"Thai Political Situation: Wherefrom and Whereto?"

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Events of the past few years have revealed the fragility of Thai democracy. After almost a decade of continuous democratization, what the West had regarded as a beacon of democracy in Southeast Asia was suddenly extinguished by a military coup in 2006. Despite the general elections a year later, the country seems to have remained trapped in an endless cycle of political uncertainty and divisiveness, the lines drawn between different coloured shirts.

The crisis that Thailand has been facing dated back to the end of 2005 when the talk show of Sondhi Limthongkul on state-owned Channel 9 was taken off the air due to the perceived intervention by Mr. Thaksin Shinawatra, then Thai prime minister. Mr. Sondhi then organized a weekly outdoor programme to attack Mr. Thaksin and his ministers at Lumpini Park. It was the starting point of what would become the People Alliance for Democracy (PAD), when all those who opposed Mr. Thaksin joined forces with Mr. Sondhi after the former prime minister sold his shares in Shin Corporation for 73 million baht without paying taxes.

The "yellow shirt" became the symbol of the PAD which accused Mr. Thaksin of bypassing and showing disrespect of the King and his prerogatives. The PAD then portrayed itself as the protector of the institution of the Monarchy and petitioned the King to remove Mr. Thaksin from his elected post by invoking Section 7 of the Constitution, which the King refused.

In his public statement during the audiences granted to the judges of the Supreme Court and those of the Supreme Administrative Court in April 2006, the King made it clear that "Section 7 does not empower the King to make a unilateral decision. It talks about the Constitutional Monarchy but does not give the King power to do anything he wishes. If the King did so, he would overstep his duty. I have never overstepped this duty. Doing so would be undemocratic." Apart from the royal abstention with regard to the petition, the King showed no sign of approval nor disapproval of the PAD's claim, conforming to the constitutional duty of the monarchy to be non partisan in politics.

Prior to the general elections scheduled to be held by mid October 2006, Mr. Thaksin departed the country to attend the United Nations General Assembly in New York. Before his return, the PAD called for a mass protest while, according to General Sondhi Boonyaratglin, then army commander-in-

chief, some leaders of the Thai Rak Thai (TRT) Party were preparing to mobilize supporters of Mr. Thaksin into Bangkok. For fear of clashes between the pro- and anti-Thaksin groups, the general decided to stage a coup on 19 September 2006

Following the coup, the "red shirt" movement led by the United Front for Democracy against Dictatorship (UDD) was born. Taking "red" in the national flag, which represents the nation and its people, as its symbol, the UDD attacked the army, the Surayud Chulanont government and General Prem Tinsulanonda, President of the Privy Council, and called for restoration of "Democracy" and "fairness" for the ousted prime minister.

(For further details regarding the afore-mentioned situation, please refer to my book on **"Economic crisis and Political crisis in Thailand: Past and Present"**, 98 pages, 2009 and chronicles of Thai politics)

Understanding the root cause(s)

On the surface, Thailand's current political divisions appear to be between ousted former Prime Minister Thaksin Shinawatra and his supporters, on the one hand, and the forces against him on the other. Put this way, the conflict can be put to an end if either side ceases its activities, for both the major opposing groups – yellow and red – have centred their campaigns around the former prime minister. However, a closer look at the grievances of these groups shows the real problem to run deeper. It is structural as well as philosophical. It is about how resources, wealth and hence power are distributed, and about different public perceptions and expectations of democracy.

Since 1961 when Thailand launched its first National Economic and Social Development Plan, successive governments adopted the import substitution and then export-oriented strategy for development. Most of the state's attention went to promoting big business and export-oriented industries. The agricultural sector– though a major source of national income – was not adequately developed and the plight of farmers – who comprised a majority of the population – not adequately addressed. Small and medium-sized enterprises also did not receive much state support.

As a result, wealth became more highly concentrated. Distinctions among social strata became more marked and continue to this day – the "rich" and the "middle class" in urban areas who have bargaining power in the market economy and access to resources, and the "poor" in rural areas, mostly farmers, who do not. And despite the growth in average per capita income over the past four decades, the gap between rich and poor in Thai society has not changed

much. In 1962, the richest 20% of Thai population accounted for 59.5% of the country's wealth, while the poorest 20% earned 2.9%. In 1975 the ratio was 49.24% to 6.05% and recently, In 2006, the ratio was 56.29% to 3.84%.

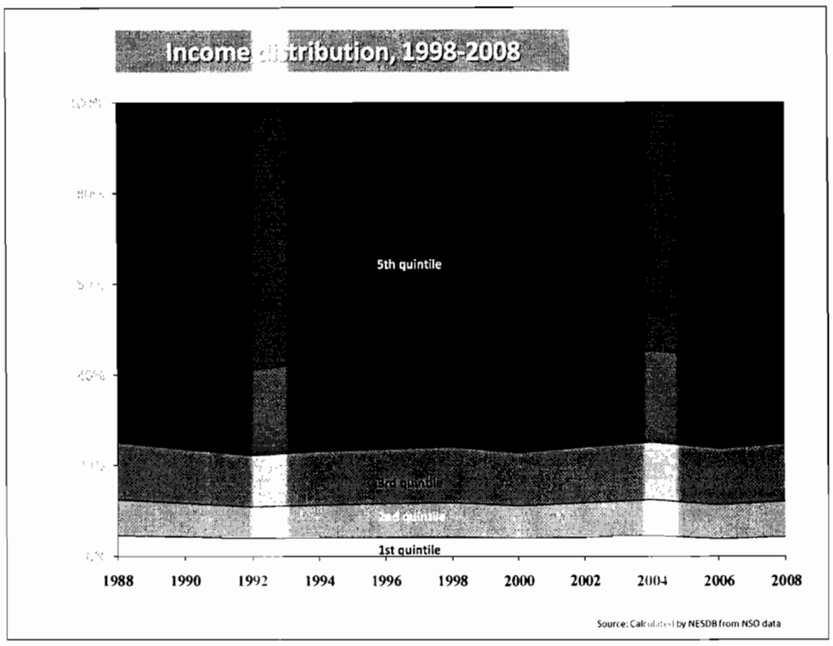
Table 1 the distribution of income table (selected periods 1962-1990): percentage of national income received by income quintile

	1962-1963	1968-1969	1971-1973	1975	1981	1986	1988	1990
The *Lowest* income quintile of the population (Quintile 1)	2.9	3.4	2.4	6.05	5.45	4.47	4.53	4.23
The *low* income quintile of the population (Quintile 2)	6.2	6.1	5.1	9.72	9.26	7.82	7.89	7.43
The *average* income quintile of the population (Quintile3)	10.5	10.4	9.7	14.02	13.69	12.30	12.38	11.58
The *high* income quintile of the population (Quintile 4)	20.9	19.2	18.4	20.97	21.08	20.43	20.17	19.49
The *Highest* income quintile of the population (Quintile5)	59.5	60.9	64.4	49.24	50.52	54.98	54.40	57.26
Gini coefficient	0.456	0.482	0.535	0.426	0.442	0.496	4.489	0.015
Ratio between the Richest and the poorest (Q5/Q1)	20.5	17.9	26.8	8.1	9.3	12.3	12.0	13.5

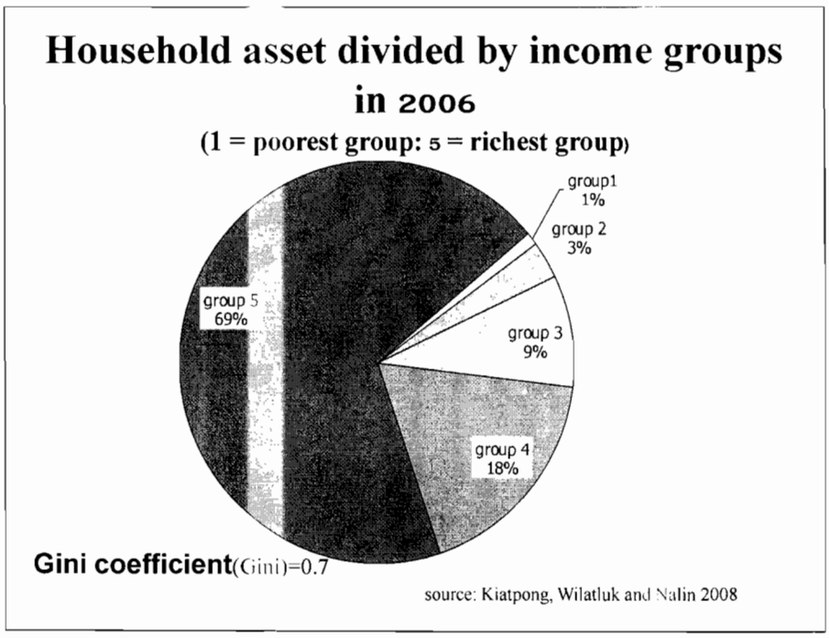
Table 2 the distribution of income table (selected periods 1992-2009): percentage of national income received by income quintile

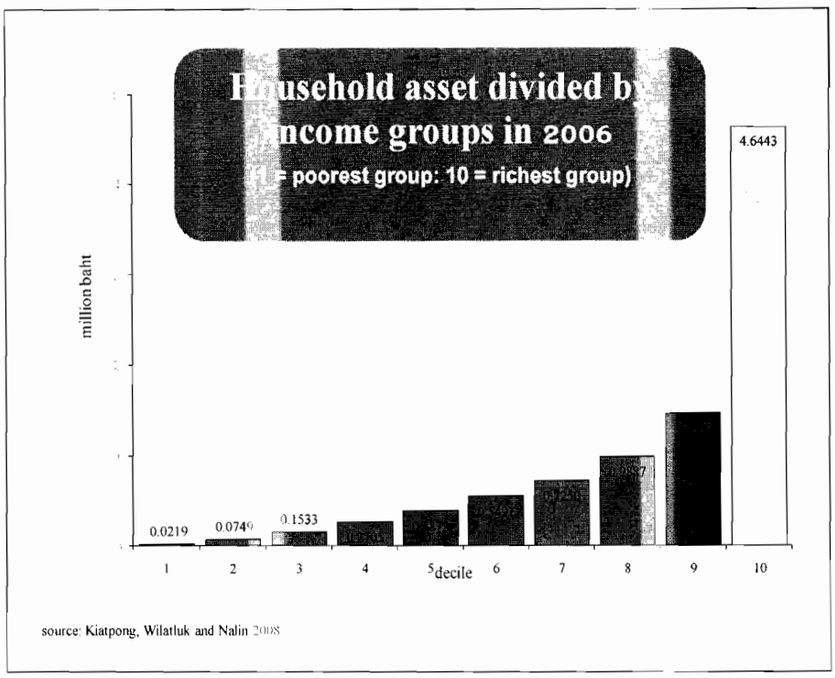
	1992	1994	1996	1998	2000	2002	2004	2006
The *Lowest* income quintile of the population (Quintile1)	3.98	3.97	4.16	4.27	3.89	4.23	4.54	3.84
The *low* income quintile of the population (Quintile 2)	6.93	7.23	7.52	7.69	7.19	7.72	8.04	7.67
The *average* income quintile of the population (Quintile3)	10.96	11.61	11.78	11.91	11.39	12.07	12.41	12.12
The *high* income quintile of the population (Quintile 4)	18.80	19.81	19.88	19.74	19.76	20.07	20.16	20.08
The *Highest* income quintile of the population (Quintile5)	59.13	57.37	56.66	56.39	57.77	55.91	54.86	56.29
Gini coefficient	0.536	0.521	0.516	0.509	0.525	0.507	0.493	0.515
Ratio between the Richest and the poorest	14.9	14.5	13.6	13.2	14.9	13.23	12.10	14.66

Sources: Mehdi Krongkeaw (1979). Office of the National Economic and Social Development Board (calculated from NESDB data from each year with supplementary information of Thailand Development Research Institute). Research on households' economic and social attributes by the Community Economic Development and Income Distribution Office.

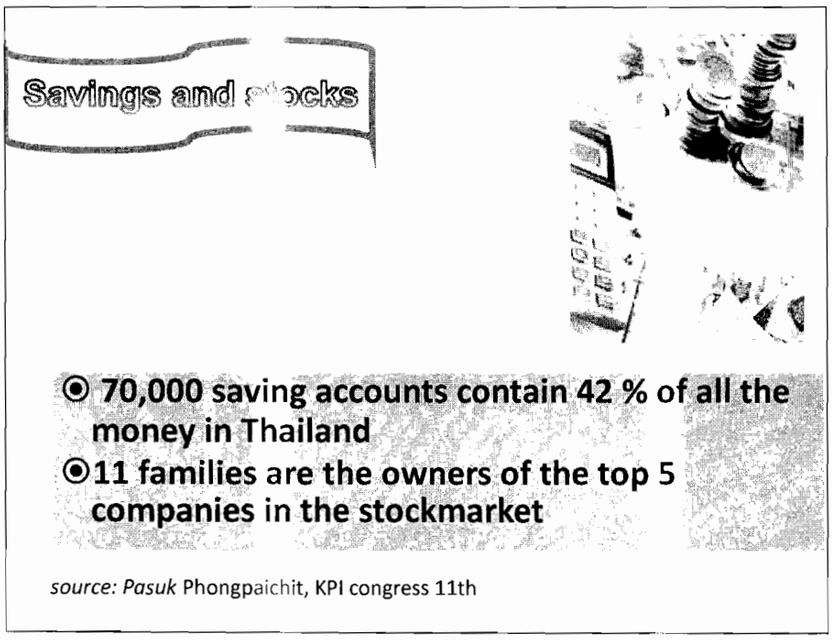


If we turn to real wealth which can be measured by ownership of assets, according to a study (Kiatpong, Wilatluk and Nalin 2008) of the total assets in Thailand, the richest 20% has the ownership of 69 % while the poorest 20% or the fifth quintile has the ownership of only 1%. In other words, 80 % of the population has only 31 % of the total assets.

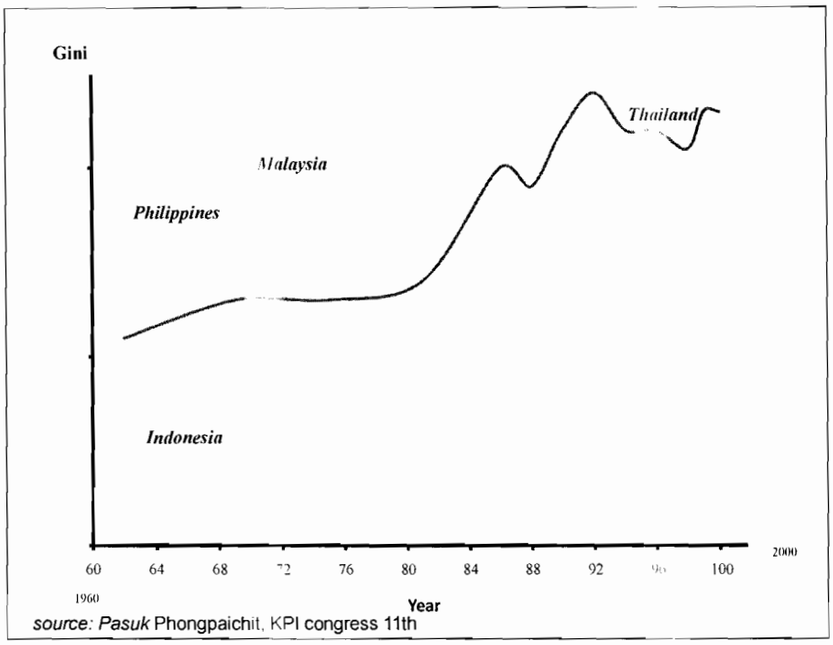




For the money which can be traced by bank accounts, only 70,000 accounts, which have over 10 million baht, account for 42 % of the money saved in the total banking system. If an individual has 2 accounts, this figure will tell us that only 35,000 individuals are the owners of almost half of the wealth.



If we look at the Gini Coefficient Index comparing Thailand, Malaysia, the Philippines and Indonesia, the graphs for Malaysia and Indonesia tend to decrease, which means that the gap between the rich and the poor in these countries is coming closer, while those for Thailand and the Philippines increase, reflecting the widening gap.



source: *Pasuk* Phongpaichit, KPI congress 11th

This socio-economic structural imbalance has affected politics. Having no bargaining power or access to resources, the poor have to depend on powerful local patrons who do. This dependency – typical of the Thai patronage system – in turn enhances the stature and influence of the rural rich, enabling them to be elected as people's representatives and attain state power as cabinet ministers. For them, political power is something to be desired when economically important national resources remain under state control, rather than subject to market forces. Political positions provide not only the power to make decisions regarding those resources but also business opportunities, particularly through state concessions. This allows political office holders to become markedly wealthier within a short time if they so wish. Not surprisingly, numerous corruption and malfeasance allegations plague the political decision making and electoral systems.

This structural imbalance and dependency have been inherent characteristics of Thailand's political system since 1932. The poor are "the electoral base" whose votes decide which political parties win a majority in Parliament and form a government. The middle class are "the policy base" whose voices are nevertheless louder and capable of ousting governments. The bureaucracy, both civilian and military, continuously wrangles with political

parties and elected politicians for control of policy, so that over the past 78 years as a parliamentary democracy, Thailand has seen 27 prime ministers, 59 cabinets, 18 constitutions, 12 uprisings and 12 successful *coups d'etat.* The simmering tensions between the rich and the middle class, on the one hand, and the majority poor, on the other, became a political powder keg.

The political reform that culminated in the 1997 Constitution, despite its many merits, including putting people at the centre of politics, did not address fully this inherent structural imbalance particularly where the distribution of national resources are concerned. Instead, the ability of a political party to exploit the Constitution's strengths while manipulating its weaknesses in effect lit the fuse on the powder keg.

Conflict in motion

The electoral system under the 1997 Constitution forced Thai political parties to adapt and compete on a new basis – policy platforms. The Thai Rak Thai (TRT) Party, among other parties, chose to pursue a populist platform in their election campaign and became the first party in Thai history to win an absolute majority of seats in 2001. For the first time, the majority poor began to realize the power of their votes.

Through the concrete benefits they gained from such TRT policies as almost free health care, village funds, cheap loans and other projects, the poor became increasingly aware of the correlation between a political party's policies and what they would get in return from the party they vote for. It therefore came as no surprise that the TRT Party won by a landslide in the subsequent general election in 2005 and was able to form a single-party government, a first in the history of Thai politics. Still, the populist policies were criticized for allegedly keeping the poor dependent on, and even addicted to, government handouts and benefits. In other words, this policy preserves the vertical relation between the grantor and the receiver, thus enhancing patron- client relation of dependency.

The 1997 Constitution's objective of giving Thailand a stronger, more stable government had been fulfilled, though perhaps not quite in the way the drafters intended. Unfulfilled was the other equally important objective of putting in place an effective checks-and-balances system – independent scrutinizing bodies, civil society watchdogs – that would prevent the government from abusing its power and ensure good governance, transparency and accountability.

It was no secret that the Thaksin-led TRT government comprised many members who were wealthy – some extremely so – and intimately linked with big business. Not long after assuming power it began implementing policies and measures that benefited, directly and indirectly, these business interests – a practice that came to be called "policy-based corruption". Major projects were awarded to the politically connected. Many businessmen-turned-politicians in the government, along with their families and friends, became markedly richer. To evade scrutiny, they simply used nominees to hold their assets. Overall, the rich became richer, the poor were content with government handouts, while the middle class were largely excluded from the benefits of government policy.

Meanwhile, the public failed to fully appreciate their role in keeping the government they elected in check, nor to make use of tools available in doing so. The civil society sector was weak and could not serve as an effective counterbalance to government abuse of power.

The check-and-balance mechanisms under the Constitution were also ineffective, their credibility and independence under question, as the government managed to interfere in the selection and appointment of people to these bodies. Even the media were intimidated into silence, threatened with withdrawal of advertising by big businesses connected to the government.

What gave Mr. Thaksin's opponents real momentum was the tax-free sale of his family's 73 billion baht worth of shares in Shin Corporation in late January 2006. Anti-Thaksin street protests grew and teetered on the brink of violence. Then came the military coup of 19 September 2006, the promulgation of a new constitution in 2007 – which sought to redress loopholes in the previous constitution and put the restructuring of political institutions and stronger checks and balances before a strong and stable government – and then the general elections on 23 December 2007.

Throughout, political tensions persisted. The People Power Party, a remnant of the TRT Party dissolved due to election fraud, won the most votes in the 23 December 2007 election. The situation became, however, more tense, the divisions deeper. The "yellow shirt" versus "red shirt" phenomenon left its mark on the Thai political landscape as the two groups took turns staging protests against the government of the day, leading to violent clashes in October 2008 and April 2009. And even though things appear calm at the moment, it may be a matter of time before a crisis flares up again.

How to get out of this political quagmire

What Thailand needs now is not only a political reform process to resolve the political differences and find a democratic system acceptable to all sides, one that allows people to have their voices heard and hold those they elect accountable, and is resistant to manipulation for private gain. It needs more comprehensive reform that will correct the ingrained structural imbalances in Thai society that have prevented the majority of the people from having their fair share in national resources and wealth and effectively kept the patronage system alive. Then these people would no longer have to depend on politicians and their economic populism, which tends to involve reckless, fiscally unsustainable policies drawing on uncertain future money without thinking about long-term consequences. This must also includes efforts to enhance people's awareness that their right to vote should be coupled with the responsibility and ability to hold their elected representatives accountable.

In this connection, the reform process should cover an agenda broader than the on-going deliberations by parliamentarians. Resolving problems associated with politicians and the electoral system (e.g. how constituencies for elections of the House of Representatives should be divided, whether the senate should be elected or appointed, whether disqualified politicians should be exonerated, or whether a political party should be dissolved and its executives' election rights suspended if a member commits electoral fraud) is important. But to realize the desired goal of national reconciliation and harmony in Thai society, the agenda should be extended to restructuring the distribution of resources and economic benefits, and the process broadened to include the public.

As far as the agenda is concerned, the following are some ideas of what should be further considered and debated.

First, the Constitution and related laws should have provisions that give the poor access to resources and economic benefits without having to wait for government handouts. Every government should be required to provide people with access to basic services, such as education, health care and skills development, and empower them to participate in the sustainable use of their local natural resources – whether land, forest or water. Government should also be obligated to enhance people's ability to benefit from the market economy, through support on know-how, logistics and marketing. Government should also support stronger bargaining power for the poor through establishment of cooperatives, farmers' organizations and small and medium-sized enterprises.

The Constitution and related laws must undertake progressive tax reform to support a comprehensive welfare system for the general population, and depend less on borrowing. Possible taxes that should be considered are inheritance and land taxes. Meanwhile, wealth that remains concentrated among the few should be better distributed through strict enforcement of legal mechanisms that prevent monopoly of resources by big conglomerates.

Through the above, the Constitution and related laws will in effect institute a "welfare state" and reduce the use of populism by any government to win votes. This change, however, should be put into effect gradually in order to avoid resistance or conflict.

Second, the afore-mentioned structural transformation requires an adjustment in the system of state administration, particularly in the interaction among the central government, local authorities, communities, business and civil society. Among others, the responsibility in managing economic activities and local resources should be decentralized to local authorities or communities, which may even be allowed to provide certain basic social services, if they prove to be more efficient than the central government. At the same time, the relationship between big business and politics should also be reconsidered to prevent the use of money to gain political power and the use of this power for business gains. The system of making and monitoring contributions for political parties, for example, should be improved.

Third, under the bi-cameral system, the House of Representatives is key to the existence of the government, as their members are elected by the people. But to free parliamentarians from a possibly autocratic party leader, they should not be required to be members of political parties. Candidates should also have more direct contact with voters to reduce the role of canvassers.

Last but not least, it is important to promote actively the public's political participation at all levels – from the village, municipal, district, provincial to national levels, and instil "civic-mindedness" through civic education – with local communities playing a major role. Democracy is not only about "one man one vote" or majority rule; the general public should recognize the importance of key democratic values that make democracy sustainable, so that they can participate more actively in political life and hold their elected representatives accountable. In addition, social norms or laws should be established to ensure peaceful demonstrations.

Conclusion

There is no turning back from democracy for Thailand. But the on-going political reform process, as it is, is just part of a comprehensive reform the

country needs to make its democracy sustainable. Thailand needs to think beyond short-term interests. It needs to tackle the fundamentals of how its democratic system works and how it produces and spreads benefits to people in various sectors of the society. This will help the country overcome the haunting images of yellow-red protests and the concerns over the possibility of a recurrence of similar events – even though these were due to the extreme views of certain groups of people and did not represent the will of the majority.
