

## CHAPTER 6

### ANALYSIS OF THE FINDINGS

#### 6.1 The Scope of the Chapter

In chapter 2, we discussed the history of English teaching in Thailand starting from the reign of King Mongkut, Rama the 4<sup>th</sup>, in the mid 19<sup>th</sup> century. In that chapter I tried to relate the emergence of English teaching institutions, both private and public, to the opening up of the country to international trade and investment flows. It was shown that both King Mongkut, and his successor, King Chulalongkorn saw the creation of a base of English knowledge in the Kingdom, as an utmost strategic necessity in tackling the foreign challenge.

In the 1980s Thailand has gone through a similar process of opening up to international trade and finance. Similarly, it has changed from being a controlled, semi closed economy to an economy where foreigners are relatively free to invest and operate and where goods can be imported with relatively few hindrances. In both cases the change took place as the country was confronted with the challenge of a powerful and fast expanding global trade system and as its leaders decided to join the system rather than be excluded from it or, even worse, being forced to join at disadvantageous conditions.

But whereas the first opening up to the West has created English teaching in the Kingdom from scratch, the second wave has occurred at a time when there exists in Thailand an extensive government educational system in which English is an important topic. The questions that this chapter raises will mainly revolve around

the relationship between this second wave of "opening to the West" and the development of English teaching in Thailand.

The chapter will be composed of two parts. The first, composed of sections 2-4, will be concerned with broad economic and social data, or trying to characterize this process of opening up to the West and to the global trading system. The second part will be concerned specifically with the development of the industry of English conversation schools in Thailand.

The first part will try to relate the growth in the industry of English conversation schools in Thailand to broader measures of economic development and growth in international trade. More specifically, I will try to explain these economic developments, so that they can be later related to the demand for English proficiency.

In the second part, I will analyze the way in which this industry developed, explain why it has developed in such a way and how its specific course of development is related both to the nature of the demand for English proficiency as well as to the supply of English teaching available through the government's formal educational system.

I should make the general classificatory remark that while economic growth in itself is not necessarily related to increased demand for English proficiency, growth in international trade and investment flows in most cases is. However, the degree of relation between these two phenomena is the result of the nature of the trade and investment flows that take place. Sheer numbers expressed in monetary terms will not give the whole picture. Trade flows which are primarily composed of very basic commodities, and which are channeled through a

government entity or even a semi-monopolistic private company, would probably have little effect on demand for English proficiency because they would require the active participation of very few people. The kind of trade flows that would create such a demand are those that reverberate throughout the economy and society which are undergoing such a boom in trade. Our view of the relation between the demand for English and economic development will therefore not focus on economic growth per se, but on the growth in trade and the intensification of the process of exchange with foreign economies and societies.

## 6.2 Economic Orientation in the 1960s and 1970

The economic policies of Marshal Sarit Thanarat, and his successor, Thanom Kitikajorn, who between them ruled Thailand from 1957 to 1973, were aimed at achieving a high rate of economic growth through the promotion of private capital investment. In that sense, they diverged from the policies of Sarit's predecessor, Marshal Phibul Songkram, who emphasized the role of government and who initiated a large number of government owned manufacturing and trading concerns (Akira; 1989: 138). Sarit and Thanom selected a growth model that emphasized import substitution. According to this model, in order to encourage the growth of local industries, one had to protect them from international competition. The idea is that such "infant" industries are extremely weak at their initial period of establishment. If such industries are exposed to ruthless international competition they can be easily undercut by stronger competitors who have an advantageous cost base due to economies of scale and accumulated technological know how, and also have the financial muscle to undercut new entrants until they are forced to close shop (Akira; 1989: 180-1) . Sarit and Thanom's policies were not against exports, but they emphasized the exports of a

small number of agricultural commodities in which Thailand had a distinct comparative advantage.

As a result of these policies “the growth of the manufacturing sector during the 1960s was heavily orientated towards the domestic market. In general the expansion and diversification of production resulted in the substitution of finished goods for the imports of raw materials, components and machinery” (Dixon, 1999: 88).

It should be noted that the import substitution formula did not mean the exclusion of foreign participation in the economy. Quite the contrary, the promotion of private capital included the setting up of the BOI and the encouragement of foreign firms to enter into joint ventures with local firms to produce for the local market (Phongpaichit & Baker; 1995: 128). It was at this period that the initial investments of Japanese conglomerates and western manufacturers, which later came to play such an important role in the economy, took place. The direct interaction with foreign investors was, however, limited in its scope and did not involve large sections of the population.

The import substitution formula initiated by Sarit has worked well and “for almost two decades, the strategy was dramatically successful. The economy grew at around 8 per cent per year in real terms, and the urban economy grew faster...The potential for growth under a strategy of import substitution was ultimately limited by the size and the rate of expansion of the domestic market. As long as the domestic market expanded on the basis of the growing rural surplus and continuing foreign inflows, the point of saturation of delayed” (Phongpaichit & Baker; 1995: 144). As we will see in the next section, that point of saturation was reached in the mid 1970s.

### 6.3 Revision of the Import Substitution Policies

Disappointment with import substitution policies started in the West at more or less the same time that they came to be applied in Thailand: "In the late 1960s, economists in the West started to draw attention to the problems faced by many of the 'protected' developing economies-particularly India and many Latin American countries-and contrasted them with the spectacular success of the export-oriented Japan. After the first oil crisis, the export oriented economies of Japan, Korea and Taiwan performed better than either developed or other developing countries. Admiration grew into an economic model. Within Western universities...economists developed a theory of export oriented growth characterized by low trade barriers and undistorted factor markets policed by strong government. From the early 1970s, the coming generation of Thai technocrats brought these ideas back home" (Phongpaichit & Baker; 1995: 144).

However, it was not until economic developments has demonstrated that the import substitution policy has reached its limit that any real changes started to occur. While prominent figures in the academic and the business world suggested a switch towards an export economy from the 1970s, it was really only the oil crisis of the late 1970s, and its impact on the economy which were felt during the early 1980s which convinced the government to adopt a new economic course.

In fact, the oil crisis of the late 1970s was only a part of the general picture of the economy, but it effected the balance payment directly, and as Thailand moved from a surplus in the balance of payment to a deficit, it needed emergency World Bank and IMF loans, becoming the fifth largest recipient of World Bank loans (Pasuk Phongpaichit and Baker, 1995: 147).

However, as much as the balance of payment situation has been specifically influenced by the second oil crisis, it was also effected, to a perhaps larger degree, by the deterioration in the agricultural exports. Starting from the mid 1970, Thailand suffered from a continued long term deterioration of its terms of trade, namely, the price of its exports, which were mainly agricultural products, has been going down as compared to the prices of its imports, which were mainly industrial goods such as raw materials and machinery. The total decline from the mid 1970s to 1982 has been almost a half. (Phongpaichit & Baker; 1995: 146). The reduction in farm income that resulted from this decline has negatively effected domestic demand, thereby hurting import substitution industries. The decline also hurt the country's balance of payments directly.

We therefore can see that the result of four factors, namely,

- 1) The oil crisis of 1978-9.
- 2) The deterioration in the country's terms of trade which were based on agricultural exports.
- 3) The end of the Vietnam War and the US grants and aid, as well as the spending by American soldiers stationed in the Kingdom, that came with it.
- 4) The fact that import substitution industries exhausted their potential growth after saturating the domestic market.

has been a major change in policy. The shift has been advocated since the late 1970s but it took place only in the early 1980s. The results of the shift, as we will see in the next section, have been dramatic.

#### 6.4 The Period of Globalization

The strategic decision by the Thai policy makers in the early 1980s to move from an import substitution economy to an open, export oriented economy have had far reaching consequences on the Thai economy and society. As noted above, the short-term effect of that decision has been to unleash an export boom that lasted until the mid 1990s.

At the mid 1980s Thailand still had very little regional competition as an export and manufacturing base. China was just exploring with a gradual opening of its economy, Indo-china was still off limits to foreign investors, while Indonesia and the Philippines were relatively unpopular due to excessive government red tape and corruption in the first and political instability in the second. Thailand enjoyed unrivalled political stability and has fully engaged in policies aimed at attracting manufacturers who wished to invest in the Kingdom and use it as an export base. As Dixon notes; “The attraction of Thailand for Japanese and Asian NIE labour intensive manufacturing investment was fourfold: First, in the mid 1980s Thailand had one of the lowest levels of industrial labor cost in ASEAN...Second, the receding of the economic crisis and the appearance of political stability gave the Kingdom an advantage over the rest of the ASEAN-4, economic and political crises in the Philippines, question marks over economic and political stability in Malaysia and the persistence of high levels of control over investment in Indonesia, all contributed to the attractiveness of Thailand for foreign investors. Third, production in Thailand, as a then marginal exporter of manufactured goods, enabled Japanese and NIE based firms to find ways around the restrictions increasingly imposed on their exports to the EU and North America. Finally, particularly for Japanese firms, a comparatively long history of investment had

resulted in the establishment of contacts, linkages and expertise that tended to offset the attractions of slightly lower labor costs elsewhere" (Dixon; 1999: 125-6)

The sum result of these various advantages was an unprecedented export boom: "from 1985, the Thai economy changed gear. The rate of real GDP growth spurted to 13.2 per cent in 1988 and maintained double-digit rates until the end of the decade. Between 1985 and 1992, the total GDP doubled. The boom was driven by exports of manufactured goods and services. Between 1985 and 1991, Thailand's total exports almost quadrupled in value. Agricultural exports grew only slowly and unevenly, depending on season and world demands. Manufactured exports grew almost six fold in six years. Their share of total exports grew from around one third at the start of the decade to two thirds at its end."(Phongpaichit & Baker, 1995: 147).

The export boom and the rapid economic growth, which it triggered, created, in its turn, a prosperous domestic economy. As the price for joining the world economy as an exporter, Thailand had to progressively reduce the import barriers that existed since the days of the import substitution policies. The result has been not only a flood of imports but also of foreigners wishing to cater to the growing domestic economy. The opening of the Thai economy to activities beyond mere export promotion has completely changed its face. Today, you can find the involvement of foreign capital and foreign personnel in almost every facet of the economy. As an example one can bring the retail industry which has been almost a pure domestic industry until the mid 1990s. Today, we find a growing presence of foreign retailers, both world giants such as Tesco, Carrefour and Casino, but also numerous smaller players who either opened their own outlets (for example: Nike, Prada, Armani, etc) or work on franchise arrangements, including giants



such as 7-eleven, McDonalds, etc. There was almost no presence of such retailers prior to the 1990s.

The financial crisis of 1997 and the devaluation of the Thai baht, while triggering a wave of questioning of the wisdom in full participation in the global economy also created new opportunities for international players to enter the Kingdom. Many indebted firms had to look for foreign capital to revive their operations, including local banks, an industry that was highly restricted to foreign investment in the past. The combination of cheap currency and high local indebtedness created unprecedented opportunities for international investment. At the same time, exports still constitute a major engine of the Thai economy, in spite of calls to turn inward and rely on the domestic market.

The end result is that on the one hand exports became an important part of the economy, while, at the same time, foreigners reached an unprecedented level of involvement in the domestic industry. At the onset of the export boom in the 1980s, the flood of foreign investment that came into the Kingdom was focused primarily on the manufacturing of export goods. While the investment in export production faltered since the mid 1990s, the investment in domestic firm has accelerated.

Another development, which took place since the 1980s, has been the boom in tourism. A series of successful promotions in the late 1980s and investments in infrastructure throughout the Kingdom has triggered a tripling of the number of visitors from around 3 million per year in 1986 to close to 10 million in 1999. In the process, Thailand became a major global tourist attraction. Businesses catering to the tourist market have sprung in every corner of the Kingdom, and labour has been migrating to major tourist spots such as Phuket and Ko-Samui.

All of the above developments contribute to an ever-increasing level of interface that exists between Thais and foreigners. A growing percentage of Thais have to come in contact with foreigners during their work.

At the same time, the opening up to foreign trade, investment and tourism, also translated into an opening up to foreign culture. Foreign songs, movies, television, books and newspapers, all feature much more prominently in the lives of a growing number of Thais. The debut of the Internet has also resulted in increased exposure to English language media. Today Thais feel the need to enhance their English proficiency because so many more aspects of their life and work involve interaction with foreigners or foreign media and so much more of it requires English.

#### 6.5 English as the Language of Globalization

The fact that English functions as today's world language is well recognized and undisputed. The historical reasons for that situation lie in the fact that two English speaking countries dominated world affairs consecutively, first Britain and then the USA. The point is that "why a language becomes a global language has little to do with the number of people who speak it. It is much more to do with who those speakers are. Latin became an international language throughout the Roman Empire, but this was not because the Roman were more numerous than the people they subjugated. They were simply more powerful. And, later, when Roman military power declined, Latin remained for a millenium as the international language of education thanks to a different sort of power-the ecclesiastical power of Roman Catholicism..."(Crystal, 1997: 5). To sum the relation between power and language dominance, Crystal concludes that "A language becomes an

international language for one chief reason: the political power of its people- especially their military power...(but)...it may take a military powerful nation to establish a language, but it takes an economically powerful one to maintain and expand it" (Crystal, 1997: 7-8)

Between them, the USA and Britain enjoyed a period of supremacy that lasted from the early 19<sup>th</sup> century to the beginning of the third millenium. In both cases, supremacy has been in both the commercial and the military spheres. While Britain was not the strongest military power on land, it did rule the seas. Also, "by the beginning of the nineteenth century, Britain had become the world's leading industrial and trading nation...Most of the innovations of the industrial Revolution were of British origin" (Crystal, 1997: 71). While the USA is not a great trading nation, it is and was the strongest industrial power with immense financial resources.

So, while the exact nature of supremacy differs in both cases, the fact of their being each a nation that exerted power on a global, as contrasted to a regional, scale, is an historical fact. For these reasons English gradually became an international language, eclipsing French which enjoyed a similar status in earlier centuries. However, while French enjoyed a status of an international language of diplomacy, refinement and culture, the status of English was, from a very early stage, related to economic affairs. The increased use of English as the language of knowledge and academia came about more gradually, but "when the American research is added to the British, it is possible to suggest that about half of the influential scientific and technological output in the period between 1750 to 1900 would have been written in English" (Crystal, 1997: 73). Still, it can be said that even though the proportion would even be higher today, the process is not complete, and there is still room for English to expand in the future.

While the status of English as the international language is closely related to the position, political, economical and cultural, of Britain and the USA in world affairs in the past 2-3 centuries, the explosion in its usage today has more to do with the demand that exists for such an international language than with the status of these nations. In a world in which cross border transactions are few, the need for an international language is low. Even if some nations dominate the scene, still, domination can be exercised by local proxies in each country, and does not necessarily mean that a rich process of exchange between the dominator and the dominated exists.

In other words, English has been "fortunate" to be the international language at a period in which the need for such an international language is exploding. The reasons for this explosion is the sharp drop in communications and transportation costs which made it possible for almost every person to transact internationally in one form or another. In the past, the cross border process of exchange was conducted by a small elite, commercial, scientific and political, and the need for such an international language was limited to these elites. Now, however, the need for such an international language has spread to cover almost every individual. In that sense, also, the growing stature of English accelerates with the dramatic technological developments of the past two decades, and particularly the debut of the Internet. In addition to this, the fall of the Soviet Union in the 1980s, makes this world more of a "one world" than before, when it was split across an ideological divide between the influence spheres of two superpowers. These political developments coupled with the above mentioned technological developments, make these last decades critical in the international standing of English.

As Crystal notes: “any language at the center of such an explosion of international activity would suddenly found itself with a global status. And English...was in the right place in the right time (Crystal, 1997: 8).

## 6.6 The Main Characteristics of the New English Conversation Schools Industry

As we saw in Chapter 6, the industry of English language conversation schools in Thailand underwent dramatic changes between the 1960s-1970s and 1980s-1990s. As we saw, this period parallels both to the change in direction of the Thai economy from inner looking import substitution to an outward looking export promotion. It also corresponds to a period that sees globalization, founded on new revolutionary technologies and new political realities, spreading and deepening in many areas of the world.

The main characters of the new industry is that it moved from being dominated by small Thai teachers-owners to be dominated by larger scale professional business operations who often have foreign affiliation and who rely on foreign native speakers as teachers.

The larger scale professional business operators give the industry the capacity to cope with the exploding demand, a demand which can be gauged by the statistics on the number of schools and number of students in such schools. Small schools run by teachers-owners are comparable to handicrafts, while the new business entities are comparable to industrial products. Handicrafts always suffer capacity expansion problems when faced with growing demand. The new operators are not limited to the capacity of a teacher-owner, they have the capital to create a branch network, have the legal and administrative facilities to look after

foreign teachers, and, very often, the international connections to obtain updated teaching materials. They are thus much better positioned to accommodate the growing demand.

At the same time, turning from Thai teachers to foreign native speakers answers two of the main qualities of this demand, namely, the disappointment with the formal educational system and the need to acquire, more than anything else, real communication skills. The connection with the formal educational system is critical because English conversation schools can exist only as long as the formal educational system is unable to “deliver the goods”, and the “goods” are English communication skills. The private schools come in at strength at the weakest point of the formal sector, namely, the adequacy of teachers to deliver communication skills teaching.

At the same time, the sense of urgency and necessity that accompanies the present demand for English proficiency is reflected in the fact that 1) People are willing to pay higher prices than in the past to obtain this education. This willingness opens the possibility to hire foreign teachers whose salaries are higher than Thai teachers. If such willingness did not exist, there would be no economic possibility to hire these teachers. 2) People demand the “real thing”, namely, native speakers. People believe that the mere exposure to native speakers will enhance their English skills tremendously. They are not in need of learning the basic rules of grammar or the basic vocabulary, which they acquire in their elementary and secondary schools. What they need is the opportunity to practice these in real life situations with a person who speaks English naturally, and who can correct their mistakes and who can show them how it should be said.

By positioning themselves as the place where one can have the opportunity to learn with native speakers, the private conversation schools simultaneously feed on the weakness of the formal system as well as on the more sensitive characteristic of the new and growing demand.

### 6.7 Whom does the English Conversation Schools Industry Serve: The Clients

There are some striking features of the demand for English proficiency, which appeared throughout our survey of the English conversation schools and the interview with teachers and students. These are:

- 1) The breadth of the population mix attending such schools when compared to earlier periods.
- 2) The sense of urgency attached to these studies when compared to past periods.

The first conclusion can be supported by hard data collected about the various schools declared target populations. Informants for the schools, which operated in the 1960s and 1970s, pointed toward a target population of young working adults. These adults attended English conversation schools for the general purpose of improving their general skill level. Their attendance of the schools was almost never organized by their employers. Also absent, almost completely, are university students and high school students. Young children were not offered any special courses.

In contrast, at present schools have offerings to all age groups, starting from young children, going through high school students, university students and working people. There are courses tailored for each group. For example, for high

school students and university students, it is common to offer intensive summer courses that take place during the school's summer vacation. Classes then are long and take place every day or second day, so as to squeeze enough content in a period that lasts from a month to a month and a half. Courses for young children are offered both within the premises of existing schools, where special classes are set up with colorful pictures and toys, but also increasingly in schools aimed specifically at this market. Such special children schools can be single schools, chains of schools dedicated to this purpose only, such "Fun with English" and specially designated branches of existing school networks. This last option can be illustrated by the case of Berlitz who teamed up with Sesame Street to create children English schools that feature Sesame Street in their curriculum and use them heavily in the décor of the school.

In the same way that the approach toward younger people, which did not exist before, takes such a wide front addressing many age groups, so does the approach towards working people take on a much wider front than before. The novelty is both in the range of courses offered (although this is not completely new, such older schools as Weannavichit Pasa Lae Thurakit offered a mixed curriculum of English and commerce), but more important, by the way these people are approached. The strategy that gains in ascendance is to approach not only the people themselves, but also their working places.

Approaching people through their employers is founded on a critical assumption and that is that employers will be willing to invest in their employees English skills. Thailand is a country in which investment in human capital in general is relatively low, and this is considered as one of the soft spots of the Thai economy. As Walden Bellow notes: "Economic growth has not been accompanied by industrial and technological deepening. Part of the problem has been lack of governmental



and private sectors initiatives to implement strategic planning in the area of technology...Thailand's technological problem is essentially a problem of human resources. As a World Bank report on the poor state of human resource development in Thailand puts it "Technological capability is essentially embodied in people, not in machinery. In the process of acquiring, using and diffusing, adapting and developing technology, the most important input is a technical human capital base able to assess and decide on technology matters" (Bello, 1998: 55). In such a gloomy picture as regards the willingness of the private sector, as well as the government, to invest in human resources, the fact that employers are willing to invest in their employees English skills is a testament as to how urgent and important they view the need to develop these skills.

One has to bear in mind that English is a very general skill which people can use in almost every venue of employment. It is exactly these types of skills that employers are most reluctant to invest in, because employees can take them wherever they go. In fact, by investing in these skills an employer raises the employees prospects of finding alternative employment in the future. Furthermore, English is not a technical, specific skills which can be acquired in a specially targeted course but a very general skill that takes long time to develop and mature. That is another reason against employers investing in it.

And yet, in spite of all these reasons against employers investing in their employees going to English schools, we do find this phenomenon gaining in strength. Not only do existing schools set special "corporate departments" to approach corporations, but new schools, such Vektor and Text and Talk open up which are aimed exclusively at the corporate market and which hold no classes at their own premises. Since approaching the corporate market can be done both by teaching at the site of the school and at the premises of the company, one would

imagine schools would wish to maintain adequate premises of their own which can still be used to attract individual students. Foregoing such premises completely indicates how serious these schools are about the corporate market.

The direct approach to the corporate market and the approach of the market of children or young kids share one common trait: in both cases, a sponsor does the investment in education. In one case it is the parents and in the other it is the employers. But in both cases the subject of teaching is not the author of the decision. This distinction clarifies a big part of the difference between the patterns of learning English in conversation schools in the 1960s and 1970s and the situation in the present time.

A decision by a parent or an employer to send a child or an employee to study English is a clear and calculated decision to invest in "human capital". It is never a decision to invest in knowledge for knowledge's sake, an investment to expand a person's horizons, an investment so "that one could talk with foreigners or travel abroad" or "for the fun of it". The options, which I listed above, are some of the answers which I received from interviewees who studied or taught English in earlier periods. To corroborate these impressions I conducted informal interviews with two students at two institutes, which teach French and German, namely the Alliance Francais, and the Goethe Institute. The answers I received from students there as to why they study these languages were somewhat similar to those of English students in the 1960s, namely, a mixture of interest and benefit, with the benefit side not sensed as being urgent and immediate. There was a sense that studying the language would be beneficial but the benefits were not immediately tangible and one did not really "have to" to take these studies in order to survive.

This point brings to the second point which I listed as an important feature which I noticed in today's English students, and that is the sense of urgency that these studies seems to have acquired. Instead of a relaxed attitude that by attending English schools they acquire a skill which "might be of use", the sense is that without having these skills they will be denied advancement in their careers. At the same time, employer's attitude is that without English skills their employees would not be able to function properly. Parents feel that their children would better start working on their English from early age on so as to guarantee their future.

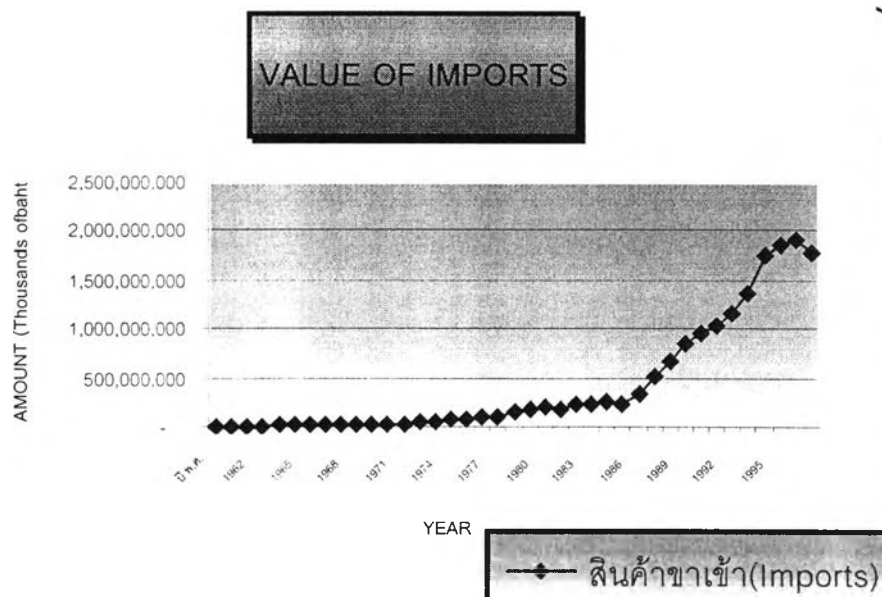
The sense is therefore of necessity and of urgency. And this sense applies to the entire range of metropolitan population rather than isolated individuals from better off families.

#### **6.8 Globalization and the Demand for English Conversation Schools**

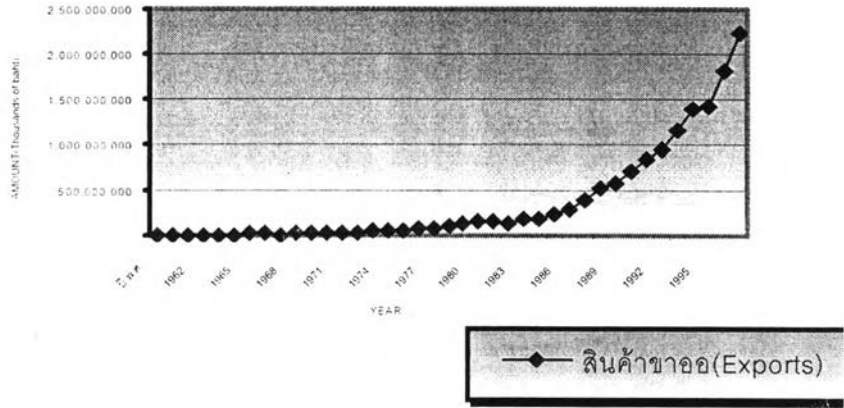
In the previous section I noted that the demand for English proficiency has spread throughout all age groups in the urban population and that it acquired a sense of urgency and necessity unseen before. The need is so strong in fact, that learning English is more and more being sponsored by employers on behalf of employees and by parents on behalf of children.

The sense of urgent need is a reflection both of the increase in the sheer volume of transactions between Thailand and foreign countries, as well as the nature of these transactions. This increase, which I partially presented in the previous sections, has been an important factor, but its effect is vastly magnified by the patterns of the transactions that take place.

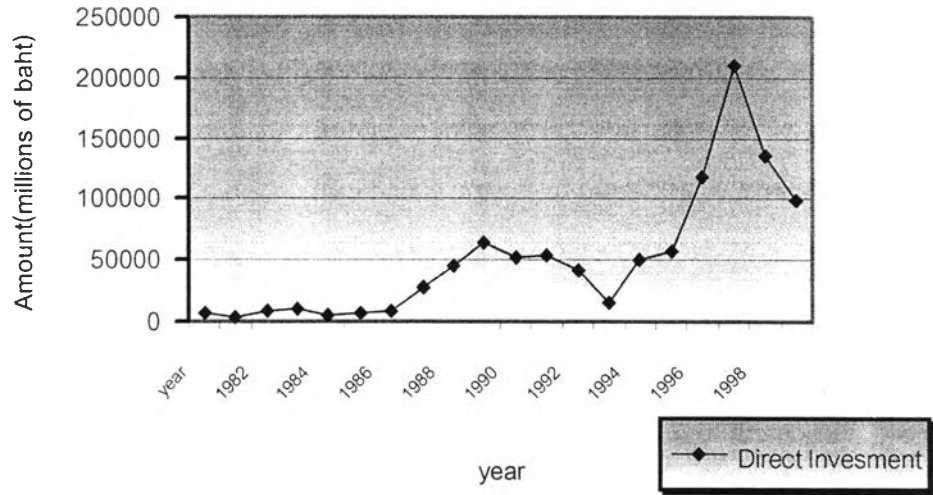
Let us first look at the increase in the sheer volume of business which is conducted between Thailand and the outside world. The increase is dramatic in some critical economic indicators such as in the statistical figures for exports, imports, foreign investment, and the numbers for tourist arrivals as can be seen from the following graphs.

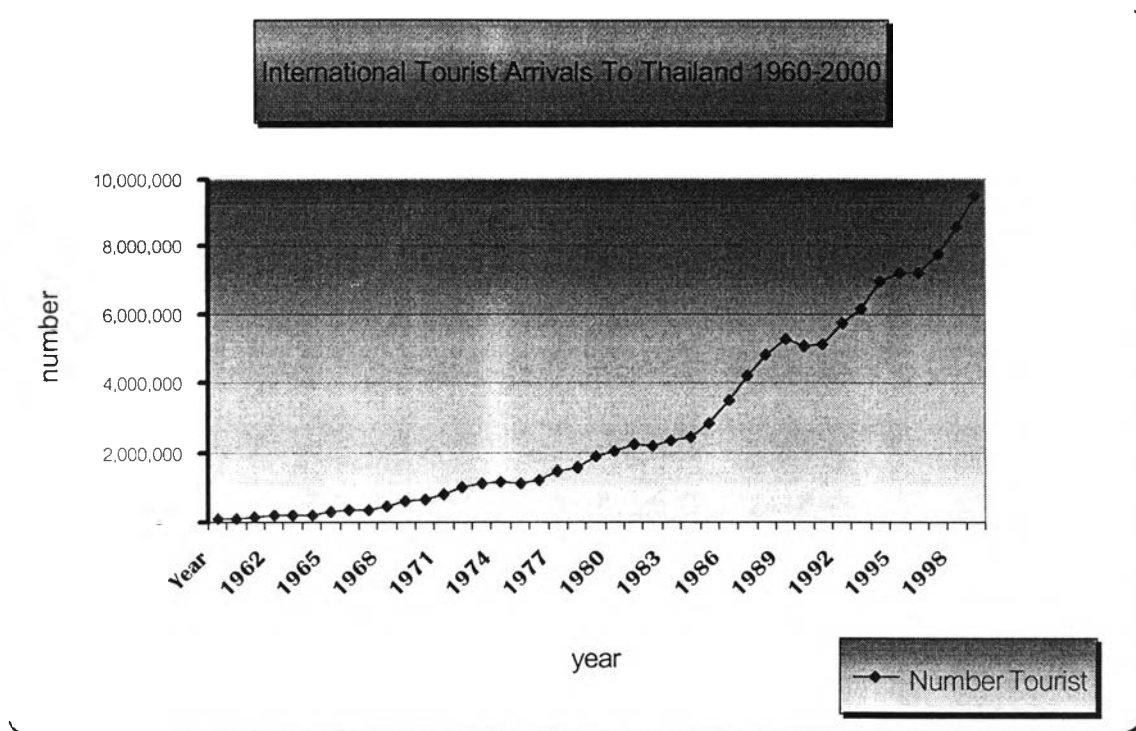


### VALUE OF EXPORTS



### Net Flow of Foreign Direct Investment in Thailand





These graphs demonstrate the growth in all these three spheres of economic activity. We can see that in all cases acceleration starts at the mid 1980s. The numbers for exports show a process of linear growth. There is modest growth throughout the 1970s and early 1980s, with a dramatic acceleration from the mid 1980s onwards. The net flow of foreign direct investment is at a minimal level until 1986, when it soared up. Unlike with exports, foreign direct investment still has periods of stagnation and decline, but it never returns to the pre 1986 levels. As for the number of tourist arrivals, one can detect some growth even in the 1960s and 1970s, but it is very slow. From 1960 to 1980 the number of tourists grows from close to zero to 2 million, but from 1980 to 1990 the growth is from 2 million to over 5 million tourists, while from 1990 to 2000 the growth is from 5 to close to 10 million tourist arrivals. The very large increase in the number of tourists, number of foreign investors and number of export customers and markets are all a strong

incentive to study English, as they effect a very wide range of occupations, as well as a large number of regions of the country. Absorbing these increases in interaction with the foreign world without a growing infrastructure of English proficiency, which can mainly be provided by private conversation schools, would be impossible. As also mentioned in chapter 4, within the same period starting around mid 1980's the number of English conversation schools, number of their students, and teachers rose conspicuously reflecting the parallel rising trend with the amount of exports, imports, net direct investment, and number of tourist arrivals.

Having looked at the volume of trade, tourism and investment which Thailand conducts with the outside world, let us now look at the pattern of these transactions. As mentioned above, the pattern is that of increased diffusion. In other words, instead of the transactions being channeled through a small number of foreign trade specialists, the tendency is for more and more players to deal directly with foreign customers, foreign goods suppliers, foreign service suppliers, foreign suppliers of capital etc. This distinction, I should note, does not apply to the case of tourism where one always has to deal with individual tourists, and where, therefore, an increase in numbers immediately requires an adequately increased human infrastructure.

For the case of exports, we can take an example from the textile industry. Up to 10 years ago, there was a very clear division between producers, local wholesalers and international traders. Producers focused exclusively on manufacturing, local wholesalers distributed their products in local markets, while international traders marketed the manufacturers products abroad and also imported foreign goods, which were than supplied to local wholesalers for domestic distribution. Only staff at the international traders offices needed to

know English, but also that to a limited extent because the international traders were mostly of Indian descent, knew English well and often preferred to hold in their hands all the foreign contacts. What happened in the past few years was the break up of this pattern. Manufacturers are not content anymore to pass through agents, and are approaching foreign customers directly, while local distributors are also not content to buy from international traders, and prefer to approach foreign suppliers directly. The result is that the increase in the number of "contact points" between Thai and foreign entities grows much faster than the increase in the sheer volume of transactions.

A similar process to the one described above has occurred across the board in many industries in Thailand and in many other countries too. The reasons for that are primarily the sharp reduction in the costs associated with transacting with foreign entities. Transportation costs has plummeted and flying abroad is today a trivial thing. Communication costs such as phone went sharply down while new instruments such as fax and now email has driven some forms of communications to close to zero. As a result of the fall in communication costs, also information costs has gone down dramatically, a process speeded up by the debut of the Internet. Information as to who are the suppliers and who are the customers can be relatively easily accessed today.

The sharp drop in transportation and communication costs can be compared to the introduction of the steamboat, the railway and the telegraph in the mid 19<sup>th</sup> century. Those new inventions led to an explosion in the reach and extent of the global economy at that time. It was at that time, as we noted earlier, that the Monarchs of Thailand decided to accommodate rather than resist the pressure to open up to global trade and investment.



But the present drop in the transportation and communication costs is much more radical and far reaching than the one which occurred in the mid 19<sup>th</sup> century. It practically allows almost any individual with some means to engage in international commerce of one kind or another. By "international commerce" I do not refer only to business transactions but to personal transactions. One can buy books in Amazon, buy antiques on E.Bay, book one's own hotels and tickets through the internet, invest with a broker abroad, etc, all of which constitute international transactions. Needless to say that what is open for individuals is even more so for business organizations that have larger means.

The end result is that more and more, every business organization or non-business organization, and, to a certain extent, every individual, become a player on the international scene. And, as is well known, the language of this international scene is English.

To sum up, Thailand's decision to be a full participant in the global economy by sharply reducing barrier to trade and investment has been one important reason for the increase in demand for English proficiency. However, this decision and the resulting participation in the global economy alone do not explain the full picture. The demand was further fuelled by rapids developments in the way the international system of transactions works, namely, by the rapid developments of ever cheaper and accessible means of transportation and communications which came to play an ever increasing role in this system.

### 6.9 The Failure of the Formal Educational System

In chapter 3 we surveyed the attempts made by the formal educational system to bring its curriculum to date in terms of modern techniques of language teaching.

As we saw, there was a clear understanding of the growing importance of English as the world's global language and an attempt to improve the way it is taught. The problem was not of wrong reading of the situation or the choosing of an inadequate methodology, but of implementation.

The formal system observed correctly that the need would be for English as a tool of communication rather than as a tool of translation and knowledge transfer. In order to achieve that goal, methodologies, which focus on communication skills, were adopted. The problem was that not enough attention was directed at the "mechanisms of delivery" of this pedagogical content, namely, the teachers. The system failed to realize that in the same sense that teachers who do not understand grammar, cannot teach grammar, similarly, teachers that lack communication skills in English cannot teach how to communicate in English.

Instead of devoting major resources to an attempt to build up a cadre of teachers who can communicate well in English, the formal system went through a series of curriculum revisions in which the methodology was fine tuned and corrected.

In contrast to the formal system, the private industry of English conversation schools thrived exactly because it focused on the most important resource needed to deliver communicative approach English teaching, namely, teachers that can actually communicate in English. The fact that these schools did not even bother to develop a unique curriculums of their own is a testament of the extent of head-start they enjoyed by employing native speakers as English teachers.

## 6.10 The Role of the English Conversation Schools Industry in the Era of Globalization

As we saw in the preceding sections, the English conversation schools industry has filled in the gap in the face of a major failure of the formal educational sector by catering to the increased demand for English proficiency. This increased demand has been the result of Thailand's change of economic policy in the early 1980s and its decision to fully embrace the world economy by embarking on an aggressive export promotion policy. Promoting exports has led to reciprocal demands to open Thailand to imports and foreign investments in domestic industries. While exports faltered in the mid 1990s, the foreign investment in domestic industries accelerated following the financial crisis of 1997. As a result, more and more Thais find themselves in a situation where the need for English proficiency is an urgent necessity of life rather than an indulgence for the sake of knowledge. As more and more Thais realize the need for, above all, English communication skills, they also realize that schools in the formal educational system are incapable of developing these skills for them. The alternative is the fast expanding private industry of English conversation schools, who offer them courses in the evenings and the weekends, but most importantly, offers them access to the "real thing", namely, teachers who are native speakers.

An important role of the industry of English conversation schools has been to mediate between a Thai public eager to learn and experience English and a community of foreign teachers who live on the fringes of mainstream society. Interestingly, many of the schools use the same teachers, simply pooling them when the need arises. The teachers are mostly hired on an hourly base, and serve more than one school. These schools have realized that the increased

openness towards the West has not only increased the demand for English proficiency, but have also created a pool of human resources in the Kingdom which can be utilized to cater to this demand. The community of teachers is composed of foreigners who came to Thailand to travel and look for opportunities, and who chose, for various reasons, to lengthen their stay here. Without this important human resource, the English conversation schools would have little to offer. They do not have any original and interesting curriculums and they do not offer revolutionary methods of teaching English. They also do not have the charismatic teachers-owners who have great skills in teaching English. In any case, the formal educational system itself is not lacking in curriculums or methods of teaching English. What it lacks are teachers who are capable of teaching English communications to Thai students.

The English conversation schools industry have therefore tied in two unrelated outcomes of Thailand's embrace of the global economy, namely, the growing demand for English proficiency on the one hand, and the existence of a fringe transitory foreign community on the other hand, recruiting the one to cater to the other. In that they were quicker and more versatile than the formal educational sector where it is only very recently, and in very wealthy schools, that one finds foreign teachers teach English, no doubt in imitation and competition of the private sector.