Thai prime minister steps down in bid to defuse political crisis

John Roberts, Peter Symonds 5 April 2006

Only two days after scoring a hollow victory in national elections, Thai Prime Minister Thaksin Shinawatra announced last night that he was stepping down from his post. His decision follows months of protests demanding his resignation and a boycott of the poll by opposition parties.

Thaksin called the snap election in a bid to end the political standoff, just a year after winning a previous landslide victory. Far from resolving the conflict, however, the election on Sunday threatened to plunge the country into a protracted crisis.

As of late yesterday, the National Election Commission (NEC) had yet to release the final results. However, with no major opposition parties fielding candidates, Thaksin's Thai Rak Thai (TRT) had almost certainly won all the seats decided. TRT was the only party contesting 278 of the 400 individual constituency seats in the national parliament.

Thaksin formally claimed victory on Monday saying that TRT had received 16 million votes or 57 percent of the votes cast. He had previously declared that he would step aside if his party won less than 50 percent even if TRT secured a majority of parliamentary seats. Despite compulsory voting, the turnout was only 62 percent, down from 72 percent last year, and the TRT vote was down by 3 million.

What was looming was a constitutional crisis. At least 38 seats were unfilled after TRT candidates failed to gain the legally required minimum vote of 20 percent. According to Thai legal opinion, the 1997 constitution requires all 500 parliamentary seats (including 100 from party lists) to be filled before parliament can be summoned and a new government installed. Without an end to the opposition boycott, any by-election would probably have produced the same result.

Under Thai electoral rules, voters have the option of formally recording an abstention. Unofficial figures

indicated that the "no vote" was substantial—an unprecedented 10 million or 36 percent of the vote, as compared to just 1 percent at last year's poll. In Bangkok, the "no vote" was 50.1 percent, greater than the TRT's 45.9 percent. There were also a record number of spoiled ballots—about 1 million.

The weakness of Thaksin's political position was underscored by his offer to establish a committee of elder statesmen—former prime ministers, chief justices and parliamentary speakers—to adjudicate on the standoff. He pledged to resign if the committee recommended it. He had previously offered to bring the opposition parties—the Democrats, Chat Thai and Mahachon—into his government; an offer that was rejected.

Opposition leaders rejected Thaksin's proposal for a special committee and signalled an ongoing campaign to oust the prime minister. Chat Thai leader Baharn Silpaarcha declared: "People will not accept this election and the political situation will get worse." On Tuesday, however, Democrats leader Abhisit Vejjajiva and protest leaders Chamlong Srimuang and Suriyasai Kotisila hinted that the opposition might accept Thaksin's conditions if he resigned.

While claiming victory, Thaksin also sounded desperate. "I will do anything," he declared. "I have retreated so many times my back is against the wall... If everyone goes back to work and they tell me the Democrats will prepare for the next election in 15 months, Chat Thai and Mahachon promise to go to the polls and Chamlong says he will go back to his temple and Sondhi says he will go back to work... If that is the case I am not opposed (to resigning)."

Concerns were expressed in ruling circles in Bangkok and internationally of a drawn-out political crisis. Merrill Lynch analyst Simon Flint told the media: "I've not heard anyone convincingly say that this [the poll] is going to resolve the situation... this election is fundamentally

illegitimate." Stanford University academic Donald Emerson told the *New York Times*: "We could be in for a prolonged mess."

On election day, Thai police chief Kowit Watana had warned that all protests must end after the poll. "Police have been lenient for a very long time," he ominously warned. However, protest leaders responded by calling a mass rally for April 7. Chamlong defiantly told the media "There are hundreds of thousands of us and I wonder if they will have enough space in prison for all of us."

There were also signs of sharp divisions within the Thai state apparatus. A series of bombing attempts directed against opposition figures appears to have been linked to Thaksin supporters. The home of Privy Council President Prem Tinsulanonda, mooted as possible replacement for Thaksin, was targeted on March 9. Another bomb was found outside the Democratic Party headquarters on March 27.

Rather than allow the situation to spiral out of control, Thaksin finally announced last night that he would not seek the post of prime minister when parliament reconvened in 30 days time. The final push appears to have come from King Bhumibol Adulyadej, who has in the past intervened to defuse dangerous crises—most recently in 1992 when he forced the military leader General Suchinda Kraprayoon to step down in the face of huge protests.

Thaksin met the monarch yesterday for what was initially described as a routine discussion and then went on national television to announce his intention to stand down. "My reason for not accepting the post of prime minister," he declared, "is because this year is an auspicious year for the king, whose 60th anniversary on the throne is just 60 days away. I want all Thais to reunite. I beg all Thais to sacrifice for the king."

Thai business immediately welcomed Thaksin's decision. Share prices rallied by nearly 1 percent and analysts predicted further rises if political uncertainty ends. President of the Thai Investors' Association, Wichai Poolworaluk commented: "The clarity about the future will definitely be positive for the Thai market. Everyone got what they wanted, and now confidence and the economy can move forward."

Despite the rosy predictions, there is no guarantee that the crisis is resolved, even in the short term. Thaksin will remain caretaker prime minister until parliament meets and his TRT will continue to control the overwhelming majority of seats. Thaksin's opponents will no doubt be concerned that the billionaire will continue to pull the strings from the sidelines.

Opposition parties welcomed the decision and praised Thaksin's spirit of self-sacrifice, but leaders of the protest coalition—the People's Alliance for Democracy (PAD)—expressed some reservations. After a PAD meeting, Sondhi declared the alliance was only 25 percent satisfied and proposed to proceed with the planned protest on Friday.

Behind the political conflict are sharp disagreements in the Thai ruling elite over economic policy. Thaksin first won office in 2001, in the aftermath of the 1997 Asian financial crisis, by opposing the IMF market reform agenda being imposed by the Democratic Party-led government. Thaksin offered populist promises, particularly to the rural poor, and offers of government assistance to businesses and banks hit by the crisis.

After coming to office, however, Thaksin came under sharp international pressure to continue the program of privatisation and economic restructuring. Significantly, two of the protest leaders—Chamlong Srimuang and business magnate Sondhi Limthongkul—were among Thaksin's main backers in 2001. The protests escalated dramatically—to more than 100,000—amid accusations of corruption over the sale in February of his family share in the telecommunications giant Shin Corp for \$US1.9 billion.

The fear in the Thai ruling elite was that the longer the crisis continued, the more the protests would give voice to popular resentment and demands of improved living conditions. Already electricity workers and teachers, as well as opponents of Thaksin's abuse of democratic rights and his brutal military campaign against Muslim separatists, had joined the demonstrations.

None of these underlying issues have been resolved. Whoever takes over from Thaksin will face exactly the same dilemmas over economic policy. More fundamentally, none of the grievances and demands of ordinary working people for democratic rights and decent living standards have been addressed. In fact, the next government will immediately come under pressure to make further inroads into the social position of the working class.



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