

Thailand Update 2007
Thailand's Twin Crises: Restoring Democracy and Violence in the South
Summary of Presentations

The theme of this year's update was *'Thailand's Twin Crises: Restoring Democracy and Violence in the South.'* Over the past two years Thailand has experienced successive political crises initiated by mass opposition to the rule of Prime Minister Thaksin Shinawatra which culminated in the military coup of 19 September 2006 and ultimately in the constitutional referendum of 19th August 2007. Alongside this, and to some extent influencing the disquiet in Bangkok, has been a sustained period of violence in the Muslim south, an area that has become the main arena of terrorism and conflict in Southeast Asia.

This year's conference was supported by the Australia Thailand Institute and Thammasat University. Below are summaries of the presentations given.

Keynote Address:

Thailand's 2007 Constitution and Re-emerging Democracy: Will Political Polarization Continue?

Professor Suchit Bunbongkarn, *Senior Fellow Institute for Security and International Studies (ISIS) Thailand, Emeritus Professor Faculty of Political Science Chulalongkorn University.*

In this key note address Professor Suchit focused on democracy's prospects in Thailand's immediate future

Professor Suchit began by cautioning against over exuberance at the recent endorsement of the constitution. Noting wryly that Thai history has shown there to be very little difference between permanent and interim constitutions – sometimes the later last longer than the former – he explained that the constitution alone cannot achieve lasting change. Only major reform of political institutions and strengthening and institutionalisation of political parties can achieve this.

The results of the constitutional referendum reflected, in part, the ongoing polarisation of society. The no vote reflected the illegitimacy of the coup and Thaksin's continuing popularity, whilst the yes vote reflected a rejection of Thaksin and uncertainty about the alternative. However some voted yes to ensure a smooth return to parliamentary rule.

With regard to Thaksin's popularity he suggested that it would be lasting given that despite his corruption Thaksin was nonetheless the first Thai politician genuinely to take an interest in the rural poor. He also commented on the strong yes vote in the three Southern provinces believing this was a positive sign that although conflict had not been reduced in the area it at least remained committed to democracy.

Professor Suchit believed that the December elections would be characterised by the same polarisation as the constitutional referendum. Cautiously predicting they would lead to a Democrat-led coalition he nevertheless noted that prospects of Thai Rak Thai's newly adopted vehicle, the People's Power Party, should not be underestimated. Whichever party wins instability is likely. A Democrat-led government will, as they have in the past, govern in 'too democratic' a manner, which allows too much internal

division with the result that government is weak. On the other hand if the People's Power Party win he fears there will be no change from Thaksin's style of 'too strong' government. People's Power Party Leader Samak is notorious for his involvement in the 1976 coup and his close alliance with Thaksin.

On the other hand he was optimistic that the past twelve months had shown that the military's future political role would be limited. Whilst able to accomplish a coup they had shown they were not able to govern. The constitution did not provide a role for them. He attributed this advancement to increased political consciousness – a 'positive by-product,' especially in rural areas, of Thaksin's leadership – and division within the military which their return to politics had created.

In conclusion Professor Suchit suggested that the polarisation at the heart of the turmoil of the last twelve months is more complex than often thought, involving not only the anti-Thaksin, pro-Thaksin split but also tension between Bangkok and the North and North East, Bangkok and the South, rural and urban populations and military supporters and anti-military groups. He had no doubt this polarisation would continue but suggested that this was not necessarily a negative prediction – polarisation is a natural consequence of democracy. The violence however would be stopped and Thailand would survive.

Political Year in Review

Political Overview

Professor Chairat Charoensin-o-larn, *Faculty of Political Science, Thammasat University.*

In offering an overview of Thailand's politics since the coup Professor Chairat suggested the period should be viewed in two phases- the first lasting from 19 September until 29 May and the second from then until the referendum.

In his opinion the first phase was characterised by hesitation and uncertainty as to how to deal with Thaksin and his extensive network. The bureaucracy publicly adopted a stance of neutrality, but being part of Thaksin's network and fearing reprisal if he regained power, they were often uncooperative. Schools in the North East and South burnt almost daily and New Year was marred by bomb explosions in Bangkok as the coup group struggled to manage disorder generated by Thaksin supporters and Southern insurgents.

In contrast the second phase was marked by greater confidence as the coup group, the Council for National Security (CNS), moved affirmatively to discredit and abolish Thai Rak Thai and Thaksin through the judicial system. The most important event of this phase was the Constitutional Tribunal's verdict absolving the Democrat Party of wrongdoing and dissolving Thai Rak Thai. The verdict was preceded by rumours of corruption and a Royal address in which the King urged the Tribunal to do its duty and brace for negative feedback. Being based on a retroactively operative junta declaration the verdict was seen as endorsement of the coup and CNS's legitimacy. Fears regarding their growing power were heightened when only two days after the verdict Sondhi declared some concessions might be made to the five year ban on Thai Rak Thai executives. Intended to be conciliatory this act nonetheless constituted direct military interference in the judicial process.

The referendum result and Sondhi's assertion that the 'Life of the Constitution will depend on how the future government behave' boded poorly for Thailand's future. They show Thaksin remains popular, society remains divided, and now also the military is seeking to reclaim its position as Thailand's 'White Knight' guardian. He concluded that the central problem remained how to heal the divide, and that Thailand's economic and social development and position in the global market meant the coup method was no longer an option.

Six Threats and One Opportunity

Dr Andrew Walker, *Resource Management in Asia Pacific Program, Research School of Pacific and Asian Studies, ANU.*

Dr Andrew Walker began by outlining six threats to Thailand's democracy. The six threats were sufficiency or guided democracy, the ease with which resort is made to the power of the gun, the Constitution, sufficiency economy, cultural elitism, and silence.

Regarding the first threat, sufficiency or guided democracy, Dr Walker emphasised lack of respect for genuine political participation. In particular he suggested the rural electorates vote is often portrayed as unsophisticated and easily bought. This problem had been reinforced by a gun culture encouraged by Thaksin's war on drugs, and the coup of 19 September 2006. Both represented the mistaken view that force can solve complex problems.

The Constitution, sufficiency economy and cultural elitism, are threats because they are ideological tools exploited to shore up existing power. This is so for the Constitution as its endorsement, gained in a coercive climate, legitimises the coup of 19 September, suggesting that constitutions are only valid and of worth whilst the military is prepared to tolerate them. The sufficiency economy and cultural elitism (or prioritising of unified 'Thainess') are targeted at convincing the poor and ethnic minorities respectively to be satisfied with being excluded from full and active economic, cultural and political participation. Silence relates to the absence of open discussion and criticism of the monarchy, which leads to this institution being perceived as uncompromisingly good and just – setting up an unrealistic standard with which democratically elected politicians subjected to constant public scrutiny cannot compete.

The rural constitution however represents an opportunity. This is not a written or formal document but rather the values and factors which inform rural peoples voting decisions, such as a desire for effective local representation, transparency, economic development, sound administration among others. In Dr Walker's opinion the elites who pontificate on the need for the rural masses to be educated in democracy are themselves in need of such an education. The 2006 elections, despite sabotage by the Democrats, showed support for Thaksin far from solid. As such democracy and the checks and balances of the constitutional system, given a chance could have resolved the 2006 crisis much more effectively than any coup.

The Troubled South

Reform and Tradition in Islamic Education in Southern Thailand

Dr Joseph Liow, *Institute of Defence and Strategic Studies (IDSS), Singapore.*

Dr Liow's presentation analysed how the disconnect between state and Islamic community perceptions of Islamic schools impacted negatively on their relationships. Although several attempts had been made by the state to incorporate the schools and to offer them financial support the conditions attached to this, such as incorporation of Thai language and secular subjects, were often viewed by the Muslim community as manipulative attempts to intrude on their cultural space. Whilst the state sees the schools as inadequately preparing students for modern life and encouraging separatism and radicalism, to the Muslim community they are historically important and central to their identity.

He then analysed the role of Reformist Islam and Traditionalist Islam in Southern Thailand. He noted that historically the area had had the strongest concentration of traditional Islamic schools in South East Asia, both drawing and generating scholars of renown throughout the Islamic world. In recent years modernist Islamic thought schools made important inroads. He noted that the extent of modernist penetration is hard to establish, but believes that there are roughly 20 reformist schools in Thailand. He looked in detail at two of these, the Yala Islamic College whose rector is Professor Ismail Lufti Jakapiya, and those connected to the international Jumaat Tabligh movement. While both are often accused of having extremist or Wahabi leanings, such accusations are based on flimsy evidence. Dr Liow concluded that Islamic education in Southern Thailand is much more heterogeneous than the state perceives, and cautioned that although the search for radicalism has tended to focus on the modernists schools cases where schools have been directly implicated in the insurgency have all involved traditionalist schools.

Perceptions of Violence from the Ponoh School

Ms Suleemarn Wongsuphap, *Anthropology and Politics, LaTrobe University*.

Ms Wongsuphap concentrated on the understanding gap between the Thai state and Muslim schools in the South. However instead of analysing the gap itself she attempted, through fieldwork conducted at three private Islamic colleges, 'ponoh,' in Yala, Pattani and Narathiwat last year, to look at what constructs and keeps alive this gap.

One of the schools she studied was Ponoh Thammawittaya. The principal of this school was arrested in 2004 on allegations of being involved in terrorism. She noted how this was received by the students with hurt and anger and perceived by the school community as deliberate targeting because the school was Thailand's biggest Islamic School. As a result of the arrest a total of nearly 2000 students were withdrawn from the schools six campuses. In another instance she noted how one school she studied which had been involved in the killing of Buddhist monks was particularly eager to receive her and to try and cleanse their reputation through her and her work.

Ms Wongsuphap also noted the problems encountered during her fieldwork including constant fear, difficulty in gaining access to the schools, and problem of identifying truth from propaganda.

The Economy during Political Uncertainty

Economic Overview

Professor Bhanupong Nidhiprabha, *Faculty of Economics, Thammasat University*.

Professor Bhanupong's economic overview focused on handling of, responses to and the probable consequences of the present appreciation of the Thai baht. He began by stating that the appreciation has not been caused by a strengthening of the Thai currency but rather weakening of the US dollar. Appreciation impacts negatively on Thailand's competitiveness in the export market. As exports have historically constituted the economy's main growth engine this leads to lower economic growth. This is problematic, especially given Thailand's uneven development, because low growth contributes to higher poverty. He noted that the Bank of Thailand had tried to slow appreciation of the Baht by employment of capital controls and sterilizing capital inflow, but believed that the minimal difference these measures make does not justify their expense. Sometimes appreciation is necessary and can be countered by making production more efficient.

Professor Bhanupong also noted that low confidence due to unsteady politics has turned off another growth engine, with capital investment dropping and the tourism sector experiencing a slump. The real concern however was that normal consumption also showed signs of slowing, posing a much greater risk to the economy generally. In this context he noted the inappropriateness of the 'sufficiency economy' which makes sense during an economic boom but is detrimental when the economy is in recession and needs the stimulus of people spending and reinjecting capital regularly.

He concluded by noting that although recession may appear negative it is sometimes necessary and he believes Thailand's economy, unlike in 1997, is resilient and will survive its present slump.

The Impact of Political Uncertainty on Business

Glen Robinson, *ASEAN Focus Group*.

Glen Robinson's presentation focused on the impact of political instability and the December pronouncements of increased government control of foreign business on foreign business people and their inclination to invest. He looked in detail at the Foreign Business Act, the Retail and Wholesale Business Act, local ownership requirements, capital controls and specific regulations relating to drug products. He argued that reporting of these in various English language media has been overly sensationalist and that in reality they have had and will have little impact. He produced extensive statistical data to support this conclusion and also detailed several ways in which the new limitations can easily be worked around or overcome.