

Report of Round Table Discussion on Political Crisis in Thailand

Prepared by Jason Hall, Administrator, National Thai Studies Centre. The views expressed are individual and not those of the NTSC.

The National Thai Studies Centre (NTSC) held an informal round table to discuss recent events on Thursday, 23rd March 2006. The round table centred on the recent protests in Bangkok and the series of occurrences that took place in the lead up to them. It was divided into two parts. The first involved a brief presentation by four academics who have specialised on Thailand: Dr John Funston, Dr Craig Reynolds, Dr Andrew Walker and Dr Peter Warr. The second half consisted of a more general discussion in which members of the audience had the opportunity to raise questions and make comments.

Dr John Funston: Brief overview of a crisis

On the 24th February 2006, Prime Minister Thaksin Shinawatra dissolved parliament and called a general election for 2 April 2006. As recently as 23 November 2005, however, he said he would not call another election until his four-year term was completed in 2009. What brought about this change of heart?

When Thaksin was elected for his first term as Prime Minister in 2001 it was on the back of several popular policies. He initially had support from diverse sectors of the population, including NGOs, the middle class in Bangkok and the rural populace. His reputation as a problem solver and a strong leader was welcomed with continuing economic difficulties faced in the aftermath of the 1997/98 Asian Financial Crisis. Swift implementation of policies such as the million Baht village funds and the 30 Baht health schemes strengthened his popularity further, and contrasted with slow policy implementation by previous governments.

Thaksin nonetheless soon began to lose popularity with many in Bangkok and groups such as NGOs, who were critical of what they perceived to be his authoritarian style and limited concern for human rights. Still, Thaksin was returned with a massive majority of 377 of 500 seats in the 2005 elections, and even strengthened his position in Bangkok where the opposition Democrats garnered only 4 of 37 seats. He was helped by the 2004 Boxing Day Tsunami. Thaksin took personal leadership of the response, gaining both domestic and international plaudits for his actions; at the same time the tragedy kept politics out of the media. In addition the opposition Democrat Party was in disarray, with a new leader who lacked popular support.

Yet Thaksin's standing quickly declined after elections, with a succession of minor crises. Attempts to remove Khunying Jaruwan Maintaka as Auditor-General was one such case. Khunying Jaruwan was a popular appointment and acted determinedly to investigate and combat corruption. However a group of senators – with what was perceived to be government complicity – sought to have her removed on a technicality. The King, however, refused to withdraw royal endorsement for Khunying Jaruwan, and she eventually regained her post.

A second issue which damaged Thaksin's standing was an attempt by a close colleague, Paiboon Damrongchaitham, to take over two newspapers, the Thai language paper *Matichon* and the English language *Bangkok Post* in September 2005. Popular concern about further expansion of government control over the media forced the businessman to back down and reduce his stake in these papers.

In the same month the government closed down a TV program by media personality Sondhi Limthongkul – Sondhi had for years been a close ally of Thaksin,

but had become a critic. In response Sondhi took his program to the public, attracting tens of thousands to his Weekly Reports in Lumpini Park.

Government privatisation policies also met strong resistance from public sector unions, particularly in relation to the Electricity Generating Authority of Thailand (EGAT). After a legal challenge the Administrative Court put EGAT privatisation on hold in mid November. [This decision was confirmed in a final decision issued 23 March 2006.]

Finally, teachers unions were unhappy with a government policy which placed them under the authority of local administrative authorities, and also staged public demonstrations.

Despite this opposition from diverse causes and sources, by early 2006 the anti-government momentum seem to have peaked and began to decline. The sale of Shincorp to the Singaporean company Temasek, however, led to a major change in public perception. At this stage a loose alliance of Thaksin opponents joined together under the umbrella of the People's Alliance for Democracy (PAD) led by people such as Sondhi Limthongkul and former Governor of Bangkok (and another erstwhile Thaksin supporter) Chamlong Srimuang. PAD members had a variety of aims. Some wished for royal intervention to remove Thaksin, whilst others sought to have Thaksin resign voluntarily. All were opposed to holding new elections.

At this stage it appears likely that the elections called by Thaksin will go ahead, even though they will be boycotted by major opposition parties. There may be technical problems convening parliament and electing a Prime Minister afterwards, but the government will likely find a way around these. Thaksin has promised, should he win the election, to call together a new independent body to revise the constitution and then to call a new election in around 12 months time. In the long term, however, it appears that Thaksin may have been stalemated. He has the support to return to government, but opposition groups have demonstrated that they also have influence, and are unlikely to retreat.

Dr Craig Reynolds: The Thaksin style

Thaksin Shinawatra was the first Prime Minister to benefit from the new (1997) Constitution. This Constitution was regarded as progressive because it encouraged larger political parties. Thaksin was able to successfully use this to marginalise other parties. Currently, the Thai political system is effectively one of one party dominance.

Thaksin's electoral victory in 2001 was due to his skills in managing the media, public opinion and marketing. Even before the elections questions had been raised over his suitability, particularly over his financial integrity. This was due to allegations that he had incorrectly filed his Declaration of Assets. After elections the Constitutional Court cleared him by 8 votes to 7. Even so, he attained power initially with a wide spectrum of support. Thaksin benefited from the fact that Thais prefer strong and effective leaders. His predecessor, Chuan Leekpai had not been favourably regarded, precisely due to this issue. Chuan was viewed as ineffectual and indecisive.

Thaksin's leadership combines elements of authoritarianism and populism. He also prefers 'quiet politics' that is, *kanmuang ning*, which is to say no politics. He wants to control politics. In this aspect, he is akin to several military leaders that Thailand has had in the past, including and especially Field Marshal Sarit Thanarat. Thais like strong leaders, and this is the basis of much of Thaksin's popularity. He is seen as a strong leader.

Political scientists tend to explain Thaksin in one of two ways, either as a businessman or ex-policeman, or a little of both.

- 1) The first explanation is in terms of Thaksin as a businessman. He has been quoted as saying that he wants to run Thailand like a company. He is also in favour of privatisation. Indeed, as a businessman he bears remarkable similarities to a leader of the PAD, Sondhi Limthongkul, who in many ways appears to be his double.
- 2) Thaksin is also a policeman. He served as a policeman, and he made his fortune selling telecommunications equipment to the police. Consequently, he is comfortable with the security services, both the police and the military.

Thaksin is also the first Prime Minister since the 1930s to challenge the King. He appears to believe that he can govern apart from the monarchy, and while he is dutiful in listening to the king's advice, he is quite willing to ignore it. He is aware of the King's immense popularity, but he also knows that there are uncertainties about the succession.

Dr Reynolds concluded by commenting on one of the slogans used by anti-Thaksin protestors. Many opponents currently wear headbands with the phrase '*Kuu chat*' ['give back our country' or 'redeem our country']. Historically, this slogan has been used a number of times. It was used against the Chinese in the 1930s and also in the 1950s by the Marxists who applied it as an appeal for national liberation. In the present context and the sale of Thaksin's company at huge profit, it refers to the idea of 'giving us back our patrimony'.

Dr Andrew Walker: The case for elections

Dr Walker stated that in the current crisis he favoured Thaksin. There had been a number of problems during his term in office including human rights violations, in the South and the War on Drugs. Also, democratic institutions had been open to manipulation by Thaksin. Nevertheless, in this case it appears that the opposition was opposed to a fundamental institution of democracy – the ballot box.

Opponents of Thaksin have been firm in their resistance to any form of election as a means of resolving the current crisis. It is clear that the reason for this is their fear that they will lose. This reflects the shallowness of democratic institutions in Thailand. From the perspective of having worked in Thailand, it appears that the current round of protests represent a failure by Bangkok elites to accept the result of the past general elections. Indeed, they appear to prefer some form of 'Democracy-lite' centred around bureaucratic institutions in Bangkok. From this perspective, elections become inconveniences which hinder the process of benevolent rule.

The reason why elections are not favoured in this discourse lies in embedded beliefs about local Thais and about electoral corruption. Vote buying is often cited as undermining the legitimacy of elections in Thailand. There is substantial evidence that both Thai Rak Thai and other Thai political parties have participated in vote buying. However, generally whilst rural people/villagers accept these payments, they are also well aware that there is no possible means by which their vote can be traced. It is not even possible to outline village electoral patterns. Consequently, they are willing to accept payments from anyone, but they will vote according to their own conscience.

The overall impact of Thaksin's populist policies has still not been accurately gauged and therefore it is not yet possible to determine their success. They have been dismissed by some as simply another form of vote buying. Yet some schemes, particularly making low interest credit available to rural people has been important in

spurring new enterprises. They are certainly better than the traditional money-lenders often relied on in the past. Some have argued that this has simply been yet another avenue for rural people to go into debt but the overall increase in debt has been minimal. Furthermore, it has been insignificant in comparison to the levels of debt in which many middle/upper class Bangkok residents are immersed in. Thus, this condemnation is extremely patronising.

Finally, a further reason put forward for opposing the holding of new elections has been that rural people are unable to judge issues of corruption. But corruption is a major element in local and rural discourse. Again, there is the sense that the claim represents a patronising position held by the rural elite.

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Dr Peter Warr: Democracy and the problem of corruption

A comparison can be made between Thailand and the Philippines, since in both cases disillusionment with electoral outcomes has arisen due to high levels of corruption. In both cases, the response has been that of 'People Power.' In 2001, Gloria Arroya replaced Joseph Estrada with the support of the urban middle classes. Estrada's initial election victory had been due to his popularity amongst the rural populace. Again, in Thailand, support for Thaksin's opponents lies in an urban and middle class revolt against a corruption of democracy in Thailand.

It was hoped that the 1997 Constitution would deal with the abuses and structural problems of Thai democracy that had existed in the past. Electoral institutions set up as a result of this constitution were supposed to provide checks and balances and prevent abuses of power. However, the legitimacy of these electoral institutions is now being questioned. The Election Commission, the National Counter Corruption Commission and the Constitutional Court are all seen as corrupted and as having been bought off by Thaksin. As a matter of fact, they're actually seen as being used by Thaksin against his opponents.

In both Thailand and the Philippines, the problems are structural. Currently, the Philippines are considering constitutional reforms that would strengthen the legislature and change to a parliamentary type system. In contrast, constitutional reform contemplated by Thaksin would further strengthen the executive. However, if high levels of corruption remain in these two countries then legal checks and balances will continue to fail and constitutional reforms will not resolve the problem. Whether corruption comes in the form of vote buying, control of the media or manipulation of electoral institutions, all will result in the undermining of electoral legitimacy.

The current protests in Thailand have arisen because democratic institutions in Thailand are perceived as both corrupt and having failed to meet middle class expectations. In the recent SBS *Dateline* program [22 March 2006] for instance, Phasuk Phongpaichit spoke of her concern over evasion of legal checks and balances. Thaksin however, regards democracy as being equivalent to elections. Hence, once he has achieved electoral success he is unwilling to tolerate criticism or accept further participation. However, the Thai middle class seeks greater participation and involvement in government decision making. Thaksin's mega projects are classic examples, in which Thaksin has sought to proceed on major policy issues without popular scrutiny or debate.

As for the Shin Corp sale, the most controversy has arisen due to the use of political power to support business interests. After the 2001 election the government pushed through a bill which restricted foreign ownership from the existing 49% down to 25%. This forced DTAC, the major competitor of AIS (owned by Shincorp) to halt its investment plans. However, in 2006 this policy was reversed and legal foreign

ownership was increased to 49% once more. This 49% just happened to be the percentage of Shincorp owned by Thaksin's children and which they sold to Temasek. The financial deal was completed one working day after the bill. The fact that the sale was tax free has also caused some unhappiness, though this was done legally.

Discussion

Key issues that were discussed following these presentations included: implications were Thaksin to resign, business involvement in the anti-Thaksin movement, the usefulness of electoral democracy in resolving the current impasse, linkages between the national crisis and local politics, and the role of the monarchy.

Responding to a question on what the likely consequences would be if Thaksin were forced to resign, panel members agreed that this would depend on the circumstances under which such a resignation might take place. If Thaksin were forced to resign as a result of an outbreak of violence with the protestors, that would be likely to end his political career – as had occurred in conflicts in 1973 and 1992. However, if he were to resign at royal behest without violence this would likely permit his eventual return to politics. Nevertheless, under such circumstances the structural problems in Thai politics would remain. Corruption would be likely to remain, whether or not Thaksin left office.

Questioned on the extent to which opposition to Thaksin represented a split in the Thai corporate elite Dr Funston argued that Thaksin had almost all the corporate on his side. Sondhi, who had lost hundreds of millions of dollars during the Asian Financial Crisis, was bailed out by the Thaksin government. Thaksin has claimed their subsequent falling out was due to business conflicts, but it seems more a matter of personal conflict. Dr Warr acknowledged that Sondhi represented a business group outside the Thaksin bloc, but this was only a minor source of opposition to Thaksin. The protests were fuelled by a genuine popular outrage.

On the matter of Thaksin's opponents' proposed boycott of the election, Dr Walker believed that this was an inappropriate response. He argued that if there were a problem, then a resolution should be reached through a popular mandate for a particular group/leader. He argued that the anti-Thaksin, anti-election discourse suggests that only middle class can only decide on ethical issues. Dr Warr, however, pointed out that the Democrat leader, Abhisit Vejjajiva, has stated that the problem is a legal not an electoral issue. Dr Reynolds questioned whether elections were in all instances an effective response to democratic problems – noting difficulties this had caused in the US context.

On the linkage of current issues with local politics, Dr Funston stated that the decentralisation of power to rural areas was only just being established under new laws. In most cases, local government leaders have ties with national political parties, particularly the Thai Rak Thai. However, Dr Walker disagreed with the notion that local politics involved a top down process. Instead, he proposed that local people/leaders decide which party they will align to. Indeed, subdistrict and local elections are often more bitterly contested because of the recent transfer of resources down to local levels. There has been a realignment of business elites at the district and subdistrict level. In particular, people bypassed by the Thai Rak Thai have often become major opponents of the party. Those bypassed include teachers and local officials.

Discussion concluded with a look at the relevance of the 60th anniversary of the king's reign on 9 June. Dr Funston noted that the importance of this event put pressure on all sides to try and resolve conflicts before then. At a special request of

the royal household, state television had recently re-aired the king's dramatic intervention to resolve the May 1992 crisis. The monarchy has been actively involved in trying to resolve recent conflicts, though careful not to intervene in a way that is overtly partisan. Dr Reynolds noted that the king will act in the best interests of the dynasty and ensure the continuation of the institution. He should be seen neither as democratic or anti-democratic. The elements of apparent ambiguity and even indecisiveness in the royal stance enable the monarch to maintain his flexibility to act.