Unions call off Thai power workers' campaign

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A protracted campaign of work stoppages and demonstrations by workers in the Electricity Generating Authority of Thailand (EGAT) ended abruptly last week when union leaders agreed to a three-month stay on further industrial action and to join government and EGAT representatives on a "tripartite review panel".

For over a month EGAT workers have staged demonstrations against government plans to privatise large sections of the state-owned power industry and sell 46 percent of the giant Ratchaburi power plant, in line with the demands by the International Monetary Fund for further restructuring.

Disturbed by growing militancy among power workers, and under increasing pressure from the IMF, Prime Minister Chuan Leekpai last week undertook a series of steps to end the protests.

First, he threatened to remove EGAT's governor Veeravat Chalayon from his position unless he intervened to halt the action by the power workers. Then, in an unprecedented move, he personally addressed striking workers, attempting to convince them to cease their protests and accept that privatisation was, "in the interests of the majority of Thailand's people". Finally, he made an impassioned appeal to the nationalist sentiments of the union leadership, urging them to "help get the country out of its present economic crisis".

The agreement by the unions to call off industrial action and collaborate on the review committee has temporarily headed off a crisis for the government and given it a breathing space. Over the past months the government has had difficulty explaining why Thailand, the first country to adopt an IMF program after the onset of the Asian crisis two years ago, is no further along the road to recovery. (The IMF approved a stand-by line of credit totalling US$17.2 billion to boost the country's official reserves).

Recent reports show that even while interest rates in Thailand are the lowest in 30 years, the corporate sector has ground to a halt as banks refuse to advance loans. (Non-performing loans are estimated to stand at 50 percent of total lending of 2.4 trillion baht.) Production utilization in January was only 51 percent while imports and exports are the lowest seen in years.

Under these conditions, sections of the Thai ruling elite are becoming increasingly nervous that the continuing demands of the IMF may well unleash a social explosion. This growing unease was reflected in a verbal battering handed out to the IMF's second-in-charge Stanley Fischer when he addressed a meeting with Thai economists, academics and government bureaucrats earlier this month.

Accusing Fischer and the IMF of giving a false impression of the state of Thailand's economy, Dr Pasuf Pongaichit of Chulalonkorn University said, "these policies have severely affected the average Thai person. Can the IMF be accountable to the Thai people for the pain and suffering caused by this apparent policy error?"

While the unions claim that their move onto the EGAT tripartite panel is to allow them to discuss "a range of options," the truth is that they were as anxious as the government to bring the protests to an end.

The union leadership feared that the power workers' campaign was becoming a focal point for a movement of state public sector workers, and other sections of the working class, which would endanger the government and the national economy.

Over the last two weeks the power workers' demonstrations in Bangkok and outside EGAT's head offices had been joined by hundreds of mechanics and engineers from Thai Airways, by government miners and by other public sector workers faced with privatisation and job losses. (Unions had earlier warned that the government's privatisation plans would result in the destruction of over 50 percent of all public sector jobs.) Small farmers, fearing huge increases in power charges if the power industry is privatised, also joined the protests.

From the outset the union leadership has used the movement of workers to press the government to work through the unions to implement its program. In the first days of dispute the unions publicly proclaimed that they were not seeking "to oust the government".

After the government refused to enter into direct talks with the unions in May, the State Enterprise Relations Confederation (SERC)—the union coordinating body organising the campaign—issued a statement that "one way to force changes to the plan is to force a change of government."

However, last week's outcome demonstrates that the unions' real intention was to head off a political fight against the government.