

New Thai government installed, but army hovers in the political background

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The newly elected Thai government of Prime Minister Samak Sundaravej was sworn into office yesterday by King Bhumibol Adulyadej. While the ceremony formally marked the end of 16 months of military rule, the generals continue to wield considerable political influence, directly and indirectly.

The outcome of the election on December 23, however, was not what the military wanted. Samak and his People Power Party (PPP) are closely associated with former Prime Minister Thaksin Shinawatra who was ousted by the army, with the backing of the king, in September 2006 and is still in exile in Britain. Last May, Thaksin's Thai Rak Thai (TRT) party was formally dissolved and 110 senior members, along with the ex-prime minister, were banned from political activity for five years.

The junta changed the constitution and election laws to favour smaller parties, hoping for a weak coalition government that could be more easily manipulated. The PPP, however, won 233 out of the 480 parliamentary seats and was joined by five minor parties, once it became clear that Samak would form the next government. He was confirmed as the new prime minister in parliament by a vote of 310 votes against 163 for his rival, Democratic Party head Abhisit Vejjajiva.

The new 36-member cabinet contains a number of close Thaksin supporters in key positions. Foreign Minister Noppadon Pattama is also Thaksin's legal adviser, and defended him and his family against corruption charges. The finance minister is Surapong Suebwonglee, a doctor by training, who co-founded the TRT with Thaksin and was the party's chief spokesman. Thaksin's brother-in-law is the new education minister.

Prime Minister Samak has taken the sensitive post of

defence minister, rejecting calls by the military to install a general. He said he was assuming the position to allay the army's fears to ensure "there is no reason to stage a coup".

In the final days of its rule, the military pushed through a national security law that provides a number of pretexts for its direct intervention into politics in times of a vaguely defined national emergency. Outgoing Defence Minister Boonrawd Somtas warned on Monday against political interference in military affairs. "Now that the [security] law has taken effect, if the government interferes, it is illegal and punishable, even by sacking or jailing him [Samak]," he said.

The comments are a blunt warning that the new government is on notice. "There is no way tension can get any higher; it's already up there," a senior PPP official told the *Asia Sentinel* website. "The gun is already pointed at our head."

As well as the threat of another coup, the potential exists for legal moves against the government. Following the poll, the Democratic Party sought to have the PPP illegalised on the basis that it was simply the reincarnation of the TRT, a party that is already banned. The Supreme Court dismissed the case on the technical ground that it had no jurisdiction, raising the possibility that the issue could reemerge at a later date.

The military and its allies can also use the senate to rein in the new government. Under the new constitution, nearly half the upper house has been appointed by a committee comprising judges and senior state officials. The remaining 76 senators are due to be elected in March. The senate will have the power to block the government's legislation.

The new government is based on the same right-wing populism that brought Thaksin to power in 2001. The TRT was able to capitalise on widespread resentment

toward the previous Democratic Party administration over the social impact of the IMF-dictated economic restructuring following the 1997-98 Asian economic crisis. Sections of business hard hit by the opening up of the Thai economy also backed Thaksin, who appealed to the rural and urban poor by promising a series of limited financial handouts.

Like Thaksin, Samak has close ties to the security forces. He is notorious for his role as interior minister in the 1976 military regime that took over following a massacre of students that year at Thammasat University. He was also deputy prime minister in a military-backed government in 1992 when the army shot dead dozens of protestors. As commentators have pointed out, Samak has his own ambitions and connections, including to the royal family, and is unlikely to simply function as a proxy for the exiled Thaksin.

Samak's record makes clear that his government will be just as ruthless as the junta and Thaksin in suppressing political opposition and dissent. The new interior minister is Chalerm Yoobumrung, a former police officer who used his connections with the security forces to build a lucrative gambling business. Although never convicted, he is widely believed to have used his political influence to stay out of legal trouble. He came into conflict with the military as part of a government ousted in a coup in 1991.

Thaksin and the TRT fell out with some of its former business backers and the military over economic policy. Under pressure from international finance capital, Thaksin began his own program of privatisation and economic restructuring and initiated negotiations for a free trade deal with the US. The army top brass were also critical of Thaksin over his escalation of military action against Muslim separatists in the south of the country.

Relatively small protests from late 2005, erupted into major demonstrations over allegations of corruption following the sale of Thaksin family's stake in the Shin Corp telecommunications conglomerate for \$US1.9 billion in February 2006. The protests began to draw in significant segments of the Bangkok middle class angry over Thaksin's corruption and autocratic methods, as well as sections of workers hit by privatisation and restructuring.

The army ousted Thaksin in September 2006 after a

protracted constitutional crisis provoked by the Democratic Party's boycott of snap elections called to deal with the political impasse. The coup reflected fears in sections of the political establishment, particularly those connected with the king, that the situation was spiralling out of control.

None of the issues that led to the coup have been resolved. In fact, the junta's attempts to reimpose some form of national economic regulation created a series of sharp crises. In December 2006, it imposed capital controls requiring foreign investors to deposit 30 percent of their investments with the central bank. Share prices plummeted, wiping out \$US22 billion in value in 24 hours and forcing the regime to exempt equity investments from the measure.

The junta's attempts to copy Thaksin's populism with handouts in rural areas did not generate any significant support. Its efforts to resolve the crisis in the Muslim south failed completely and the stepped-up insurgency served to further undermine the junta's credibility. Sensing the lack of backing, the military made no attempt to form its own political vehicle for last December's election, effectively backing the Democratic Party. While clearly unhappy about the installation of the Samak government, the military has, grudgingly, had to accept the outcome.

The situation remains highly unstable. The government is resting on a diverse coalition of parties. Even the PPP is factionally divided as close Thaksin supporters compete with various groupings that have climbed on the party's bandwagon. Thaksin's intended return to Thailand by May has the potential to provoke street protests and legal moves over his alleged corruption as well as rifts in the government. How long the military is content to sit on the sideline remains to be seen.



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