



Election in Thailand

Inherent Contradictions, Regional Divide and the Road Ahead

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Ending all puzzles, predictions, calculations and perhaps fears, the Thai people elected Pheu Thai party with a clear majority and removed a controversial government headed by Abhisit Vejjajiva, which came into power not through winning majority in the elections of 2008, but through Supreme Court intervention. But winning a landslide victory with 265 seats of the 500 house seats or 300 when including its five coalition partners including Chartthaipattana, Chart Pattana Puea Pandin, Palang Chon, Mahachon, and New Democrat Party was not enough for Pheu Thai party and its leader Yingluck Shinawatra to form the government, as she and incumbent Prime Minister Abhisit Vejjajiva were among 142 candidates in the 500-member lower house of parliament whom the commission failed to endorse pending investigation of complaints that they violated electoral law, throwing Thailand in a state of suspended animation for more than two weeks.

The uncertainties in crisis-wrecked Thailand's politics was somewhat removed on 19th July when its Election Commission certified the victory of, clearing a major hurdle to her becoming the country's first female prime minister. Yingluck, the sister of exiled fugitive former Prime Minister Thaksin Shinawatra, who was ousted by a 2006 military coup after being accused of corruption and disrespect for the monarchy. As per the Thai election laws, parliament, supposed to open within 30 days of the election, must convene and elect her as prime minister before she can take office, but the house cannot legally convene unless 95 percent of its members are certified by the electoral body. Abhisit also was among the 12 winners endorsed in the ruling announced by the Commission.

The governing Democrat Party, which lost the election and is allied with the elite in Bangkok and the military, has lodged a legal complaint calling for Puea Thai's dissolution for allegedly allowing

banned politicians to direct its campaign, including Thaksin by using the slogan "Thaksin Thinks, Pheu Thai Does" in its posters. The staunchly anti-Thaksin People's Alliance for Democracy (PAD) has filed a separate complaint, seeking to void the election on grounds that two million Thais were not able to vote. A PAD-linked group has also pressed state investigators to probe Yingluck for alleged perjury in testimony she gave during an assets concealment case involving Thaksin three years ago. Yingluck last week told Reuters she stood by her testimony. More than 100 executives of Thaksin's party in 2007 were barred from politics for five years on charges of violating the election law. Pheu Thai trumpeted its connections with Thaksin, the country's most popular politician, but the law is not clear on what is allowable, and party leaders claimed Thaksin had no say in their activities.

Thaksin lives in exile in Dubai to escape a two-year prison term on a graft conviction. His overthrow was followed by controversial court rulings that removed two pro-Thaksin premiers who came after him, even though a pro-Thaksin party won the first post-coup election in 2007. There are also apprehensions in some circles that Yingluck will only act as a proxy for Thaksin. Thai media recently reported on a meeting in Brunei between Thaksin and Banharn Silpa-archa, another banned politician who is the de facto leader of Chart Thai Pattana, a party in Yingluck's coalition. The two were widely assumed to have discussed cabinet portfolios, although this was denied.

I THE BITTER ELECTION CAMPAIGN & ITS AFTERMATH

Notwithstanding the acceptance of the poll verdict by the country's powerful armed forces and the outgoing government party with public statements, uncertainties are still not fully over, given the past history and the vituperative pre-election campaign by the ruling establishment against the opposition Pheu Thai party. Even

before the elections were to be held, the likelihood of new political unrest had led to nervousness in financial circles in Thailand and internationally. Since campaigning formally began last month, the Thai stock exchange had fallen by 5 percent.

According to estimates cited in Britain's *Financial Times*, more than \$1 billion was withdrawn by foreign investors from Thai shares. An article on the Bloomberg website on June 22 warned that Thailand's "economic resilience" might "be tested next month as polls indicate a win for the party removed from power twice in the past five years." It noted that the 2010-2011 Global Competitiveness Report based on a survey of 13,000 executives said government and policy instability were the biggest concerns for undertaking business in Thailand.

After the elections results were known, however, the stock market raced to a seven-week high on July 5, but only for a short while, Stocks have lost a percent since then on a combination of weakness on Wall Street and uncertainty surrounding Yingluck. When it forms the next government, it could still face concerted opposition from the traditional establishment centered on the army, state bureaucracy and the monarchy.

In 2006, the military ousted Thaksin amid sharp differences over his pro-market measures and methods of rule, which undermined the country's established patronage system. Political turmoil erupted again in 2008 after the pro-Thaksin party won national elections and formed government. Anti-Thaksin protests led by the People's Alliance for Democracy (PAD) and backed by the monarchy and the army created the conditions for the removal of two prime ministers by the judiciary and the installation of Abhisit Vejjajiva and his Democrat Party in power.

Last year Abhisit ordered a bloody crackdown by the army on pro-Thaksin protesters led by the United Front for Democracy against Dictatorship (UDD) who were demanding Abhisit's resignation and early elections. At least 91 demonstrators, many of whom were rural poor from the northern areas of the country, were shot dead and many more injured. While Abhisit eventually called the

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elections earlier than expected, none of the underlying political and social tensions has been resolved.

The campaign before the elections sharpened tensions between the government and opposition. Puea Thai's support among the country's rural and urban poor came from limited concessions made by Thaksin while he was in office as part of his economic stimulus measures. This time the Puea Thai promised 300 Baht/day minimum wages, raising monthly support for retirees to 600 Baht, intervention for higher rice prices, credit cards to farmers as pre-crop financing, corporate income tax cut from 30% to 23% in the second year, tax cut for first time home and first time car buyers, ant-flooding dam for Bangkok, high speed trains, and special administrative states for three Southern Muslim provinces.

Abhisit's attempts to outbid Puea Thai's populist pledges by promising wage rises and support for small farmers had largely failed. As a result, the government turned to denouncing the UDD leaders standing as Puea Thai candidates, saying a vote for them meant "you select the terrorists to be members of parliament." Democrat's attempt to equate opposition with "violence" and "terrorism" not only sharply polarized voters, but almost laid the groundwork for anti-Thaksin protests or the prospect for an army intervention if Puea Thai won the poll.

The military leadership had denied any plans for a coup, but its bias was obvious. In a nationally-televised address on June 14, the national army chief, General Prayuth Chan-ocha, made a transparent appeal for voters to reject Thaksin and Puea Thai and vote for "good people." The anti-Thaksin PAD, which played a prominent role in protests against Thaksin in 2006 and 2008, has refused to back the Democrats in the pre-election campaign, having criticized Abhisit for taking a weak stand over border clashes with Cambodia earlier this year. PAD has begun legal action, however, involving the Election Commission to have Puea Thai outlawed because of its connection to Thaksin, who is reported to have called his sister, Yingluck as his 'clone'.

Yingluck is also under pressure to justify her promise of a series of populist policies critics say could accelerate inflation and increase debt. She would probably take a cautious approach to avoid any fallout that would provide ammunition to her opponents. While the forces pitted her would not take any hasty steps to undo her government as that would discredit them in the eyes of the political public for sabotaging democracy and also upset the capitalist class that are behind Yingluck, they are likely to wait for her to make mistakes so that they could use that to undermine her position and dislodge her.

II THAI POLITICS: UNDERSTANDING THE INHERENT CONTRADICTIONS

Whatever future holds for Yingluck, peace and stability seems unlikely in Thailand until the real social, political and economic causes of unrest and inherent contradictions are addressed. Thailand's endless cycles of political tumult can be understood fully if one takes a deeper look in the historical context by the tensions between Bangkok and the provinces, which had always weakened years of hard work in nation-building and establishing a universal sense of Thai-ness, as the regional divide appears greater than other divisions.

The lines of divisions are complex and compounded by political opportunism of the elites in Thailand. Nevertheless, there is a clear urban-versus-rural split that acts as the primary force driving confrontations between the various factions. Throughout the 20th century, the military - generally with moral support from the monarch - was the only force capable of attempting to maintain a balance of power and the main political arbiter. But then the military itself was often plagued by divisions within its leadership, and the divisions between the national police and military as a symptom of the country's underlying power struggle further complicated the political processes, and therefore the incidence of 19 coups, the largest in the history of any country in Asia.

Such a political reality has always influenced Thailand's experiment with democracy in a context of military primacy in politics. To make things even worse, a societal polarization also has now become the critical aspect of the ongoing crisis in Thailand. The divide is defined by the alienation between the civil-military elite, on one side, and the disaffected poor masses, on the other. On the surface, the conflict is between Thaksin, the Red Shirts on one side versus the PAD, but deep down it is a structural conflict between those who have and those who have not. This conflict is inherent in the Thai economic structure and has been covered until Thaksin became Prime Minister, but he changed the situation with his populist policies. This enabled the poor to access resources, for example cheap health care, for the first time in Thai history.

A vote is no longer a vote. It's about inequalities of economics and justice. The current global financial and economic crisis is hitting Thailand hard.

Role of Monarchy

The saving grace in this kind of political and societal divisions was the status and charisma of the King, who was believed not only to hold divine mandate but also above all political bickering.

The stakes in Thailand's political and economic stability are high even for the international community. With a Free Trade Agreement and growing economic relations with that country, India herself has major stake in the political stability and success in democratic experiments Thailand.

There have been many instances in the past when King Bhumibol had used his influence to reduce political divisions within manageable proportion and retain peace and stability in the country in the face of many challenges.

The 84-year-old monarch has played a political role, implicitly signing off on military coups at times, most notably in 1976, and intervening to ensure the return of civilian governments, as in 1992. King Bhumibol rarely gives interviews and often chooses to talk indirectly. His annual birthday speeches are carefully examined in Bangkok. In 2002, he published a biography of his favorite pet dog, a stray mongrel rescued from the streets of Bangkok that was widely interpreted as a warning that Thailand shouldn't abandon its traditional values in a quickly modernizing world. That was interpreted by many political analysts as an indictment on Thaksin's aggressive style of governance and his attempt at quicker integration of Thailand to globalization and modernization.

It is considered inappropriate for Thais to speak publicly about the king's possible role in politics, and publicly Thaksin denied suggestions that the king was involved in any of the political dramas that cost his job. "One should not bring him into politics," Thaksin said at times, but in June 2006, he said a "charismatic person" was out to remove him from his job as prime minister, went on to say that a mysterious figure whom he refused to name was "wielding extra constitutional force" to push him from office. Most Thais assumed that to mean the king or his chief lieutenant, Gen. Prem Tinsulanonda.

However, the failing health of the King, a constitutional monarch, and his inability to monitor developments in the country personally together with the uncertainty of a successor has now not only removed that restraining factor from the political scene, but his role itself has become a bone of contention between various factions within Thai elites. In his personal absence from the public, his close advisers in the Privy Council, more particularly by Gen Prem Tinsulanand is believed to wield considerable power and behind many maneuverings, which are resented by those who want democracy to flourish in the country without any interference from any extra-constitutional forces.

III

THAILAND: THE GEO POLITICS & REGIONAL DIVIDE

Social and political unrest is woven through Thailand's political culture, according to Stratfor. The cyclical instability arises from geopolitical factors that historically have determined Thailand's behaviour and will continue to do so. The Kingdom of Siam, as Thailand was called, took shape around the 12th to 13th centuries, near the fertile mouth of the Chao Phraya River, which empties into the Gulf of Thailand. The Siamese were well positioned to grow rice and sell it to merchants for export to hungry foreign markets. They quickly expanded their territory outward to give themselves strategic depth. Moving northward, they gained dominance over the fertile river valleys of the Chao Phraya and its tributaries, all the way up to the mountainous north -- where they contended with a rival ethnic Thai centre of power, based in Chiang Mai.

To the northeast, they forced the collapse of the Khmer empire and seized the Khorat Plateau, which had (and still has) a large population for much-needed labour. Along the mountainous western border, and south into the Malay Peninsula, the Siamese fought off the Burmese and the Malay. Thailand has always been anxious to secure its defensible positions in the north, northeast and south; its survival depends on it. However, these regions have never been easy for Bangkok to control.

On the eastern Khorat Plateau, Bangkok's hold was always challenged by Cambodian and Vietnamese influence. In the south, the predominantly Muslim inhabitants periodically have resisted Bangkok's authority; a Muslim insurgency rages in the south today. But the most difficult region for Bangkok to rein in was the north, with its capital Chiang Mai. Chiang Mai and Siam were ancient enemies, and Siam did not win full administrative control over the city until the late 1800s. The northern hills not only provided business opportunities, but also cover for those rebelling against the central power, including a communist insurgency and a separatist movement by ethnic minorities. Significantly, the mountains also enabled a massive and lucrative opium trade that generated organized criminal networks and corruption, which pervaded provincial governments, the business elite and even the national military.

This is the background from which the political atrophy and unrest emerge. The Democratic Party is firmly rooted in Bangkok. The military, monarchy, civil bureaucracy and urban middle class were for

the most part aligned with the government of Abhisit. They claim to be devoted to traditional Thai values of nation, religion and monarchy and to revere King Bhumibol Adulyadej. Hence the royalist, yellow-wearing protest movement toppled the government in 2008, and the military's unwillingness to act on that government's orders to put the then movement down. The movement led by Thaksin supporters and opposition to the Abhisit government was rooted in the north and northeast. The majority of the population and a wealthy network of provincial big business and agriculture based in these regions support the pro-rural policies of Thaksin, who is a native son of Chiang Mai. Thaksin's side is associated with entrepreneurs and international capitalist commerce, which is anathema to the military and monarchy. Thaksin is also said to have much influence among the national police force, since he served as a policeman.

III

CONCLUSIONS

Whatever might be the root cause of the problem in Thai politics, the outcome of the recent drama in the power struggle and government formation in the country is of vital importance to investors and Western governments. Although Thailand no longer is among the world's fastest-growing economies – as it was in the 1980s – it has emerged as an important staging ground for Western companies that do not want to place all their bets on China. This includes the world's largest auto makers, including Ford Motor Co., General Motors Corp. and Japan's Toyota Motor Corp., all of which have made the country a vital production platform.

Thailand is also viewed as a critical hub in the US led war on terror. The stakes in Thailand's political and economic stability are, therefore, quite high not just to the Thais, but even for the international community. With a Free Trade Agreement and growing economic relations with that country, India herself has major stake in the political stability and success in democratic experiments Thailand.

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Views expressed are author's own.