business and Economic Groups: Escaping the Middle-Income Trap

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Abstract

Background and Aims: This book review critically examines Business Groups and the Thailand Economy: Escaping the Middle-Income Trap by Associate Professor Natenapha Wailerdsak (Wailerdsak, 2023). The book analyzes how Thai family business conglomerates shape Thailand's transition from a middle- to high-income economy through an interdisciplinary lens that combines political economy, strategic management, and institutional analysis.

Methodology: Wailerdsak employs a robust mixed-methods approach, integrating theoretical frameworks with firm-level data and sectoral typologies to investigate historical, organizational, and policy-related dynamics.

Results: The book is organized into three parts: theoretical foundations, innovation-led development policy, and empirical analysis of Thai business group behavior. Key findings include five organizational mechanisms, selective specialization, political influence, mergers and acquisitions, foreign investment, and strategic alliances, that have enabled these groups to expand and adapt.

Conclusion: The book introduces a threefold typology of business group models and concludes with policy recommendations to address structural inefficiencies and promote inclusive growth. This review finds the book a timely and original contribution to literature on development economics and Southeast Asian corporate systems. While the analysis could benefit from deeper cross-country comparisons, cultural contextualization, and discussion of regulatory institutions, the book remains a compelling resource for academics and policymakers alike.

Keywords: Middle-income Trap; Thailand; Business Groups; Corporate Governance; Strategic Management; Industrial Policy; Economic Development

Introduction

Published in 2023, Associate Professor Natenapha Wailerdsak's book, Business Groups and the Thailand Economy: Escaping the Middle-Income Trap, offers a timely and in-depth analysis of how large, predominantly family-run business conglomerates have shaped Thailand's economic landscape over several decades. Positioned at the intersection of political economy, strategic management, and institutional reform, the book argues that these groups are pivotal to





the country's ongoing struggle to escape the middle-income trap. The main purpose of this review is to evaluate the overall usefulness of the book for scholars, policy makers, and practitioners alike. Not only from an academic perspective, but equally important, what insights policy makers and practitioners can gain from this book to make better-informed decisions in the future. Particularly, the interconnections on strategic management, organizational behavior, political economy, and economic policies make this book an attractive source of information to better understand the background and distinctive business landscape in Thailand, particularly regarding the "middle-income trap" (Palma & Pincus, 2024). Published in 2023 by Routledge, as part of its Focus on Business and Management series, Wailerdsak's book's main argument focuses on the key influence of large business groups that have shaped and been instrumental in the country's industrialization efforts (Jongwanich, 2022). And are now considered a key pillar to help the nation to escape the so-called "middle-income trap" (Ke, 2024). Blending case analysis with supporting theory and empirical evidence makes this book a valuable source for scholars, policy makers, and practitioners alike.

Structure of the Book

The book is structured into eleven chapters and organized into three main sections, each contributing to a comprehensive understanding of Thailand's developmental challenges and the evolving role of business groups.

Part I: Theory and Issues.

This section commences by establishing the theoretical foundations, which are crucial for understanding the subsequent analysis of Thailand's economic challenges. Key concepts, such as catch-up industrialization (Rasiah & Zhang, 2024; Suehiro, 2008), the middle-income trap (MIT) (Ke, 2024), developmental states (Kitthananan, 2008; Long, 2013), and business groups (Wailerdsak & Suehiro, 2010; Yabushita & Suehiro, 2014) are introduced and brought into context. Followed by a chapter about dependency theory and the role of multinational corporations (MNC's) (Friedmann & Wayne, 1977; Padungsaksawasdi & Treepongkaruna, 2024). The author of the book strategically includes a literature review on East Asian economies and Thai history at this juncture. This design choice serves to build a comprehensive contextual understanding before the book delves into more specific analyses.

Part II: Policies Toward Innovation-Driven Growth

This chapter focuses on policy analysis with a main emphasis on Thailand's economic development path. This is done through the lenses of the Upper Middle-Income Development Model (Benyaapikul, 2021; Jitsuchon, 2012; Srisangnam, 2019), the Eastern Economic Corridor (EEC)





initiative (Niyomsilp et al., 2020), and national strategies for innovation-led growth (Strategies to Drive Thailand to Become an Innovative Nation, 2024).

This section then constructs a historical narrative of Thailand's economic development. The author details the period from the 1960s to the 1970s, followed by an examination of the 1980s to the 1990s. This chronological approach effectively explains the genesis of many family businesses and charts Thailand's economic trajectory and the end of the low-cost area. The chapter on the high-income development model starts with covering the period of 2000 to 2010 significance of its economic comeback after the financial crisis of 1997. The author highlights that from 2010 to the present, Thailand has faced significant societal challenges, including rising inequality and environmental deterioration (Jarungrattanapong & Thampapillai, 2010). This information is presented to underscore the complexities surrounding Thailand's efforts to escape the middle-income trap. She further suggests that Thailand needs to follow an inclusive and green growth plan and innovation-led growth strategy, which is part of the NESDC's 20-year national strategy (Chaemchoy et al., 2022). The historical context, analyzed by Wailerdsak, creates not only an overview of Thailand's dependence on export-oriented industrialization but also considers the recent efforts to upgrade to high-tech industries. Given the regional dynamics and the fundamental importance of foreign direct investments from Japan and China (Keorite & Pan, 2016), this discussion adds value to the readership to better understand current developments.

Part III: Thai Business Groups Approaching the Middle-Income Trap

This section delves into the empirical core of the book, offering insights into Thai business groups. The author initially defines these groups by outlining five distinguishing aspects:

- The tripod structure of industrial organizations;
- The significance of controlling shareholders;
- The prevalent Chinese ethnic background within these family businesses;
- The development of networked business conglomerates with strategic family placements;
- And the dominance of Thai businesses on the local stock exchange.

The author subsequently identifies five key mechanisms, selective specialization (Resbeut et al., 2019), political influence (Bunkanwanicha & Wiwattanakantang, 2009), mergers and acquisitions (Popairoj, 2019), foreign direct investment (Ang, 2009), and strategic alliances (Heis, 2018) that have amplified the economic power of these groups. Furthermore, the author proposes a novel typology of three models, such as Industry 4.0, Agro-industrial, and Marketing 4.0, to categorize large Thai business groups. This classification is designed to provide a clearer understanding of their operational strategies and adaptation methods. The author ensures the





book concludes with actionable insights. The final chapter synthesizes the preceding analyses, and the author proposes five policy recommendations aimed at fostering a more competitive and innovative economic environment.

Evaluation

Thailand is a unique country, with its own political, social, and economic norms and rules, many of which are only partially visible and often hidden, making them difficult to understand, particularly for those outside Thailand. Wailerdsak's book functions as a well-defined interpretive tool to integrate macroeconomic theory with organizational realities. Her focus on Thailand as a case study is not only rich in information and offers a wide range of contexts but is also rigorously analyzed and evaluated. Her book is particularly commendable for its logical and accessible structure, which serves as a user-friendly design that guides the reader through clear informational architecture from global theory to national policy to organizational behavior. This interface-like layout enables the reader to comprehend the systemic nature of the middle-income trap and understand the institutional and managerial bottlenecks that are unique to Thailand. The book presents a substantial amount of research, and the empirical data are both revealing and underrepresented in the existing literature. Specifically, Wailerdsak's categorization of large Thai organizations within the framework of the "family business trap" is quite innovative. This provides a modular and scalable feature that could be applied to comparative studies in similar economies, such as Vietnam, Thailand's neighbor. Perhaps the most value-adding aspect of Wailerdsak's book is its well-articulated engagement with policy. Many similar books analyze problems in detail, writing hundreds of pages backed by relevant research, often leading to insightful diagnoses of why problems exist and how they have evolved over time, but fail to offer solutions. This often leaves the reader with little guidance on how to move forward. Fortunately, Wailerdsak's book breaks this mold by acting as a practical toolkit, offering actionable recommendations. These contribute not only to scholarly understanding but also serve as a practical guide for economic reformers and policymakers. Above all, the book provides a sense of closure to the curious reader.

However, there are three key areas where the book could have enhanced its product design and usability. First, although several references are made to Malaysia, China, and South Korea, more systematic cross-country comparisons, as seen in Paprotny (2021), would have strengthened the book's analytical scope and relevance to other emerging economies. Second, a more thorough policy discussion would have been valuable. Given the importance of Thailand's political economy, a more detailed examination of regulatory institutions and enforcement mechanisms would be beneficial. Recent studies(Homyamyen & Kulachai, 2025; Sutthichaimethee et al., 2024) provide valuable insights that could have enhanced the policy analysis. This would





deepen the reader's understanding of Thailand's governance dynamics and challenges. Third, a more detailed explanation of key Thai cultural values and concepts, such as *kreng jai*, which influences interpersonal interactions and decision-making, and *guanxi*, which plays a significant role in Thai-Sino business networks (Luechapattanaporn & Wongsurawat, 2021; Malikhao & Servaes, 2017), would significantly enhance the international reader's understanding. These cultural dimensions are crucial for explaining why large family businesses in Thailand are structured and managed in distinctive ways.

Conclusion

The book is a major contributor to the literature on developing economies, corporate governance, and strategic management in emerging economies. Wailerdsak's writing style is clear, to the point, and good to comprehend, without unnecessary jargon. Her thorough research and balanced interdisciplinary approach make her book an essential read, not only for scholars but also for business practitioners who would like to learn more about the family businesses in Thailand. As stated in the beginning, the main purpose of this review was to evaluate the overall usefulness of the book for scholars, policy makers, and practitioners alike. Overall, it can be concluded that Wailerdsak's book achieved this goal. Given the timeliness of the subject and the quality of the scholarship, this book is highly recommended for practitioner, academic comprehension, and inclusion in graduate-level coursework. However, as noted in the evaluation, the book would have benefited from deeper cross-country comparisons, expanded cultural insights, and a more detailed discussion of Thailand's regulatory institutions.

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