

Snap election heightens political crisis in Thailand

John Roberts
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A decision by Thai Prime Minister Thaksin Shinawatra to dissolve the national parliament and call a snap election for April 2 has only intensified the political difficulties confronting his government. The main parliamentary opposition parties have announced a boycott of the poll, calling into question the legitimacy of any result.

Thaksin's sudden announcement on February 24—a desperate attempt to restore his political authority—came amid growing demands for his resignation sparked by the controversial \$US1.85 billion sale of his family's Shin Corp last month. Mass anti-Thaksin rallies organised by publishing tycoon Sondhi Limthongkul in Bangkok in recent weeks now appear set to continue.

Last Sunday, two days after Thaksin announced the election; an estimated 100,000 people joined a protest in the centre of the capital calling on the prime minister to resign. Sondhi was joined on the platform by former Bangkok governor Chamlong Srimuang, one of the key backers behind Thaksin's initial push for office in 2001. Chamlong warned of continuing protests if Thaksin failed to step down. Several ministers have resigned from the government and quit Thaksin's Thai Rak Thai party.

The defection of political powerbrokers such as Chamlong and Sondhi from the Thaksin camp is a clear sign that the prime minister's support in the country's ruling elite is waning. He initially came to power on a wave of popular hostility to the impact of IMF reforms carried out by the Democratic Party government. As well as making populist promises in order to win votes, Thaksin pledged to protect Thai businesses from the fallout from the 1997-98 Asian financial crisis. Sondhi, for instance, who lost his business empire in the crisis, owes the revival of his fortune to Thaksin's assistance.

Like other South East Asian countries, the Thai

economy has previously been buoyed by exports of components and raw materials to the China. But the growth rate is now slowing—from 6.5 percent in 2004 to 4.5 percent in 2005. Thaksin has been under considerable international pressure to open up Thailand to foreign investment. Washington in particular has insisted that a Thai-US free trade agreement be finalised shortly.

Behind the denunciations of Thaksin's corruption, Sondhi and others are opposed to a further loosening of protectionist measures and market reform. Significantly the anti-Thaksin protests have focussed as much on the fact that Shin Corp was sold to a foreign corporation—the Singapore government's investment arm, Temasek—as the corrupt character of the sale and Thaksin's avoidance of capital gains tax.

Among the demonstrators are electricity workers who are opposed to the privatisation of the Electricity Generating Authority of Thailand (EGAT) and teachers protesting against government plans to transfer the control of state schools to local authorities. Small businessmen have joined the rallies, fearful of the economic impact of a US-Thai trade pact.

Until last week, Thaksin dismissed the protests with contempt, declaring he had no intention of resigning. After all, just a year ago, his Thai Rak Thai party won a landslide victory in the national elections and currently controls 376 of the 500 parliamentary seats.

But his crisis was evident in his faltering response to the opposition's boycott call. Rather than dismiss the boycott out of hand, he called for a dialogue, offered to discuss political reform and indicated his willingness to delay the election. Sensing Thaksin's political weakness, the parliamentary opposition—the Democratic Party, Chart Thai and Mahachon—rejected any discussion.

Democratic Party leader Abhitsit Vejjajiva told the *Taipei Times*: “I don’t know what we would talk about ... There is no way out of the crisis unless the prime minister accepts that the key part of the problem is his own legitimacy.” Former Democratic Party prime minister Chuan Leekpai, after first opposing the election boycott, has thrown his support behind it.

At a rally of 20,000 on Tuesday, Sondhi threw down the gauntlet to Thaksin, declaring that next Sunday would be “the day of reckoning”. “We give Thaksin until March 5 to resign or face the biggest show of opposition ever, and when that time comes, you and your family will have no place to live on Thai soil.” State school union leaders threatened to strike unless Thaksin stood down and warned that their members would refuse to serve at polling booths on April 2, despite a legal requirement to do so.

When formally filing his own candidacy on Thursday, Thaksin came close to begging the opposition to participate. “All the election laws in effect today were written by the Democrats. I plead with them to run in the election,” he said.

Thaksin could win the election if his large vote in the rural north and east held up as it did in 2001 and 2005. But such an outcome would not end the political crisis. As political analyst Sunai Phusuk told the *Financial Times*: “If the Thai Rak Thai goes solo with this election, you will have an elected government that totally lacks legitimacy from the urban, educated population. Then the government will really be under siege.”

It is by no means certain that Thaksin will last until the election. In a further sign that the tables are turning against him, the *Nation* published a front-page editorial this week calling for Thaksin to go. “With the nation on the brink of violent confrontation, this is the time to think, with a clear conscience and true patriotism, about what you should do next. It’s over, Mr Prime Minister,” the newspaper declared.

Thaksin’s backing among the military top brass is also slipping. Amid rumours of a coup, the prime minister summoned a meeting of top military officers on Tuesday. Speaking to reporters, supreme military commander Rueangrot Mahasarakon scotched talk of a coup, saying: “The military will not interfere in the political conflict. The political problem should be resolved by the politicians.”

Asked if the generals had asked Thaksin to resign, Rueangrot replied evasively: “We had lunch and I have not heard of the army chief saying that sort of thing.” Not all military figures have been so equivocal. Deputy commander of the Internal Security Operations Command, Panlop Pinmanee, is reported on the *Asia Times* web site as telling local reporters that a military coup was possible if political instability continued.

Pinmanee clearly speaks for layers of the ruling elite who are worried about the economic and political consequences of a protracted confrontation between Thaksin and his opponents. The longer the standoff continues, the greater the impact on share prices, the currency and investment, and the more likely that broad layers of the population will begin to voice their grievances. In such circumstances, the military or the king or both could intervene, as they have done in the past, to prevent the crisis from spiralling out of control.



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