

TRADE ASSOCIATIONS : A STUDY OF THEIR ORGANIZATIONAL STRUCTURE, LEADERSHIP, FINANCIAL RESOURCES AND SERVICES

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Introduction

Among many important factors which determine the capacity of an organization to exert its influence are those concerned with its internal structure, leadership, financial and other resources, and the support from its own members. In fact the strength and weakness of an organization can be assessed by studying these factors. Thus to evaluate the potential of the trade associations to influence public policy and actions, control markets, and even to bargain with other organizations, one needs to understand the internal attributes of associations. Information on them is not easy to obtain. But with the available data gathered from various sources including interviews with association officers, it is possible to construct some composite pictures of the organizational structure, leadership, financial resources and the services provided by the trade associations in Thailand. These can then be used to judge the ability of associations to exert their influence in various domains.

Organizational Structure

Trade associations in Thailand are organized along a general guideline prepared by the Central Trade Association Registration Office. It is based on the Trade Association Act of 1966 and other previous association laws. The pattern of formal organization is thus similar for all associations.

1. **The Board of Directors.** A board of directors, or an executive committee, of a trade association is elected at its annual general meeting to serve as the governing body. The trade associations which have more activities like the Association of Thai Industries, the Thai Maize and Produce Traders Association, the General Insurance Association, and the Thai Mining Association, may appoint an extra number of committees and subcommittees to handle various aspects of the association's operations. The board is assisted by an office staff the size of which may range from one to several members, employed part-time or full-time.

The election of the board is generally held with little or no competition. For most associations, holding positions on the board normally confers little or no tangible rewards, but may involve many administrative, financial and other burdens. Few persons therefore want to serve on it. This may explain why there is little turnover in the membership of the boards of many trade associations, although another reason is that the associations may not have enough members to rotate.

The size of the boards of directors also varies considerably, from fewer than five to over thirty. The average size is about 11. (See Table 1). The Movie Theater Exhibition Association, organized by first-run movie theater owners, had only two identifiable executive committee members in 1973 because the association had remained inoperative most of the time. The Association of British Mines includes all its ten or eleven members in the committee. Although the present Chinese-dominated associations have relatively small executive committees, some old Chinese trade associations have continued the tradition of maintaining larger-sized committees. For example, the Wood Merchants Association and the Bangkok Medicine Traders Association each has a committee of 31 members. There is a growing tendency for trade associations to limit the sizes of their top administrative organs to within the range of from seven to twelve to make it convenient for deliberative purposes.

TABLE 1
DISTRIBUTION OF TRADE ASSOCIATIONS BY SIZES
OF EXECUTIVE COMMITTEES, 1973

Executive Committee Size	No. (%)
1 - 5	8 (10.5)
6 - 10	33 (43.4)
11 - 15	16 (21.1)
16 - 20	6 (8.0)
21 - 25	9 (11.8)
26 - 30	2 (2.6)
31 - over	2 (2.6)
Total	<u>76 (100.0)</u>

$\bar{X} = 11.8$

Source : Files, Department of Internal Trade, Ministry of Commerce

Positions which are typically found in the board of directors of a trade association are : chairman of the board who is known as the president of the association, vice chairman, secretary-general, treasurer, secretary, public relations officer, and the registrar. Several old Chinese trade associations, like the Tea Merchants Association, still have the positions of welfare officer, keeper of the seal,

control officer, and conciliator. In larger associations there may be up to three vice chairmen, one or two deputy secretaries-general, deputy treasurers, and deputy public relations officers, plus such positions as coordinator, librarian and editor. The secretary-general, treasurer, and secretary may sometimes be called differently e.g., honorary secretary-general, honorary treasurer, and honorary secretary.

2. Memberships. Members of the trade associations are classified into three main categories : honorary members, ordinary members, and associate or extraordinary members. Honorary members do not have to be businessmen or merchants, and sometimes they may assume the role of patrons of the associations which is particularly the case of those members who are government officials. Ordinary members may be further classified into two or three more sub-categories. This is especially true with regard to the associations which assess membership fees and dues on the basis of the size of enterprises or the type of enterprises in which the members engage. For instance, members may be classified according to the capacity of machines or plants, as in the cases of the Thai Silk Association, the Thai Textile Manufacturing Association and the Thai Garments Manufacturers Association; or between wholesalers and retailers; exporters and importers; city members and provincial members; etc. Many trade associations have only ordinary members. For those associations which have associate or extraordinary members, these may consist of owners of enterprises in allied fields. Foreign companies become associate members of several export-oriented trade associations.

Attempts to analyze the membership patterns of trade associations are restricted partly by the fact that data on the "actual" members of the associations are incomplete and often unreliable, and there are no data at all on their "potential" members to compute a "membership density index." It makes little sense to say, for example, that in 1972 the Bangkok Medicine Traders Association had 494 members if the number of drug stores and drug retailers who were its potential members that year was not known. All that can be said in general is that with the exception of a select few, trade associations in Thailand have low membership density. Even the Association of Thai Industries had in 1973 fewer than 500 members while there were several thousand entrepreneurs in various fields of manufacturing industries.

There are certain associations the membership patterns of which are better known. In 1973 all 16 Thai banks, with the exception of one, belonged to the Thai Bankers Association, while the branches of foreign banks did not. Almost all bus companies in the city were members of the Road Transport Operators Association, although the largest bus company refused to join it. The Bangkok Shipowners and Agents Association is another association with a high membership density level as almost all the shipping companies, mostly foreign-owned, belonged to it. All the British mining companies in the South were members of the Association of British Mines. Membership of the Thai Pharmaceutical Manufacturers

Association also comprised all large pharmaceutical manufacturing companies with heavy foreign investment. Likewise, it may be assumed that the trade associations which deal with standard commodities also have high membership density as all the exporters of such products are required by law to join them.

Although in general memberships of most trade associations have increased, there are a number of them whose memberships have declined, especially the old Chinese ones such as the Tea Merchants Association, the Bangkok Chinese Importers & Exporters Association, the Coffee Traders Association and the Ice Dealers Association. Many members of the Ice Dealers Association left it to join a new ice cooperative set up by the government. Membership of the Thai Timber Exporters Association declined slightly because of the reduction in the export trade of teak. The decline in membership does not always signify the decline in influence of the association, however. For example, the membership of the Thai Tapioca Trade Association dropped from 68 in 1960 to 65 in 1972, but its influence remained strong in the market. Memberships of many other associations like the Sugar Dealers Association, the Thai Jute Mill Association and the Thai Life Assurance Association, stayed more or less the same throughout the years. The pattern of growth of memberships of selected number of trade associations is presented in Table 2.

TABLE 2
PATTERN OF MEMBERSHIP GROWTH OF TRADE ASSOCIATIONS
(Selected Number)*

Name	Number		Percentage Increase & Decrease
	First Available Year	Lastest Available Year	
Association of Thai Industries	(1967) 266	(1973) 483	81.6
Association of Thai Travel Agents	(1969) 32	(1973) 98	206.2
Bangkok Medicine Traders Association	(1968) 233	(1972) 494	112.0
Bangkok Shipowners & Agents Association	(1968) 32	(1973) 34	6.2
Coffee Traders Association	(1967) 144	(1972) 79	-45.1
Ice Dealers Association	(1967) 357	(1971) 169	-52.7
Leather Association	(1967) 62	(1972) 73	17.7
Photographic Dealers Association	(1970) 200	(1972) 222	11.1
Rice Traders Association	(1968) 42	(1973) 50	19.0
Sawmills Association	(1967) 51	(1973) 62	21.6
Sugar Dealers Association	(1969) 45	(1971) 45	-
Tanning Industry Association	(1967) 57	(1969) 60	5.3

(Continued on next page)

Thai Bankers Association	(1968) 15	(1973) 16	6.7
Thai Contractors Association	(1967) 74	(1972) 145	95.9
Thai Hardware Association	(1967) 108	(1970) 118	(9.2)
Thai Jute Association	(1967) 65	(1973) 84	(29.2)
Thai Lac Association	(1969) 19	(1972) 22	(15.8)
Thai Maize and Produce Traders Association	(1966) 96	(1972) 193	101.0

TABLE 2 (Continued)
PATTERN OF MEMBERSHIP GROWTH OF TRADE ASSOCIATIONS

<u>Name</u>	<u>Number</u>		<u>Percentage Increase & Decrease</u>
	<u>First Available Year</u>	<u>Lastest Available Year</u>	
Thai Marine Products Association	(1968) 12	(1971) 10	-16.7
Thai Sugar Manufacturing Association	(1971) 22	(1973) 25	13.6
Thai Tapioca Trade Association	(1960) 68	(1972) 65	-4.4
Thai Textile Manufacturing Association	(1967) 63	(1972) 96	52.4
Thai Timber Exporters Association	(1967) 45	(1971) 40	-11.1
Thai Tourist Industry Association	(1971) 28	(1973) 97	246.4
Wood Merchants Association	(1968) 166	(1971) 169	1.8

Note :* Data, or longitudinal data, are not available on the study of growth trends of membership of 52 other trade associations in Bangkok.

Sources : Trade associations reports; Department of Internal Trade, Ministry of Commerce.

If membership serves as any indicator of influence, obviously it is not due to the size as much as to the density. The associations with high membership density, despite the small number of members, may be able to monopolize more effectively their particular lines of business and trade. These associations can easily operate as syndicates. The Thai Tapioca Trade Association, for example, has on several occasions been charged with engaging in restrictive trade practices. Most trade associations with high membership density also happen to be found in the fields which are strategically important to the national economy, and their influence may be due to this fact.

3. Pattern of Office Tenancy. Interviews with 56 trade association leaders revealed that only 12.5 per cent of the trade associations own their office buildings, 42.9 rent the offices, and as many as 44.6 per cent were housed in the offices or other kinds of buildings lent to them. This high "organizational dependency" is further shown by the fact that a few more than half of the associations had the exclusive use of their office space; the rest had to share it with other parties, particularly business companies (26.8 per cent). A few of them depended on the generosity of government agencies (See Table 3).

TABLE 3
PATTERN OF TENANCY OF TRADE ASSOCIATIONS

1. Ownership of Office Building		<u>No. (%)</u>
A. Own		7 (12.5)
B. Rent		24 (42.9)
C. Lent		<u>25 (44.6)</u>
Total		<u>56 (100.0)</u>
2. Office Space Occupation		<u>No. (%)</u>
A. Used by association only		29 (51.8)
B. Shared with other Association		4 (7.1)
C. Shared with business company		15 (26.8)
D. Also used as home		2 (3.6)
E. Shared with government agency		5 (8.9)
F. Shared with a school		<u>1 (1.8)</u>
Total		<u>56 (100.0)</u>

Source : Interviews with trade association leaders, 1973.

No generalization can be made based on the pattern of tenancy that those associations which own office buildings are organizationally (or for that matter, financially) stronger than the ones which rent or are lent office buildings; there are other factors which need to be taken into consideration. For example, the Rice Bowl Manufacturing Trade Association owned a dilapidated building and nothing else. The Wood Merchants Association had a larger building of its own, but the association has been declining with its members unable (or unwilling) to pay membership dues. Many larger and financially strong associations like the Thai Textile Manufacturing Association, the Thai Maize and Produce Trader Association and the Thai Tapioca Trade Association rented offices in fashionable areas. The Thai Bankers Association rotated its office from one bank to the other from year to year. The same rotation system was used by the Thai Hotels Association. In such cases, the office buildings are lent to them.

For certain associations, organizational dependency has imposed some restrictions on their operation despite the fact that by sharing office space with other parties, especially business companies, they are able to rely on facilities made available to them. For reasons of prestige, independence, and saving on rent, most trade associations tried to have their own office buildings. The Thai Silk Association, for example, had often talked of its plan to move out of the premises of the Department of Industrial Promotion. The Association of Thai Industries when first established shared office space with the Thai Textile Manufacturing Association, then rented its office, and now has its own building.

4. Ownership of Facilities. Viewed in terms of the facilities they possess, most trade associations in Thailand are not well equipped. Although almost 90 per cent of them have telephones, more than half have to share its use with other parties, which reflects the nature of their organizational dependency linked with the pattern of their tenancy. Over 50 per cent have conference rooms, but only 14 per cent have libraries, some of which look more like casual reading rooms. With the exception of typewriters, only a small percentage of them own such office equipment as duplicating and mimeographing machines. Even though ownership of one form of vehicle may exclude that of the other, most trade associations either cannot afford to buy such a means of transport or are not in great need of it. Those associations which organizationally depend on the business firms or government agencies are able to obtain their assistance in the reproduction of documents and in transportation (See Table 4).

TABLE 4
PATTERN OF OWNERSHIP OF FACILITIES BY
TRADE ASSOCIATIONS

1. Possession of Telephones and Pattern of Use		No. (%)	
A. Used by the association only		24	(42.9)
B. Shared with other association		3	(3.3)
C. Shared with other business company		16	(38.6)
D. Owned by a government agency		5	(10.0)
E. Home telephone		1	(1.8)
F. School telephone		1	(1.8)
G. No telephone		6	(10.7)
	Total	56	(100.0)

2. Possession of Other Facilities		Yes	No	Other*
		(%)	(%)	(%)
A. Conference room		30 (53.6)	26 (46.4)	-
B. Library		8 (14.3)	48 (85.7)	-
C. Duplicating machine		13 (23.2)	27 (48.2)	16 (28.6)
D. Mimeographing machine		17 (30.4)	23 (41.1)	16 (28.5)
E. Typewriter		34 (60.7)	7 (12.5)	15 (26.8)

F. Motor car	1 (1.8)	44 (78.6)	11 (19.6)
G. Motorcycle	8 (14.3)	37 (66.1)	11 (19.6)
H. Bicycle	3 (5.4)	47 (83.9)	6 (10.7)

Note : *Mostly borrowing.

Source : Interviews with trade associations leaders, 1973.

5. Office Staff. In general, trade associations in Thailand employ a small number of staff—members to handle their work. The size of office personnel of even major and active associations like the Association of Thai Industries or the General Insurance Association is not larger than ten. Many associations hire a single manager or a secretary to man the office. Some rely almost entirely on the personnel of the business companies which allow them the use of office space.

Twenty-three of the 56 trade association leaders inter-viewed said their associations have office managers; but only seven said their associations hire assistant managers. Fourteen claimed their associations have full-time legal advisers. Eight associations, mostly Chinese-dominated ones, have full-time document translators. Other personnel employed by the trade associations may include an accountant, one or two financial officers, a receptionist, a clerk, a typist, a messenger, an office boy, a janitor, a gardener, and a driver. Some associations like the Thai Marine Products Association and the Thai Lac Association hire technical analysts to supervise the quality of products. Only the associations with high income and volume of work can afford to employ, or feel it necessary to maintain, a larger office staff.

Organizational Dimensions. To gain insight into various organizational dimensions of the trade associations in Thailand, 16 organizational characteristics, plus the age and annual income of the associations were factor-analyzed, using the orthogonal method of rotation.¹ It was found that the pattern of ownership of office building and the pattern of office space occupation, with factor loadings of 0.77 and 0.78 respectively, form the leading items on a single dimension. Only the possession of telephones, among all the facilities, shares this same dimension with the pattern of tenancy (with a factor loading of 0.55). The

¹These characteristics are : ownership of office building; office space occupation; possession of conference room; capacity of the conference room; possession of library, telephone, duplicating machine, mimeographing machine, typewriter, motorcycle; employment of manager, assistant manager, legal adviser, secretary, document translator, number of office personnel. The age and annual income of the trade associations are standardized into high, medium and low categories as other items.

moderately high factor loadings for the age and annual income of the trade associations (0.57 and 0.60 respectively) in the first dimension are difficult to explain. It is probable that the older the associations become, the more they tend to reduce their organizational dependency which however may depend on the financial position of the associations.

The possession of a conference room and the capacity of the room form the second dimension, with factor loadings of 0.87 and 0.82 respectively. The ownership of duplicating and mimeographing machine forms the third dimension (factor loadings = 0.65 and 0.82 respectively). The existence of an assistant manager and a legal adviser which forms the fourth dimension, with factor loadings of 0.15 and 0.60 respectively, may be linked to the ability of the associations to hire more staff, as they share the same dimension with the size of office personnel which has a moderately high loading on this factor of 0.53.

To measure the level of organizational complexity of the trade associations, an **Organizational Complexity Score (OCS)** is created and given to each association. The OCS is calculated by adding up all the 16 characteristics mentioned above. Using the OCS to classify the trade associations (taking into account the fact that associations with the same numerical scores may be coded differently on various items), it was found that 80 per cent of the 56 trade associations fall into the medium and low categories (See Table 5). This means that most trade associations in Thailand have rather low level of organizational complexity.

TABLE 5
TRADE ASSOCIATIONS' ORGANIZATIONAL COMPLEXITY
SCORES* (OCS)

OCS	Types of Association			Total (%)
	Mafc.	Serv.	Distr.	
Low (0-16)	7	5	6	18 (32.1)
Medium (17-32)	8	7	13	28 (50.0)
High (33-48)	<u>3</u>	<u>1</u>	<u>6</u>	<u>10</u> (17.9)
Total	<u>18</u>	<u>13</u>	<u>25</u>	<u>56</u> (100.0)
Min. OCS =	6			
Max. OCS =	46			

Note : *The scores are built from the rating of 16 items concerning the pattern of office tenancy, possession of various kinds of facilities, office equipment, transport, and the existence of certain staff as well as the size of the staff.

The OCS is found to be weakly correlated with the age of the associations, but highly correlated with the size of their annual income, as shown in Table 6. This may be due to the fact that a number of old associations have declined or remained stagnant. On the other hand, several new trade association,

especially those in the important or strategic fields and subfields of commerce and trade, tend to have a larger budget and thus can afford to purchase the equipment and hire the personnel needed for their operation.

TABLE 6
A. DISTRIBUTION OF TRADE ASSOCIATION BY AGE AND
LEVEL OF ORGANIZATIONAL COMPLEXITY

		OCSs			
		Low	Medium	High	
Age	Less than 1 to 7 years	11	16	3	30 (54.5%)
	8-20 years	6	6	5	17 (30.9)
	21 and over	-	6	2	8 (14.5)
	Total	<u>17</u> (30.9)	<u>28</u> (50.9)	<u>10</u> (18.2)	55 (100.0)

K's Tau B = 0.22, significance 0.04
Gamma = 0.36

B. DISTRIBUTION OF TRADE ASSOCIATION BY SIZE OF ANNUAL
INCOME AND LEVEL OF ORGANIZATIONAL COMPLEXITY

		OCSs			
		Low	Medium	High	
Annual Income	Low ¹	11	12	1	24 (53.3)
	Medium ²	-	8	2	10 (22.2)
	High ³	1	3	7	11 (24.4)
	Total	<u>12</u> (26.7)	<u>23</u> (51.1)	<u>10</u> (22.2)	45* (100.0)

K's Tau B = 0.55, significance 0.00
Gamma = 0.81.

Notes : 1 = 0-99,000 Baht
2 = 100,000 - 299,000 baht
3 = 300,000 - Over

*Data on annual income are available for only 45 associations.

To summarize, trade associations are organized along a similar pattern under the official guideline. Many of them are organizationally dependent, not well equipped or staffed. The low organizational complexity of most trade associations may be due to the small volume of work, or low income of the associations. This

situation may have a significant impact on the associational operation. In fact, the **Organizational weakness of trade associations** has often been cited as a major cause of their ineffectiveness and inefficiency. It is in trying to strengthen their organizational structure that the government has come to patronize several of them.

Trade Association Leadership

The organizers, an executive committee and a president form the leadership structure of trade associations. Some information is available on the ethnic, educational and social backgrounds of the organizers and presidents, but little is known about the executive committee members. However, memberships in the three leadership groups overlap to a great extent. The organizers after the establishment of the association usually become members of its executive committee and some even become its presidents. The presidents are elected from the executive committees whose prominent members take turn in becoming association heads. As such, the information on the social backgrounds of the organizers and presidents can be used for gaining an understanding of the backgrounds of the executive committee members.

1. **The Organizers.** They are officially called "promoters." The Trade Association Act of 1966 stipulates that a promoter of a trade association has to be a person of "good status and conduct." (Section 10.) In filing an application for the registration of a trade association, each of its organizers—three being the minimum number—must produce evidence such as land title deeds or financial statements from the banks to prove that he or she is a person of substantial means. In case of poor associations, the Registrar may make some allowance for the financial standing of the organizers, otherwise some of them which exist at present would never have been formed. For example, an organizer of one association told the authorities that he had little money but was a former mayor of a large provincial town in the Northeast. This was accepted as adequate evidence of his good social standing. In recent years, ownership of motor cars, houses, or businesses have been accepted in lieu of land title deeds. For the organizers who are foreigners and who, as a result, could not own lands, financial statements from the banks are usually acceptable.

Trade association organizers must be investigated by police and clear of any criminal and other subversive records. An organizer of an export-oriented trade association was found to have been once tried as an alleged communist; but since he was acquitted by the court, he was considered "cleared." Police investigation cannot be considered routine; sometimes it can be quite discouraging to many organizers. In one case, it was found that an organizer of a financial association had been put under surveillance by the Ministry of Finance because of his shady dealings. After long delay and much argument, he had to solicit the intervention of two well-known bankers.

Ethnically the organizers of trade associations are predominantly Thais of Chinese ancestry, or Chinese. From biographical data obtained from the government files, about 64 per cent of the 228 organizers of 76 urban trade associations registered since 1966 are Thais; 19 per cent naturalized Thais; 14 per cent Chinese, and only three per cent Europeans. Many of the Thai organizers have Chinese fathers or mothers, while naturalized Thai organizers were mostly native born Chinese.

The organizers of trade associations in Thailand have relatively low education, with 69 per cent of them having a highschool education or lower. Thai organizers as compared with other groups (except the Europeans) have received higher education, as indicated by the larger number of them with college or higher university degrees. The Chinese are poorly educated, with over 46 per cent of them having no formal schooling or only elementary education. The same is the case of those who became naturalized Thais. The Thai organizers also constitute a large group of those who have gone to the United States or Europe for formal university study. (See Table 7)

TABLE 7
A. DISTRIBUTION OF TRADE ASSOCIATION ORGANIZERS BY
NATIONALITY AND EDUCATIONAL LEVEL

Nationality	Educational Level				%
	No School- ing & ele- mentary	High School	College & B.A.	M.A. & Higher	
Thai	16	66	47	8	137 (63.7)
Naturalized Thai	15	21	5	-	41 (19.1)
Chinese & Other Asians	14	15	1	-	30 (14.0)
Europeans, US & Australians	-	2	5	-	7 (3.3)
Total	<u>45</u> (20.9)	<u>104</u> (48.4)	<u>58</u> (27.0)	<u>8</u> (3.7)	215 (100.0)

Cramer's V = 0.261

**B. DISTRIBUTION OF TRADE ASSOCIATION ORGANIZERS BY
NATIONALITY AND COUNTRY OF STUDY**

	Country of Study			
	Thailand	China, HK& Asian	US & Europe	
Nationality				
Thai	87	13	32	132 (67.7)
Naturalized Thai	11	21	-	32 (16.4)
Chinese & Other Asians	7	17	-	24 (12.3)
Europeans, US& Australians	-	-	7	7 (3.6)
Total	<u>105</u> (53.8)	<u>51</u> (26.2)	<u>39</u> (20.0)	195 (100.0)

Cramer's $V = 0.505$

Source : Department of Internal Trade, Ministry of Commerce.

Many of the organizers are good joiners. Data on their memberships in other organizations however are available for only half of the 228 organizers under study. It was not possible to verify whether the failure to indicate other associational affiliations means they in fact belonged to no other organizations, or simply neglected to mention them. In any case, of 106 organizers who reported associational affiliations (not necessarily with other trade associations), more than 38 per cent belonged to three or more associations, with about 10 per cent holding memberships in five to nine associations. (See Table 8). This indeed is a rather high level of business "cumulative inter-associability" in the business elite.

**TABLE 8
DISTRIBUTION OF NUMBER AND PERCENTAGE OF TRADE
ASSOCIATION ORGANIZERS BY THEIR AFFILIATIONS
WITH OTHER ASSOCIATIONS**

Number of Membership	No (%)
1	42 (39.6)
2	23 (21.7)
3	22 (20.8)
4	8 (7.5)
5-9	<u>11</u> (10.4)
Total	<u>106</u> (100.0)

Source : Files, Department of Internal Trade, Ministry of Commerce

The organizers of trade associations are not necessarily persons of high social prestige or business leadership. However, in many cases, the personal prestige and influence of the organizers may be very helpful in bringing merchants and businessmen together. Organizers of good social standing can also help facilitate

the registration of trade associations when the applications are delayed by the authorities. For example, it is probable that the registration of the Thai Transporter Association would not have been possible had it not been because one of its organizers was a powerful Army General who headed the government-owned Express Transport Organization (ETO). The registration of the Thai Sugar Manufacturing Association which was first considered to overlap with the Thai Sugar Producers Association from which it had broken away, might have been impossible had it not been for one organizer who owned a sugar mill in which the wife of the deputy Prime Minister was a major shareholder.

2. The Presidents. The president of a trade association is the chairman of its board of directors or executive committee and represents the association in its outside contacts. In most cases he is elected along with other board directors who choose among themselves to fill the positions on the board, including that of chairman. In a few others, the person who receives the highest votes becomes the president. In one or two associations, two separate ballots are provided, one for the election of the board, and the other for that of the president.

The presidential election, like that of the executive committee's, usually takes place with little or no competition. There are several reasons which account for the relative lack of competitiveness. One may be that the incumbent president is a prominent man who is recognized by all as the most qualified. For example, the Rice Traders Association has been led for more than 20 years by a Sino-Thai who has been highly respected by the Chinese community and has had close connections with a number of Thai bureaucratic leaders. He has also been president of nine other associations. The election of the first president of the Association of Thai Industries was uncontested when its members found a leader in the person of a former prime minister who entered business full-time after his retirement from government service. Upon his resignation from the presidency because of poor health, he was succeeded by another former Cabinet member--a retired Army general turned businessman--who at the same time headed the Thai Textile Manufacturing Association.

Another opposite but plausible explanation for the lack of competition may be the unattractiveness of the position itself. The job sometimes can be very demanding, and there are no financial or other rewards apart from prestige. The burdens, both financial and administrative, may also prevent the president from devoting his time to his own private business. Even a prestigious association like the Thai Bankers Association has difficulty finding capable men who are willing to serve. For less prestigious, little known, or declining associations, it is doubly hard to persuade any person to take the job. As one trade association president put it: "The job is very difficult, no one wants it."

The low degree of competitiveness in presidential elections may also reflect the efforts of members to avoid conflicts which might paralyze the operation

of the association. "Group-breaking" is always present as a potential threat, and rivalry for the position can make it real. The president of such an association often is the man who can compromise conflicting factions and help keep the association going. But continued existence of conflicts may also discourage qualified persons from taking the job of the president.

Because of the lack of competition, the same board of directors led by the same president may continue in power for several consecutive terms. Elections in such cases are perfunctory, held only in order to comply with the regulations and the law. However, in a number of associations, the presidency is taken more seriously. In order to prevent the monopoly of the presidency by a particular person, certain associations forbid the president from serving more than two consecutive terms. In one distributive trade association the regulations were amended to allow a person to become the president for only one year. The presidency of the Thai Life Assurance Association rotates annually among its eight or nine member companies.

The presidents of the trade associations are predominantly male. Probably only six associations have ever had female presidents. From the interview sample of 56 trade association leaders, the mean age of 36 presidents is 51.2 years, which is a little older than other non-president leaders interviewed who are in the middle or late 40s.

The proportion of the presidents who are Thais (including naturalized Thais) is much higher than that found in the executive committees, the organizers and association members. In fact, the degree of "Thainess" increases vertically from members to the presidents, as shown in Table 9. Thai presidents can help facilitate the association's contacts with outsiders, but more importantly, they serve to play down the alien character of many trade associations, especially in their dealings with government agencies and officials. For European-dominated associations, it is especially expedient to have Thai presidents to represent them in their contacts with the authorities. The Thai Hotels Association used to have Europeans as presidents but they kept a low profile. The Thai Tapioca Trade Association at one time was led by a Singaporean Chinese who later became Singapore's Ambassador to Thailand. In any case, since the president shares the decision-making power with other board directors, non-Thai members could ensure the protection of their interests by their presence on the board.

TABLE 9
PERCENTAGE DISTRIBUTION OF NATIONALITY OF MEMBERS,
PROMOTERS, EXECUTIVE COMMITTEE MEMBERS, AND
PRESIDENTS OF THE TRADE ASSOCIATIONS

Category	Nationality					Total
	Thai	Chinese	Other Asians	Europeans	ND	
Members ¹	62.6	33.4	1.8	2.2	-	100.0
				N = 4,342		

Promoters ²	79.8	14.0*	(..)	3.1	3.1	100.0
				N = 228		
Exec. Com. ³	74.6	20.0	2.5	2.9	-	100.0
				N = 942		
Presidents ⁴	87.0	13.0	-	-	-	100.0
				N = 77		

Notes : *Including few other Asians

1. Calculated from 45 trade associations (latest available year)
2. Calculated from 76 trade associations.
3. Calculated from 76 trade associations.
4. Calculated from 60 trade associations (latest ones available)

Source : Department of Internal Trade, Ministry of Commerce

In order to discover the type of person who is likely to be chosen as president, a list of qualifications was compiled. The sampled trade association leaders were asked to rate the importance of each. The results obtained are presented in Table 10.

TABLE 10
RATINGS OF THE QUALIFICATIONS OF POTENTIAL ASSOCIATION
PRESIDENTS BY TRADE ASSOCIATION LEADERS*

Qualification	Percentage		
	Little or Unimportant	Fairly Important	Very Important
1. Business reputation	-	3.6	96.4
2. Social reputation	1.8	10.7	87.5
3. Ability to mediate disputes between members	-	28.6	71.4
4. Business pioneer	1.8	39.3	58.9
5. Good financial standing	-	28.6	71.4
6. Ability to help subordinates	-	26.8	73.2
7. Having good relations with government agencies or officials	1.8	55.4	42.9
8. Having high education	-	51.8	48.2
9. Having great experience	1.8	14.3	83.7
	Total N = 56		
	Total % = 100.0		

Note : *Question : "How do you rate the importance of each of the following qualifications which a person who will be the president of your association should possess?"

This indirect way of probing into the need for particular type of leadership of various trade associations does not result in great variation in the patterns of responses. Most respondents tended to consider each qualification as fairly or highly important. Nevertheless, marked differences exist between selected pairs of qualifications. For example, the respondents gave more importance to business than to social reputation. Working experience was considered more important than high formal education. But a surprising discovery was that the respondents did not perceive the potential president's good relations with government agencies or officials as highly important as might be expected. In fact, of all the qualifications listed, the proportion of those who rated this qualification as "very important" was quite low. One respondent even dismissed it as unimportant. Another interviewee put it this way :

We can't attach too much importance to this qualification in the person who will be the president of our association. If he is gone, our association will suffer.

Overall, the presidents of trade associations have relatively low education, with about 43 per cent having studied beyond high school, and nearly 15 per cent having no formal or only elementary school education. Thai presidents are more highly educated than naturalized Thai and Chinese presidents. (See Table 11, A). About 54 per cent of the presidents who have formal education studied in Thailand; those who have gone to Europe and America for higher education are exclusively Thai. (Table 11, B). These differences in the educational levels of Thai and Chinese presidents repeat the same pattern found in the case of association organizers.

TABLE 11
A. DISTRIBUTION OF ASSOCIATION PRESIDENTS, BY
NATIONALITY AND LEVEL OF EDUCATION

Nationality	Educational Level			Total
	No Schooling, Elementary	High School, Equivalent	College, Higher	
Thai	3	19	29	51 (68.0)
Nationalized				
Thai	3	9	3	15 (20.0)
Chinese	5	4	-	9 (12.0)
Total	<u>11</u> (14.7)	<u>32</u> (42.7)	<u>32</u> (42.7)	75 (100.0)

Cramer's $V = 0.389$

B. DISTRIBUTION OF ASSOCIATION PRESIDENTS, BY NATIONALITY
AND COUNTRY OF STUDY

	Country of Study			Total
	Thailand	China, HK, Other Asian	US, Europe	
Thai	32	6	12	50 (73.5)
Nationalized Thai	5	8	—	13 (19.1)
Chinese	—	5	—	5 (7.4)
Total	<u>37</u> (54.4)	<u>19</u> (27.9)	<u>12</u> (17.6)	68 (100.0)

Cramer's $V = 0.450$

Source : Department of Internal Trade, Ministry of Commerce.

Another important finding is that of 77 persons who have served at one time or another as presidents, 69 or nearly 90 per cent were among the organizers of their own associations. The presidents because of the respect they receive from their fellow businessmen or because of the kind of resources they command, are in a better position to organize the associations. The presidents are also good joiners, since many of them have held memberships in one or more other associations. One president leads the field with memberships in nine associations.

Presidents as Patrons of Associations. Presidential patronage is characteristic of most associations in Thailand, particularly social and sport clubs. Since there are no membership restrictions, it is easy for these associations to invite well-known or influential politicians and bureaucrats or social and business leaders to be their presidents. Although trade associations can invite influential and prestigious persons to be their "honorary members," "advisers," or "patrons," they must select their presidents from among ordinary members who are business entrepreneurs. But to what extent does the ability to assume the role of patron influence the selection of the president of a trade association? To seek the answer to this question on the presidential patronage, the sample of trade association leaders were asked a set of questions concerning the nature and form of help that the presidents of their respective associations have given to the associations directly, and to individual association members as such.

The results, presented in Table 12, reveal that the presidents of trade associations have acted as patrons to the associations in several ways. Financial aid to the associations has been a prominent form, followed by the permission to use business firms as the association offices. Other forms of help include the loan

of personnel and equipment. Presidential patronage to individual association members is found to be less, mostly in the form of personal advice and business assistance.

TABLE 12
NATURE OF PRESIDENTIAL PATRONAGE AS REPORTED
BY TRADE ASSOCIATION LEADERS

	Percentage		
	Yes	No	Other & N.A.
1. Financial contribution	51.8	48.2	-
2. Loans for operations	7.1	91.1	1.8
3. Permission to use business firms as association office	41.1	58.9	-
4. Permission to use home as association office	-	100.0	-
5. Loan of personnel	16.1	82.1	1.8
6. Loan of equipment	17.9	80.4	1.8
Total N = 56			
Total % = 100.1			
B. Patronage to Association Members.			
1. Business loans	1.8	98.2	-
2. Other financial assistance	5.4	91.1	3.5
3. Business assistance	39.8	60.7	-
4. Personal advice	62.5	35.7	1.8
5. Other kind of personal assistance	16.1	82.1	1.8
Total N = 56			
Total % = 100.0			

To conclude, trade association leaders are predominantly Thai of Chinese ancestry or Chinese, who are rather poorly educated. Because of their low education, these men lack the organizational and other skills needed for the efficient operation of their associations. More importantly, such ethnic and educational backgrounds would tend to set them apart from the bureaucratic leaders who are mainly Thais with university education. This "cultural gap" may be a major barrier to positive interactions or accommodation between the two elite groups. However, as more educated Thais have become leaders of the trade associations, and as the new generation of associational leadership has become more educated and assimilated with the Thai society, it may help to some extent in closing the gap between the associational leaders and the bureaucrats, although this point, again, has to be empirically proved.

Financial Resources

Financial weakness of Thai associations has often been mentioned as one of the factors which have restricted the growth of a vigorous associational life in Thailand. Many years ago, Riggs argued that this weakness was attributable to the small population and the underdeveloped economy of the country.¹ As a result, he said the associations had to depend on the support of government agencies and individual political and bureaucratic leaders who acted as their patrons. Riggs also stated that because of the relative prosperity of the alien-dominated commercial community in Thailand, merchants and businessmen were probably more able to make financial contributions to both their ethnically exclusive and Thai associations. But the present study has revealed that even trade associations have faced similar financial problems, more or less serious. With some exceptions, most trade associations have a relatively low income which is derived from only a few major sources. Several face declining revenues. Not a small number of them find it difficult to raise enough money to finance their operations, to expand and improve their services to members. Table 13 presents the comparative sizes of annual income of 57 trade associations. More than 75 per cent of them are found in the two lowest income brackets, i.e., those under 200,000 baht (US\$ 10,000) per annum. Only seven associations or about 12 per cent have an annual income of from 500,000 baht (US\$ 25,000) upward. No significant difference seems to exist in the income sizes of the three major functional types of associations.

TABLE 13
SIZES OF ANNUAL INCOME OF TRADE ASSOCIATIONS
(latest year available)

Amount (Thousand baht)	Functional type			Total (%)
	Mafc.	Serv.	Distr.	
0-99.9	11	6	13	30 (52.6)
100-199.9	4	1	8	13 (22.8)
200-299.9	-	2	1	3 (5.3)
300-399.9	1	-	1	2 (3.5)
400-499.9	2	-	-	2 (3.5)
500-599.9	-	-	1	1 (1.7)
600-699.9	-	-	-	-
700-799.9	1	1	1	3 (5.3)

¹Fred W. Riggs, "Interest and Clientele Groups," in Joseph L. Sutton (ed.), *Problems of Politics and Administration in Thailand* (Bloomington, Indiana: Indiana University Press, 1962), pp. 164-95.

800-899.9	-	-	-	-
900-999.9	-	-	-	-
1,000 and over	-	1	2	3 (5.3)
Total	<u>19</u>	<u>11</u>	<u>27</u>	<u>57</u> (100.0)

Sources : Annual reports of trade associations.

There is a wide range of fees and dues charged by trade associations, but overall, the rates are rather low (See Table 14). The associations whose members are engaged in important manufacturing, export and service enterprises tend to, and are able to, charge higher fees. Some of these associations are : The Association of Thai Industries, the Pharmaceutical Manufacturing Association, the Thai Garments Manufacturers Association, the Thai Textile Manufacturing Association, the Rice Traders Association, the Thai Tapioca Trade Association, the Thai Bankers Association, the Bangkok Shipowners and Agents Association, and the General Insurance Association. Several of these associations are heavily dominated by alien entrepreneurs.

TABLE 14
A. NUMBER AND PERCENTAGE DISTRIBUTION OF TRADE ASSOCIATIONS
BY THE AMOUNT OF APPLICATION FEES COLLECTED

	Amount (Baht)*	No. (%)
Group I	5-60	11 (17.8)
Group II	100-500	23 (37.1)
Group III	1,000-6,000	25 (40.3)
Group IV	10,000	<u>3</u> (4.8)
Total		<u>62</u> (100.0)

B. NUMBER AND PERCENTAGE DISTRIBUTION OF TRADE ASSOCIATIONS BY
THE AMOUNT OF MEMBERSHIP DUES COLLECTED (Ordinary members only)

	Amount (Baht)* per annum	No. (%)
Group I	120-300	23
	360-600	<u>14</u>
	Total	<u>37</u> (52.1)
Group II	1,000-2,000	16
	2,400-3,600	<u>10</u>
	Total	<u>26</u> (36.6)
Group III	6,000	2
	12,000	4
	13,000	1
	18,000	<u>1</u>
	Total	<u>8</u> (11.3)
Grand Total		<u>71</u> (100.0)

Note : * 20 baht = 1 US Dollar

Source : Trade Associations.

Some trade associations the membership of which is compulsory because they deal in the export of standard commodities, use their privileged position to charge high application fees and membership dues. Such associations are, for example, the Thai Maize and Produce Traders Association, the Thai Tapioca Trade Association, and the Thai Jute Association. These associations have been accused of raising the fee rates in order to monopolize the trade by preventing new companies from joining. But they have denied this accusation and defended their high fee rates on the grounds that they wanted to protect the export trade of standard products from being damaged by financially unsound companies. In any case, with high income derived from membership fees and dues and other special assessments, these associations are able to stay solvent.

The majority of trade associations can charge only low fees and dues. Since membership fees and dues constitute the most important source of income for them, this means low revenues. The associations sometimes have to depend on personal contributions from their executive committee members and other rich members. Income from other sources is insignificant. (See Table 15)

A number of trade association leaders interviewed openly admitted that fees collected from members were not sufficient to finance the operation of their associations. Several interviewees, however, were reluctant to admit this, and most were unwilling to discuss the financial situation of their associations with outsiders. The nature of financial problems faced by the trade associations can be gleaned from the annual reports of associations.

Several associations complained that the insufficiency of revenues collected from membership fees had restricted their ability to improve services for members. The Fruit Exporters Association went bankrupt and was finally dissolved because its few members refused to pay their dues. The Cosmetics Manufacturers and Dealers Association was afraid to raise the amount of fees for fear it might lose its few remaining members. The Rice Bowl Manufacturing Trade Association, probably the poorest of all trade associations, decided to lower the monthly fee from 15 baht (about US\$ 0.75) to 5 baht (about US\$ 0.25). Similarly, the Wood Merchants Association lowered membership dues from 60 baht to 30 baht a month. An important export association complained in one of its reports that nearly half of its members had failed to pay their dues. Even a larger association like the Rice Traders Association with an annual budget of more than one million baht had to remind its members from time to time about the "tight" budget of the association. The Thai Maize and Produce Traders Association, another association with a large budget, threatened to punish the members who failed to pay their dues by not issuing them the certificates needed for the export of standard products. The Thai Silk Association demanded that its members pay their dues in cash after several checks it had received as payments were not honored by the banks!

More examples can be cited which reveal the uneasy financial situations many trade associations find themselves in. From the government's position, this financial weakness of the associations has affected their capacity to assist the government in implementing its programs.

TABLE
INCOME AND EXPENDITURE OF TRADE

Sources of Income	As % of total annual revenue			
	Total Number	0-0.9	1-9.9	10-19.9
1. Regular membership dues or fees	44	-	2	3
2. Special subscriptions, assessments or contributions, etc.	24	-	3	-
3. Meetings, conventions, shows, exhibits, parties	7	1	3	2
4. Sale of supplies or materials	6	2	1	1
5. Subscriptions, sale of publications or advertising space	-	-	-	-
6. Educational or training programs	2	2	-	-
7. Service charges	1	1	-	-
8. Interest or income from investment	15	1	10	1
9. Other income	11	5	6	-
Expenditure	As % of total annual expenditure			
1. Total salaries	40	-	2	3
2. Audit, legal and professional fees	26	1	17	6
3. Rent utilities, maintenance and repairs	27	3	12	6
4. Travelling expenses	26	3	19	4
5. Meeting expenses (including meals & refreshments)	15	-	10	2
6. Office supplies and expenses, publications, forms	38	8	24	4
7. Telephone and telegraph expenses	26	6	18	1
8. Postage	18	7	11	-
9. Insurance and taxes	27	14	12	1
10. Dues and contributions (including to charities)	25	3	12	4
11. Publications and subscriptions to magazines & newspapers	19	8	11	-
12. Depreciation on furniture, equipment, building	16	2	14	-
13. Cost of furniture, fixtures, equipment, vehicles.	6	-	4	-
14. Research, special projects, training, etc.	4	-	2	1
15. Advertising programs	13	-	2	9
16. Benefit programs (including welfare)	8	-	8	-
17. Entertainments, receptions, gifts	27	3	16	4
18. Other expenses	40	7	22	6

Sources : Trade Associations.

15
ASSOCIATIONS IN THAILAND, 1971

20-29.9	30-39.9	40-49.9	50-59.9	60-69.9	70-79.9	80-89.9	90-100.0
3	5	4	1	5	3	2	15
4	2	2	3	2	4	3	1
-	-	-	1	-	-	-	-
1	-	-	-	-	-	-	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	2	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6	8	5	8	2	3	3	-
1	1	-	1	-	-	-	-
2	3	3	-	-	-	-	-
-	-	-	-	-	-	-	-
2	-	1	-	-	-	-	-
2	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
5	-	-	-	-	-	1	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	1	-	-	-	-	-	-
1	-	-	-	-	-	-	-
1	1	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2	-	-	1	-	1	-	-
2	1	1	1	-	-	-	-

On the expenditure side, most trade associations spend large portions of their revenues on salaries of their personnel, on audit, legal and professional fees, on rent, utilities, maintenance and repairs. Contribution to charities also constitutes another major spending item for many associations. In 1972, the Thai Bankers Association spent more than 80 per cent of its annual income on several charitable projects. The expenditures on charities are aimed at seeking publicity, i.e., as a way to win both public acceptance and recognition from influential government leaders who are involved in such projects. Another interesting category is the expenditure on entertainments, receptions and gifts. When a trade association pays visits to important individuals in the government on various social occasions, gifts are indispensable. The percentage breakdowns of the expenditures of trade associations are presented in Table 15.

In brief, the majority of trade associations are financially weak because they have small memberships. Most members are also poor and thus unable (or unwilling) to pay high fees and dues. This has restricted their ability to provide necessary services to members, and to "cooperate" with the government. Since most of the revenues are spent on non-service items, little income is left for spending on the improvement of services which can induce members to stay and attract potential ones to join. For this reason, trade associations have to depend on contributions from richer members and leaders, as well as on other kinds of help given by association presidents or the government agencies to defray the cost. Even larger associations sometimes face financial problems. Attempts by trade associations to obtain extra revenues from other sources of income in addition to membership fees and dues are not always successful. No doubt, this financial weakness will affect their ability to exert influence.

Services to Members

Trade associations provide many kinds of services to their members. Each trade association however tends to emphasize certain kinds of services which it is best able to provide or which it considers most needed by its members. This accounts for the great variations in the "amount" of services provided for each category as shown in Table 16. The table also reveals that few trade associations provide "great" amounts of services to their members. Many associations provide little or no service at all, probably because they have just been established or have been inoperative most of the time.

Measured by their Service Score (SS), created by adding up their scores on each of the 18 categories of service in Table 16, the majority of trade associations fall into the medium-and-low service levels. Even the few associations at the high service level do not provide a great number of services to their members (See Table 17)

More importantly, the size of annual income of trade associations is found to be only moderately correlated with their Service Score, as shown in Table 18. This may be due to the fact mentioned earlier, that larger portions of income are spent on non-service expenditure.

TABLE 16
TRADE ASSOCIATIONS' SERVICES TO MEMBERS
Distribution of Association by
Amount provided

Type of Service	Distribution of Association by Amount provided				
	Great	Moderate	Little	None	N.A.
1. Distribution of trade statistics & information	6	21	17	12	-
2. Publication of reports on market movements and commodity prices	8	22	17	9	-
3. Publication of important trade reports	8	19	18	11	-
4. Translation of important trade documents	5	16	21	14	-
5. Publication of newsletters and bulletins	9	27	12	8	
6. Trade counselling services	6	33	10	7	
7. Legal counselling services	3	17	25	10	1
8. Tax payment counselling & assistance	2	15	26	22	1
9. Trade research services	3	12	21	19	-
10. Arrangement of seminars and technical meetings	6	20	18	12	-
11. Settlements of disputes between association members	4	26	15	11	-
12. Settlements of disputes between association members and outsiders	3	24	16	13	-
13. Representing members in contacts with the government	5	33	11	7	-
14. Representing members in contacts with other institutions	4	29	15	8	-
15. Arranging product displays	-	16	14	26	-
16. Insurance services	-	1	6	49	-
17. Library services	-	4	9	42	1
18. Recreation and entertainment	-	33	15	8	-

Total N = 56

TABLE 17
SERVICE SCORES (SS)

Scores	No. of Trade Associations (%)
Low Service (0-18)	18 (32.0)
Medium (19-36)	32 (57.2)
High (37-54)	6 (10.8)
Total	<u>56</u> (100.0)
Min. scores = 0	
Max. scores = 42	

TABLE 18
DISTRIBUTION OF TRADE ASSOCIATIONS BY THEIR SIZES
OF ANNUAL INCOME AND SCORES (SS)

	Service Scores (SS)				
		Low	Medium	High	
Annual Income	<u>Low¹</u>	2	18	4	24 (53.3)
	<u>Medium²</u>	1	6	3	10 (22.2)
	<u>High³</u>	1	2	8	11 (24.4)
Total		<u>4</u>	<u>26</u>	<u>15</u>	45 (8.9) (57.8) (33.3) (100.0)

K's Tau B = 0.348

Gamma = .527

Note : 1 = 0-99,000 Baht;

2 = 100,000-299,000 Baht

3 = 300,000 Baht and over

The emphasis which the trade associations give to different kinds of services depends on the particular character of individual associations. For instance, several old Chinese trade associations whose members are poor proprietors of businesses emphasize welfare services, mutual aids and other particularistic assistance. Welfare services and mutual aids are provided on such occasions as weddings and funerals. Financial help is extended to members who are hospitalized, those whose shops are destroyed by fire, who are ordered by landlords to evacuate, or who get into trouble with the law. Since most of these Chinese merchants are also poorly educated, the associations would help them on legal and other complicated matters as well, for example, in the payment of an assortment of taxes and fees to various government agencies, commercial registration, renewal of old permits and securing of new ones, etc. The Bangkok Chinese Importers & Exporters Association, the Chinese Construction Association, the Jewellers Association, and the Egg Trades

Association are among the trade associations which have continued to emphasize provision of such particularistic services to their members. The Photographic Dealers Association, though newly formed, even declared welfare to be the service receiving top priority.¹ The Chalermloke Market Dealers Association had a central fund to help defray legal expenses of its members who may get involved in litigation with the owner of the market place.

In contrast to these Chinese associations, a number of relatively more "specific" and sophisticated associations tend to emphasize "categorical" as against "particularistic" services. Members of this kind of trade associations are mainly large business firms capable of taking care of their own problems, but they come together because there are certain problems which they cannot independently solve. Most of the European-dominated associations such as the Association of British Mines, the Bangkok Shipowners and Agents Association, the Thai Pharmaceutical Manufacturers Association, the Thai Hotels Association, are in this category. The Thai trade associations, meanwhile, tend to combine both particularistic and categorical services, although the Association of Thai Industries, the Thai Bankers Association, and the Thai Mining Association attach greater importance to the latter type of services. Several of the modern Chinese-dominated associations, for instance, the Thai Maize and Produce Traders Association or the Thai Jute Association, also stress categorical services.

The kinds of services provided by trade associations also reflect the level of development of Thai commerce and industry, and sometimes particular situations found at certain periods of time. For example, technical research is undertaken by only a few trade associations, such as the Thai Lac Association. Other services provided by trade associations in the more commercially and industrially developed countries such as standardization and simplification, cost accounting, traffic and transportation, have never been provided. Several associations, for instance, the Association of Thai Industries and the General Insurance Association, have started to add technical training to their lists of services. Employers-employees relations were taken up as another activity by some major associations only in recent times when rashes of strikes by workers had affected a number of services and industries. The Association of Thai Industries together with the Board of Trade of Thailand have even assumed the role of unofficial employers' associations.

Another interesting reason for the low level of service has to do with reduced demand since members of certain associations have found other ways to solve their problems. The Coffee Traders Association, for example, explained to the Registrar that the association has become less active because :

Children of association members have received better education. Through them the members can take care of the

¹Photographic Dealers Association, 1970 *Annual Report*. n.p.

matters which require their contacts with the government. They no longer need to depend on the association. For this reason, the association has fewer activities.¹

The Sugar Dealers Association offered another explanation for its lack of activities :

Member of the association have had no problem in their business operations. Thus no one has asked the association to help.²

These and similar reasons help explain why the old Chinese trade associations have declined.

The feeling that trade associations offer no worthwhile services to members has the effect of discouraging many merchants and businessmen from joining existing trade associations. For the old Chinese trade associations, when welfare and other particularistic services have ceased to operate as important "selective incentives," members either left the associations or no longer gave sufficient support to them. Even trade associations which emphasize categorical interests have to try providing selective services to their members to ensure their continued support. Thus the Thai Motion Picture Producers Association which has long been in an inactive condition tried to purchase movie films at discount rates for its members. The Rice Traders Association responded to its members' complaint of the shortage of gunny bags by negotiating with the jute mills to obtain a sufficient supply for them. The Thai Mining Association asked the government to provide special allocation of fuel oil to its members. The Thai Contractors' Association similarly worked to help its members in the procurement of construction materials at discount prices.

For the trade associations which deal in standard commodities in which membership is compulsory, the privileges given the members by the government cannot be regarded as selective incentives as such. Without this legal coercion, many members are likely to have chosen to stay out.

The need to join trade associations is still not great among businessmen and merchants in Thailand; and the existing trade associations, with the exception of a few, have failed to provide sufficient selective incentives to attract potential members. The factors which account for the lack of activities of many trade associations are several, and their financial weakness is just one of them.

¹Coffee Traders Association, *Report of the Annual General Meeting, 1972*, p. 1

²Sugar Dealers Association, *Report of the 2nd Annual Meeting 1969*, p. 1

Conclusion

Although the low level of organizational complexity may not be considered automatically evidence of organizational weakness, for many trade associations it seems to indicate that. A large number of them are not in a financial situation to afford to have their own office buildings or pay high rent, to hire a large office staff, to purchase necessary equipment, and to provide the kinds of services which require large expenditures. For this reason, their operations have to depend on the assistance provided by rich members and leaders. Some association presidents may be in a position to provide aid to their associations, but personal leadership alone cannot contribute to vigorous and efficient operation of associations which are handicapped by several other factors. The ethnic background and poor education of many trade association leaders make it rather difficult for them to establish trustful rapport with highly educated Thai bureaucrats. Organizational and financial weaknesses reduce the capacity of the associations to "cooperate" with the government. The lack of activities have had the effects of discouraging potential members to join. All these factors may explain why trade associations in Thailand have developed at a slow rate, why many of them which have come into existence are inactive with several consistently faced with the prospect of disintegration. As a result, the ability of the trade associations to make claims on government institutions is restricted; hence their difficulty to make their influence felt, and to have their role fully recognized by the state.